

Estimates of Expenditure 2023-2024

Estimates of Expenditure 2023-2024

Local government institutions are widely recognized as fundamental grassroots democratic entities that directly represent the people at the local level. These institutions are responsible for regulating public affairs, managing resources, and meeting the needs of local residents and poor general public. The budget preparation always a focal point to improve service delivery and ensure efficient and effective governance for the general public. Budget estimates and revisions play a vital role in assessing the current year's performance, outlining future projections, and prioritizing development plans.

Looking at global practices, it is apparent that provincial and federal governments acknowledge the budgetary demands and needs of local governments to ensure the smooth functioning of these entities and run their functions effectively and promptly. It has been recognized that the local government institutions are basic grass root level democratic entities and the body which is directly elected by the peoples and desires that the public representative take responsibility freely and independently on their own responsibility, regulates and manages public affairs and to meet the needs of local residents and to improve efficient service delivery at the doorstep to general public. Funding mechanisms and the effectiveness of local governments can vary significantly across different regions and countries.

However, KMC has a unique history, dating back to its establishment during British rule in 1846. Unlike many other local governments, it operated independently and efficiently without relying on government grants. KMC sustained its operations through the collection of Octroi Charges on imported goods until 1999. Prior to 2010-2011, when the CDGK (City District Government Karachi) was dissolved and replaced again by the KMC, it was successfully carried out development works, maintained infrastructure, and provided essential municipal services to the satisfaction of the citizens of Karachi as well poor citizens.

Estimates of Expenditure 2023-2024

EXPENDITURE BUDGET

The expenditure budget figures represent the funds allocated for improving municipal services. It includes the total spending for the upcoming year 2023-24 and revised estimates 2022-23. These figures help to plan and allocate funds for various sectors and reflect changes in spending over time. The figures present the total outlay of KMCs expenditure for the ensuing year and preceding year with revised estimates:

(Rs. in Million)		
S. No.	BUDGET YEAR	ALLOCATION
1.	2023-2024 (B.E)	38,198.894
2.	2022-2023 (R.E)	23,713.814
3.	2022-2023 (B.E)	32,195.960

The total expenditure of KMC reflected in the Budget Estimates for the next FY 2023-2024 is estimated to **Rs.38,198.894** million as against the revised budget for the year 2022-2023 of Rs.23,713.814 million, which is Rs.14,485.080 million higher to revise budget in absolute terms.

- **CURRENT EXPENDITURE.**

The current expenditure refers to the spending on goods and services that are consumed within a fiscal year and expenditure is recurrent and necessary to continue to run municipal services. It includes ongoing expenses for maintaining and operating existing services. Additionally, minor expenditures on consumable items below a certain cost threshold may also be categorized as current spending. The funds allocated for the establishment, contingencies, and maintenance of municipal services is also considered part of current expenditure. Overall, current expenditure covers the regular and essential costs associated with providing municipal services and ensuring their continued operation

Estimates of Expenditure 2023-2024

The summary of budget estimates of Current Expenditure (Salary and Non Salary) & Development Expenditure for the next financial year 2022-2023 is as under:

(Rs. in million)		
Sr. No.	Nomenclature	Amount
1.	Current Expenditure.	26,778.694
2.	Development & Capital Expenditure.	11,420.200
	Total.	38,198.894

Major Head-wise summary of Current Expenditure

(Rs. in Million).

Sr. No.	Nomenclature	Budget Estimates 2023-2024	Revised Estimates 2022-2023	Budget Estimates 2022-2023
1	Establishment.	23,764.149	16,145.086	21,820.009
2	Contingent.	2,626.440	1,830.723	2,383.020
3	Repairs & Maintenance.	388.105	247.750	271.380
	Total	26,778.694	18,223.559	24,474.409

The above table reflects that the establishment expenditure of KMC including funds transfer to pension account is estimated to **Rs.23,764.149 million**, which comes to 79.158% in terms percentage of the total current expenditure estimated to **Rs.24,474.409 million**. Whereas revised estimates for the year 2022-2023 reflected as **Rs.18,223.559 million**. The total actual establishment expenditure is more than 100% of total OZT Share and Grant-in aid released by the Government of Sindh to KMC during the current financial year 2022-2023 i.e. **Rs.15,182.226 million**. (OZT & Grant in Aid for salary & pension Rs.16,145.086 million).

