

Government of Pakistan
Finance Division
(Budget Wing)

No F. 3(1)FO/2021-22/002

Islamabad, 5th July, 2021

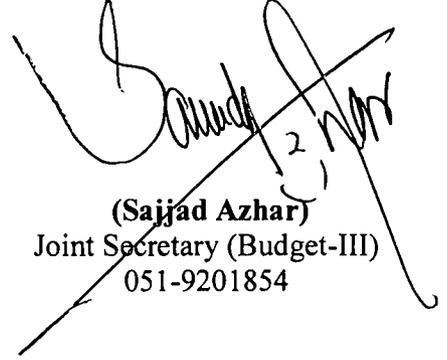
OFFICE MEMORANDUM

Subject: STRATEGY FOR RELEASE OF FUNDS FOR DEVELOPMENT BUDGET FINANCIAL YEAR 2021-22

The undersigned is directed to refer to the subject mentioned above and to state that in pursuance of the provisions of the Public Finance Management Act, 2019, Rule 3(9) of the Cash Management and Treasury Single Account Rules 2020 and Financial Management and Powers of Principal Accounting Officers Regulations, 2021, the following budget release strategy for Development Budget for Financial Year 2021-22 shall be followed with immediate effect and until further orders:-

- a. Funds for Development Budget shall be released by Ministry of Planning, Development and Special Initiatives for the projects at the level of 20% for Quarter 1, 30% each for Quarter 2 & Quarter 3 and 20% for Quarter 4.
- b. In case of actual expenditure less than 40% of the approved appropriation in first two quarters (July-December), Finance Division shall limit or place conditions on budget appropriation in terms of Section 24 of the Public Finance Management Act, 2019.
- c. Ministry of Planning, Development and Special Initiatives while executing the development projects shall ensure implementation of the provisions contained under Chapter-III of the Public Finance Management Act, 2019.
- d. Ministry of Planning, Development and Special Initiatives shall devise sector-wise/project-wise/Division-wise strategy for release of funds for Public Sector Development Program (PSDP) within the appropriations approved by the National Assembly and included in the Schedule of Authorized Expenditure in terms of Article 83 of the Constitution of Pakistan.
- e. Any relaxation to the above limits shall be considered by the Budget Wing, Finance Division on case to case basis and shall require prior approval of the Finance Secretary.
- f. All payments shall be made through the pre-audit system of the Accountant General Pakistan Revenues/Military Accountant General/Accounting Offices/Sub-Offices, or through Assan Assignment Account Procedure 2020 issued by the Finance Division. No direct payment through the State Bank of Pakistan shall be made, except with the prior approval of the Finance Secretary as per Rules 3(2) and 3(3) of the Cash Management and Treasury Single Account Rules 2020.
- g. As per Section 23 of the Public Finance Management Act, 2019, no authority shall incur or commit any expenditure from the "Federal Consolidated Fund" until the same has been sanctioned by the National Assembly and the expenditure has been provided for the financial year through (a) schedule of authorized expenditure in terms of Article 83 of the Constitution (b) supplementary grant or technical supplementary grant as per Article 84 of the constitution duly approved by the Federal Government, or (c) re-appropriation as per section 2 (u) and 11 of the Public Finance Management Act, 2019.

- h. There shall be no requirement of ways and means clearance from Budget Wing of Finance Division for the releases of funds.
- i. The provisions of Public Finance Management Act, 2019 and the Financial Management and Powers of Principal Accounting Officers Regulations, 2021 shall be strictly adhered to by all the PAOs and the Accounting Offices.
- j. The instructions with regard to all of Supplementary Grants shall be issued by the Budget Wing, Finance Division, separately.
- k. The Development Wing of Finance Division shall coordinate and oversee the matters relating to release of funds for development budget and other ancillary matters.

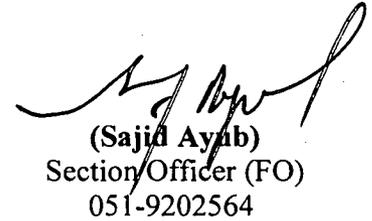

(Sajjad Azhar)
Joint Secretary (Budget-III)
051-9201854

Distribution:

1. All Principal Accounting Officers including Secretaries of Ministries/Divisions.
2. Governor State Bank of Pakistan, Karachi.
3. Managing Director, SBP Banking Services Corporation, Head Office, Karachi
4. CF & AOs of all Ministries/ Divisions.
5. All Additional Finance Secretaries, Senior Joint Secretaries and Joint Secretaries of Finance Division.
6. Controller General of Accounts, Islamabad.
7. Accountant General Pakistan Revenues, Islamabad.
8. Military Accountant General (MAG), Rawalpindi.
9. Sub-Offices of AGPR, Lahore, Karachi, Peshawar, Quetta, Muzaffarabad & Gilgit.
10. Web Master with the request to upload on the Finance Division's website.

Copy to:

- SA to Finance Minister
- SA to Finance Secretary


(Sajid Ayub)
Section Officer (FO)
051-9202564