

Khyber Pakhtunkhwa Highlights of the Budget Speech 2019-20



18 June 2019



Section 1. Opening

A historic moment

Bismillah ir Rahman ir Raheem

- This is a historic moment. For the first time, this house will witness one budget for a new and larger Pakhtunkhwa. I am honoured and humbled to be the person presenting this historic budget.
- This then is an opportune moment to again welcome the people of the merged tribal districts to this province, as we will shortly welcome their representatives. This merger is the biggest challenge the province faces. It is the biggest challenge this country faces. As you will see, the 2019-20 budget accurately reflects Khyber Pakhtunkhwa's commitment to the people of these districts, as it does to all of its residents.
- So, with pride and humility I stand before all of you representing the full potential of this larger province which now shares a border with Afghanistan, and includes 5 million more of my countrymen from the districts of North and South Waziristan, Kurram, Orakzai, Khyber, Mohmand and Bajaur. If we truly live our shared values of courage, bravery, boldness, truthfulness, honour and hard work – even the sky need not be the limit.
- I would like to make a personal plea to all the members of this house. Let us, wherever possible, go beyond political and party affiliations; let us not just think of our constituency and our districts; the more this entire land of Pakhtunkhwa prospers, the more every district, constituency, town and village will prosper; so let us work for the collective good of all the people of this province, for it is *all these people*, no matter which district, constituency, tribe, town, village or party they belong to - who make this province a great part of the federation of Pakistan.

The headlines

- Speeches, even budget speeches, are not what change countries. Action does. So I want to get straight to the point.
- **Rs. 900 Billion.** The first budget of this new and larger province.
- **Rs. 693 billion to be spent in the settled districts.**
- **Rs. 162 billion Rupees to be spent in the merged districts.**
- Rs. 45 billion as a surplus at the request of the federal government,
- **Rs. 319 Billion.** A record development outlay,
 - only 8.9% lower than Punjab's Rs. 350 billion, and
 - Rs. 34 billion greater than Sindh's Rs. 285 billion.
 - **Rs. 236 Billion for the settled districts.**
 - **Rs. 83 Billion for the merged districts.** Both records.
- These are the headline numbers, and they will ensure that the entire province has the financial capacity to develop.

Section 2. What makes this budget different

The five things that define this budget

Before I get to the details, **I'd like to talk about five things that define this budget.** These are consistent with the direction that I set out in my last budget speech, on the financial direction that this province would take. **We have done a lot of work to get to this stage,** and we will be building further on the results we have achieved.

1. **We have managed to successfully control government expenditure,** which has been a necessity at the best of times, but is an absolute necessity in the current economic conditions.
2. We have started the journey of **raising revenue, and standing up on our own feet.**
3. We have turned around the challenge that we had in **our development budget, and increased its size significantly, and reduced throw forward.**
4. We have actually made choices. In that development budget, **we have invested in the areas where we believe this province has a competitive advantage.**
5. We have kept our commitment to bring a **historic package for the merged tribal districts.**

Let me talk about each one of these.

1. Reducing Expenditure (Salaries)

- Let us start with the first point. Bringing change by reducing government expenditure.
- In this country change has been but a word. As a famous author, said; “Everyone thinks of changing the world. But no one thinks of changing himself.”
- We will start with ourselves.
- The federal government announced that the federal cabinet will reduce their salaries by 10%; Chief Minister Mahmood Khan, and **the Khyber Pakhtunkhwa cabinet will reduce their salary by 12%**. As you can see, when it comes to sacrifice for Pakistan, this province and its leadership will be one step ahead.
- Senior **civil and public servants of Grade 22, Grade 21, and Grade 20 serving in the provincial government will forego any increase in salary**, as will other civil servants serving in positions with substantial allowances.
- We will however provide a **5% increase to all other civil and public servants in Grades 17, 18 and 19 as ad-hoc relief allowance**, and a **10% increase to all civil and public servants Grade 16 and below, also as ad-hoc relief allowance**.
- This is necessary because while we could all do with more money, and Insha’Allah a time when salaries will rise and people will have choices of where to work, the first right on money in difficult times is of the poor person in the thousands of villages of this province, who isn’t fortunate enough to have a government job for life.
 - **who needs clean drinking water,**
 - **The person who needs a road,**
 - **who needs an extra teacher in a school for his child,**
 - **or medicine in the local BHU,**
 - **who needs a transformer fixed so he can run a fan.** We cannot ignore the plight of those people.

