



Budget Call Circular

2016-2017

**Government of Pakistan
Finance Division
Islamabad**

www.finance.gov.pk



BUDGET / IMMEDIATE
D.O.No.F.1(245)DBA/2015
Government of Pakistan
Finance Division

From: **Additional Finance Secretary (Budget)**
Phone: 051- 9202083
Fax: 051-9221288

Islamabad, the 13th January, 2016

Subject: **Submission of Revised Estimates 2015-16, Budget Estimates 2016-17 and Medium-Term Budget Estimates 2016-19**

Dear Sir / Madam,

The Budget Call Circular for the year 2016-17 is attached. Budget will be formulated as per the method of 'output-based budgeting'. The budget so prepared will contain revised estimates for 2015-16, budget estimates for 2016-17 and medium-term budget estimates for 2016-19. The Budget Call Circular has two sections:

- **Section I** includes budget preparation forms, instructions and procedure for preparation and submission of detailed budget - Revised Estimates (2015-16) and Budget Estimates (2016-17) in respect of Federal Government receipts, current and development expenditure.
 - **Section II** includes forms and instructions for allocation of indicative budget ceilings to 'outputs' (services), and for the development of output-based budgets (presented in the MTBF Green Book). LM forms - or the Line Ministry Forms - will be completed by the office of Principal Accounting Officers, and Fund Centre Form will be completed by their attached departments and sub-ordinate offices to prepare medium-term budget 2016-19.
 - Special instructions and Budget Calendar are at Appendix A and Appendix B, respectively. Budget preparation process is at Appendix C.
2. The Indicative Budget Ceilings of current and development budget for three years i.e. 2016-17, 2017-18 and 2018-19 will be communicated through a separate letter.
 3. Receipt of this letter may kindly be acknowledged.

With best regards,

Yours sincerely,

Dr. Shujat Ali

All Secretaries / Additional Secretaries Incharge of Ministries / Divisions (By Name).

Copy forwarded for information and necessary action to:-

1. Auditor General of Pakistan, Islamabad.
2. Controller General of Accounts, Islamabad.
3. Registrar, Supreme Court of Pakistan, Islamabad.
4. Registrar, Islamabad High Court, Islamabad.
5. Secretary, Federal Public Service Commission / Federal Service Tribunal / Federal Land Commission, Islamabad.
6. Additional Secretary, Finance Division (Military), Rawalpindi.
7. All Accountants General / Directors General Audit / Directors Audit.
8. Director Generals Defence, Works and Commercial (Audit)
9. Chief Accounts Officer, Ministry of Foreign Affairs.
10. Chief (Programming), Planning, Development and Reform Division, Islamabad.
11. Member Finance, Pakistan Railway Board, Islamabad.
12. Member Finance, WAPDA, Lahore.
13. All Joint Secretaries, Deputy Secretaries and Section Officers, Finance Division, Islamabad.
14. All FAs / DFAs with the advice to quality assure the BOs/NISs in accordance with the instruction given in the Budget Call Circular.



Joint Secretary (Budget Implementation)
Phone: (051) 9218838
Fax: (051) 9221763

Special Instructions

The following are the specific instructions to complete the requirements of Section I and Section II forms:

1. The **Budget Calendar** (Appendix B) presents the activities that are required to complete the budget preparation process. The budget calendar is presented in a tabular format, which contains activities, the responsible stakeholder and the deadlines of each activity. These deadlines may be adhered to.
2. The Indicative Budget Ceilings of Current and Development Budget for three years i.e. 2016-17, 2017-18 and 2018-19 will be communicated through a separate letter.
3. **When the Indicative Budget Ceilings for three years are received, forms enclosed in Section II (Strategic Overview Form and LM Forms) will be completed by office of the Principal Accounting Officers. These forms are designed to help Ministries in strategic allocation of Ceilings to 'outputs'.**
4. Upon completion of 'LM' forms, the following will be forwarded to the relevant Fund Centres by Principal Accounting Officers:
 - a. Section I forms,
 - b. Section II form (Fund Centre Form),
 - c. Three (3) years Ceilings that will guide Fund Centres to prepare their budgets (these Ceilings will result from completed Section II 'LM Forms'),
 - d. List of standard output indicators related to that Fund Centre.
5. **The Section I forms will be forwarded to the Budget Wing (Finance Division) for further necessary action.** The Section I includes:
 - Annex I: Procedure for submission of Revised Estimates 2015-16 and Budget Estimates 2016-17 in respect of Receipts of the Federal Government.
 - Annex II: Procedure for submission of Revised Estimates 2015-16 and Budget Estimates 2016-17 in respect of Current and Development Expenditures.
 - Annex III: Instructions relating to completion of format (BOs / NISs).
 - Annex IV: Format of 'New Item Statement' / 'Budget Order'.
 - Annex V: Proforma for indicating details of posts.
 - Annex VI: Template for Collection of Spending DDOs Budget Estimates.
6. In Section I, the Revised Estimates for the year 2015-16 for current and development expenditures must include, among other things, the following:
 - a. Appropriations or re-appropriations within the sanctioned grants,
 - b. New items of expenditure sanctioned through supplementary grants,
 - c. Surrenders made or likely to be made during the year.
7. While preparing BOs / NISs, the Ministries / Divisions are required to obtain budget provisions under relevant Cost Centres and Circle of Accounts (where the payment is actually required to be made). AGPR has been instructed **not** to authorise payment where budget provision does not exist.
8. The Federal Budget will be prepared at the expenditure DDO level wherever applicable. The AGPR has been instructed **not** to extend any expenditure over and above the printed budget 2016-17 stands incorporated in the system without the consent of Finance Division. The

- Ministries / Divisions who are operating their budget at expenditure DDOs level are requested to submit 2016-17 (Budget) at expenditure DDOs level to the Budget Wing on the template given at (Section I - Annex VI).
9. No lump-sum provision should be made or proposed to be made in the budget. All items under the object classification should be proposed according to the prescribed detailed object heads of accounts so that the number of references to the Financial Advisers / Finance Division is reduced to the minimum.
 10. **Organisations / entities that use single-line budget (other than subsidies) will provide detailed budget information (i.e. on detailed object classification) and also to provide details of their own receipts.**
 11. Approved 'Green Book 2016-19' may be forwarded to the MTBF Secretariat, Budget Wing (Finance Division) by the date mentioned in the Budget Calendar. The standard format of 'Green Book 2016-19' is included in section II. The MTBF Secretariat has installed software called 'Financial Management Application' in your Ministry/Division to help you prepare the 'output based budget'. **The Line Ministry (LM) forms will be retained by your Ministry / Division.**
 12. To fill in Section I forms and Section II forms (including Fund Centre Form), Budget Section, P&D Section and 'Core Team' in Ministries will provide necessary assistance to Fund Centres (Spending Units). MTBF Secretariat, Budget Wing, Finance Division will provide necessary assistance in filling Section II forms to 'Core Teams' established in each of the office of Principal Accounting Officers. All queries and clarifications should be addressed to:

