



GOVERNMENT OF KHYBER PAKHTUNKHWA  
FINANCE DEPARTMENT

No. SO (DEV-IV)FD/4-3/2013-14/Guidelines.  
Dated Peshawar the 2<sup>nd</sup> January 2014.

To

1. All the Administrative Secretaries in Khyber Pakhtunkhwa.
2. All the Deputy Commissioners in Khyber Pakhtunkhwa.

SUBJECT:-

GUIDELINES FOR THE RELEASE AND UTILIZATION OF FUNDS UNDER THE ADP SCHEMES NO.930 (80663) "PROJECTS TO BE FUNDED FROM TOBACCO DEVELOPMENT CESS, 931(80664) "BLOCK PROVISION FOR PROJECTS TO BE FUNDED FROM 10% NET HYDEL PROFIT & 932(80665) "BLOCK PROVISION FOR PROJECTS TO BE FUNDED FROM 10% OIL & GAS ROYALTY.

Dear Sir,

I am directed to refer to the subject noted above and to enclose herewith guidelines in r/o above mentioned ADP schemes duly approved by the Honorable Chief Minister Khyber Pakhtunkhwa.

2. It is therefore, requested that the guidelines may be followed strictly in letter and spirit while considering developmental sub-schemes under the above mentioned ADP schemes .

Yours faithfully

Encl:-as above.

AO/DAO

*Muhammad Sohail*  
MUHAMMAD SOHAIL  
SECTION OFFICER (DEV-IV)

Endst: No: & date even.

DC/CC  
27/1/2014

Copy forwarded for information to :-

1. The PSO to Chief Minister Khyber Pakhtunkhwa.
2. The Deputy Secretaries (Dev:I & II) Finance Department Khyber Pakhtunkhwa.
3. The PSO to Senior Finance Minister Khyber Pakhtunkhwa.
4. The Section Officers (Dev:I, II & III) Finance Department Khyber Pakhtunkhwa.
5. The PS to Finance Secretary Khyber Pakhtunkhwa.
6. The PA to Addl: Finance Secretary (Dev:) Khyber Pakhtunkhwa.

DA  
1) Pl. circulate to all the members of DDC as per Para VI.

2) Pl. ensure utilization of funds strictly as per Para 2 (I-17) Pl. for the ADAS of the Dist.  
3) The D.O. (F&D) shall ensure Para III.  
4) Monthly Review meeting Pl. fix date.

NO 538/DC  
27/1/14  
SECTION OFFICER (DEV-IV)



## ANNEXURE-I

Subject: Guidelines for the release and utilization of funds under the ADP schemes No:930-80663- Projects to be funded from Tobacco Development Cess, No:931-80664-Block provision for projects to be funded from 10% Net Hydel Profit & No:932-80665-Block provision for projects to be funded from 10% of Oil & Gas Royalty.

- (I) Funds to be allocated to the districts/constituencies as per approved formula by the Provincial Government.
- (II) The share so allocated to the districts/ constituencies shall constitute the funds to be apportioned by the respective District Development Advisory Committees for recommendations of schemes in the following eligible sectors/ sub-sectors:-
  - (1). Drinking water and supply schemes.
  - (2). Resurfacing and black topping of existing roads.
  - (3). Construction with black topping of new roads.
  - (4). Brick pavement/ PCC of streets.
  - (5). Construction of drains/ sewerage lines.
  - (6). Construction of garbage collection points/ structures.
  - (7). Lining of water courses/ channels.
  - (8). Construction of flood protection spurs/ walls.
  - (9). Construction of drinking water reservoirs.
  - (10). Construction of irrigation water reservoirs.
  - (11). Major repairs in Primary/Middle and High Schools.
  - (12). Provision of furniture (For class rooms) for Middle and High schools.
  - (13). Purchase of land for Eid-Gah/Janaza-Gah, Graveyard and other eligible Civic amenities.
  - (14). Provision of gas and electricity to Rural areas.
  - (15). Construction of Small Dams(Only from Oil & Gas Royalty).
  - (16). Purchase of land for higher educational institutions (Only from Oil & Gas Royalty).
  - (17). Schemes identified through Chief Minister's Directives.
- (III) The respective shares shall be circulated to the concerned Deputy Commissioner and be asked to process identification of schemes through DDAC and nomination of executing agency for projectizing their recommendations in the form of PC-I for approval.

(IV) Preparation and submission of Project Documents / DCEs/PC-I will be the responsibility of the concerned executing department identified by DDAC.

(V) Once the schemes are identified by DDAC, the executing agency shall ensure preparation and submission of Project documents to the appropriate forum on priority basis.

(VI) A District Development Committee with the following composition may be mandated to approve schemes at the District level:-

- |      |   |             |
|------|---|-------------|
| (a). | Deputy Commissioner                           | Chairperson |
| (b). | Chairman, DDAC                                | Member      |
| (c). | District Officer (Planning)                   | Secretary   |
| (d). | District Officer (Finance)                    | Member      |
| (e). | Executive Engineer PHED                       | Member      |
| (f). | District Officer of the concerned Department. | Member      |
| (g). | District Officer of Executing Agency.         | Member      |
| (h). | Assistant Director LG&RD                      | Member      |

(VII) The cost of each project for N.H.P. fund and Tobacco Cess should not be less than Rs.100, 000 (Rupees one hundred thousands) and the schemes from Oil & Gas Royalty should not be less than Rs. One million (as per decision of the Cabinet in 45<sup>th</sup> meeting held on 07-03-2012), and the maximum size may be kept open in order to encourage bigger projects having more economic impacts.

