



Salient Features of Budget 2016-17

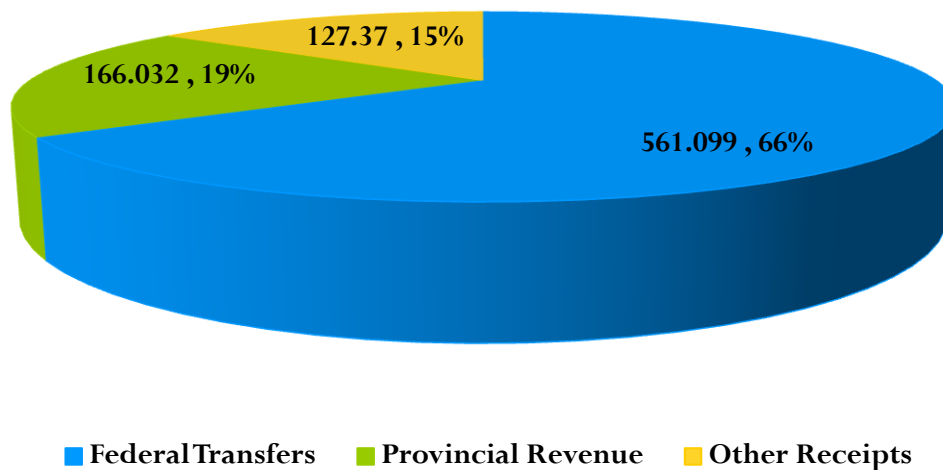
**FINANCE DEPARTMENT
GOVERNMENT OF SINDH**

Salient Features of Budget 2016-17

Receipt of the Province:

- The receipts of the Province for FY-2016-17, with 17.61% increase over CFY Budget Estimates of Rs.726.57 billion, are estimated at Rs.854.50 billion.
- The receipts from federal divisible pool taxes, comprising 67.8% of total tax and non-tax receipts of the province, are estimated Rs.493.2 billion.
- Straight transfers, with 11% decline, are estimated at Rs.54.7 billion.
- Grant in lieu of OZT is estimated at Rs.13.3 billion.
- The provincial own tax and non-tax receipts, comprising 22.8% of total tax and non-tax receipts, are estimated at Rs.166 billion, showing growth of 15.27% over CFY budget estimates of Rs.144 billion.
- The other receipts on account of Federal PSDP and Foreign Project Assistance (FPA) are estimated at Rs.12.2 billion and Rs.28.8 billion respectively.

TOTAL PROVINCIAL RECEIPTS



Major Tax Collecting Entities:

Sindh Revenue Board

- Sindh Revenue Board is to achieve the collection target of Rs.61 billion in CFY and Rs.78 billion for the next financial year, with annual growth of 28%.

Excise & Taxation

- Excise & Taxation Department is expected to exceed its the collection target of Rs.41.96 billion in CFY and its collection target for next FY 2016-17 has been enhanced by 26% to Rs.52.76 billion.

Board of Revenue

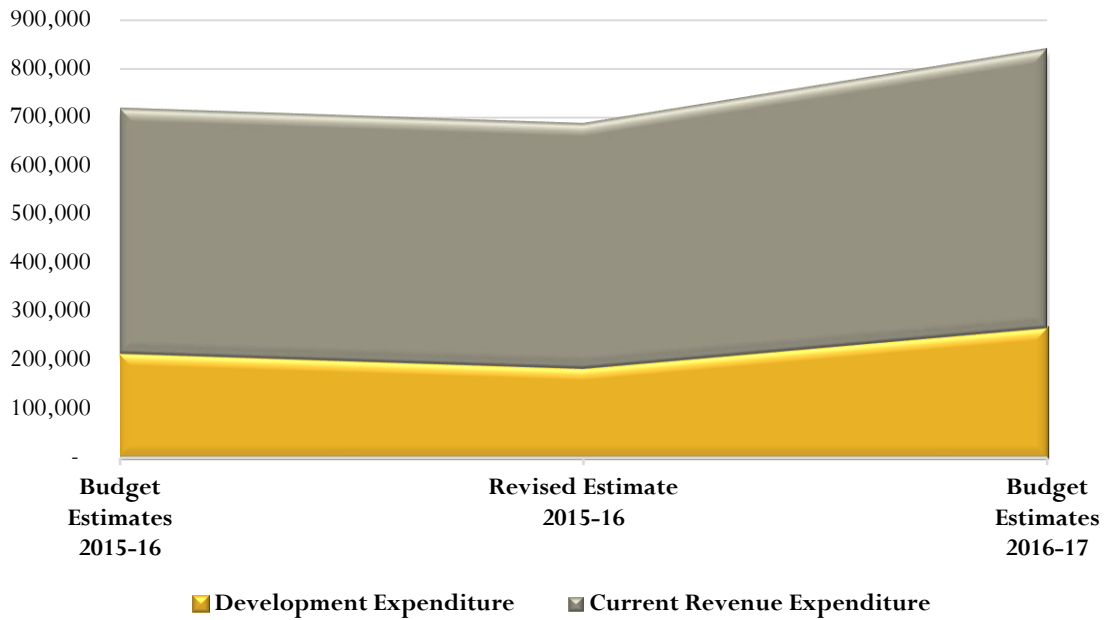
- Board of Revenue has to collect the transfer of property tax (registration), agriculture tax, stamp duty, capital value tax(cvt), land revenue, etc.
- The collection target of Board of Revenue for next FY 2016-17 is set at Rs.16.80 billion, which is slightly higher than CFY 2015-16 target of Rs16.60 billion.