1. Reducing Expenditure (Current Expenditure).

- We have done a massive amount of work to reduce the overall cost of government. This required us to conduct a detailed expenditure review of every department of the government to assess where costs could be cut without impinging on service delivery for the citizens of Khyber Pakhtunkhwa.
- I would like to talk about these savings, specific to the settled districts.
- Not only were we able to complete such an extensive exercise but through the hard work of all government departments, an additional **Rs. 95 billion** were made available for development versus what mid-year projections showed.
- Such an endeavor was necessary as overall, for the settled districts, current expenditure has been increasing at an alarming rate. In 2018-19, budgeted salaries were **Rs. 256 billion, a 17.4% increase over the 2017-18 figure of Rs. 218 billion**. This year, budgeted provincial and district salaries remain at Rs. 256 billion. *There is not an increase of a single rupee.*
- In 2018-19, salaries and pensions represented **72% of budgeted current expenditure**, and **51% of the total budget expenditure**, the highest in the last ten years. In 2019-20, salaries and pensions represent only 60.8% of the current budget, and **only 46% of the total budget expenditure**. This arrest in growth alone represents a saving of over **Rs. 60 billion**.
- What excites me is that we have only scratched the surface. Next year, we will build on this exercise to further enhance savings in current expenditure.

1. Reducing Expenditure (Retirement Regulations)

- One of the major contributors to this savings is an effort to change retirement regulations. The cabinet has passed a proposal to change the mandatory retirement age to 63, and early retirement to 25 years of service, or 55 years of age, whichever is later. The retirement age has always tracked life expectancy. In 1947, the retirement age was 50 and life expectancy was less than 45. By 1973, when the retirement age was changed to 60, life expectancy was 55. It hasn't been changed since, while life ex. This decision has not been made overnight. We have thought about this long and hard, engaged with experts and studied international best practice. It has been in the works since October and has the full support of the Prime Minister. It will save around Rs. 20 plus billion a year, a majority of which will come from the change in early retirement rules. This was a rule that was inviting abuse with your money. Thousands of people every year were abusing early retirement rules to draw a full pension without working, and earning a second salary from the private sector. This was your money, and we want to spend it for your benefit.
- I want to take a moment to talk about two misconceptions resulting from this decision.
- First, it will not reduce new job opportunities, and it is not going to affect the youth. Remember that in a workforce of around 6.5 million, the 10,000 who retire every year represent only 0.1%. That means the rest of the labour force is 99.9%. In fact, these 10,000 only represent less than 2% of the workforce in government, which itself is just over 8% over the total provincial labour force. If anything, these savings give us an opportunity to focus recruitment where we want in government, by creating new positions. In fact, it enables us to recruit in record numbers next year. Insha'Allah we aim to recruit around 30,000 individuals in the settled districts, and over 17,000 in the tribal districts over the next year. The average recruitment over the last five years is less between 15,000 and 20,000 per year. Not only that, but the additional money saved have the potential to create 40,000 to 50,000 jobs in the private sector in the next year alone.
- Second, we will make sure this does not affect your promotion prospects, because the next step is to review promotion regulations. The fact that promotions are linked to posts is not set in stone. The world has moved to performance based career development, and so will we. In fact, this will help us to accelerate the process of civil service reform as a whole that is long overdue, so government can attract better people, train and performance manage them better, and in the longer run, reward them better.
- It is also the beginning of a change in culture, where the limit of every individuals ambition is not a government job. No country in the world has flourished without encouraging the private sector, and neither will Pakistan. Insha'Allah, Khyber Pakhtunkhwa will lead this transition. To make the private sector more attractive therefore, I would like to announce an **increase in the minimum pay in the province from Rs. 15000 per month to Rs. 17500 per month.**