Mr. Talib Hussain Baluch
MTBF Secretariat, Block Q, Room No. 102, Budget Wing
Finance Division, Pakistan Secretariat
Government of Pakistan
Islamabad
Tel: (051) 9201593

13. To download an electronic copy of these forms, the website <http://www.finance.gov.pk/downloads.html> may be used.

Budget Calendar

The time-schedule prescribed for the submission of budget estimates in respect of Receipts as well as Current and Development expenditures of the Federal Government on Chart of Accounts is given below:-

FEDERAL RECEIPTS

S #	Activities	Responsible	Deadline (Last date)
1.	First Preliminary Revised Estimates (2015-16) and Budget Estimates (2016-17) of Federal Government Receipts together with reasons for variations	Principal Accounting Officers	By 29 th January, 2016
2.	Final Estimates of Federal Government Receipts (Revised 2015-16 & Budget 2016-17) together with explanatory notes thereon	Principal Accounting Officers	By 14 th March, 2016

CURRENT AND DEVELOPMENT EXPENDITURES (REVENUE & CAPITAL)

S #	Activities	Responsible	Deadline (Last date)
1.	Issuance of 'Budget Call Circular' 2016-17	Finance Division	13 th January, 2016
2.	Development of Budget Strategy Paper	Finance Division	1 st February 2016
3.	Presentation of the Budget Strategy Paper in the Cabinet for approval	Finance Division	Second week of February, 2016
4.	Letter of Indicative Budget Ceilings (3 years) to the PAOs of Ministries / Divisions for current expenditure and development expenditure and copy of ceilings to FAs/DFAs and Sector Chiefs in Planning Commission	Finance Division	Second week of February, 2016
5.	Last date for Submission of Section I Forms by Ministries / Divisions for current budget to FAs/DFAs	Fund Centres, Ministries / Divisions	By 29 th February, 2016
6.	Last date for Submission of Section I Forms by Ministries / Divisions for development budget to Sector Chiefs in Planning Commission and copy to FAs/DFAs	Fund Centres, Ministries / Divisions	By 15 th March, 2016
7.	Last date for submission of Section I Forms (BOs/NISs) on Chart of Accounts for current expenditure to the Budget Wing (Finance Division)	Principal Accounting Officers	By 21 th March, 2016

8.	Last date for submission of Section I Forms (BOs/NISs) on Chart of Accounts for development expenditure to the Budget Wing (Finance Division) <i>Fair copies of the NISs for Development / Capital budget may be sent to BR-III Section of the Budget Wing, Finance Division after the same have been countersigned by the relevant Technical Section / Programming Section of the Planning, Development and Reform Division.</i>	Principal Accounting Officers	By 28 th March, 2016
9.	Review of budget in the Priorities Committee Meetings	Priorities Committee	First week of April, 2016
10.	Annual Planning Co-ordination Committee (APCC) meeting	Planning Commission / Finance Division	End of April, 2016 (tentative)
11.	NEC meeting	Planning Commission / Finance Division	First week of May, 2016 (tentative)
12.	Finalization/Printing of Section II Forms by the Ministries / Divisions. The concerned Ministry/Division will retain these forms.	Budget Section, P&D Section in Ministries / Divisions	By 11 th May, 2016
13.	Submission of Final 'Green Book' report to Budget Wing (MTBF Secretariat), Finance Division	Principal Accounting Officers	By 16 th May, 2016
14.	Completion of all Budget Documents (including Green Book), Schedules and Summaries for Cabinet etc.	Finance Division	One week before budget speech
15.	Presentation of Budget to the Cabinet and the Parliament	Finance Minister	27 th May, 2016 (tentative)

The Budget Preparation Process for the Federal Ministries / Divisions

This section sets out the process for the preparation of the Medium Term Budget for 2016-17 to 2018-19. All Federal Ministries / Divisions will prepare their budget based on Output Based Budgeting System also known as MTBF. The following are details of steps involved in the Medium Term budget preparation process as mentioned in the 'Budget Calendar' at (Appendix B).

The overall process in Federal Ministries will be supported by the Finance Division / MTBF team.

1. Issuance of 'Budget Call Circular 2016-17' to the Principal Accounting Officers (PAOs) of the Federal Ministries / Divisions

As a first step the Finance Division will issue "Budget Call Circular" to the PAOs of all the Ministries / Divisions. This is the budget call circular that contains the instructions and forms required to be completed under the leadership of the PAO.

2. Preparation of Budget Strategy Paper and its presentation in the Cabinet

The next step is for the Finance Division to prepare medium-term (3-years) Budget Strategy Paper. The Budget Strategy Paper will contain Medium-Term Macroeconomic and Medium-Term Fiscal Frameworks. In order to develop the Macro-Fiscal projections, the Finance Division interacts with various stakeholders (including Federal Board of Revenue, Planning Commission, Economic Affairs Division, Pakistan Bureau of Statistics, and State Bank of Pakistan). Based on these projections, indicative budget ceilings are formulated. The Budget Strategy Paper is approved by the Cabinet before ceilings are forwarded to the PAOs.

3. Issuance of Indicative Budget Ceilings for current and development budget to the PAO's of Ministries / Divisions

Federal ministries will receive indicative budget ceilings for three years. The ceilings for current budget are prepared by Finance Division. The ceilings for development budget are prepared by the Planning Commission and issued by the Finance Division. Copy of recurrent budget indicative budget ceiling letter is also sent to the concerned FAs / DFAs. Copy of development budget indicative budget ceiling letter is also sent to the concerned FAs / DFAs and Sector Chiefs in the Planning Commission.

4. Preparation of Strategic Plan for the medium term

After receiving ceilings for current & development expenditure, office of the Principal Accounting Officer (PAO) will conduct in-house meeting to develop a Strategic Plan for the upcoming three years. Offices of the PAOs have established 'Core Teams' for this purpose. The Terms of Reference of the 'Core Teams' have already been forwarded to all PAOs. Broadly, the 'Core Teams' are responsible for planning, budgeting, and monitoring processes.