Expenditure of the Province:

- The total budget outlay of the province for FY-2016-17 is estimated at Rs.869.12 billion, denoting 17.5% increase over CFY Budget Estimates of Rs.739.30 billion.
- The current expenditure of the province is projected at Rs.603.1 billion, which includes current revenue expenditure of Rs.572.7 billion and current capital expenditure of Rs.30.4 billion.
- The development expenditure of the province is estimated at Rs.266 billion, which constitutes 30.6% of total expenditure of the province and includes provincial ADP of Rs.225 billion, FPA of Rs.28.8 billion, and Federal PSDP of Rs.12.2 billion.
- The Current Revenue Expenditure, which comprises 66% of the total expenditure, is estimated to grow by 13.8% to Rs.572.76 billion in the next FY 2016-17. The increase is mainly because salary and pension bill rising by 10%, grants to local bodies increasing by 27% to Rs.60 billion, police department's budget surging by 16.8% to Rs.73.98 billion, health budget growing by 14.6% to Rs.61.76 billion, education budget rising by

11% to Rs.160.75 billion, and repair and maintenance budget expanding by 25% to Rs.25.15 billion.

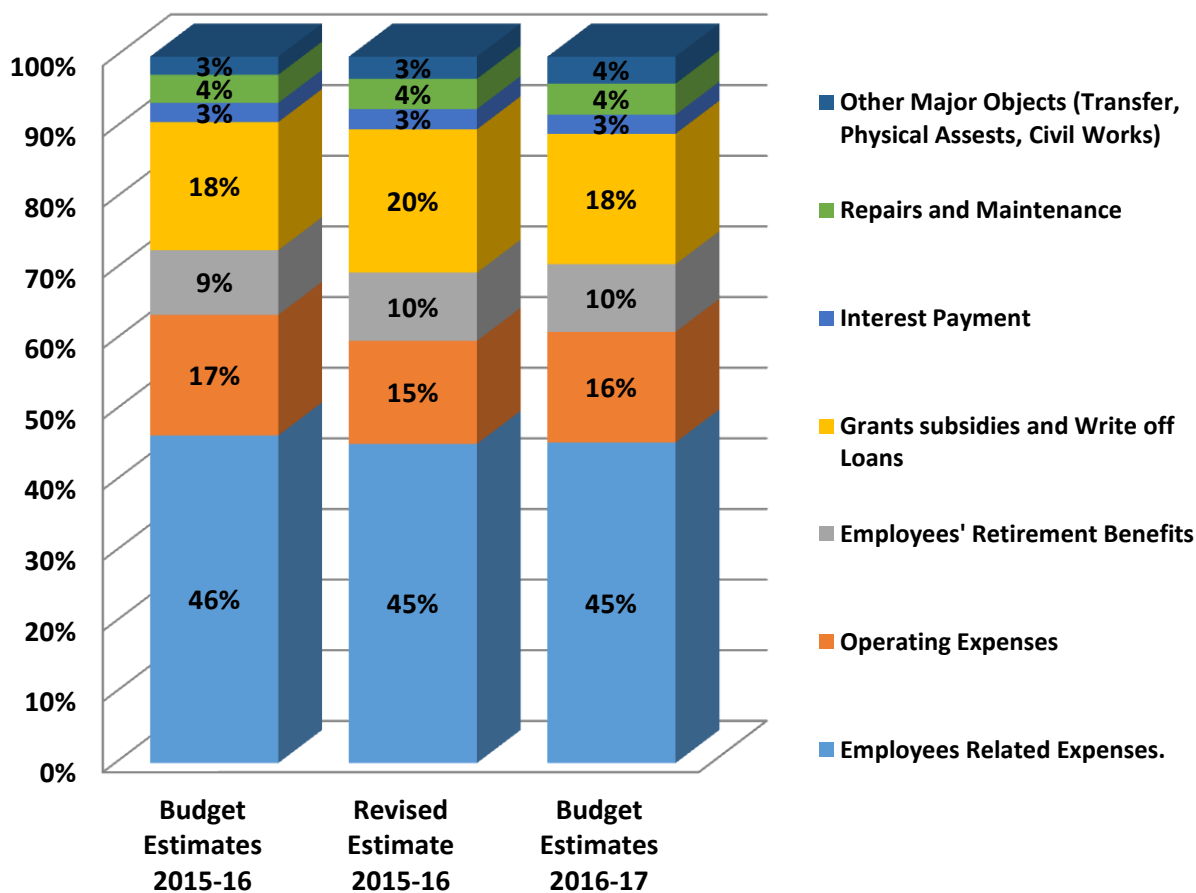
EXPENDITURE OF THE PROVINCE



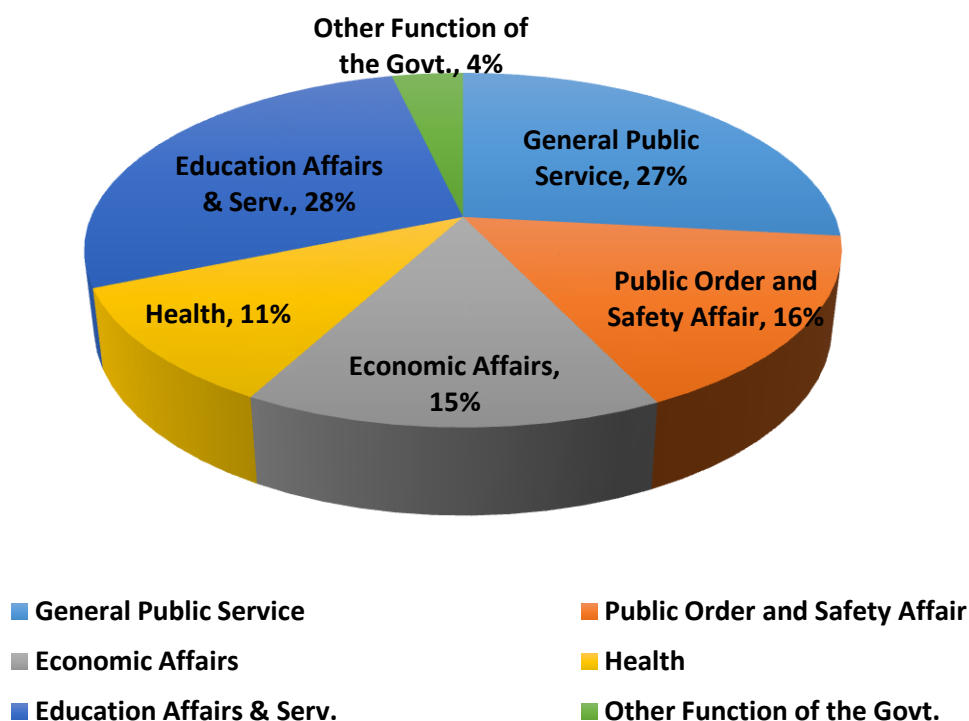
- Current Revenue Expenditure (CRE) comprises salaries of government employees (Rs. 259.9 billion – 45.4% of CRE), pension and gratuity of retired employees (Rs.55 billion – 9.6% of CRE), operational expenses including utilities (Rs.89.6 billion – 15.6% of CRE), grants and subsidies including grants to local bodies and health and educational institutions (Rs.105.7 billion – 18.5% of CRE), repair and maintenance of roads, buildings, furniture and machinery and equipment (Rs.25.1 billion – 4.4% of CRE) and other major head including interest payments, transfer payments and physical assets (Rs.37.44 billion; 6.5% of CRE).

- M&R budget in year 2012-13, was merely Rs.5.76 billion, which has grown by about four and half times to Rs.25.1 billion for coming financial years, which is an increase of 25% over the outgoing financial year.