2. Raising Revenue by broadening the tax base.

- Second, let us talk of our commitment to raising revenue. No country in the world can develop without generating resources to fund its development. For 70 plus years, we tried to search for the short cut that would negate this truth. We haven't found one. **Pakistan's Tax-to-GDP ratio is remains as low as 12.9%**. India is at 18%. Most developed countries are above 30%. Last year, we pledged to change this, starting with reform of the Khyber Pakhtunkhwa Revenue Authority (KPRA). Within 11 months, **non-telecom KPRA revenues increased by 49% versus last year** as a result of this effort. With revenue from the telecom sector now reinstated by the supreme court, we are confident that actual collection will double in the next year.
- Therefore, in 2019-20, we have set the highest ever revenue target for the province of **Rs. 53.4 billion**, a **54% increase** over this year's Revised Budget Estimates. **By 2023, we are targeting Rs. 100 billion as our revenue target, more than three times what we collect today.**
- And we are doing this primarily by broadening the tax base. In fact, are reducing taxes in many places, only adjusting minor fees for inflation.
- We have completely revamped Schedules I and II of the Finance Act in line with international standards proposed by the UN. In KPRA, we are now placing **28 out of the 58 taxable services at a reduced tax rate of below 15%, versus 9 today.** T
- These include restaurants, wedding halls, electronic media, property dealers, automobile dealers, rent-a-car businesses, contract manufacturing, legal and medical services as well other professional services, cinematographic services, photographers, broadcasting figures, call centres, amusement and entertainment services, beauty parlors and gyms amongst others.
- In particular, we are reducing the tax rate on ride hailing services to 2%, and on online marketplace services to 5%, because we believe that these will go a long way towards job creation for the youth.
- We are also reducing or making minor adjustments to various fees and taxes in other sectors as appropriate with details available, including the transport sector, a core sector for this province, where we are reducing fees to match the rates in Punjab.

3. Increasing the development budget

- Third, I want to talk of our efforts to increase the amount of money available for development and its effectiveness
- At the start of the year, our forecasts showed that without any reform, our development budget for this year would be as low as **Rs. 119 billion**, including Foreign Development Assistance. Almost 36% lower than this year. This would have made a throw forward already in access of 6 years cross 10 years, and average allocation to a project to be less than 10%.
- To correct this anomaly, not only did we divert Rs. 95 billion savings to development, but we reviewed **1380 projects** one by one, and for the settled districts, we **reduced the throw-forward by Rs. 203 billion**. What this mean, even with the addition of **new projects worth Rs. 190 billion** is a respectable **throw forward of 3.9 years**, and **average allocation to each project of over 25% of total cost**. **Allocations to new projects have also increased from 13% or Rs. 10 billion last year to 34% or Rs. 37 billion this year.**
- **Analysing the last 15 years, we also found one third of ADP spend had no direct public or economic impact.** Why should every department buy land and cars and build new offices? We slashed such spend, and diverted the money to projects that impact the public.
- Adding the figures for the merged districts, the **total ADP size of Rs. 319 billion** is nothing short of revolutionary. Overall, the ADP for the province is almost 3 times larger than what feared it might be without the hard work this government put in.

4. Investing our money where it counts

- The fourth thing I'd like to talk about is making choices in development. For far too long, we have been allocating fixed percentage shares for every department. This is not right.
- This year we funded priorities. Education and Health continue to be a top priority, and roads and water continue to be high spending sectors in the development budget, but other than that we have made choices. A few examples from the settled districts, of our provincial resources:
- Tourism, youth and sports increased to **Rs. 5.9 billion, a 100% increase.**
- Urban Development including the development of Peshawar; **Rs. 6.7 billion, a 67% increase.**
- Agriculture; **Rs. 4.2 billion, a 63% increase.**
- Science & Technology and IT; **Rs. 0.64 billion, a 62% increase.**
- Forestry; **Rs. 4.8 billion, a 43% increase.**
- Industries; **Rs. 1.5 billion, a 40% increase.**
- Higher Education; **Rs. 5.7 billion, a 40% increase.**
- Furthermore, for the first time ever, Rs. 1.1 billion has been earmarked as a special fund for the least developed districts programme. These districts include Kolai Palas, Battagram, Tank, Kohistan Upper, Shangla, Chitral Upper and Lower and Hangu. With a separate programme for Torghar, and significant ADP funding for Dir, this means that the least developed districts across the province are being funded regardless of the political affiliation of their representatives.