5. Filling of the Budget Forms

The ministries / divisions will go through the Budget Preparation Forms. Instructions and Procedures to fill in the Budget Forms of Section I and Section II are part of the relevant sections.

6. Submission of Section I and Section II forms by Ministries / Divisions for current budget to FAs/DFAs for Quality Assurance

In the presence of ceilings, the Financial Advisers will *quality assure* the Fund Centre forms (BO / NIS) and give their recommendations (if so) to the concerned Principal Accounting Officer.

- 7. Submission of Section I and Section II forms by Ministries / Divisions for development budget to Sector Chiefs in Planning Commission and copy to FAs/DFAs**
- 8. Submission of Section I Forms (BO / NIS) for recurrent and development expenditure budget to Computer Section (Budget Wing – Finance Division)**

Section I Forms (BO/NIS, “Posts Proforma” and “Spending DDOs Budget Estimates”) will be forwarded to the Budget Computerization Section of Budget Wing – Finance Division by the date mentioned in the Budget Calendar Appendix B of this BCC.

- 9. Review and approval of budget estimates and additional bids (current + development) by the Priorities Committee**

Each Principal Accounting Officer (PAO) will be invited to make presentations on their budget proposals to the Priorities Committee (comprising Finance Division, Planning, Development and Reform Division, and Economic Affairs Division). *It is important to note that these presentations will deal with both the current and development sides of the budget proposals.* Priorities Committee would also consider and approve additional resource bids by the Ministry. Before consideration of additional bids in the Priorities Committee, these bids would first be reviewed by the FAs/DFAs in case of current budget and by Sector Chiefs in the Planning, Development and Reform Division, and FAs/DFAs in case of Development Budget.

The Priorities Committee will discuss past performance, current year’s budgetary allocations, and ceilings for the budget year and forecast years. In addition, discussions will focus on ‘outputs’ (services) to be delivered and policy priorities.

Information such as LM Form 1, and LM 2 alongside other relevant information will be discussed in the Priorities Committee meeting.

- 10. Completion of budget review and approval process – APCC meeting**

Self-explanatory.

- 11. Completion of budget review and approval process – NEC meeting**

Self-explanatory.

- 12. Finalisation and Submission of Final ‘Medium Term Budget Estimates for Service Delivery’ (Green Book) report (as per format given in Section II) by the Ministries/Division to Finance Division.**

“Green Book” is the summary presentation of LM forms and Fund Centre Form of Section II. Green Book should be approved by the relevant competent authority i.e. PAO. As part of the Green Book approval process, the PAOs would need to brief their relevant Minister before giving approval.

- 13. Completion of all Budget Documents (including ‘Green Book’), Schedules and Summaries for Cabinet etc.**

Self-explanatory.

- 14. Presentation of Budget (including ‘Green Book’) to the Cabinet and Parliament.**

Self-explanatory.

SECTION I

Budget Preparation Forms, Instructions and Procedure

for Preparation and Submission of

Revised Estimates 2015-16 and Budget Estimates 2016-17

in respect of

Federal Government Receipts

and

Current & Development Expenditure

**PROCEDURE FOR SUBMISSION OF
REVISED ESTIMATES 2015-16 BUDGET ESTIMATES 2016-17 IN RESPECT OF
RECEIPTS OF THE FEDERAL GOVERNMENT**

1. Administrative Divisions are requested to co-ordinate the estimates of the different estimating authorities under them and submit the verified and consolidated estimates to their Financial Advisers. The Financial Advisers will scrutinize the estimates and forward them with their comments to the Budget Wing by the prescribed dates, addressed to Deputy Secretary (Budget Resources II). The Finance Division intends to formulate, an estimate of overall resources likely to be available in the year 2016-17 for financing the Public Sector Development Programme (PSDP). The preliminary estimates of receipts may therefore, reach Finance Division in time. The final estimates may reach the Finance Division by 14th March 2016, positively.
2. The estimates of Foreign Aid Receipts for both 2015-16 (Revised) and 2016-17 (Budget), together with actuals for the years 2013-14 to 2014-15 are required to be furnished by the Economic Affairs Division. The administrative authorities may, however, assist that Division by furnishing promptly such information or material as may be required of them for compiling these estimates.
3. The estimating authorities of various Government receipts are indicated below:-

<u>Heads of Receipts</u>	<u>Estimating Authorities</u>
A. Principal Heads of Revenue	Federal Board of Revenue.
B. Other Revenue/Capital Receipts	Administrative Ministries / Divisions and Audit & Accounts Offices.
C. Foreign Aid	Economic Affairs Division.
D. Debt, Deposits and Remittances Heads	Financial Advisers, Central Directorate of National Savings; Audit & Accounts Offices and Administrative Ministries / Divisions.

**PROCEDURE FOR SUBMISSION OF
REVISED ESTIMATES 2015-16 AND BUDGET ESTIMATES 2016-17
IN RESPECT OF CURRENT AND DEVELOPMENT EXPENDITURE**

Current:

1. The estimates of expenditure included in the Budget Estimates should be broken down into **Charged** and **Voted** expenditure.
2. No Budget Order / New Item Statement (BO/NIS) will be accepted, in which Employee Related Expenses have been claimed, if not duly supported with the information asked for in the Annex V.

Development:

3. The Estimates of Development Expenditures 2016-17 should not include any scheme which has not been approved in accordance with the prescribed procedure. These estimates should be accompanied with detailed expenditure estimates for budget provision in respect of individual projects and be supported by relevant PC-I or PC-II Form.
4. **A statement in PPWD Form 4 showing the provision that may have been separately proposed to the Housing and Works Division for works expenditure for the year 2016-17 if any, pertaining to a project should also be submitted along with the budget estimates.** The Housing and Works Division will compile them according to individual development projects included in the Public Sector Development Programme and furnish a copy to the Budget Wing (S.O. BR-III Section) of the Finance Division within three days after the finalization of the budget estimates in respect of development projects.
5. Foreign exchange component of Development Expenditure – The foreign exchange component of estimates of development expenditure is required to be shown distinctly together with the source from which it will be met (i.e., whether from own resources or from foreign aid). When the foreign exchange components are to be financed (wholly or partly) from foreign aid, the source and type of aid should invariably be indicated in the budget provision for the relevant project/scheme and at the end of the relevant New Item Statement. In case of Foreign Aid Grants, equal amount of recoveries should be reflected in NIS Form under Sr. No 13.
6. The provision made for foreign exchange expenditure is not available for rupee expenditure or vice versa and no re-appropriation is permissible between the provision for rupee and foreign exchange expenditure. This should be kept in view while framing the estimates for rupee as well as foreign exchange requirements.
7. Budget provision for import items should include duties and taxes.