- The total allocation for SNE is Rs.14.9 billion, which includes creation of 14476 new posts at an estimated cost of Rs.4.9 billion.
- About 50,000 new job will be provided in public sector, which include 20,000 in Sindh Police, 10,000 in Education, 3,500 in Health and the rest in other departments
- The salary component of CRE including SNE has increased by 12% from Rs. 232 billion in CFY to Rs. 259.9 billion and non-salary expenditure has grown by 15.4 % from Rs. 271 billion in outgoing FY to Rs. 312.8 billion for FY 2016-17.

CURRENT REVENUE EXPENDITURE



Sectorial Developments and Budget Priorities:



Education:

- The largest chunk of our budget i.e. 28% is allocated for Education sector for FY 2016-17.
- The next year's allocation of Rs.160.7 billion for education also includes allocations for higher education, technical education, special education and medical education. This is an increase of 11.2% over allocations of Rs.144.5 billion of CFY.
- The Salary component of education department has increased by 7.4%, whereas the non-salary component has been increased by 23.8%.
- The key allocations in the non-salary budget of education are:
 - Rs.4.68 Billion for School Specific Budget;
 - Rs.5.5 billion for School Infrastructure Development and "Renovation of Schools and Colleges";
 - Rs.1 billion for Education Management Organizations (PPP);
 - Rs.1.5 billion for School Management Committees;
 - Rs.1.8 billion for School Consolidation Grants;
 - Rs.2 billion for Free Textbooks;
 - Rs.1.5 billion for Girl Stipends;

- Rs.27.3 million for Energization of Schools;
 - Rs.500 million Introducing innovative initiatives in Education Department.
- The ADP allocation for Education Sector has been increased to Rs.17.2 billion, including Rs.3 billion kept separately for Boards and Universities, 1 billion for STEVTA and Rs.0.2 billion for Special education. Besides provincial ADP, Rs.2.8 billion have been allocated for foreign funded projects of education department, which includes Sindh Basic Education Program (Rs.2 billion; USAID) and upgrading Primary Schools into Elementary Schools in Rural Sindh (Rs.137 million; JICA).

