

**OFFICE MEMORANDUM**

**Subject: STRATEGY FOR RELEASE OF FUNDS FOR DEVELOPMENT BUDGET FOR FINANCIAL YEAR 2023-24**

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 funds release strategy for Development Budget for the Current Financial Year (CFY) 2023-24 is being issued for implementation with immediate effect and until further orders:

- i. Funds for Development Budget shall be released by Planning, Development and Special Initiatives (PD&SI) Division out of the PSDP allocation for CFY for approved projects at 15% for Quarter 1, 20% for Quarter 2, 25% for Quarter 3, and 40% for Quarter 4.
- ii. Details of PSDP funds releases for Q1, FY 2023-24, are as follows:

	Rs. in billion
Total PSDP allocation for FY 2023-24:	950.00
15% funds released for Q1, FY 2023-24 (Domestic):	131.00
Funds released against surrendered amount for SDGs during FY 2022-23:	20.26
Funds released for approved SDGs Schemes for FY 2023-24:	41.00
Available funds for remaining PSDP Schemes during Q1, FY 2023-24:	69.74
- iii. Funds amounting to Rs. 11.5 billion are further released in respect of foreign exchange component during Q1, FY 2023-24.
- iv. While executing development projects PD&SI Division and the PAOs concerned shall ensure implementation of the provisions contained under Chapter-III of the Public Finance Management Act, 2019.
- v. PD&SI Division shall devise quarterly 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.
- vi. Any proposal for change to the limits prescribed at (i) above shall be considered by the Budget Wing, Finance Division on case to case basis and shall require prior approval of the Finance Secretary.
- vii. The release of funds for approved projects in a Demand for Grant and Appropriation shall be made by the PAO in each Quarter within above limits. The PAO shall ensure availability of sufficient funds for Employees Related Expenses for each project.
- viii. PAOs / Heads of Attached Department / Heads of Sub-ordinate Office or Project Director shall not make any Re-appropriation of funds from ERE to Non-ERE heads of account except with the prior concurrence of Ministry of Planning, Development and Special Initiatives.

- ix. Adequate budgetary allocations on account of Foreign Exchange Component (Rupee Cover) shall be ensured by all relevant PAOs and conveyed to Economic Affairs Division and Finance Division.
- x. Funds for foreign exchange payments shall require prior approval of the External Finance Wing of Finance Division. While examining requests for such funds, External Finance Wing shall consider availability of Foreign Exchange.
- xi. Section 23 of the Public Finance Management Act, 2019 provides that 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 of Pakistan;
  - 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.
- xii. All payments shall be made through the pre-audit system by all the Accounting Organizations and Offices or through Assignment Account Procedure or any other procedure issued by the Finance Division. Separate Assignment Account shall be opened for each project.
- xiii. No direct payment through the State Bank of Pakistan (SBP) shall be made by any office, 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.
- xiv. The provisions of Public Finance Management Act 2019, the Financial Management and Powers of Principal Accounting Officers Regulations 2021 and Instructions issued by Planning Commission shall be strictly adhered to by all the PAOs and the Accounting Offices.
- xv. The instructions with regard to Supplementary Grants shall be issued by the Budget Wing, Finance Division, separately.
- xvi. There shall be no requirement of ways and means clearance from Budget Wing of Finance Division for the release of development budget.
- xvii. Quarter-wise budget allocation & release will be uploaded on the MoF & AGPR Servers by the Finance Division, within the above stated release limits. No payment shall be made over and above the limits by any accounting organization/office except with the prior written approval of the Finance Division.
- xviii. The Development Wing of Finance Division shall coordinate and oversee the matters relating to release of funds for development budget and other ancillary matters.

2. Since, Development Budget is released to PD&SI Division, therefore, PAOs may approach the said Division for any issues related to authorization as well as distribution of funds between the approved projects/schemes.

  
(Rana Obaid ullah Anwar)  
Joint Secretary (Budget-III)  
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Distribution:

1. The Deputy Chairman, Planning Commission, Islamabad.
2. All Principal Accounting Officers.
3. All Heads of Departments, Offices and Autonomous Bodies.
4. All Additional Finance Secretaries, Senior Joint Secretaries and Joint Secretaries of Finance Division.
5. Governor, State Bank of Pakistan, Karachi.
6. Auditor General of Pakistan, Islamabad.
7. Controller General of Accounts, Islamabad.
8. Accountant General Pakistan Revenues, Islamabad.
9. Military Accountant General (MAG), Rawalpindi.
10. Sub-Offices of AGPR, Lahore, Karachi, Peshawar, Quetta & Gilgit.
11. CF & AOs of all Divisions.
12. Managing Director, SBP Banking Services Corporation, Head Office, Karachi
13. Director (Budget Computerization), Budget Wing, Finance Division, Islamabad.
14. Federal Treasury Officer, Islamabad, Karachi.
15. Web Master (with the request to upload on the Finance Division's website).

Copy to:

- SA to Finance Minister.
- SA to Minister of State.
- SA to Finance Secretary.
- SA to Special Secretary Finance.



(Muhammad Arif)

Asstt; Accounts Officer (FO)  
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