**INSTRUCTIONS FOR FORMAT OF
NEW ITEM STATEMENT / BUDGET ORDER**

Important

The Ministries / Divisions / Departments should read the following instructions carefully and all BOs / NISs should invariably be prepared in the enclosed format

GENERAL INSTRUCTIONS:

1. Ministries / Divisions / Departments are required to submit one Budget Order (BO) and one New Item Statement (NIS), for every office.
2. Separate BO / NIS for Charged and Voted shall be submitted for every office. Combined total of Charged and Voted document may be shown invariably in a covering statement.
3. No column in the BO / NIS forms should be left blank. In case any column is not applicable, it may be marked N.A.
4. BO / NIS should be prepared in thousands.

SPECIFIC INSTRUCTIONS:

- | | |
|---------------------|--|
| Serial No. 1 | Budget Year |
| Serial No. 2 | Budget Document Type (Tick the relevant box). |
| Serial No. 3 | Write Fund information i.e. Demand No. , Fund Code and its Description . |
| Serial No. 4 | Write Attached Department and Sub-detailed Function (both the code and its description). |
| Serial No. 5 | Write Fund Centre / DDO Code or Project Name (Development Scheme) (both the code and its description). It shall be left blank where Multiple DDOs are being entered into one BO/NIS. In case of New Office / Department / Agency, the word " NEW " should be written in Brackets after the nomenclature. If an office has been opened during the current financial year, provision may be substantiated by a copy of the schedule of Supplementary Grants as an Annex to the BO/NIS. In case of Development Scheme, the name of department and scheme both should be mentioned in the NIS. |
| Serial No. 6 | Write the relevant Circle Description. |
| Serial No. 7 | Use this space for writing any related information , otherwise write N.A. and should not be left blank. |

Serial No. 8 Write all the **Function levels** i.e. **Major, Minor, Detailed** and **Sub-Detailed** codes with the descriptions and **total amount** of budget against each level (both revised estimates for the year 2015-16 and budget estimates for the year 2016-17) in the BO/NIS.

Serial No. 9 This has been bifurcated into three parts i.e.

- | | |
|--|---|
| a) Object Code | Letter 'A' has been pre-printed. Budget should be entered at all Major, Minor, Detailed and Sub-Detailed levels. Consult the Chart of Accounts and fill all the required five digits carefully. |
| b) Object Classification (Commitment Item) | Write description for Object Code. |
| c) Revised Estimates / Budget Estimates | Mention provision of object item. Provision should be in thousands. If Rs. 10,000 is to be filled, write 10. |
| d) No. of Posts | Mention the number of posts for the salary budget (these should match with the posts details as mentioned in Annex V, Posts Proforma). |
| e) Fund Centre/DDO Code | In case of Multiple DDOs in a single BO/NIS form, the respective DDO Codes/Fund Centres may be mentioned in this column. |

Serial No. 10 Total Provision (Gross).

Serial No. 11 – 12 Foreign Exchange component should be shown, wherever necessary, and at the end of BO/NIS against the space provided separately for Foreign Aid and Foreign Exchange Own Resources.

Certain agreements of foreign aid state that the Government of Pakistan should initially incur the expenditure in local currency and thereafter the equivalent amount would be reimbursed on actual basis by the donor agency. If such is the case in respect of a foreign aided scheme/project, the amount to be spent in local currency out of the foreign aid (reimbursable) should be clearly indicated under the scheme/project on the NIS.

Serial No. 13 Recoveries, if any, should also be shown in a separate sheet at the end of every BO/NIS form.

NOTE: All officers signing BOs/NISs in the administrative Ministry / Division / Department and DFAs should indicate their telephone number clearly on every BO/NIS. Section Officer or equivalent level officer may be deputed for reconciliation purpose. It is also to mention here that minimum 12 point size font be used while filling up figures in the BO/NIS form.

ENQUIRIES: For clarification or additional information, if required, please do not hesitate to contact:

**Joint Secretary (Budget Implementation)
Finance Division
Phone: (051) 9218838
Fax: (051) 9221763**

**(Syed Pervez Abbas Naqvi)
Director (Budget Computerization)
Finance Division
Phone: (051) 9209587
Fax: (051) 9221393**

FORMAT FOR BUDGET ORDER / NEW ITEM STATEMENT

Government of Pakistan

Ministry : _____
 Division : _____
 Department : _____

No. _____ Islamabad, the _____

From : _____

To : _____

1

BUDGET YEAR : 2016 - 2017

2 Type of Document
 (Tick the Box Applicable)



BO



Addl. BO



NIS



Addl. NIS

3 Fund Information : Demand No. _____ Fund Code _____ Fund Description _____

Code	Description
_____	_____
_____	_____
_____	_____

4 Attached Department /

Sub-Detailed Function

5 Fund Center (DDO Code) / Project Name

(Development Scheme)

6 Circle

7 Notes (if any)

TO BE FILLED IN ONLY BY BUDGET WING (MOF)

Document with Multiple DDOs / Departments



(Tick the box where applicable)