Health:

- Health remains the third largest sector in terms of resource allocation. The current revenue expenditure of Health Department excluding medical education has been significantly increased by 14.6% from Rs.53.89 billion in CFY to Rs.61.75 billion in the next FY.
- The allocations for medicine has been increased on need basis, and that of diagnostic, surgical instruments, oxygen gas, consumables, x-ray films, and dietary charges of patients have been increased by 35%.
- The allocations for repair of teaching hospitals have been doubled. Similarly, significant increase of 20% has been made for repair and maintenance of machinery, equipment and ambulances.
- The allocations for PPHI Sindh has been enhanced by 20% from Rs.3.2 billion to Rs.3.8 billion.
- Regular/ annual recurring grant-in-aid for SIUT has been increased from Rs.3 billion to Rs.4 billion. In addition to regular grant of Rs.3 billion, SIUT was provided Rs.3.32 billion during out-going financial year for transplantation complex Sukkur, installation of robotic surgery, procurement of dialysis machines and establishment of liver transplantation unit at Karachi
- The next year ADP of Health is pitched at Rs.14 billion, which is 7.7% higher than ADP of Rs.13 billion of CFY. Besides provincial ADP and Federal PSDP, Rs.1.8 billion have been allocated for foreign funded projects of Health Department, which are Nutrition Support Program of Sindh (Rs.1.4 billion; IDA) and Establishment of Child Health Care Institute at Sukkur (Rs.0.4 billion; Korea).

Law & Order and Safety:

- Law & Order and Safety (including home, police, jails, rangers and other security agencies) is the second largest function in terms of resource allocation with a share of 14.4% in total current revenue expenditure in FY 2016-17.
- Home Department has been allocated Rs.82.3 billion in next FY 2016-17 as against CFY budget estimates of Rs.70.8 billion; which is an increase of 16.2%.
- The Budget for Sindh Police has been enhanced from Rs.63.3 billion to Rs.73.9 billion, showing an increase of 16.9%. This includes SNE allocation of Rs.8.9 billion for Police.
- The compensation for Police personnel who embrace shahadat has been enhanced from Rs.2 million to Rs.5 million.
- Sindh Police Welfare and Maintenance Board will be formed and civilians will also be made part of it to ensure transparency.
- The ADP for Home Department is pitched at Rs.2 billion.

Energy:

- Budget Estimates for Current Revenue Expenditure of Energy Department are estimated at 26.1 billion, which includes Rs.25 billion for clearance of outstanding liabilities of electricity dues of various government departments pertaining to DISCOs such as KE, HESCO and SEPCO.
- The ADP for energy department is pitched at Rs.6.35 billion for FY 2016-17. With these funds, the Energy Department has taken various initiatives to increase the energy output through renewable and non-renewable energy sources.

Road Infrastructure:

- ADP under road sector for the coming financial year 2016-17 has been increased by 45% to Rs.22.4 billion for the next financial year .
- In addition, Rs.2.3 billion are committed under the foreign funded development projects of Roads Sector for construction of Nawabshah Sanghar Road (Rs.0.3 billion; Chinese loan) and Sindh Roads Improvement Project (Rs.2 billion; JICA).

- Works & Services Department will achieve 100% utilization of released funds and complete 181 schemes by 30th June 2016. The Works & Services Department plans to complete 100 schemes during the next financial year.
- The M&R budget of roads has been enhanced by 21% from Rs.3.7 billion in outgoing FY to Rs.4.5 billion in the coming FY.

Irrigation:

- Budget Estimates for Current Revenue Expenditure of Irrigation Department are estimated at 18.7 billion as against CFY allocation of Rs.17.7 billion. This indicates increase of 5.6%.
- The ADP for NFY is Rs.14 billion. This is an increase of 16.7% over ADP of Rs.12 billion of CFY. Out of this, Rs.2.5 billion will be incurred on Drainage Reclamation & Tube wells sub-sector, Rs.581 million on small dams sub-sector and Rs.10.9 billion will be spent on open canals sub-sector. Additionally, Foreign Project Assistance of Rs.7.2 billion is committed for the open canals sub-sector.
- The development plans include Rehabilitation of Barrages; Rehabilitation, Protection & Capacity Enhancement of Irrigation and Drainage Networks; and Conservation of Water through Lining of Channels & building Small Dams.

