Country Commitment to Education Domestic Financing

Global Partnership for Education (GPE) — Education Financing Campaign 2026-2030

Khyber Pakhtunkhwa, Pakistan

Country Partner Identification

Country / Sub-national entity:	Khyber Pakhtunkhwa (KP) Province in Pakistan (education is a devolved provincial subject under the 18th Constitutional Amendment, 2010; this submission therefore reports at the provincial rather than federal level)
Ministry/Institution:	Elementary and Secondary Education Department (E&SED), Government of Khyber Pakhtunkhwa
Date:	13/07/2026

1. Volume commitment

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1.1 Areas of commitment (select all that apply)	☒ Increase or maintain education expenditure as a share of national/provincial budget (excluding debt service) ☒ Increase or maintain education expenditure as a share of GDP (Gross Regional Product, KP Regional Accounts Wing) ☐ Other (please specify) **Headline commitment:** the Government of Khyber Pakhtunkhwa commits to a minimum of 7% nominal year-on-year growth in the E&SED education budget in each of FY2027-28, FY2028-29 and FY2029-30. This is a floor, not a ceiling where actual annual budget increases may exceed 7% depending on fiscal space in a given year, but 7% is the figure the Government is prepared to be held to for planning and reporting purposes.
1.2 Description of education budget perimeter	This submission covers the Elementary & Secondary Education Department (E&SED) only. The KP education budget perimeter as reported in this commitment therefore comprises the E&SED recurrent (salary and non-salary) and development (ADP) allocations. It excludes locally-devolved PFC-award transfers to district governments that are not separately identifiable as "education," federal PSDP/foreign-project-assistance components executed by other tiers, and any debt-servicing charges (KP provincial government does not carry direct external debt service against the education budget).
Line ministries/departments included in the calculation	• Elementary & Secondary Education Department (E&SED)

3. Historical and projected expenditure

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	FY2024-25 (2025)	FY2025-26 (2026)	FY2026-27 (2027, current)	FY2027-28 (2028)	FY2028-29 (2029)	FY2029-30 (2030)
Total education budget (PKR billion) — E&SED only	326.9 (actual)	363.0 (actual)	397.9 (budgeted)	~426 (committed)	~456 (committed)	~487 (committed)
% of total provincial budget	19.7%	17.1%	~17.9%	~17.9%	~17.9%	~17.9%
% of KP GDP	7.47%	7.30%*	~7.23%*	~7.40%*	~7.48%*	~7.65%*
Monetary value — Currency: PKR	326.9 bn	363.0 bn	397.9 bn	~426 bn	~456 bn	~487 bn
Monetary value — Amount (USD equiv., indicative @ ~278 PKR/USD)	~$1.18bn	~$1.31bn	~$1.43bn	~$1.53bn	~$1.64bn	~$1.75bn

**KP GDP figures for FY2022-23 (PKR 4,145,266m), FY2023-24 (PKR 4,240,491m) and FY2024-25 (PKR 4,374,233m) are as published by the Regional Accounts Wing, Government of Khyber Pakhtunkhwa — implying average annual growth of ~2.7% over this period. FY2025-26 onward is not yet published by the Regional Accounts Wing and is projected here by extending this same ~2.7% average annual growth rate marked with an asterisk. % of provincial budget is separately projected assuming a conservative 5% average annual growth in the total provincial budget (in line with the FY2026-27 outturn, where the provincial budget grew only 2.4% over the prior year); under this assumption the education share of the budget rises, since the 7% Volume-commitment floor (Section 1.1) exceeds assumed overall budget growth.*

Do you have plans to increase education expenditure per child?	☒ Yes ☐ No
If Yes — Currency / Baseline / Target / Amount per child	Currency: PKR (Pakistani Rupee) Baseline amount per child: approx. PKR 65,200/child/year (~USD 235), calculated as the E&SED-only budget for FY2026-27 (PKR 397.9bn — see Section 1 expenditure table) divided by 6.1 million students currently enrolled in KP public schools (KP E&SED official enrolment figure, kpese.gov.pk). Target amount per child: approx. PKR 77,600/child/year (~USD 279), calculated as the committed E&SED-only budget for FY2029-30 (PKR 487bn, consistent with the 7% annual Volume-commitment floor in Section 1) divided by a projected enrolment of ~6.28 million, assuming enrolment continues growing at a conservative 1% per year (well below the ~3.9% average annual enrolment growth recorded between 2021-22 and today, to avoid overstating the target).