New Diary No. _____

Old Diary No. _____

Checked By (Name) _____

Entered By (Name) _____

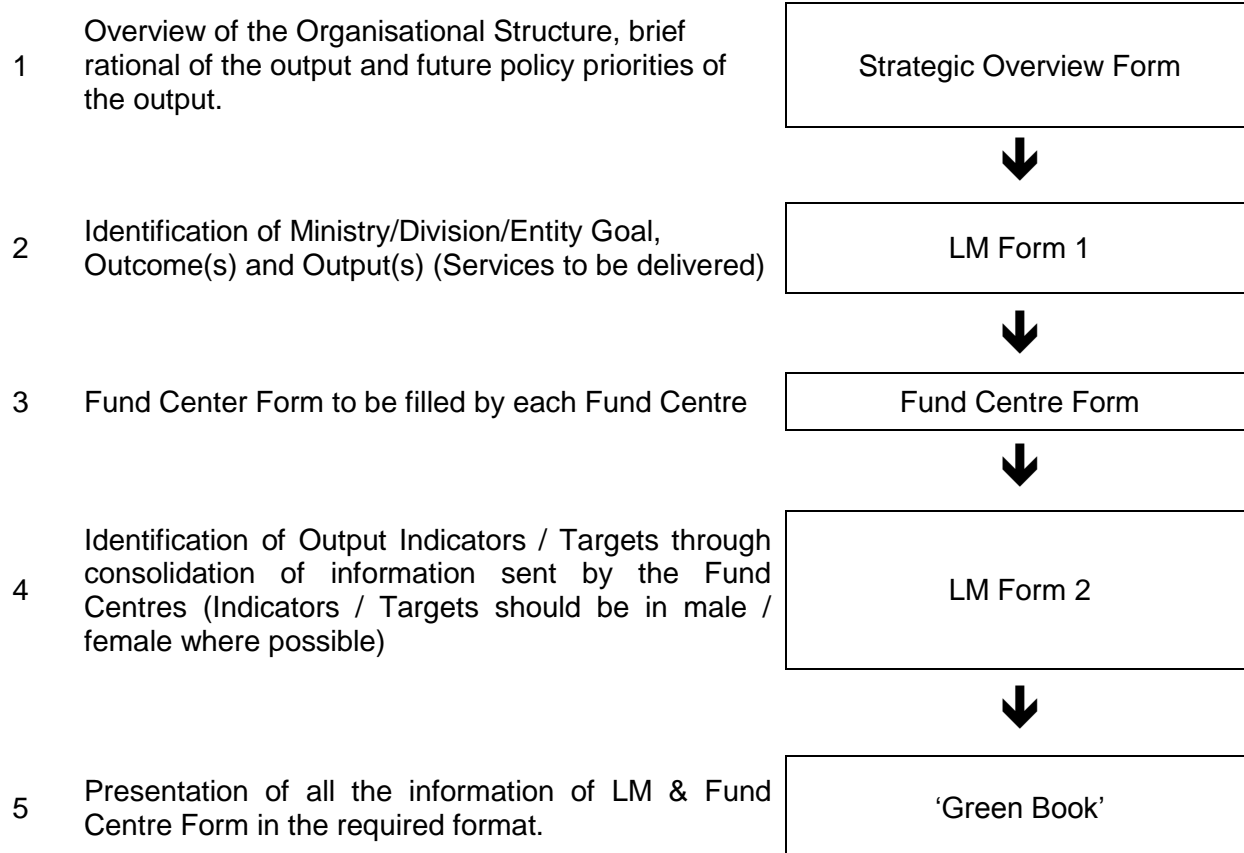
SECTION II
Budget Preparation Forms
and Instructions for Preparing
Medium-Term Budget
(2016-19)

General Guidelines

1. This section contains forms that are designed to prepare Medium-Term Output Based Budget (2016-19). The 'Output Based Budget' follows the 'Logic of Intervention' (Ref: page 22) method.
2. This section encloses Strategic Overview Form, and 'LM Forms', which are to be completed by the office of the Principal Accounting Officer (PAO) before the 'Fund Centre Form' is dispatched to and completed by the Fund Centres.
3. The Ministry Strategic Review Form and 'LM Forms' should be prepared in collaboration with the strategic management of the Ministry/Division. The strategic management includes Secretary, senior officials (from technical, operational, administrative and planning sections/wings etc.) and the heads of Attached Departments. The 'Core Teams' established in the offices of PAOs will be primarily responsible for filling 'LM Forms'.
4. 'Medium Term Budget Estimates for Service Delivery' (Green Book) should be completed after Strategic Overview Form, 'LM Forms and 'Fund Centre Form' are completed. *The 'Green Book' should be approved by the concerned Principal Accounting Officer before it is forwarded to the Finance Division for compilation.*
5. Budget will be prepared by Principal Accounting Officers – this means that all the budgetary amounts for which a PAO is responsible will shown in a single Green Book. Since the budget is presented by 'Demands for Grants' in the Parliament, the budget for PAOs may be shown in demands falling under a different Ministry / Division. The Green Book aims to consolidate all the budgets related to a PAO together with reconciliation with 'Demands for Grants'.
6. For each of the output, there is a new requirement to present 'key projects' and their details. Key projects should be of strategic nature, and can be linked to specific outputs.
7. A personnel plan is being introduced. In this plan, the 'Core Teams' will provide details of the estimate number of posts to be filled over the medium-term. This will help the office of the PAOs to forecast employee recruitment / retirement in addition to funding requirements. This information will be presented on different levels of cadres. Additionally, number of female employees will be presented to cater for requirements of gender based budgeting initiative.
8. Actual expenditure and actual performance achieved will be provided for two previous years.
9. For each of the output, the respective 'office responsible' will be mentioned.
10. Amounts should be rounded off to the nearest thousand. For this purpose, provision of up to Rs.499 should be taken as zero and provision of Rs.500 and above as Rs.1,000.

Sequence of Filling Line Ministry Forms ‘LM Forms’:

Upon receipt of ‘LM Forms’ and the Ministerial Ceilings the Ministries/Divisions are expected to go through the following step by step process:



Note: The ‘Medium-Term Budget Estimates for Service Delivery’ (Green Book) may be signed by the Principal Accounting Officer (PAO) and may be forwarded to the MTBF Secretariat Budget Wing, Ministry of Finance by the date mentioned in the Budget Calendar.

ENQUIRIES: For any clarification or additional information, please contact:

(Waqas Ahmed Paracha)
Financial Monitoring Specialist,
MTBF-Finance Division
E-mail: fms@finance.gov.pk,
Phone: (051) 9202661, 9209422, Fax: (051) 9221288

Logic of Intervention

The Logic of Intervention is a management tool used to improve the design of a ministry or division's work plan. Preparing the logical framework involves identifying strategic elements (inputs, outputs, outcomes, goals) and their linkage to each other. The logical framework also involves defining indicators (for measuring progress), and the assumptions or risks that may influence success and failure in achieving the goals of the ministry.