Agriculture:

- Current Revenue Expenditure of Agriculture Department has been increased by 24% to Rs.6.7 billion in next financial year as against Rs.5.4 billion in CFY.
- The ADP for the next financial year is pitched at Rs.5.8 billion, which is an increase of 28.9% over ADP of Rs.4.5 billion of CFY. Rs. 5.2 billion have been allocated for foreign funded projects, which includes Rs.2 billion for Sindh Agriculture Growth Project and Rs.3 billion for Sindh Irrigated Agriculture Productivity Enhancement Project.

Transport:

- Current Revenue Expenditure of Transport Department has been increased by 11% to Rs.181.8 million in next financial year as against Rs.164.5 million in CFY.
- The allocation of Rs.9.9 million for establishment of PPP node in Transport and Mass Transit Department.
- The ADP for the next financial year is pitched at Rs.3.2 billion, which is an increase of 6.7% over ADP of Rs.3 billion of CFY.

Social Welfare:

- The Current Revenue Expenditure of Social Welfare Department has been increased by 65.5% to Rs.1.39 billion in next financial year as against Rs.0.84 billion in CFY.
- Rs.200 million have been allocated for the Child Protection Authority Sindh;
- Rs.84.75 million have been allocated for purchase of vehicles to strengthen the department
- The allocations for dietary charges of women in Darul Aman, children in Darul Atfal and physically handicapped persons in rehabilitation centers have been enhanced by five times to Rs.35 million at the rate of Rs.300 per person per day.
- Allocation of Rs.250 million has also been kept for renovation of Dar-ul-Amans, Dar-ul-Atfals and Rehabilitation Centres.
- The ADP for the next financial year is projected at Rs.290 million, which is an increase of 45% over ADP of Rs.200 million of CFY. Through ADP, Community Development Centers in Karachi & Thatta and Economic Empowerment Support to Urban/Rural Orphan Girls, Women Handicapped throughout Sindh will be established.

Women Development:

- The Current Revenue Expenditure of Women Development Department has been increased from Rs.92 million in CFY to Rs.229.1 million in next financial year. This is a substantial increase of 149%.
- Rs.135 million have also been allocated for legal aid of poor women and children prisoners. Rs.13.242 million for Women Complaint Cell and Rs.3.192 million have been allocated for Day Care Centre.
- SNE provision for establishment of Women complaint cell at divisional level has been kept.

- The ADP for the next financial year is projected at Rs.426 million, which is an increase of 6.5% over ADP of Rs.400 million of CFY.

Special Education:

- The Current Revenue Expenditure of Special Education Department has been increased by 34.9 % from Rs.614.1million in CFY to Rs.828.3 million in next financial year; the non-salary budget of Special Education has been increased by 433% for the next FY.
- Rs.100 million have been earmarked for the capacity building of the teachers of Special Education Department for availing local as well as foreign trainings.
- The allocation of Rs.100 million for repair and renovation of 10 Special Education Centers.
- Provision for purchase of 3 Braille Embossers for Regional Directorates at a cost of Rs.9.2 million and installation of Brailed Printing Press at a cost of Rs.12.25 million has been made in the SNE.

Minorities Affairs:

- The allocation of Minorities Affairs Department has been increased by 134% from Rs.158.3 million in CFY to Rs.370.3 million for the next financial year.
- The allocation for grant-in-aid has been increased from Rs.100 million to Rs.300 million for uplift of the social and economic conditions and welfare of minorities in Sindh.
- The ADP allocation for FY 2016-17 is pitched at Rs.604 million, which is an increase of 6.5% over that of ADP of Rs.567 million of CFY.

Sport & Youth Affairs:

- The Current Revenue Expenditure of Sports and Youth Affairs Department has been increased by 46% to Rs.832.9 million in next financial year as against Rs.570.4 million in CFY.
- The ADP for the next financial year is projected at Rs.2 billion, which is an increase of 100% over ADP of Rs.1 billion of CFY.
- Allocation under head “sports activities” has been increased by 900% from Rs.20 million to Rs.200 million.

- The allocation for Sindh Sports Board has been increased by 100 % from Rs.20 million to 40 million.
- Sports associations also play a vital role in promotion of sports activities and their allocation in this budget has been increased by 150% from Rs.20 million to Rs.50 million accordingly.

Grants & Subsidies:

- Grants are meant to pay for current and development expenditure of government autonomous bodies, non-financial institutions, and other institutions providing services to the general public. For the next financial year, Rs.105.68 billion are earmarked in the budget. The major/ important grants are listed as under:

Local Government Department

- Rs.60 billion for transfer to local bodies.
- Rs.350 million for Sindh Solid Waste Management Board
- Rs.868.1 million for operation and maintenance of Reverse Osmosis Water Desalination Plants in Kemari and Lyari.

