



ADDITIONAL RECOMMENDATIONS OF  
PROVINCIAL FINANCE COMMISSION  
FOR AWARD OF THE FINANCIAL  
YEAR 2009-10.

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**FINANCE DEPARTMENT**  
**GOVERNMENT OF NWFP**

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# P R E F A C E

## Provincial Finance Commission (PFC)

PFC had been constituted under Section 120-B of the Local Government Ordinance 2001. The Commission has recommended a three years Award (2008-09 to 2010-11) which is currently in vogue. Sr. No. 8 of the said Award provides that its term is for three years, however, it will be reviewed annually.

The PFC in its meeting held on 12.05.2009 has reviewed the Award and formulated its recommendations. These recommendations are placed before Provincial Cabinet in light of Section 120-D (4) of the Ordinance ibid and the cabinet has endorsed for approval by the Governor NWFP under Section 120-D(6) of the Ordinance which now stands approved. These recommendations are now part of the three years Award.

( Muhammad Humayun Khan )  
Minister for Finance / Chairman PFC

## **ADDITIONAL RECOMMENDATIONS OF PFC FOR THE YEAR 2009-10**

The PFC in its meeting held on 12.05.2009 has reviewed the current three years Award and recommended additional recommendations for the year 2009-10 as under which become part of three years Award:-

1. **Salary Budget share**

Award contained 10% increase in the salary component. On Provincialization of Technical Education and keeping in view the actual expenditure of the current year 2008-09. The salary budget has been recommended as Rs.29500.000 million which contain only the incremental growth **(Annex-I)**. Expected increase in salary by the Federal Government will be provided by the Provincial Government in line with Federal Government during currency of the year as usual and will be adjusted in RE 2009-10 accordingly.

Other conditions for transfer of salary components will remain the same as per existing Award.

2. **Non-Salary Budget share**

10% increase was provided in the Award. On the recommendations of Energy Monitoring Cell, Finance Department, the electricity budget has been pitched up as Rs. 3839.000 million which is 12.4% higher than the current year allocation **(Annex-I)**. The District Governments will, however, economize their electricity bills by using energy saver and other economy measures issued by the Provincial Government from time to time. Other conditions for budgeting/transfer of share to District Governments will remain the same as contained in the three years Award.

**3. Development Budget share**

Development share was increased by 1% in the Award due to poor utilization capacity of District Governments. The Commission while analyzing the situation has recommended 10% increase in the share for 2009-10 (**Annex-I**). The Commission has also recommended to enhance the share of Finance Minister from 5% to 10% in development funds to which the Cabinet did not agree and decided to continue the previous practice of 5% share for the Finance Minister in the Development Funds which will be transferred to District Governments on the recommendation of the Finance Minister. 10% funds are continued to be reflected for Chief Minister NWFP for transfer to District Governments. Remaining share has been distributed amongst the District Governments and TMAs on formula. Other conditions of distribution/transfer of development share will remain in force as per PFC Award.

**4. Grant in lieu of Octroi and Zilla Tax**

The grant in lieu of Octroi and Zilla Tax was increased by 10% in each year of Award. This increase is continued to be provided in the year 2009-10 as per PFC Award (**Annex-I**). The grant meant for weak TMAs will also cater for weak Zilla Councils. Other conditions/distribution of the grant will remain the same as per PFC Award.

Sd/-  
**(Muhammad Humayun Khan)**  
Minister for Finance  
Government of NWFP,  
**Chairman, Provincial Finance Commission**

Secretary to Government of NWFP,  
Local Govt., & Rural Dev: Deptt  
**Member PFC**

Secretary to Government of NWFP,  
Planning & Development: Deptt  
**Member PFC**

Sd/-  
**(Dr.Muhammad Zubair Khan)**  
**Professional Member PFC**

Sd/-  
**(Saeed Ullah Jan)**  
**Professional**  
**Member PFC**

Sd/-  
**Prof.(Retd.) Rashid Ahmad**  
**Ghouri,**  
**Professional Member PFC**

Sd/-  
**(Sahibzada Tariqullah)**  
Nazim District Dir (Upper)  
**Member PFC**

Sd/-  
**(Niamat Ullah Khan)**  
Nazim Town-II, Bannu  
**Member PFC**

Sd/-  
**(Pir Khan Tanoli)**  
Nazim Union Council,  
Pind Kargo Khan, Abbottabad  
**Member PFC**