The basic idea of the log of intervention is the way high level objectives or GOALS are to be achieved through the use of resources (INPUTS) to produce OUTPUTS, which contribute to OUTCOMES and eventually to high-level GOALS:



The definitions of the principal elements in the Logic of Intervention are as follows

Inputs	The financial, human, and material resources required to undertake activities that contribute to the service delivery (Output).
Outputs	The products or services delivered to general public or to other Ministry/Department etc. for example one of the services (output) of Ministry of Water and Power is "Enhancement of electricity generation, transmission and distribution services"
Outcome	The short-term and medium-term impact on the target population of a particular service (output) being delivered. For example the outcome of the service (output) provided by the Ministry of Water and Power "Reduction in load shedding by 2017 and gradual reduction in electricity prices from 2016"
Goal	The high-level objective to which the office of the Principal Accounting Officer is aspiring to embrace. Where relevant, organisational goal should be linked with one or more goals defined in the 'Vision 2025' document. For example goal for Water and Power Division will be "Double power generation by 2025 in order to provide uninterrupted and affordable electricity"
KPI	A Key Performance Indicator (KPI) is a tool or variable used to measure service delivery. Targets are set for the medium term for each KPI against each output (Service). For example the KPI for the output "Enhancement of electricity generation, transmission and distribution services" could be "Reduction in load shedding by 20% in the year 2016-17 (%age reduction of gap between power demand and power supply)".

GOVERNMENT OF PAKISTAN
ORGANISATIONAL STRUCTURE AND OUTPUTS
2016-19

- (1) Ministry:
- (2) Principal Accounting Officer (Name & Designation):
- (3) Executive Authority:
- (4)

4.1 Organisational Goal:

4.2 Policy Document:
(Name of the Policy Document and web link)

- a.
- b.

4.3 Organisational Structure:

Attached Departments:

- a.
- b.

Regulatory / Autonomous Organisations/State Owned Enterprises :

- a.
- b.

4.4 Outcome (s):

Outcome 1:
Name of the Outcome, and brief description:

4.5 Outputs:

Output 1:
Name of the Output
Brief rationale of the output
Future policy priorities of the output
Office responsible

Instructions for Filling “Strategic Overview Form”

Purpose of the Form:

This form is designed to aid Line Ministries / Divisions in defining organisational structure, briefly describe the rational of the output and make future plan for the policy priorities for the medium term period of 2016-19. This will substantially assist the Ministries in completing Line Ministry ‘LM Forms’ . This report should be approved by the relevant Principal Accounting Officer (PAO).

Specific Instructions:

Serial Number 1. Self Explanatory.

Serial Number 2. Self Explanatory.

Serial Number 3. Self Explanatory.

Serial Number 4. This section focuses on five areas.

4.1 Write the Organisational Goal

Please note: Where possible, the organisational goal should be linked with the goals defined in ‘Vision 2025’ document. Goal should be defined in a tangible term e.g. ‘increase tax to GDP ratio to 18% by 2025’.

Please do not write organisational function as defined in the Rules of Business.

4.2 Write the name of the Policy Document and also provide Reference web link of the Policy Document

Please only write the name of approved policy document.

4.3 List down the Attached Departments and Regulatory/ Autonomous Organisations.

4.4 List down the names of outcomes and briefly describe the rational each outcome

4.5 List down the names of output, briefly describe rational each output future policy priorities and office responsible the output

Instructions for Filling Form LM-1

Purpose of the Form:

This form is designed to help Line Ministries in linking outcomes to outputs, outputs to Fund Centres and allocating 'Medium Term Budget Ceiling' to its strategic priorities. This form can help identify new outputs to be introduced by Fund Centres during a particular year, or contribution pattern by a Fund Centre (e.g. a Fund Centre may contribute to an output for two years only).

Senior Management team (including attached Departments) of the ministry should review the LM form - 1 for 2016-19 together with the 'Strategic Overview Form' mentioned earlier. The ministry/division should amend and update LM Form-1 if needed.

The structure of goal, outputs and outcomes is as per the 'Logic of Intervention' methodology described earlier in this Section.

Specific Instructions:

- Serial Number 1. Self Explanatory.
- Serial Number 2. Self Explanatory.
- Serial Number 3. Serial Numbers provide a basis for referencing. These should carefully be numbered e.g. Outcome A can be assigned Serial Number 1.
- Serial Number 4. Write the name of the Outcome(s) as mentioned in 'Organisational Structure and Outputs'. The outcome(s) should clearly be linked to output(s) defined in Serial Number 6. An outcome can have one or more than one output.
- Serial Number 5. Serial Numbers provide a basis for referencing Each Output should be numbered separately but in reference to the outcome e.g. Output A contributing to Outcome A can be assigned Serial Number 1.1. An Output B contribution to Outcome A can be assigned Serial Number 1.2.
- Serial Number 6. Write the name of Output(s). The output(s) should clearly be linked to outcomes(s) defined in Serial Number 5. Ideally, one output should only contribute to one outcome.
- Serial Number 7. Mention the name of office responsible for this output.
- Office responsible (organizational unit) can either be an 'Attached Department', or a Wing or a Section within the organization.
- In some cases outputs defined in the Green Book cut across different offices. In such cases, it is important to redefine them. Linkage of outputs with organizational units / offices is important for establishing clarity of responsibility.
- Serial Number 8. Write the Fund Centre code (PIFRA assigned code) of the Fund Centre that contributes to the output defined in Serial Number 4. E.g. Output A can be

contributed by two Fund Centres. The Fund Centre codes are the same as defined in the Pink Book.

- Serial Number 9. Write the name of the Fund Centre(s) that contribute to the output defined in Serial Number 6.
- Serial Number 10. Write whether the Fund Centre is a Current or Development Budget consuming entity. Use the letter 'R' for 'Current' and letter 'D' for 'Development' budget consuming entity.
- Serial Number 11. Write the percentage contribution of the Fund Centre to a particular output. For example, if a Fund Centre is contributing 40% to Output A and 60% to Output B, then under Output A write the percentage contribution '40%'.
- Serial Number 12. Write actual expenditure against each Fund Centre for the year 2013-14 & 2014-15. If a Fund Centre is contributing to more than one Output then write only the proportionate amount. For example, if the total expenditure of a Fund Centre is Rs. 100,000 and it is contributing 40% to Output A and 60% to Output B, amounts which would be written under each Output would be Rs. 40,000 and Rs. 60,000 respectively. Total expenditure of all the Fund Centres under a particular Output would be written against the Output in bold.
- Serial Number 13. Write Original Budget for 2014-15 and 2015-16. Like 'Serial Number 12' write only the proportionate amount in case of multi contributing Fund Centre.
- Serial Number 14. Write the Budget Forecast for the year 2017-18 and 2018-19 as allocated to the different Fund Centres.