Grants to Health Institutions

- Rs.3.8 billion for PPHI Sindh
- Rs.4 billion for SIUT
- Rs.1.8 billion for NICVD
- Rs.1.5 billion for GIMS
- Rs.600 million for Jacobabad Institute of Medical Science
- Rs.500 million for Indus Hospital Karachi
- Rs.175 million for Shahdadpur Institute of Medical Science Sanghar.
- Rs.100 million for Abdullah Shah Institute of Medical Science Sehwan
- Rs.200 million for Institute of Ophthalmology & Visual Sciences Hyderabad
- Rs.35 million for Layton Rahmatullah Benevolent Trust (LRBT)
- Rs.20 million for Kidney Centre Karachi
- Rs.250 million for dialysis in the health facilities in the districts.
- Rs.250 million for Thalassemia patients.
- Rs.214 million for the medicine of blood cancer patients
- Rs.70 million for establishment of Children Hospital @SIUT
- Rs.50 million for Sir Cowasji Institute of psychiatry.

Grants to Educational Institutions (including Medical Education)

- Rs.5 billion for Universities & Boards
- Rs.905 million for Dow University of Health Sciences
- Rs.776 million for Shaheed Muhtarman Benazeer Bhutto Medical University Larkana
- Rs.575 Million Liaquat University of Medical Health Sciences
- Rs.422.5 million for Peoples University of Medical & Health Sciences.
- Rs.400 million for Jinnah Sindh Medical University
- Rs.1,205 million for STEVTA
- Rs.1,137 million for Benazeer Bhutto Shaheed Human Research, Resource & Development Board.
- Rs.450 million for IBA Sukkur
- Rs.116 million for Daood University of Engineering & Technology
- Rs.100 million for Sindh Madarssatul Islam University Karachi
- Rs.100 million for IBA Karachi
- Rs.1,097 million for other educational institutions including Army Public Schools, Cadet Colleges, Public Schools, IBA community colleges, NJV and other educational institutions.

Grants & Subventions

- Rs.3 billion for stipend to deserving students, accidental coverage of common man and cash transfers.
- Rs.1.14 billion for financial assistance to families of civil servants who die during service.
- Rs.40 million for assistance to non-financial institutions.
- Rs.100 million for financial assistance to deserving and poor persons on CM directives.
- Rs.20 million for Governor's directives.
- Rs.50 million to Fatimid Foundation.
- Rs.50 million for Karachi Vocational Training Center.
- Rs.50 million for Book Group Karachi.
- Rs.316 million for grant of other institutions and individuals such as Drug Free Pakistan Foundation, Pakistan Institute of International Affairs, Red Crescent General Hospital Latifabad, etc.

Food Subsidy

- Rs.5 billion for wheat subsidy.

Governors Secretariat

- Rs.30 million for governor's discretionary grants.

CM Secretariat

- Rs.258 million for Sindh Higher Education Commission.
- Rs.60 million for CM's Discretionary Grants.

SGA&CD

- Rs.85 million for Sindh Public Procurement Authority.
- Rs.62.5 million for Pakistan Arts council Karachi, Arts Council Larkana, Arts Council Khairpur, Arts Councils in Sindh and SENVA.
- Rs.58 million for financial assistance to the needy by the Deputy Commissioners in Sindh.
- Rs.14.46 million for discretionary grants of Ministers and Special Assistants to CM Sindh.

Planning & Development Department

- Rs.30 million for Sindh Growth Revitalization Program.

Sindh Revenue Board

- Rs.915 million for Sindh Revenue Board for its salary & operating expenses.

Law & Parliamentary Affairs

- Rs.40 million for Sindh Human Rights Commission.
- RS.30 million for Sindh Judicial Academy.

Board of Revenue

- Rs.500 million for relief and rescue activities in disaster affected areas.
- Rs.350 million for operation and maintenance expenses of LARMIS project to be transferred to non-development budget.

Irrigation Department

- Rs.98.6 million for SIDA (being the autonomous body) for salary and operating expenses.

Energy Department

- Rs.128.12 million for Thar Coal Energy Board (autonomous body) for salary and operating expenses.
- Rs.50 million for Sindh Coal Authority.

Industries Department

- Rs.200 million for Sindh Small Industries & Handicraft Development Corporation (autonomous body) for salary and operating expenses.

Environment Department

- Rs.35 million for Coastal Development Authority (Autonomous body) for salary and operating expenses.

Katchi Abadies Department

- Rs.200 million for Sindh Katchi Abadis Authority (Autonomous Body) for salary, pension and operating expenses.

Public Health Engineering

- Rs.452.89 million for operation and maintenance of RO Plants under rain emergency program and UF Plant in Nawabshah city.

Sports and Youth Affairs

- Rs.570 million for National Games, Sindh Games, Sindh Sports Boards, Sports Associations, Sports and Youth Activities, Sports clubs, and grants to sports persons.

Information & Archives Department

- Rs.85 million for grants to press clubs, deserving journalists, and endowment fund for Pakistan Federation of Union of Journalists and Karachi Union of Journalists.

Minorities Affairs Department

- Rs.300 million for welfare of minorities communities in Sindh.