Estimates of Expenditure 2023-2024

• CURRENT EXPENDITURE (Salary and Non Salary).

The department-wise current expenditure is given below:

(Rs. in million)

Sr. No.	Departments	Budget Estimates 2023-2024	Revised Estimates 2022-2023	Budget Estimates 2022-2023
1	Secretariat (Mayor, Deputy Mayor, Metropolitan Commissioner Sectt. Council, Veterinary, HRM & Media Management, Religious Affairs)	1,037.660	705.178	921.805
2	Finance & Accounts, MUCT	404.747	326.039	376.747
3	Parks & Horticulture	1,118.914	738.336	1,023.373
4	Law.	193.410	130.149	183.409
5	Revenue Deptts (Land, Estate, Enforcement, Katchi Abadies, PD Orangi & Charged Parking).	1,546.732	1,301.026	1,416.505
6	Culture, Sports & Recreation	950.374	601.868	855.752
7	Information Technology.	79.838	58.384	71.612
8	Enterprise & Investment Promotion.	106.173	101.529	97.496
9	Medical & Health Services.	6,099.714	3,776.671	5,640.620
10	Municipal Services	4,098.804	3,241.781	3,769.737
11	Engineering	1,276.138	997.820	1,127.113
12	Transport & Communication.	0.260	0.075	0.260
13	Repayment of Loans & other misc. expenditure.	261.930	462.183	260.980
14	Pension Funds & Bailout Package	9,100.000	5,392.020	8,225.000
15	Fund Transfer to KMDC	504.000	392.000	504.000
	Total	26,778.694	18,223.559	24,474.409

The current expenditure of **Rs.26,778.694** million includes costs for contingent expenses, maintenance, and repair works. It comes under the category of non-development expenditure, excluding establishment expenses like salaries and pensions. According to the provided information, the estimated current expenditure for the fiscal year 2023-2024 is **Rs.26,778.694** million as compared to **Rs.24,474.409** million in the current fiscal year 2022-2023. However, the current fiscal year's expenditure has been revised to **Rs.18.223.559** million due to tiny recovery of own resources income and short funds released by the GoS. These revisions were made to adjust for the challenging financial situation and insufficient funding availability.

Estimates of Expenditure 2023-2024

• ESTABLISHMENT EXPENDITURE.

(Rs.in Million)		
Nomenclature	Year	Amount
• Budget Estimates	2023-2024	Rs.23,764.149
• Revised Estimates	2022-2023	Rs.16,145.086
• Budget Estimates	2022-2023	Rs.21,820.009

The Establishment Budget Estimates for next year 2023-2024 comes to **Rs.23,764.149** million including fund transfer to pension account for disbursement of monthly pension. The above figures reflects an increase of **Rs.1,944.140** million in absolute terms over the budget estimates and 7.29% in terms of percentage.

The Establishment Budget for next year 2023-2024 includes impact of 35% increase of salary for BPS-01 to BPS-16 and 30% for BPS-17 and above increase, whereas 17.50% increase in salary and pension respectively as announced by the Honorable Chief Minister, Sindh during the budget speech in Sindh Assembly on 10.06.2023. The establishment expenditure of **Rs.23,764.149** million comes to 71.58% of the total current expenditure i.e. **Rs.26,778.694 million**. The establishment budget estimates of current FY 2023-2024 **Rs.21,820.009 million** have been reduced and revised to **Rs.16,145.086** million on the basis of actual expenditure to be incurred till June 2023.

Due to short releases on account of OZT share to KMC and curtailment of funds from the monthly releases in previous years by the Provincial Government, a huge establishment liability over **Rs.2.00 billion** has been accumulated in Finance & Accounts Department, KMC, which includes Leave Encashment (LPR), non-payment of overtime to Fire Brigade staff, stipend to HOs/PGs and difference of pay etc. the details has already been mentioned in overview.