1.4 Basis for commitment to increase funding for education

☒ **Raising additional revenues (e.g., through tax reforms or better tax collection), specify:**

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KP's own-source revenue (OSR) target rose from PKR 129 billion (FY2025-26) to PKR 182.4 billion (FY2026-27), and net hydel profits are projected to contribute a further PKR 116.8 billion in FY2026-27, both may broaden the domestic resource envelope from which recurring education prioritization is drawn.

☒ **Developing strategies for long-term, sustainable education financing (e.g., earmarked taxes, public-private partnerships), specify:**

E&SED will continue to expand public-private partnership delivery models (community schools, Accelerated Learning Programme, and the ongoing 500-school outsourcing pilot at PKR 1,800/child/month) as a cost-effective complement to core public provision and reduce recurring costs and enhance value for money.

☒ **Improving budget execution, specify:**

Development of the Education Budget Excellence (EBex) Cell to serve as a dedicated financial monitoring and data-driven administrative unit within the department

☐ **Other, specify: —**

2. Efficiency commitment

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☒ **Improving public financial management systems for better governance, accountability and delivery — specify:**

Full roll-out of the Facility Level Budgeting and Expenditure Management Guidelines (2024) to all public elementary schools; continued operation of Performance-Based Budgeting (PBB), now given statutory backing under the Public Financial Management Act, 2022 (Medium-Term Performance-Based Budget published annually).

☒ **Streamlining teacher management and remuneration mechanisms — specify:**

Continued merit-based (NTS) teacher recruitment, mandatory 9-month induction training for new teachers, and PTC-based local hiring arrangements to address female-teacher shortages in remote and merged districts.

☒ **Reduce fragmented financing and implementation mechanisms — specify:**

Consolidation of donor/GPE-funded activity under a single coordination structure organized around three thematic pillars (Access & Equity; Quality & Relevance; Governance & Management) via the Local Education Group (LEG), replacing earlier project-specific coordination arrangements to improve overall efficiency.

☒ **Enhancing education and financial data tracking systems and availability — specify:**

Continued build-out of the integrated Education Management Information System (iEMIS), Education Monitoring Authority (EMA) school-level data, and the Software Requirements Specification (SRS) roadmap for cross-directorate data integration, supporting evidence-based resource allocation.

☒ **Enhancing service delivery to improve learning, retention and completion — specify:**

Scaling Non-Formal Education (NFE) and the Accelerated Learning Programme (ALP) for over-age out-of-school children; continuing double-shift schools and school-upgradation (primary→middle→high) in underserved areas; expanding public-private partnership delivery where public provision is weakest.

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3. Equity commitment

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☒ **Strengthening redistributive policies and mechanisms (including needs-based funding formulas for schools/teachers' allocation):**

Continuation of the policy earmarking at least 70% of new middle-school construction for girls' schools; Conditional Grant Programme prioritizing missing WASH/latrine facilities in girls' schools and in the seven newly-merged (erstwhile FATA) districts, which remain the most under-resourced part of the system.

☒ **Tracking of equitable resource distribution:**

iEMIS/EMA-based tracking of per-school and per-district allocations to identify and correct resource disparities, as committed under the KP Partnership Compact 2024-2028.

☒ **Adopting pro-poor budgeting mechanisms, gender-based or disability-based budgeting approaches:**

Finalization and costed implementation of the Gender Equality Strategy for Education (currently in development under the Partnership Compact, informed by the province-wide Gender Equity Policy); continuation of the girls' stipend programme for secondary-school students; disability-inclusive facilities (ramps, accessible WASH) in new construction.

☒ **Directing resources to reduce gaps in school access:**

Priority resourcing of merged districts (aligned with the province-wide Rs 1 trillion merged-districts development package under the FY2026-27 ADP) and continued targeting of the estimated ~2.1–2.6 million out-of-school children, over 60% of whom are girls.

☐ **Other, specify: —**

4. Endorsement of the commitments

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☐ Head of State Office ☐ Prime Minister Office ☒ Ministry of Finance (KP Finance Department) ☒ Ministry of Education (E&SED) ☐ Other Ministries/agencies (please specify):

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Notes, References and Justifications

A. Relationship to KP's existing GPE commitment (2024-2028 Partnership Compact)

- The KP Partnership Compact (2024-2028) already contains one quantified domestic-financing indicator: "at least a 7% increase in the total education budget of the province over five years as compared to 2022-23" (Indicator 9, Section 5.1), verified against the Approved KP Budget.
- That baseline (FY2022-23) was approx. PKR 275 billion for education By. FY2026-27 the education budget had reached PKR 468 billion, a nominal increase of about 70% in just four years, already far exceeding the 7% five-year target.
- The Government of KP has accordingly structured its 2026-2030 commitment in relative terms, share of provincial budget and share of GDP (Gross Regional Product, KP Regional Accounts Wing), rather than restating a nominal growth target. This reflects the fact that a bare nominal figure, in a high-inflation environment, does not on its own demonstrate genuine prioritization and would understate the sustained, above-inflation commitment the province has actually made.