5. Keeping our promise to the tribal districts

- Fifth, I want to talk about our commitment to the people of the merged tribal districts. You have suffered for long enough, and we understand your pain.
- From a normal budget with the former FATA Secretariat of Rs. 55 billion, we have managed to increase the overall merged areas budget to Rs. 162 billion.
- This includes 83 billion for the 1st year of the 10 year development plan.
- The 83 billion will be used in the following way.
 - Rs. 24 billion to fund the creation of 17,000 new jobs, and the regularization of the levies and khassadars. And
 - Rs. 59 billion to add to the normal Merged districts ADP of Rs. 24 billion, making total development spend equal to Rs. 83 billion.
- I am proud to say that both the federal government, and Khyber Pakhtunkhwa, fulfilled their commitments to pay their 3% divisible pool share for the development of the merged districts.
- This was not easy. As we argued for this, we encountered different points of view. But I am thankful to the Prime Minister for championing the cause of the merged districts. And I am thankful to the armed forces of Pakistan for sacrificing their own budget voluntarily to fund the development of these people. This is the spirit that embodies Pakistan.

Before moving on, a quick word on the perennial issue of Net Hydel Profits.

- We are a small landlocked province of humble and honourable people. We have nothing except our pride, and the few natural resources at our disposal. Foremost amongst these is water.
- This province has given cheap electricity to the entire country since the development of the Warsak and Tarbela Dams. The constitution, through Article 161, defines how we should get our share of profits for this natural resource; the AGN Qazi formula, ratified by the Council of Common Interests no less than 8 times since 1991. And yet, till today, not once have we been paid our full share under the formula. Our calculations show that this year, our share under the formula would be Rs. 129 billion. Instead, we get on Rs. 21.1 billion.
- It is time to solve this issue of NHP payments once and for all, and for that, we request the Prime Minister, the Water and Power Minister, and the Federal Government for their support. We have 3 requests:
- First, please pay us the agreed upon arrears of **Rs. 34.5 billion**. Second, please pay us NHP dues on a monthly basis, as is the case with other straight transfers. Third, let us finally find a solution to the issue of payments according to the AGN Qazi formula.
- There are many ways to find a solution, its time to sit down and find one right now.

Section 3. The numbers and details

Revenue / Receipts

- I would now like to run through some of the numbers in more detail. The detailed set, including the breakdown of receipts is available in the material handed out to you and my honourable colleagues, so I will focus on the highlights.
- First let me summarize receipts:
 - Federal Tax Assignments Rs. 453.2 billion
 - 1% of the divisible pool to the province for the war on terror Rs. 54.5 billion
 - Oil & Gas royalties and surcharges (straight transfers) Rs. 25.6 billion
 - Estimated Net Hydel Profits for 2019-20 Rs. 21.2 billion
 - Net Hydel Profit Arrears (all carried over from last year) Rs. 34.5 billion
 - Net Hydel Profits according to the AGN Qazi formula (pending)
 - Provincial Tax and Non-Tax Revenue Rs. 53.4 billion
 - Foreign Development Assistance Rs. 82.0 billion
 - Grants for the merged tribal districts Rs. 151.0 billion
 - Other receipts Rs. 24.7 billion
- **Total receipts: Rs. 900 billion**

Expenditure

- **Now, to run through expenditure. For the settled districts:**
 - Salaries: Rs. 256.0 billion
 - Pensions: Rs. 69.9 billion
 - Non-salary (O&M and Contingency and District Non-Salary) Rs. 93.5 billion
 - Other current expenditure Rs. 37.6 billion
 - Provincial ADP: Rs. 108.0 billion
 - District ADP: Rs. 46.0 billion
 - Foreign Development Assistance: Rs. 82.0 billion
 - **Total: Rs. 693.0 billion**
- **For the merged districts, (including a Rs. 11 billion transfer from the province):**
 - Current expenditure (inc. Rs. 24 bln from 10 Yr. Dev Plan funds): Rs. 79.0 billion
 - Dev. Expenditure (inc. Rs. 59 bln from the 10 Yr. Dev Plan funds): Rs. 83.0 billion
 - **Total: Rs. 162.0 billion**
- **Surplus: Rs. 45 billion**
- **Total Expenditures: Rs. 900 billion**