Estimates of Expenditure 2023-2024

- CONTINGENT EXPENDITURE.

(Rs.in Million)		
Nomenclature	Year	Amount
• Budget Estimates	2023-2024	Rs.2,626.440
• Revised Estimates	2022-2023	Rs.1,830.723
• Budget Estimates	2022-2023	Rs.2,383.020

The budget estimates for contingent expenditure is earmarked to be utilized for efficient and better delivery of assigned services. It includes all day to day, incidental and other emergent expenses which are incurred by the respective departmental heads for smooth running of all the municipal services rendered for the benefits of citizens of Karachi through the basic Health & Medical facilities and Culture, Recreational / Sports activities.

The estimated expenditure **Rs.2,626.440** million is allocated for the contingent expenditure for the next financial year 2023-2024 which is slightly higher than the current year's budget estimates of 2022-2023 i.e. **Rs.2,383.020** million. The budget estimates for the current financial year 2022-2023 has been slash down to **Rs.243.420** million due to reduce recovery of own resources revenue by the revenue earning departments of KMC against the own resources projected portfolio and budget estimates has revised to **Rs.2,383.020** million.

It is to apprise that during whole current financial year 2022-2023, neither any tender for medical institutions of KMC was invited for supply / purchase of medicines, X-Ray Films, disposable & Non-disposable surgical items and non surgical items & patients diet and Foam Compound for Fire Brigade nor expenditure incurred from own resources on account of other related contingent head, which can easily be seen by going through the Revised Budget figures in detail for the year 2022-2023.

Estimates of Expenditure 2023-2024

KMC has again restricted its expenditure to the extent of only following essential and immediate nature expenditures from the contingent expenditure heads,:

- POL for Service Vehicles i/c Fire Tenders & City Warden Vehicles, Ambulances.
 - Utility Bills (Telephone, Gas etc).
 - Supply of Medical Gas / Oxygen to Hospitals.
 - Janitorial Services at Abbasi Shaheed Hospital & Women Sports Complex.
 - Hiring of Heavy Machinery for removal of Encroachment & Cleaning of Nallahs.
 - Other Contingent Expenditure (News Paper Advertisement, Imprest Bills & payment of MUCT Bill printing etc.)
- **Repair and Maintenance Expenditure.**

(Rs.in Million)		
Nomenclature	Year	Amount
• Budget Estimates	2023-2024	Rs. 388.105
• Revised Estimates	2022-2023	Rs.247.750
• Budget Estimates	2022-2023	Rs.271.380

The expenditure on Repair & Maintenance of existing infrastructure as well as in every sector of municipal services for the year 2023-2024 is estimated to **Rs.388.105** million. It indicates an increase of **Rs.247.750** million over the revised budget estimates for the year 2022-2023.

During the financial year 2022-2023, KMC has incurred expenditure mainly on "Repair & Maintenance of Fire Tenders and Snorkel". The following essential heads were also included in the budget estimates of KMC but due to paucity of funds KMC could not spent funds from own kitty under these heads. So that no any expenditure was incurred:-

- Repair & maintenance of Street Lights.
- Maintenance of Parks & play Ground.
- Repair & maintenance of Heavy Machinery.
- Repair & Maintenance of Medical equipments.

Estimates of Expenditure 2023-2024

• Development Expenditure.

The Development and Capital Expenditure refers to the funds allocated or spent on on-going/new schemes/ projects, improvement of existing infrastructure, and procurement of machinery or equipment for existing schemes or services provided by the KMC. The development expenditure is focused on the expansion and enhancement of infrastructure, facilities, and services as defined in SLGA 2013. The Development and Capital Expenditure plays a vital role in driving economic development, improving public services, and advancement in the overall infrastructure of whole city.

