

Government of Pakistan
Finance Division
(Budget Wing)

No F. 3(1)FO/2024-25

Islamabad, 12th July, 2024

OFFICE MEMORANDUM

Subject: STRATEGY FOR RELEASE OF FUNDS FOR DEVELOPMENT BUDGET FOR FINANCIAL YEAR 2024-25

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 and Financial Management and Powers of Principal Accounting Officers Regulations, 2021, the funds release strategy for Development Budget for Financial Year 2024-25 is being issued for implementation with immediate effect and until further orders:

- i. Funds for Development Budget shall be authorized 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. 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.
- iii. 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 approved appropriations.
- iv. 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.
- v. Release of funds for approved projects in a Demand for Grant and Appropriation shall be made by PAOs in each Quarter as authorized by PD&SI Division, within above limits. PAOs shall ensure availability of sufficient funds for Employees Related Expenses for each project.
- vi. 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 PD&SI Division.
- vii. 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.
- viii. Funds for foreign exchange payments shall require prior approval of the External Finance Wing of Finance Division.

(Contd)

- ix. All payments shall be made through the pre-audit system by all the Accounting Offices or through Assignment Account Procedure or any other procedure issued by the Finance Division. Separate Assignment Account shall be opened for each project.
- x. No direct payment through the State Bank of Pakistan (SBP) shall be made by any office, except with the prior approval of Finance Secretary as per Rules 3(9) & (10) of the Cash Management & Treasury Single Account Rules, 2024.
- xi. 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 PAOs and accounting offices.
- xii. The instructions with regard to Supplementary Grants, Technical Supplementary Grants and Re-appropriations shall be issued by the Budget Wing, Finance Division, separately.
- xiii. There shall be no requirement of ways and means clearance from Budget Wing of Finance Division for the release of development budget.
- xiv. No payment shall be made over and above the limits by any accounting office except with the prior written approval of the Finance Division.
- xv. 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. PAOs may approach PD&SI Division for any issues related to authorization as well as distribution of funds between the approved projects/schemes.

Note: Notwithstanding anything contained in this strategy, all releases of recurrent budget shall be subject to availability of fiscal space.


(Rana Obaid ullah Anwar)
Joint Secretary (Budget-III)
051-9218838

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 for Finance & Revenue.
- SA to Minister of State for Finance & Revenue.
- SA to Finance Secretary.
- SA to Special Secretary Finance.



(Abdur Rehman)
Accounts Officer
Fiscal Operation Section
051-9202564