Instructions for Filling Form LM-2

Purpose of the Form:

Based on the budget allocated, this form looks at medium term Indicators (Measures) and Targets for the Outputs defined in the Form LM - 1.

Specific Instructions:

- Serial Number 1. Self Explanatory.
- Serial Number 2. Self Explanatory.
- Serial Number 3. Serial numbers provide a basis for referencing between Line Ministry forms. These should carefully be numbered. The serial number assigned to Outputs in the Form LM – 1 should be used here.
- Serial Number 4. Write the name of output(s). This should be the same as defined in the Form LM – 1.
- Serial Number 5. Write Indicators here. This is the unit of measurement of Output e.g. Hospital services can be measured through provision of hospital services to the number of patients.

Note 1: *Ministries / Divisions /Entities should prepare standard list of indicators and send it to the Fund Centres along with the Fund Centre forms and the budget ceilings. Fund Centres will provide targets for the relevant indicators. If the Fund Centres cannot find the relevant indicators they can suggest the new ones and provide target as well. LM-2 will show the consolidated picture of the indicators and targets.*

Note 2: *Where possible, the Indicators/Measures and Targets should reflect **gender**. This can be done in two ways. Firstly, indicators relating to individuals can be disaggregated into male and female. For example, primary education being an output (service) of Ministry of Education can have two indicators/measures namely; Number of male students enrolled and Number of female students enrolled. These two can be assigned different targets. Secondly, indicators relating to gender-relevant issues can be included, such as number of deliveries attended by skilled personnel.*

Note 2: *Where possible, Ministries/Divisions should provide indicators and targets that reflect their policy / plan to tackle challenges posed by **climate change**. For example, number of PSDP projects having components related to climate change resilience, enhancement in water storage capacity to tackle floods, number of universities providing degree / master courses in climate change, %age reduction in Co2 emissions, etc.*

- Serial Number 6. Write the Targets achieved in 2013-14 and 2014-15 against the indicators mentioned in Serial Number 5.
- Serial Number 7. Write the Original Target for 2015-16.
- Serial Number 8. Write the Medium Term Target for the year 2015-16, 2016-17 and 2018-19

Format of the

‘Medium Term Budget Estimates

for Service Delivery’

(Green Book)

2016-2019

NAME OF THE MINISTRY / ENTITY

Principal Accounting Officer:

Executive Authority:

1. Goal:

2. Budget Details:

Rs.'000

Outputs	Actuals		Budget		Forecasts	
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Output 1	xx	xx	xx	xx	xx	xx
Output 2	xx	xx	xx	xx	xx	xx
Total	xx	xx	xx	xx	xx	xx

Demand	Demand No.	Shown in the Demand of:	Budget 2016-17
1.			
2.			
Total			

Inputs – Object Classification	Actuals		Budget		Forecast	
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
A01 Employee Related Expenses	xx	xx	xx	xx	xx	xx
A02 ..	xx	xx	xx	xx	xx	xx
Total	xx	xx	xx	xx	xx	xx

3. Organisational Structure:

Attached Departments:

- 1.
- 2.

Regulatory Authorities / Autonomous Organisations/State Owned Enterprises:

- 1.
- 2.

4. Policy Document: Name of the Document and web link (<http://www>)

5. Medium-Term Outcome(s):

1. Name of the outcome, and brief description
- 2.

6. Outputs:

Output 1:

- Brief rationale of the output
- Future policy priorities
- Office responsible

Output 2:

- Brief rationale of the output
- Future policy priorities
- Office responsible

7. Performance Details

Outputs	Selected Performance Indicators	Targets Achieved		Planned Targets		Forecast Targets	
		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Output 1	1.						
Output 2	2.						

8. Personnel Plan

Number of Filled / To be Filled Posts	Actual Filled		Planned to be Filled		Forecast	
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Grade 20 and above						
Grade 16 – 19						
Grade 1 – 15						
Total Number of Posts (Regular)-A	xx	xx	xx	xx	xx	Xx
Total Number of Project and Contractual Employees - B	xx	xx	xx	xx	xx	Xx
Total Number of Employees (A+B)	xx	xx	xx	xx	xx	Xx
<i>Of which: Female Employees</i>	xx	xx	xx	xx	xx	Xx

9. Strategic Initiatives (selected key projects)

Output and Related Selected Projects	Estimated Total Cost	Completion Date	Expenditure up to June 2015	Budget		Major Milestone to be achieved in 2016-17	Forecast	
				2015-16	2016-17		2017-18	2018-19
1.								
2.								

Signed By PAO:

Name & Designation: _____

Instructions for Filling the ‘Green Book’

Purpose of the Green Book:

Output based budget 2016-19 will be presented as per this format. The information for this report will be derived from the Section II forms (i.e. Strategic Overview Form, LM Forms 1-2, and Fund Centre Form).

The Green Book is prepared to help different stakeholders in analysing the cost of services (outputs) and their effects (outcomes) over the medium term as well as the performance of the ministry during the preceding year and the performance targets for the next three years.

This report should be approved by the concerned Principle Accounting Officer.

Specific Instructions:

At the top of the report, kindly mention the name of Ministry / Division / Entity, e.g. Ministry of Commerce and Textile Industry. Also provide Designation of the Principal Accounting Officer: e.g. *Secretary, Commerce Division*, and Executive Authority: e.g. *Minister for Commerce*

Serial Number 1. Write down the goal of the organisation.

Serial Number 2. Write the name of the Outputs from LM - 1 form.

Actual expenditure 2013-14 & 2014-15: Fill in these columns with the figures of actual expenditure for 2013-14 & 2014-15.

Budget 2015-16 & 2016-17: Fill in these columns with figures of the original budget of 2015-16 & 2016-17.

Budget Forecast 2017-18 & 2018-19: Fill in these columns with the budget estimates worked out for 2017-18 & 2018-19.

Write down the description of the “Demand for Grants” and their numbers in this section and the Name of Ministry / Division where this Demand will be shown in the Pink Book.

In addition, please mention budget by inputs (Chart of Accounts – object classification) for the mentioned years.

Serial Number 3. Write the Organisational Structure of the entity in shape of: attached departments, and regulatory authorities / autonomous organisations.

Serial Number 4. Write the name of the policy documents together with their web address.

Serial Number 5. Provide brief description of outcomes here. The description should not be more than 3 – 4 lines. The description can present the target population, and tangible outcome targets for years 2016-19.

Serial Number 6. Provide information related to outputs here.