Departmental and sectoral allocations

Settled districts (1/2)

	2019-20	2019-20	2019-20	2019-20	YoY Budget Estimates
Department	Current	Development	Total	FPA	% Change Development
Agriculture	7,900.2	4,200.0	12,100.2	5,309.7	63%
Auqaf, Hajj	119.6	424.0	543.6	-	6%
C&W	8,074.4	12,082.0	20,156.4	12,428.9	19%
Districts ADP		46,000.0	46,000.0	-	57%
DWSS	7,152.1	3,799.0	10,951.1	1,000.0	14%
E&SE	119,707.3	9,698.0	129,405.3	7,682.2	7%
Energy & Power	153.0	812.0	965.0	8,204.4	178%
Environment, Forest & Wildlife	3,518.5	4,126.0	7,644.5	-	42%
E&T	764.1	185.0	949.1	-	-8%
Finance	2,250.5	229.0	2,479.5	5,000.0	-96%
Food	93,281.9	404.0	93,685.9	-	-14%
Health	76,473.2	10,003.0	86,476.2	1,845.8	28%
Higher Education	13,895.0	5,757.0	19,652.0	94.1	40%

Departmental and sectoral allocations

Settled districts (2/2)

Department	Current	Development	Total	FPA	% Change Development
Home	52,553.0	2,912.0	55,465.0	537.5	87%
Housing	43.4	310.0	353.4	-	-11%
Industries	3,227.7	1,478.0	4,705.7	820.9	40%
Information	553.3	156.0	709.3	-	8%
Labour	492.5	58.0	550.5	39.2	5%
Local Government	7,252.0	3,219.0	10,471.0	3,901.4	10%
Mines & Minerals	994.4	378.0	1,372.4	-	-6%
MSD	618.7	11,579.0	12,197.7	23,114.8	407%
Population Welfare	2,127.0	242.0	2,369.0	585.0	62%
R&R	8,027.3	2,282.0	10,309.3	700.0	60%
Social Welfare	2,534.4	388.0	2,922.4	-	31%
Sports, Tourism	1,109.0	5,907.0	7,016.0	3,000.0	136%
ST&IT	111.8	638.0	749.8	356.0	62%
Transport	347.7	1,972.0	2,319.7	12,318.1	-72%
Urban Development		6,719.0	6,719.0	-	67%
Irrigation	4,599.5	9,538.0	14,137.5	3,723.1	69%

Departmental and sectoral allocations

Merged Districts

Department	Current	Development	Total
Agriculture	1,041.6	1,321.4	2,363.0
Auqaf, Hajj	-	19.7	19.7
Communications and Works	1,484.2	5,663.8	7,148.0
Elementary & Secondary Education	17,788.4	3,685.4	21,473.8
Energy & Power	-	534.3	534.3
Environment, Forest & Wildlife	338.8	875.0	1,213.8
Excise and Taxation	-	9.8	9.8
Finance	8,143.4	10.0	8,153.4
Food	17.4	19.9	37.3
Health	6,917.4	1,758.5	8,675.9
Higher Education	2,101.0	549.3	2,650.3
Home and Tribal Affairs, Police and Jails	16,957.1	98.2	17,055.3
Housing	-	-	-

Departmental and sectoral allocations

Merged Districts

Department	Current	Development	Total
Industries	196.0	57.3	253.3
Information	-	9.9	9.9
Irrigation	149.2	1,301.2	1,450.4
Labour	-	4.9	4.9
Local Government	301.8	651.2	953.0
Mines & Minerals	57.3	19.7	77.0
Planning, Development and Bureau of Statistics	62.2	64,047.6	64,109.8
Population Welfare	-	4.9	4.9
DWSS	975.4	1,029.6	2,005.0
R&R	17,107.4	84.0	17,191.4
Revenue and Estate	3,091.5	10.0	3,101.5
ST&IT	-	19.7	19.7
Sports, Tourism	26.2	738.7	764.9
Transport	-	176.7	176.7
Zakat, Usher, Social Welfare and Special Education	131.5	262.7	394.2