Culture & Tourism Department

- Rs.200 million for endowment fund for protection of Archeology sites and historical monuments in Sindh.
- Rs.80 million for Gorakh Hill Development Authority (Autonomous Body).
- Rs.75 million for Sindhi Language Authority (Autonomous Body).
- Rs.20 million for Pakistan Institute of Tourism and Hotel Management.
- Rs.20 million for Sindh Graduate Association, Karachi.

- Rs.509 million for Adabi/Sufi Conferences, Arts and Film Festival, Melas, Fairs & Shows, Lok Virsas, Urs of sufi saints, other cultural activities, rehabilitation of Moenjo Daro and Makli, etc.

Rehabilitation Department

- Rs.850 million for Provincial Development Authority (Autonomous Body).

Social Welfare Department

- Rs.200 million for Sindh Child Protection Authority.
- Rs.100 million for HANDs (NGO).
- Rs.24 million for TB Patient Welfare and others.

Zakat, Religious Affair and Aukaf Department

- Rs.250 million for Zakat, Religious Affair and Aukaf Department as a single line grant.

Transfer Payments:

The total amount allocated under transfer payment amounts to Rs.11.10 billion. The details are as under:

- Rs.7.585 billion, the single largest amount under transfer payments, pertains to Sindh Education Foundation that is catering to gaps in primary and elementary education in subserviced areas under public private partnership mode.
- Rs.1.238 billion are earmarked for stipend to PGs, HJOs, and Student Nurses/Midwives.
- Rs.2.01 billion for compensation to Shaheed and injured police personnel and victims of bomb blasts.
- Rs.115 million for entertainment and gifts
- Rs.70 million for scholarships
- Rs.83 million for cash awards for gallantry and outstanding performance.

Operating Expenses:

Operating expenses include expenditure on utilities, communication, office rent, registration, general expenditure and other miscellaneous expenditure. The major expenditures under this head are as under:

- Rs.38 billion for utilities, which include Rs.36.5 billion for electricity, Rs.557 million for gas, Rs.791 million for water, Rs.265 million for POL for generators.

- Rs.751 million for rent of office building and rates and taxes.
- Rs.6.14 billion for travel and transportation, including Rs.4.32 billion for POL, Rs.1.15 billion for travelling allowance.
- Rs.43.14 billion for general expenditure, which include the following major expenditures:
 - Rs.8.05 billion for drugs and medicine.
 - Rs.1.5 billion for school management committees.
 - Rs.1.5 billion for stipend to girls.
 - Rs.2 billion for free text books.
 - Rs.370 million for teachers training
 - Rs.451 million for incremental technical assistance under SERP.
 - Rs.150 million for capacity building under SERP.
 - Rs.250 million for monitoring and tracking under SERP.
 - RS.66 million for student learning achievement test under SERP.
 - Rs.150 million for SEMIS monitoring under SERP.
 - Rs.1.1 billion for feeding charges of prisoners, women in Darul Aman, children in Darul Atfal, and policemen on duty.
 - Rs.723 million for diet of patients (hospitals).
 - Rs.288 million for cost of investigation (police).
 - Rs.3.94 billion for advertisement and publicity (information).
 - Rs.1.15 billion for stationery.
 - Rs.1.08 billion for uniforms and clothing (mostly police).
 - Rs.16 billion under object head others (A03970), which include, expenditure on purchase of miscellaneous items for office use, expenditure on X-ray, medical gas, purchase of instruments and medical supplies for the hospital and major portion for LSPs of various departments for various purposes. The major LSPs are as under:
 - *Health Department:* LSPs of 2.643 billion for purchase drugs, remuneration of polio workers, PCR test, hospital commodities, medical gas, POL for generators, district action plan, conditional cash transfers and unforeseen expenditure.
 - *CM Secretariat:* Rs.1.5 billion for Peoples Housing Cell for construction of low cost housing units for the poor.
 - *Education Department:* Rs.1.25 billion for contract paid staff and no-salary & utilities in education department
 - Rs.1.84 billion for school consolidation.
 - Rs.500 million for innovative initiatives in education department
 - Rs.200 million for standardized achievement test.

- *Special Education:* Rs.100 million for capacity building of teachers of special education department.
- *Women Development:* Rs.137 million for legal aid for poor women and children
- *Provincial Assembly:* Rs.77 million as block allocation for preservation of Sindh Assembly Proceedings and historical documentary.
- *SGA&CD:* Rs.100 million for Zulfiqar Development Authority
- Rs.50 million for O&M of rescue 1299
- *Finance Department:* Rs.1.2 billion kept for transfer of development schemes, clearance of liabilities and meeting expenditure of emergent needs of departments.
- *Environment Dept.:* Rs.30 million for Green Sindh Fund
- *IT Department:* Rs.454.7 million for establishment of centralized command and control center and PPP Node in IT Department.
- *Local Government:* Rs.317 million for clearance of water dues and strengthening of academy.