(Rs.in Million)		
Nomenclature	Year	Amount
• Budget Estimates	2023-2024	Rs.11,420.200
• Revised Estimates	2022-2023	Rs.5,490.255
• Budget Estimates	2022-2023	Rs.7,721.550

The total estimated development portfolio for the ensuing year 2023-2024 derived to **Rs.11,420.200** million as against the budget estimates of **Rs.7,721.550** million for the year 2022-2023, including the **CLICIK** project launched by the Government of Sindh and financed by the World Bank as well as District ADP Fund. The Development Budget Portfolio for the current FY 2022-2023 has reduced & revised to **Rs.5,490.255** million due to short releases of funds by the Provincial Government on account of District ADP.

The Development Portfolio for the year 2023-2024 further described in the following manner:

(Rs. in million)				
Sr. No.	Development Portfolio	Budget Estimates 2023-2024	Revised Estimates 2022-2023	Budget Estimates 2022-2023
1	Development Projects. (Financed by KMC from Own Resources)	2,373.065	2,182.485	1,831.965
2	District ADP (Funded by GoS)	5,001.000	2,404.989	5,001.000
3	CLICK Projects (Funded by World Bank)	4,046.135	902.781	888.586
	Total	11,420.200	5,490.255	7,721.551

Estimates of Expenditure 2023-2024

1. District A.D.P

(Rs.in Million)		
Nomenclature	Year	Amount
• Budget Estimates	2023-2024	Rs.5,001.000
• Revised Estimates	2022-2023	Rs. 2,404.989
• Budget Estimates	2022-2023	Rs. 5,001.000

The Government of Sindh allocated **Rs.20,000 million** for on-going District Development Schemes for entire Sindh in the Provincial Budget Estimates 2022-2023. Out of which, the share of Karachi District is worked out as 16.67% which came to Rs.3,334.000 million for on-going schemes, and Rs.**Rs.10,000** million also allocated for New Development Schemes under Block Allocation by the Government of Sindh. The share of KMC under Block Allocation came to Rs.1,667.000 million for new schemes in the Budget 2022-2023.

The Provincial Government has released an amount of **Rs.2,404.989** million to KMC during the CFY 2022-2023 for on-going and new schemes as well.

In the current FY 2022-2023 budget, KMC earmarked an amount of **Rs.5,001.000** million for on-going schemes as well as for new schemes under Block allocation. Sector-wise summary of schemes under District ADP is given here under:

SECTOR	NO. OF SCHEMES	ALLOCATION 2022-23
Infra-Structure (Roads)	546	2612.512
Municipal Services	31	217.490
Health	26	207.388
Culture & Tourism	40	206.275
Parks	71	473.490
Information Technology	9	83.855
Block Allocation (New Schemes)	1	1,200.000
Total	723	5,001.000

Competitive and Livable City of Karachi (CLICK)

Karachi the city of Lights; is the capital of Pakistan's 2nd biggest province Sindh. It is most cosmopolitan city, linguistically, ethnically, and religiously diverse, as well as one of Pakistan's most secular and socially liberal cities. In recent decades, the city's livability and competitiveness have deteriorated. Institutional strengthening and investments aiming to enhance livability, competitiveness and sustainability have emerged as priorities for Karachi. To address these constraints by selectively tackling critical bottlenecks and to enhance the quality of life in Karachi the Government of Sindh has introduced a five-year project named as Competitive and Livable City of Karachi (CLICK), focusing on the improving the urban management, service delivery, and the business environment in Karachi.

a. Vision: Competitive and Livable City of Karachi

"To improve Urban Management, Service Delivery & the Business Environment in Karachi"

b. Mission: Competitive and Livable City of Karachi

The CLICK Project includes a set of investments for institutional and policy reforms, and capacity building to improve service provision and address urban infrastructure, deficiencies and institutional constraints to Karachi's urban development. The Project seeks to address challenges affecting Karachi's performance in urban management and provision of social infrastructure and basic services. The Local Councils (LCs) of Karachi, namely KMC, DMCs and District Council, have limited financial management capacity over major sources of revenue to finance critical infrastructure. The World Bank (WB) provides annual performance-based grants to Karachi LCs upon achievement of specified institutional strengthening measures decided under the umbrella of CLICK. LCs will use these grants to implement subprojects for provision of local-level infrastructure and municipal services within their respective mandates, such as drainage works, local roads, parks, and urban roads among others. In addition, these funds will be used for supply-side capacity building interventions for LCs in areas of financial management, project implementation, social and environmental