Highlights of the 2019-20 Budget

Settled Districts – Current and Development Expenditure

Improving Healthcare

Expanding infrastructure, improving every health facility, and implementing the new health policy

- First province to ensure Universal Health Coverage, with the expansion of Sehat Cards to every family in the province by the end of the year. Furthermore, all government servants also to have the option of subscribing to state of the art medical programmes.
- Over Rs. 7 billion to be spent across the current and development budgets for the enhancement of facilities at flagship tertiary hospitals including the Peshawar Institute of Cardiology, KTH, LRH, HMC, the Institute of Kidney Diseases, Saidu Hospital, Fountain House Peshawar and others.
- Budget for Medicine in Primary and Secondary facilities doubled from Rs. 500 million to Rs. 1000 million, with more available.
- Rs. 820 million for the treatment of poor cancer patients
- Rs. 4.4 billion for various Health Service Delivery and Immunization programmes
- Minimum health service delivery package to be rolled out for all BHUs, RHCs, and secondary hospitals.
- A big programme of tertiary, secondary and primary health facilities and medical colleges including both ongoing and new projects as reflected in the ADP, across every part of the province.

Providing better emergency services

- Expansion of Rescue 1122 services in 4 new districts namely, Lakki Marwat, Malakand, Shangla and Lower Kohistan creating 1000+ new jobs, as part of a drive to expand to every district in the province.

Highlights of the 2019-20 Budget

Settled Districts – Current and Development Expenditure

Improving 28,000 schools

Our focus is now what's in the school, and what kids learn, and not just new buildings.

- Recruitment of 21,000 teachers to address multi grade teaching - total 65,000 required to make 4 teachers in every school.
- Recruit 3000 new ASDOs out of a plan of 7000. This will significantly improve school leadership, bringing the average number of schools per ASDO from 45+ to 8 and subsequently to 3.
- Launch “Pakhtunkhwa da para” programme to put graduates from top universities into govt schools.
- Completion of 700 out of 10,000 state of the art ECE nursery classrooms.
- Construction of 6,000 new classrooms out of the 15,000 classrooms required to counter overcrowding.
- Provision of Rs.1.86 Billion for girls stipends.
- Rs. 500m for Women Cadet college at Mardan.

Developing colleges and universities

We want to get every college to give good results and every university to be a good university.

- Total support of Rs 2.5 billion to almost 20+ universities across the province.
- Rs. 1 billion for Pak Austrian Fachhochschule Institute in Haripur, to be opened in Spring 2020.
- Rs. 500m for Abdul Wali Khan University revamping in Mardan.
- Rs 200m for purchase of land and construction of building for Karak Petroleum Institute
- Rs. 2b for building and upgradation of all 55+ colleges.
- Rs. 35m for revamping of public libraries
- Rs. 20m as support of Hindko academy.

Highlights of the 2019-20 Budget

Settled Districts – Current and Development Expenditure

Funding Skill Development, Youth, Entrepreneurship and the SME sector

Creating jobs in the private sector and building the economy

- Funding to fast track the development of access to the Rashakai Economic Zone
- Up to Rs. 2 billion for innovative funding programmes for youth, women and other entrepreneurs
- Rs. 2 billion for the expansion of the KP Impact Challenge Phase 2
- Up to Rs. 1 billion for an Access to Finance fund for SMEs
- At least Rs. 200 million to fund the creation of the KP Skill Development Fund, to provide high class demand based training by the best training providers in the country, linked to employment.
- Rs. 500 million for various youth development projects
- Create at least 10 public private partnerships in TEVTA Institutes through the TEVTA budget
- Rs. 100 million for the establishment of a marble city in Buner

Promoting Tourism and Sports

- Rs 3.7 billion for tourism promotion and destinations development through World Bank assisted KITE program.
- Rs. 1 billion for tourism roads in the Malakand and Hazara divisions for promotion of unexplored tourist spots and Rs. 150m for access to Sheikh Badin tourist site.
- Rs.300m for various tourism activities across the province.
- Construction of recreational park at Hund Swabi.
- Rs 500m for Development of 1000 Playing facilities in Khyber Pakhtunkhwa .
- Rs 350m for establishment and upgradation of 7 sports complexes in Khyber Pakhtunkhwa.
- Rs. 70m for promotion of hockey and squash throughout the province.
- Establishment of the tourism police

