



Budget 2022-23

No. F.2(1)/Budget-II/2022-23/ 755

GOVERNMENT OF PAKISTAN FINANCE DIVISION

Islamabad, 9th May, 2022

Subject: - **PROVISIONAL INDICATIVE BUDGET CEILING FOR FY 2022-23 AND
MEDIUM TERM FOR FYs 2023- 25 – RECURRENT BUDGET**

Dear Sir/Madam,

Kindly refer to Budget Wing, Finance Division's Budget Call Circular dated 14th January, 2022 and the written responses received and meetings held with the Principal Accounting Officers (PAOs).

2. The **Provisional Indicative Budget Ceilings** for the **Recurrent Budget** for the coming three financial years have been prepared. The PAOs are required to prepare their budgetary estimates and allocations to various Cost Centers and Head of Accounts in accordance with these Provisional IBCs. The Provisional IBCs for **Development Budget** (if applicable) will be separately communicated in due time by the Planning, Development and Special Initiatives Division.

3. The Provisional Revised Estimates for FY 2021-22 and **one line** Provisional Indicative Budget Ceilings (IBC) for the "Demands for Grants" for FY 2022 – 23 and forward estimates of next two FYs for **Recurrent Budget** related to your Division/Office/Organization are as under:

(Rs. In Millions)				
Number & Description	R.E FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25

Note: The above provisional IBCs are for Running of Civil Government. IBCs for Grants and Subsidies (if any) will be communicated separately.

5. All the PAOs are required to fully comply with the provisions of the Public Finance Management (PFM) Act, 2019, regarding performance based budgeting and well defined plan based expenditures, guidelines and procedures contained in Financial Management and Powers of PAOs Regulations 2021, Cash Management and Treasury Single Account (CM&TSA) Rules 2020, Budget Manual 2020 and instructions issued along with the Budget Call Circular dated 14th January 2022. **The following instructions and guidelines** shall be followed for the FY 2022-23:

i. Allocation for Employees Related Expenses (ERE)

- a) The PAO or Head of Department or Head of Office shall first allocate funds for the Employees Related Expenses (Pay and Allowances) for the full financial year within the respective IBC.
- b) The PAO or Head of Department or Head of Office shall not make any re-appropriation of allocated funds from the ERE to any other head of account except with the prior concurrence of Finance Division (Expenditure Wing).
- c) No allocation in ERE shall be kept for a post vacant for more than one year or to be created during the FY 2022-23.
- d) No allocation in ERE shall be kept for FY 2022-23 for any expected increase in pay & allowances. In case Government announces such an increase, separate allocation of funds may be requested to Finance Division (Expenditure Wing).

ii. Additional Allocations in IBCs for Specific Purposes

Any additional allocation of funds made in the above provisional IBC shall be utilized for the specific purpose, target and function.

iii. Allocation for Grants-in-Aid & Special Purpose Funds

- a) The allocation and disbursement of funds to the public and private authorities, institutions, bodies, associations, foundations and others are required to be regulated and linked to the outputs, outcomes and performance of the entities.
- b) Grants-in-Aid shall be non recurring and funds shall be disbursed to meet any shortfall for a limited period of time. Finance Division is formulating Rules and Procedures on the subject.
- c) The special purpose funds or any other fund established, managed or controlled by the Divisions, Departments and Organizations of the Federal Government shall be regulated in accordance with the Section 32 of the PFM Act 2019 read with the CM&TSA Rules 2020.