(VIII) Approving forum of the sub schemes under the subject schemes shall be DDC with approval ceiling of maximum Rs.40.000 million and for the projects more than Rs.40.000 million, approval forum will be the same as for other development schemes.

(IX) Those scheme shall be implemented which are technically and financially feasible.

(X) Technical sanction of the projects so approved shall be issued by the concerned Officer of the Executing Agency as per Delegation of Powers under the Rules.

(XI) The project shall be executed through open tenders with completion of all codal formalities.

(XII) The Deputy Commissioner of the concerned Districts may be designated as controlling officer for the schemes and authorized to accord Administrative Approval and concurrently release funds to respective executing agencies

*District Development  
Advisory Committee.  
Public Health Engineering*

*Local Govt. & Rural Development*

for the approved projects. Finance Department will issue the authorization order of the Deputy Commissioner for the purpose.

✓ (XIII) Proper documentation shall be ensured through District P&D Department as Secretariat for the sub project under the supervision of the Deputy Commissioner.

Imp ✓ (XIV) The Deputy Commissioner shall be responsible for conducting regular monthly review of implementation status and submission of reports to Planning & Development, and Finance Departments (Progress of utilization of Tobacco Cess schemes may also be reported to Excise and Taxation Department). Quarterly review shall be conducted at the level of Secretary, P&D Department as part of regular review.

(XV) In order to ensure transparency and accountability, Divisional Monitoring set up & District P&D Department shall be involved to ensure proper utilization of the funds.

(XVI) After completion, the concerned Department will take over the scheme for operation, maintenance and repair.

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GOVERNMENT OF KHYBER PAKHTUNKHWA  
FINANCE DEPARTMENT

Dated Peshawar the 24<sup>th</sup> March, 2012

**NOTIFICATION**

**NO.BO(NFC-II)FD/2-2/2009/Vol-II** In pursuance of the Provincial Cabinet

decision in its meeting held on 07<sup>th</sup> March, 2012, the Provincial Government has been pleased to notify the amended policy regarding 5% share of royalty on oil & gas receivable from the Federal Government in the Districts (for developmental activities) where well heads are located, already approved by the Provincial Cabinet in its earlier meeting held on 07/4/2009. Salient features of the policy are:-

- Minimum size of a scheme financed out of 5% share of Royalty on Oil & Gas will be Rs. 10,00,000/- (one million).
- 5% share of royalty on oil & gas will be utilized on Electricity, supply of Gas, Education, Technical Education, Water Supply Schemes, Roads, Health facilities, construction of small Dams, & Purchase of land for higher educational Institutions.
- 50% share of 5% Royalty on oil/gas will be utilized in oil & gas producing Tehsils, whereas balance 50% will be utilized in the remaining Tehsils of a District where well heads are located.
- Release/utilization of 5% share of royalty of oil and gas will be based on annual figures of commercial production viz-a-viz actual revenues received by the Provincial Government during the last financial year.
- To monitor & supervise the execution of schemes, a District level committee headed by the D.C.O. will be constituted. Respective MPAs will also be represented in the Committee.
- All schemes to be executed out of 5% share will require clearance of all competent forums on the same pattern as that of ADP schemes.

AO/DA  
for circulation to all  
concerned officers.  
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- g. Funds to the tune of 5% of royalty on oil and gas to be utilized in the respective districts (where well heads are located) shall be reflected in the Provincial ADP over and above their respective Provincial ADP as well as District Development Funds.
- h. Controlling Department for utilization of 5% share of Royalty on Oil and Gas in the respective Districts will be Local Government & Rural Development Department with P & D Department exercising its role of monitoring, review and approval.
- i. The amended policy approved by the Provincial Cabinet will be applicable from 2009-10 & onward.

**SECRETARY FINANCE**

**Endst: No. & Date even:**

- 1. Secretary to Chief Minister, Khyber Pakhtunkhwa.
- 2. Commissioner Kohat Division, Kohat.
- 3. Secretary Energy & Power, Department, Khyber Pakhtunkhwa.
- 4. Secretary, LG & RD Department, Khyber Pakhtunkhwa.
- 5. Secretary P & D Department, Khyber Pakhtunkhwa.
- 6. Secretary, Administration Department, Khyber Pakhtunkhwa
- ✓ 7. District Coordination Officers, Kohat, Karak & Hangu.
- 8. PS to Chief Secretary, Khyber Pakhtunkhwa.
- 9. PS to Minister for Finance, Khyber Pakhtunkhwa.
- 10. PS to Finance Secretary, Khyber Pakhtunkhwa.
- 11. SO (Dev-IV), Finance Department, Khyber Pakhtunkhwa.
- 12. MPA's PK-37, 38 and 39 of District Kohat.
- 13. MPA's PK-40, and 41 of District Karak.
- 14. MPA's PK-42, and 43 of District Hangu.

Handwritten signature and initials, possibly "D. A. 9. 57" with a checkmark.

*Ihsanullah*  
24/03/2012  
**(IHSANULLAH)**  
Budget Officer (NFC-II)  
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