Highlights of the 2019-20 Budget

Settled Districts – Current and Development Expenditure

Developing cities and villages

- Rs 46b as 30% Development budget for elected local bodies.
- Special development package for Peshawar including:
 - Rs 2b across current and development budget to WSSP to start 2nd shift, Sunday operations and expand to sub-urbans areas.
 - Rs 4.5b for development of Peshawar mainly improvement and construction of Ring road, New Bus Stand, Peshawar uplift Programs and Regi Model Town.
- Rs 1.1b for least developed districts uplift programme (Kolai Palas, Battagram, Tank, Kohistan Upper, Shangla, Buner, Chitral (Upper & Lower) and Hangu.
- Rs 300m for uplift and beautification of district HQs namely Hangu, Tank, Lakki Marwat, Swabi, Charssada, Malakand, Haripur and Mansehra.
- Rs 400m for special development package for Torghar
- Rs 500m for Khyber Pakhtunkhwa Cities Digital Transformation Centers.
- Rs 6.3b in terms of Tobacco Development Cess , NHP and Oil and Gas Royalty to specific districts for uplift, along with backlog payments.
- Rs 600m for Southern Area Development Project.
- Rs 3.4b for KP Districts Governance and Community Development Program in collaboration with EU.
- Rs 1500m for Municipal Services Delivery Project in collaboration with USAID.
- Rs 145m for Establishment of Public Parks.

Highlights of the 2019-20 Budget

Settled Districts – Current and Development Expenditure

Providing Access and Energy to all

- Rs 8.6 billion for Provincial Roads Rehabilitation Project under PKHA Portfolio in collaboration with ADB.
- Rs 3.4 billion for dualization of Mardan-Swabi Road in collaboration with ADB.
- Rs 10.4 billion for construction of various new roads throughout the settled districts.
- Rs 1.2 billion for solarization of 4000 Masajid, and multiple schools, BHUs throughout the settled districts.
- Rs 70m for Electrification of more than 100 unelectrified villages through Solar/ Alternate Energy.
- Construction of Spat-Gah Hydro Power Project, 496MW (District Kohistan) with the Korean Hydro & Nuclear Power on PPP Mode .
- Ground Breaking/Work to Start on 310 MW Balakot, 188MW Naran and 57 MW Madian Hydro Power Project.
- Completion of construction of various Hydro Power Projects in Lower Dir, Shangla and Mansehra generating more then 70MW.
- Rs 200m for Electrification and Gasification work.

Championing Innovation and E-governance

- Rs 50m for introduction of paperless communication from CM Office.
- Rs 100m for establishment of citizen facilitation center in Peshawar.
- Rs 256m for promotion and enhancement of digital Jobs in Khyber Pakhtunkhwa.
- Rs 380m for Completion of land record digitization and establishment of service delivery centers in selected districts.
- Rs 30m for Computerization of Arms Licenses in the remaining Districts.

Highlights of the 2019-20 Budget

Settled Districts – Current and Development Expenditure

Promoting Green Growth

- Rs 2.8 billion for Billion tree and 10 billion tree tsunami project in the province.
- Rs 195m for Development and Management of National Parks in Khyber Pakhtunkhwa

Revamping Agriculture, Livestock and addressing water issues

- More the Rs 2.5 billion allocated for various schemes under PM Agriculture Emergency program to increase productivity, conserve more water, develop more cultivable areas and promote organic lifestyle.
- Rs 9.5b for construction and improvement of small dams, flood protection walls, water supply schemes and canal roads throughout the settled districts.
- Rs 642 m for drinking water schemes for Karak
- Rs 1 billion for Gravity Flow Water Supply Scheme in District Mansehra to be funded by SFD.
- Rs 3.7 billion for small and medium sized drinking water schemes throughout the settled districts.