Estimates of Expenditure 2023-2024

management and to enhance metropolitan coordination between the LCs. To assist LCs in achieving the institutional strengthening measures, and to manage and implement the performance grants system, the CLICK project also provides centralized capacity building and implementation and management support through the Local Government Department,(GoS).

c. Project Development Objectives: Competitive and Livable City of Karachi

The CLICK Project will seek to address some of the identified critical constraints in Karachi to improve its livability and competitiveness. It will do so through the following objectives:

- Improving institutional capacity and performance of Karachi LCs and selected agencies such as SSWMB;
- Optimizing allocation of scarce public resources by fostering greater private investment in city infrastructure and services;
- Improving the business and investment environment for private sector;
- Enhancing municipal service delivery in an integrated way involving key institutions;
- Setting the base for sustainable city financing.

d. Projects under CLICK (Competitive and Livable City of Karachi)

The following projects have reflected in the KMC's next year budget for the 2022-2023 total amount to Rs.888.586 million for next FY 2023-24 as against the FY budgeted estimates of Rs.4,046.135 million and revised to Rs.902.781 million:-

Sr. No	Name of Scheme/ Project	B.E 2023-24	R.E 2022-23	B.E 2022-23
1.	a).Imp.of Extension joints of all Bridges. b).Development & Improvement of Fish Aquarium. c)Construction of Badminton Park at Aga Khan Park. d).Installation of Street Lights at Mai Kolachi Road.	15.000	165.905	175.220
2	Improvement of Roads from Machli Chowk to KANUP.	100.000	736.875	236.875
3	Block Allocation for New Schemes.	3,847.740	-	476.490
4	Capacity Building	83.395	-	
	Total	4,046.135	902.781	888.586

Estimates of Expenditure 2023-2024

Development Projects / Works (Own Resources).

The Karachi Metropolitan Corporation has taken up various Development Projects for the uplifting of civic life of the people of Karachi. A list of such major projects has been annexed.

(Rs.in Million)

Sr. No.	Nomenclature	Budget Estimate 2023-2024
KMC's Development Portfolio		
1	Improvement of Roads, Footpaths, Sewerage Lines, Bridges, Roundabouts & Intersection etc.(for Improvement of Dexterous Infrastructure of Karachi)	750.000
2	Lighting Arrangement at Major Roads of Karachi	250.000
3	Cleaning & Desalting of Storm Water Drains	250.000
4	Improvement of Roads, Footpaths, Sewerage Lines, Bridges, Chowrangi & Intersection etc.	240.000
5	Development & Improvement of KMC Parks	140.000
6	Purchase of Latest Medical & Electrical Equipment for Medical Institutions of KMC	115.680
7	Development & Improvement of Karachi Zoo & Safari Park including Purchase of Animals & Birds	100.800
8	Road Site Plantation at Major Roads of Karachi	75.000
CLICK Development Portfolio (Competitive and Livable City of Karachi)		
12	Improvement of Expansion Joint of all Bridges in Karachi.	15.000
	Development & Improvement of Fish Aquarium.	
	Badminton Park at Agha Khan Park.	
	Installation & maintenance of Street light at Mai Kolachi Road.	
13	Improvement of Road at Machli Chowk to KANUPP Road	100.000
14	Block Allocation for New Development Schemes under CLICK.	3,847.740
District ADP Portfolio		
15	Improvement of Infra-Structure (Roads) Sector 546 Schemes Under District ADP	2,679.165
16	71 Schemes under District ADP for Development & Improvement Parks Sector	428.750
17	31 Schemes under District ADP for Betterment of Medical & Health Sector	220.990

Estimates of Expenditure 2023-2024

Estimates of Expenditure 2023-2024

Estimates of Expenditure 2023-2024

Estimates of Expenditure 2023-2024

Estimates of Expenditure 2023-2024