Sd/-  
Secretary to Government of NWFP,  
Finance Department  
**Secretary/Member PFC**

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## ESTIMATED RESOURCES TO BE TRANSFERRED TO LOCAL GOVERNMENTS FOR THE YEAR 2009-10

S.No	Name of District	Salary		Non-Salary						Development			Grant in lieu of Octroi & Zilla Tax					G.Total (Col:3+10+13+18)
		Salary	Others	Death compensati on grant.	M&R (Road)	Electricity	Petty Repair (Edu:)	CRC (Edu:)	Total Non-salary (Col:4:9)	District Share	TMA's Share	Total (Col: 11+12)	TMA's Share	C.Bs Share.	Total Octroi (Col:14:15)	Zilla Tax	Total OZT (Col 16+17)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	Abbottabad	1653.279	65.105	6.178	10.000	53.000	31.614	11.099	176.996	35.704	15.302	51.006	22.400	6.870	29.270	10.091	39.361	1920.642
2	Bannu.	1172.521	28.319	4.381	10.000	65.000	22.528	7.924	138.152	30.923	13.253	44.176	23.277	2.945	26.222	30.763	56.985	1411.834
3	Battagram.	499.347	38.951	1.866	6.000	5.000	10.450	3.890	66.157	20.083	8.607	28.690	2.904	0.000	2.904	1.174	4.078	598.272
4	Buner	714.070	28.992	2.668	6.000	21.000	14.267	5.146	78.073	25.264	10.828	36.092	2.904	0.000	2.904	16.623	19.527	847.762
5	Charsadda.	1518.449	54.302	5.674	10.000	33.000	26.890	9.882	139.748	41.283	17.693	58.976	21.964	0.000	21.964	34.987	56.951	1774.124
6	Chitral.	802.554	42.867	2.998	6.000	5.500	13.508	4.345	75.218	18.729	8.027	26.756	8.339	0.000	8.339	32.801	41.140	945.668
7	D.I.Khan.	1876.790	82.597	7.013	10.000	70.000	29.722	10.190	209.522	37.219	15.950	53.169	40.577	0.578	41.155	21.824	62.979	2202.460
8	Dir(Lower)	1408.185	52.151	5.262	10.000	28.000	25.487	9.156	130.056	32.755	14.039	46.794	6.547	0.000	6.547	27.965	34.512	1619.547
9	Dir(Upper).	665.548	51.796	2.487	6.000	14.000	14.570	5.161	94.014	30.365	13.014	43.379	4.651	0.000	4.651	12.102	16.753	819.694
10	Haripur.	1240.155	55.413	4.634	10.000	80.000	25.537	8.980	184.564	29.170	12.500	41.670	30.536	0.000	30.536	99.205	129.741	1596.130
11	Hangu	336.195	24.349	1.256	6.000	13.200	8.553	2.977	56.335	18.649	7.993	26.642	18.786	0.000	18.786	17.324	36.110	455.282
12	Karak.	1094.602	38.618	4.090	6.000	80.000	19.162	6.831	154.701	22.794	9.769	32.563	6.815	0.000	6.815	10.746	17.561	1299.427
13	Kohat.	1034.044	43.242	3.864	10.000	50.000	19.811	7.132	134.049	25.981	11.135	37.116	37.361	8.165	45.526	23.505	69.031	1274.240
14	Kohistan.	467.178	72.649	1.746	6.000	2.000	11.297	4.169	97.861	33.712	14.448	48.160	4.356	0.000	4.356	7.115	11.471	624.670
15	Lakki Marwat	1017.537	47.528	3.802	6.000	66.000	18.810	6.563	148.703	26.061	11.169	37.230	10.104	0.000	10.104	11.880	21.984	1225.454
16	Malakand	899.110	45.681	3.360	10.000	26.000	15.527	5.350	105.918	21.678	9.291	30.969	6.234	0.000	6.234	21.988	28.222	1064.219
17	Mansehra.	1942.293	68.802	7.258	10.000	25.000	35.096	12.067	158.223	45.029	19.299	64.328	19.205	0.000	19.205	10.938	30.143	2194.987