Promoting Equity and harmony among all

- Rs 60m for scholarships and grants for students in deeni madaris.
- Rs 10m for Skill Development scheme for minorities.
- Rs 5m for Construction of Community Based School for Sikh Community in Peshawar

Highlights of the 2019-20 Budget

Tribal Districts – Current and Development Expenditure

Block Allocation of 59 billion in the development budget under the 10 years development plan to bring the tribal districts at par with the settled districts.

- Spend with a direct impact on people to be prioritised; as opposed to procuring land, building offices etc.
- The primary focus of year 1-3 to be spend in the social sector; health; education; jobs; wealth creation – and on programmes that have rapid impact
- A second focus to be on improving infrastructure, and on projects with economic impact; roads; electricity infrastructure.
- A third focus area to be relevant planned early harvest projects already in the pipeline.
- Specifically, all of the projects announced by the PM and the CM will be funded

Following these lines majority of projects are being initiated under the usual ADP program which will be given additional funding from the block allocation

Improving healthcare

- Rs 80 m for provision of medicines and diagnostic materials for health facilities
- Rs 85 m for Strengthening of DHQ Hospitals of Merged Areas
- Rs 60 m for mobile hospital programme in FATA
- Rs 30 m for Removal of Staff Deficiencies in Newly Opened Areas in Health Facilities
- Rs 200 m for various vertical programs in tribal districts inc. EPI, Hepatitis etc.
- Rs 40 m for provision of portable ultrasound facilities in existing health facilities in merged areas.
- Rs 130 m for establishment of Trauma Centers (level 2) and Accidents / Emergency Centers in all DHQ Hospitals of Merged Areas
- Funding for establishment of Medical College in Kurram

Highlights of the 2019-20 Budget

Tribal Districts – Current and Development Expenditure

Step towards better Education

- Rs 850 m for Upgradation of Educational Institutions from primary to middle, middle to high or high to higher secondary schools in all tribal districts and former FR regions.
- Rs 500 m for Standardization of exiting 21 HSS under Quick impact program.
- Rs 280 m for Provision of Furniture Equipment in Functional Schools throughout the Tribal Districts.
- Rs 46 m for Introduction of Early Childhood Education in all Tribal Districts
- Rs 40 m for Removal of Staff Deficiencies in Newly Opened Areas in Education, Tribal Districts.
- Rs 40 m for Girls stipend program for KG & Class 1 in 02 District (To arrest drop outs & improve enrollment)
- Rs 20 m for Provision of Facilities in Existing Primary Schools for Early Child Education (10 per Agency & 5 per FRs)
- Rs 95 m for award of inland scholarships to FATA students.

Promoting Sports and Tourism

- Rs 59 m for provision of Sports Facilities/Grounds at Districts / Sub-Divisions in all Tribal Districts
- Rs 42 m for promotion of sports activities at Districts / Sub-Divisions in Tribal District
- Rs 30 m for economic Uplift of Youth Through Impact Challenge Program in tribal districts.
- Rs 45 m for beautification and promotion of potential Tourist Areas in tribal districts.

Promote sustainable energy for all

- Rs 300m for Rehabilitation, Maintenance & repair of existing power supply lines and installation of new main lines and transformers in all tribal districts.
- Solarization of mosques, schools and BHUs in all tribal districts.

Highlights of the 2019-20 Budget

Tribal Districts – Current and Development Expenditure

Improving Access

- Construction of 54km Mirali-Shawa and Thall road, North Waziristan and Barang tunnel to connect Bajaur to Swat express in addition to significant allocation to construction of road and Blacktopping throughout all tribal districts.

Developing basic service facilities

- Rs 25m for establishment of General Public Parks in Khyber, to be spread across all tribal districts.
- Rs 20m for Fruit & Vegetable / Cattle Markets in All Merged Areas.

Section 4. Wrapping Up

Wrapping up - 1

- As I end my speech, I want to thank the teams in Planning and Finance who have worked so incredibly hard. I want to thank the Chief Minister and my colleagues for giving me the license to drive financial reform, because it is not an easy thing to do.
- And on a personal note, I want to thank the citizens of my constituency, the people of my village and my area, and my supporters for understanding why I have had to spend so much time in the office. It is only if the province has money, that every constituency, every town, and every village will benefit.
- PAKISTAN ZINDABAD