

No. 4(1) PIP/PC/2010-11
GOVERNMENT OF PAKISTAN
PLANNING COMMISSION
PLANNING & DEVELOPMENT DIVISION
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Islamabad the 04 August, 2010

Subject: **NEW MECHANISM FOR RELEASE OF PSDP FUNDS**

Reference Finance Division's D.O.No.2 (3) BR-III/2010-11/503 dated 6th July, 2010 regarding system of PSDP releases.

2. The competent authority has been pleased to authorize Planning & Development Division to release PSDP funds (2010-11) for implementation of approved development projects. The following procedure in this behalf developed in consultation with all Ministries / Divisions, Finance Division and AGPR will be followed with immediate effect and until further orders:

- (a) Maximum quarterly ceilings would be 20% each for 1st and 2nd quarters, 25% for 3rd quarter and 35% for 4th quarter.
- (b) The above releases would be maximum 7% per month during the 1st and 2nd quarters, maximum 8% per month during the 3rd quarter and maximum 12% per month during the last quarter. To make up percentage for the quarter as indicated in (a) above necessary adjustment would be made accordingly.
- (c) Planning and Development Division will only approve releases against rupee allocation i.e. net of foreign aid.
- (d) Ministries/Divisions will have flexibility to recommend more releases against fast moving projects while remaining within overall monthly ceilings as indicated at (b) above.
- (e) By 15th of each month of FY 2010-11, the Ministries/Divisions would be required to furnish consolidated project-wise requirement of funds (included in the PSDP 2010-11) for subsequent month **in quadruplicate on the enclosed release demand proforma complete** in all respect to the Advisor (Dev. Budget), Planning and Development Division. In case demand is not received by the target date or incomplete information is furnished, sponsoring agency will be responsible for delay in releases. To ensure fast rack releases, *ad hoc* requests will not be entertained and such request would be considered alongwith request for release of funds in the subsequent month.
- (f) Release request proforma would either be signed by the Principal Accounting Officer or an officer acting on his behalf.
- (g) Authorized officer(s) of Planning & Development Division will certify / endorse the proforma as given in (e) above within eight working days. A copy of the certified proforma would be sent to the sponsoring agency, expenditure wing of Finance Division and AGPR.
- (h) Based on the amount approved by Planning and Development Division, Ministry/Division concerned will issue sanction letter, indicating amount required under

detailed object head while remaining within authorized amount, for release of funds addressed to AGPR with a copy to Advisor (Dev. Budget), Planning and Development Division and budget and expenditure wings of Finance Division.

- (i) AGPR would ensure that sanction letter issued by sponsoring agency for release of funds is in accordance with Planning and Development Division's authorization as given in the demand proforma mentioned under (e) above for release of funds.
- (j) Releases in the subsequent quarter shall be made subject to utilization of funds released in the previous quarter(s) during the year after furnishing a certificate by the Principal Accounting Officer regarding satisfactory implementation of the project. Principal Accounting Officer in each Ministry and Division will maintain check and balances / monitoring in respect of projects being executed under his / her control.
- (k) For release of funds to Provincial projects being financed by the Federal Government either fully or on cost sharing basis on the recommendations of Planning & Development Division, the Existing Procedure will be adopted i.e. sanction issued by Provincial Finance wing of Finance Division. In case the Provincial Governments do not contribute their agreed share, as per existing rules / practice, the next release will be withheld.
- (l) Provincial Governments may move cases by 12th of each month of FY 2010-11 to Finance Division for release of funds during the subsequent month within the prescribed ceiling.
- (m) Chairman Planning & Development Board / ACS (Dev.) would certify, in respect of Provincial projects, satisfactory implementation of the project and that funds have been credited to the project account by Provincial Finance Department before making next request for release of fund.
- (n) Releases to PWP-I & II will not be covered under new mechanism. However, amount released under these programmes will not affect over all amount to be released during the month / quarter to other development projects.
- (o) Project Director will be responsible to reconcile monthly expenditure with AGPR / Provincial AG offices.
- (p) Each Ministry / Division / Provincial Government / Special Areas will nominate a focal person to deal with Planning and Development Division for release of funds.
- (q) Funds to special areas will be released as per existing system.
- (r) Other financial rules such as assignment account/pre audit requirement and provision of work/cash plan will remain in force.

3. This issues with the concurrence of Finance Division.

(MUHAMMAD ASIF SHEIKH)
Advisor (Dev. Budget)
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Secretary, Cabinet Division, Islamabad

INSTRUCTIONS TO FILL IN THE PROFORMA

General Instructions

1. The executing agency may furnish a request for PSDP releases in a consolidated form for all the approved projects being executed by the Ministry/Division concerned included in the PSDP 2010-11.
2. Proforma as per guidelines has to be furnished to Planning & Development Division by 15th of each month indicating requirement of funds in the subsequent month. For instance in the month of August request for funds should for the month of September and so on.
3. Proforma will be signed by the Principal Accounting Officer or the officer incharge in the absence of PAO.
4. To ensure speedy releases, request should only be made on the proforma once a month. No individual request for release of funds will be entertained by Planning & Development Division.
5. NO request for release of funds to unbudgeted schemes be entertained.

PSDP S.NO.

The demand for release of fund may please be made in the same sequence as reflected in the PSDP 2010-11 or thereafter.

Name of the Project

Please indicate the name of the project as approved by the competent forum and reflected in the PSDP.

Capital Cost

Please indicate the capital cost as approved by the competent forum. In case the project has been revised and approved by the competent forum, the revised approved cost be given.

Expenditure upto 30th June 2010

The executing agency will provide expenditure incurred on the project upto 30-6-2010.

PSDP allocation 2010

PSDP Rupee allocation 2010-11 as reflected in the PSDP may please be indicated.

Release demand for the month of _____

The executing agency may please provide project-wise demand for the release of funds from the Planning & Development Division. The overall releases to a Ministry/Division will remain within a maximum ceiling of 7% per month during July-December around maximum 8% January – March and maximum 12% in April – June. However the executing agency is authorized to prioritize allocations of a project being executed by the Ministry on the basis of requirement of funds, while remaining within overall ceiling of the Ministry/ Division. For example, Ministry may recommend the entire ceiling of a month to even one or 2-3 projects provided allocation for the year has not exhausted. However, Ministry should list all projects reflected in PSDP with zero demand.

Releases by Planning & Development Division

Column will be filled in by the Planning & development Division and communicated to all concerned for the release of funds.

Cumulative Releases

Indicate releases made so far during the current financial year or period prior to the requesting month.

Quarterly utilization

Please indicate the amount utilized in the 1st quarter before making demand for funds in October. Similarly, the accumulative information would be required in January & April of each year. For example, January information should include July – December period, April should include July – March information and so on.

Remarks

The executing agency can provide any additional information to facilitate decision making if more funds than admissible are required.