Pay & Allowances of Government Employees and Pensioners:

- Ad-hoc increases of 2013 and 2014 will be merged in the pay scales;
- 10% Adhoc Relief Allowance on running basic pay will be allowed to all employees with effect from 1st July 2016;
- Special Conveyance Allowance to disabled employees @Rs.1000/- per month;
- Integrated Allowance allowed to Qasid/N.Qasid/Daftaries from Rs.300/- PM to Rs.450/- PM;
- Revision of Late Sitting Conveyance Charges by 50% to employees in BS 1-15;
- Washing Allowance @ Rs.100/- and Dress Allowance @ Rs.100/- allowed to employees in BS 1-4 from Rs.100/- to Rs.150/;
- M. Phil Allowance @25% of Ph.D. Allowance i.e. Rs.2,500 per month;
- Additional Charge Allowance /Deputation Allowance Revision of Ceiling from Rs.6,000/- to Rs.12,000/- for identical and non-identical post;
- Current Charge Special Pay - Revision of ceiling from Rs.6,000/- to Rs.12,000/-

- Increase in Qualification Pay @50% and inclusion of ACCA/CIMA qualification - CA/ICMA/ICWA/ACCA/CIMA, Staff College/NMC/NDC, NIPA Adv.Course / MCMC etc.
- On the pattern of increase in the pay of Government employees the minimum wage of Labour for their benefit is being increased from Rs.13,000 to Rs.14,000 per month.
- 10% increase in net **pension to all pensioners** with effect from 1st July 2016;
- 25% increase in net **pension to all pensioners** above the age of 85 years with effect from 1st July 2016;

Budget Strategy Paper:

- The Budget Strategy Paper (BSP), a three year rolling plan that sets policies and priorities of the government in the medium term, was approved by the provincial cabinet for the second consecutive year. This is a leap forward in the realism of transparency in fiscal policy formulation embedded with spirit of participation and ownership of the stakeholders.
- Presenting the fiscal performance of the government of the last two financial years and current financial year as well, the BSP projects estimates of provincial receipts and estimates of expenditures over the next three years. After its approval by the cabinet, the document becomes the guiding policy for consolidation of budgetary proposals.

Master Data Re-structuring:

- Until now, the demands for grants presented to the assembly were organized mostly by functions, and in some cases by minor or/and detailed functions. As per chart of classification issued by the Controller General of Pakistan, there are ten (10) major functions that the government performs. Each function is divided into minor function, and minor functions further divided into detailed and sub-detailed functions. These functions are assigned at DDO level, which are also linked to respective entity/department and attached departments.
- Some departments perform similar major, minor function and even detailed and sub-detailed functions; therefore their demands for grants were being consolidated in a single demand. Just in case of Health and Education departments, both performing similar detailed function, such as “professional colleges/institutes”, shared the same demand.

- The demand “Education (SC21024)”, besides education department, contained demands of health, culture and tourism, archives and antiquities departments. Similarly demand “Organ of State (SC21001)” contained demands of about a dozen departments/Principal Accounting Officers, such as Provincial Assembly, Governor House, CM Secretariat, SGA&CD, Provincial Ombudsman, Local Government & HTP Department, PHE & RD Department, etc.
- As more than one department shared the same demand, and in some cases one department sharing multiple demands with different departments, it became difficult to identify the budget allocations of a specific department.
- Besides, incorrect functional classification and improper configuration of DDOs with their attached departments and parent departments on IFMIS made it impossible to generate standardized report and obtain the precise information from the system for monitoring the expenditure of departments.
- As a result, several reports, including ABS, Budget Memorandum and Budget Execution Reports were being prepared on MS-Excel. Also a few voluminous demands made generation of reports from the system a cumbersome process.
- Thus, it was essential to rectify classification of DDOs/Cost centers and re-organize demands for grants, with a criterion to create at least one demand for current revenue expenditure for each department, and two demands for development expenditure, one each for capital and revenue component.
- The demands of large departments have been structured in more than one demand. For instance, in case of education, seven demands have been created for its current revenue expenditure, that includes administration, colleges, higher secondary, secondary, middle, primary, and education works.
- The Master Data of the whole budget, including current revenue expenditure (voted/charged), receipts, current capital expenditure (voted/charged) and development expenditure (capital/revenue), has been reviewed and modified.
- The demands for grants have been re-organized; new fund centers’ codes have been allotted to the DDOs/Cost centers/spending units; and functional classification has been rectified. Consequently, all the DDOs have been aligned with/ linked to their respective entities and attached departments.

- Since Principal Accounting Officers (PAOs) are ultimately responsible for the expenditures incurred from grants, the principle of one demand for one PAO instead of previous practice of one demand for more than one PAOs, has been followed in restructuring / re-organization of demands. However, for large departments like education, finance, home, and others, multiple demands have been created. The previous 46 demands for voted current revenue expenditure have now been re-structured in 65 demands, and 4 demands of charged expenditure re-organized in 7 demands. For development expenditure, each of 43 Principal Accounting Officers has been allocated one grant for capital and one grant for revenue component, all aggregating to 86 demands.

-The End-