The information should contain:

1) Brief Rationale – how does your organisation consider the output to be relevant for the achievement of goals.

2) Future policy priorities – briefly describe the future policy priorities.

Serial Number 7. Performance Detail: Write Indicator / Measure here. This is the unit of measurement of Output. E.g. Hospital services can be measured through provision of hospital services to the number of patients.

Write Actual achievement for 2013-14, and 2014-15. Write the Original Target for 2015-16. The original target should be taken from 2015-18 LM forms. Write medium term target here for the years 2016-19 using the Line Ministry Form LM 2.

Note 1: *Where possible, the Indicators/Measures and Targets should reflect **gender**. This can be done in two ways. Firstly, indicators relating to individuals can be disaggregated into male and female. For example, primary education being an output (service) of Ministry of Education can have two indicators/measures namely; Number of male students enrolled and Number of female students enrolled. These two can be assigned different targets. Secondly, indicators relating to gender-relevant issues can be included, such as number of deliveries attended by skilled personnel.*

Note 2: *Where possible, Ministries/Divisions should provide indicators and targets that reflect their policy / plan to tackle challenges posed by **climate change**. For example, number of PSDP projects having components related to climate change resilience, enhancement in water storage capacity to tackle floods, number of universities providing degree / master courses in climate change, %age reduction in Co2 emissions, etc.*

Serial Number 8. Personnel Plan: Grade wise Number of Regular posts in four groups BPS 1-10, BPS 11-15, BPS 16-19 and BPS 20 & above.

Also provide the information of Total Projects Employee and other contractual staff of the Division / Entity.

Personnel Information covers the actual information for the period 2013-14 & 2014-15 and Budget Estimate for FY 2015-16 and FY 2016-19

Serial Number 9. Strategic Initiatives: (Selected Key Projects): In this section, write details of the major related projects e.g. name of the project, % age completion in 2016-19. You will find this information on Fund Centre Form, Serial No 12.

The key milestones should be presented in a brief statement highlighting major milestone to be achieved by utilising the next year's budget. Examples of key milestones include; %age completion of infrastructure development project, acquisition of land, number of vaccinations administered to children, etc.

Fund Centre Form for
'Medium Term Budget and Service Delivery Information'
(2016-19)

To be filled by Fund Centres

PART 2: Performance Information

(12)

Output Indicator	Actual Target Achieved		Original Target	Planned Targets		
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19

Note:

1) Please use the list of output indicators sent by your parent ministry / division. If this information is not supplied, then develop your own indicators and their targets. Indicators are measures of performance and should be based on 'beneficiaries'. There should not be more than 2 indicators for each Fund Centre.

2) Wherever possible indicators and targets should be gender-disaggregated (i.e. separate for male and female)

PART 3: Posts (Filled / to be filled only)

(13)

Filled Number of Posts	Actual Filled		Estimated	Estimated	Forecast	Forecast
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Grade 20 and above						
Grade 16 - 19						
Grade 11 - 15						
Grade 1 - 10						
Total						
Project and Contractual Posts						
Grand Total						
<i>of which female employees</i>						

PART 4: Projects Information (this part will be filled by Projects only)

(14)

Project Name	Total Estimated Cost (Original)	Total Estimated Cost (Revised)	Expenditure upto June, 2015	Budget		Forecasts	
				2015-16	2016-17	2017-18	2018-19
	000	000	000	000	000	000	000

Estimated Percentage Completion Major Milestone to be achieved

% Completion				

Note:

1) Please write the cumulative %age completion. For Example, if a project is 40% complete in 2016-17 and a further 40% and 20% work will be done in 2017-18 and 2018-19 respectively, then write 40% in 2016-17, 80% in 2017-18 and 100% in 2018-19.

This form will be signed by Fund Centre / Project head.

(Name and Designation)

Instructions for filling Fund Centre Form

The purpose of this Form is to present Budget Estimates of a Fund Centre for the Medium Term period (i.e. 2016-19). The Budget Estimates on this form will be provided at major object level for three years. The contribution of the Fund Centre to the Ministry output would also be presented on this form.

Specific Instructions:

- Serial Number 1: Write full name of the relevant **Ministry** (e.g. *Ministry of Commerce and Textile Industry*)
- Serial Number 2: Identify **Division** within the Ministry (e.g. *Commerce Division*)
- Serial Number 3: Write Fund Centre Code for your Fund Centre (e.g. ID 2684)
- Serial Number 4: Write full name of your Fund Centre (Spending Unit).
- Serial Number 5: **Code** and **description** of the required items of the expenditure have already been provided.
- Serial Number 6 – 7: Write down the actual expenditure for the year 2013-14 & 2014-15 at the major object level only. Write the amounts in thousands, which means that you don't have to write the last three zeros.
- Serial Number 8: Write down the original budget for the year 2015-16 at the major object level only. Write the amounts in thousands, which means that you don't have to write the last three zeros.
- Serial Number 9: Write budget estimate for 2016-17 at major object code level only. You can copy these figures from **BOs / NISs**. Write the amounts in thousands, which means that you don't have to write the last three zeros. Total budget estimate for the year should not be more than the ceiling communicated by your ministry. If a code is not applicable to your Fund Centre, please delete the entire row.
- Serial Number 10: Write budget forecast for 2017-18 at major object code level. Write the amounts in thousands, which means that you don't have to write the last three zeros. Total budget forecast should not be more than the ceiling communicated by your ministry.

Serial Number 11: **Same** as serial number 9 above but for 2018-19.

Serial Number 12: Write the targets for the Output / service indicators. List of the indicators will be provided by your ministry. You are required to provide information for only those indicators which are relevant to your Fund Centre. **All indicators that relate to service delivered to individuals should be gender-disaggregated.** If this information is not provided by your Ministry / Division, you may provide your own indicators and their related targets. Kindly ensure that indicators are no more than 2 in number.

Serial Number 13: Information is required for filled / to be filled number of posts only. The Fund Centre should also provide forecasts for the number of posts to be filled.

Serial Number 14: This is to be filled by projects only. For the project, please provide the estimated cost of the project (both original and final revision – if any), and expenditure up to June 30, 2015 and the budget forecast for the next three years.

The key milestones should be presented in a brief statement highlighting major milestone to be achieved by utilising the next year's budget. Examples of key milestones include; %age completion of infrastructure development project, acquisition of land, number of vaccinations administered to children, etc.

Note: This form should be signed by the Fund Centre (Spending Unit) Head.