18	Mardan.	2122.941	56.956	7.933	10.000	52.000	40.277	14.639	181.805	54.514	23.362	77.876	62.464	4.379	66.843	39.683	106.526	2489.148
19	Nowshera	1233.931	37.791	4.611	10.000	50.000	23.898	8.444	134.744	36.022	15.439	51.461	40.579	13.425	54.004	91.489	145.493	1565.629
20	Peshawar	2473.069	90.375	9.241	10.000	65.000	41.239	14.564	230.419	76.510	32.790	109.300	207.263	30.959	238.222	126.171	364.393	3177.181
21	Shangla.	552.321	53.880	2.064	6.000	3.000	11.055	4.068	80.067	26.858	11.511	38.369	2.904	0.000	2.904	1.341	4.245	675.002
22	Swabi	1493.830	42.531	5.582	10.000	43.200	29.574	10.800	141.687	41.283	17.693	58.976	19.262	0.000	19.262	55.163	74.425	1768.918
23	Swat.	1747.048	50.521	6.528	10.000	50.000	33.242	11.561	161.852	49.652	21.280	70.932	43.118	0.000	43.118	38.730	81.848	2061.680
24	Tank.	439.577	26.751	1.643	6.000	31.500	8.261	2.765	76.920	18.091	7.754	25.845	14.221	0.000	14.221	6.573	20.794	563.136
	<b>Total:-</b>	<b>28404.574</b>	<b>1200.167</b>	<b>106.139</b>	<b>200.000</b>	<b>931.400</b>	<b>530.375</b>	<b>187.703</b>	<b>3155.784</b>	<b>798.329</b>	<b>342.146</b>	<b>1140.475</b>	<b>656.771</b>	<b>67.321</b>	<b>724.092</b>	<b>750.181</b>	<b>1474.273</b>	<b>34175.106</b>
	CM's Directives	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	134.173	0.000	134.173	0.000	0.000	0.000	0.000	0.000	134.173
	FM's Directives	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	67.087	0.000	67.087	0.000	0.000	0.000	0.000	0.000	67.087
	Grant on need basis	1095.426	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	82.227	0.000	82.227	0.000	82.227	1177.653
	Performance based budget grant	0.000	69.826	0.000	0.000	0.000	0.000	0.000	69.826	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	69.826
	Matching Grant/other emergent requirement.	0.000	110.000	0.000	0.000	0.000	0.000	0.000	110.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	110.000
	Grant for special repair/furniture/ LutoTote	0.000	110.000	0.000	0.000	0.000	0.000	0.000	110.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	110.000
	Grant for Emergency Medicine (DHQs)	0.000	110.000	0.000	0.000	0.000	0.000	0.000	110.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	110.000
	Grant for Medicine BHUs.	0.000	266.890	0.000	0.000	0.000	0.000	0.000	266.890	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	266.890
	Advertisement charges	0.000	16.500	0.000	0.000	0.000	0.000	0.000	16.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	16.500
	<b>Grand Total:-</b>	<b>29500.000</b>	<b>1883.383</b>	<b>106.139</b>	<b>200.000</b>	<b>931.400</b>	<b>530.375</b>	<b>187.703</b>	<b>3839.000</b>	<b>999.589</b>	<b>342.146</b>	<b>1341.735</b>	<b>738.998</b>	<b>67.321</b>	<b>806.319</b>	<b>750.181</b>	<b>1556.500</b>	<b>36237.235</b>