B. Budget trend underpinning the figures reported

- FY2022-23: PKR 275bn (baseline year in the existing GPE compact indicator)
- FY2023-24: ~PKR 321bn
- FY2024-25: E&SED PKR 326.86bn (actual)
- FY2025-26: E&SED rose 11% to PKR 363bn; total provincial budget that year was PKR 2.119 trillion
- FY2026-27 (current, approved): E&SED PKR 397.9bn — +9.6% y/y; against a PKR 2.17 trillion total provincial budget and an estimated KP GDP (Regional Accounts Wing series, extended forward at its recent ~2.7% average annual growth rate) of approximately PKR 4,616 billion
- Recent nominal growth in the E&SED budget has run at roughly 9-11% per year, reflecting a combination of policy prioritization, domestic inflation, and public-sector salary/pension awards (a further 7% general salary increase was announced for FY2026-27). Rather than project this recent pace forward, the Government has chosen to commit to a minimum floor of 7% nominal year-on-year growth for FY2027-28 through FY2029-30 — below the 9-11% delivered in each of the last two years, and matching the same 7% figure already used in the existing Partnership Compact. This gives the commitment a wide margin of safety: it can be met even in a materially tighter fiscal year (consistent with continued fiscal discipline under the current IMF programme and the province's own budgeted deficit of PKR 48bn in FY2026-27) while still representing genuine, above-inflation prioritization of education if delivered.

D. Why 7% specifically, and what it implies for budget share and GDP share

- The existing KP Partnership Compact commits to "at least a 7% increase in the total education budget over five years." This submission deliberately reuses the same 7% figure but recalibrates it from a five-year cumulative target to a minimum annual growth floor, a substantially stronger commitment in substance, while remaining a single, familiar, easily-communicated number for the Minister, the Assembly, and GPE reviewers who already track the existing indicator.
- KP's own GDP (Regional Accounts Wing series) has grown by only ~2.7% a year on average over FY2022-23 to FY2024-25 — much slower than the 7% Volume-commitment floor. As a mechanical consequence, education's share of KP GDP is projected to rise substantially over the commitment period, from 7.47% (FY2024-25, actual) to approximately 7.65% (FY2029-30). The Government notes, however, that this GDP series appears to be compiled at constant (base-year) prices rather than current prices (see the methodological note in Section 1), so this rising ratio should be read with caution and confirmed against a current-price series before being presented as a headline figure to international reviewers; the 7% nominal budget-growth floor and the rising share of the provincial budget (Section 1) are the more robust, directly verifiable commitments.

E. Justification for framing commitments as budget/GDP shares rather than fixed nominal amounts

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- Share-based commitments (% of provincial budget, % of GDP) remain meaningful regardless of the inflation and nominal-growth path the province follows over 2026-2030, and are directly auditable each year against the Approved KP Budget, the Finance Department's Budget Strategy Paper, and the Regional Accounts Wing's GDP series, the same verification method already used for Indicator 9 of the existing Partnership Compact.
- A fixed nominal PKR figure for FY2029-30 would either understate the province's actual level of commitment if inflation and budget growth continue on their recent path (as happened with the 2022-23 compact's 7%-over-five-years target), or risk being reported as unmet if a fiscal contraction occurs for reasons unrelated to the province's underlying prioritization of education. The share-based framing avoids both outcomes.
- The per-child expenditure question (Section 1) is answered in principle, "Yes," with the mechanism by which per-child spending will rise clearly stated, while the specific baseline/target figures are deferred to the next reporting cycle pending completion of the iEMIS enrolment reconciliation. This ensures that when a per-child figure is reported, it is drawn from verified administrative data rather than an estimate that could later require revision.
- The equity and efficiency commitments in Sections 2 and 3 are, in the main, continuations and consolidations of measures already under implementation (facility-level budgeting, iEMIS/EMA, the girls'-school construction share, the Conditional Grant Programme, merged-districts prioritization), rather than new pledges, reducing implementation risk for the commitments the Minister is putting his name to.

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