OCTROI & DEVELOPMENT SHARE OF TMAs FOR THE YEAR 2009-10

S.No.	District	Tehsil/Town	Budget Estimates 2009-10 (Rs. in million)		
			Octroi Share	Development Share	No. of UCs
<b>1</b>	<b>Abbotabad</b>		<b>22.400</b>	<b>15.302</b>	<b>51</b>
		Abbotabad	14.933	10.501	35
		Havillian	7.467	4.801	16
<b>2</b>	<b>Bannu</b>		<b>23.277</b>	<b>13.253</b>	<b>49</b>
		Town-I	6.546	4.598	17
		Town-II	16.731	8.655	32
<b>3</b>	<b>Batagram</b>		<b>2.904</b>	<b>8.607</b>	<b>20</b>
		Batagram	1.742	5.164	12
		Alai	1.162	3.443	8
<b>4</b>	<b>Buner</b>		<b>2.904</b>	<b>10.828</b>	<b>27</b>
		Buner Daggar	1.505	5.615	14
		Swari	1.399	5.213	13
<b>5</b>	<b>Charsadda</b>		<b>21.964</b>	<b>17.693</b>	<b>49</b>
		Charsadda	14.709	9.027	25
		Tangi	2.307	4.333	12
		Shabkadar	4.948	4.333	12
<b>6</b>	<b>Chitral</b>		<b>8.339</b>	<b>8.027</b>	<b>24</b>
		Chitral	6.887	4.682	14
		Mastuj	1.452	3.345	10
<b>6</b>	<b>Dir Lower</b>		<b>6.547</b>	<b>14.039</b>	<b>37</b>
		Timargarha	5.095	10.624	28
		Summar Bagh	1.452	3.415	9
<b>7</b>	<b>Dir Upper</b>		<b>4.651</b>	<b>13.014</b>	<b>28</b>
		Dir	3.199	8.831	19
		Warai	1.452	4.183	9
<b>8</b>	<b>D. I. Khan</b>		<b>40.577</b>	<b>15.950</b>	<b>47</b>
		D. I. Khan	31.708	7.127	21
		Paharpur	4.231	3.733	11
		Kulachi	1.788	1.357	4
		Daraban	1.002	1.357	4
		Paroa	1.848	2.376	7
<b>9</b>	<b>Haripur</b>		<b>30.536</b>	<b>12.500</b>	<b>45</b>
		Haripur	29.084	10.278	37
		Ghazi	1.452	2.222	8
<b>10</b>	<b>Hangu</b>		<b>18.786</b>	<b>7.993</b>	<b>19</b>
		Hangu	9.277	4.207	10
		Thall	9.509	3.786	9
<b>11</b>	<b>Karak</b>		<b>6.815</b>	<b>9.769</b>	<b>21</b>
		Karak	3.911	4.187	9
		Banda Daud Shah	1.210	2.326	5
		Takhte Nusrati	1.694	3.256	7
<b>12</b>	<b>Kohat</b>		<b>37.361</b>	<b>11.135</b>	<b>32</b>
		Kohat	35.561	8.699	25
		Lachi	1.800	2.436	7
<b>13</b>	<b>Kohistan</b>		<b>4.356</b>	<b>14.448</b>	<b>38</b>
		Palas	1.491	4.943	13
		Pattan	1.146	3.802	10
		Dassu	1.719	5.703	15



<b>14</b>	<b>Lakki Marwat</b>		<b>10.104</b>	<b>11.169</b>	<b>33</b>
		Lakki Marwat	4.221	8.123	24
		Sarai Norung	5.883	3.046	9
<b>15</b>	<b>Malakand</b>		<b>6.234</b>	<b>9.291</b>	<b>28</b>
		Dargai	1.452	4.314	13
		Batkhela	4.782	4.977	15
<b>16</b>	<b>Manshera</b>		<b>19.205</b>	<b>19.299</b>	<b>59</b>
		Mansehra	16.301	11.776	36
		Balakot	1.721	3.925	12
		Oghi	1.183	3.598	11
<b>17</b>	<b>Mardan</b>		<b>62.464</b>	<b>23.362</b>	<b>75</b>
		Mardan	54.844	18.067	58
		Takhatbai	7.620	5.295	17
<b>18</b>	<b>Nowshera</b>		<b>40.579</b>	<b>15.439</b>	<b>48</b>
		Nowshera Kalan	40.579	15.439	48
<b>19</b>	<b>Peshawar</b>		<b>207.263</b>	<b>32.790</b>	<b>92</b>
		Town I	123.370	8.910	25
		Town II	9.870	8.910	25
		Town III	64.153	7.485	21
		Town IV	9.870	7.485	21
<b>20</b>	<b>Swabi</b>		<b>19.262</b>	<b>17.693</b>	<b>55</b>
		Swabi	17.357	12.546	39
		Lahor	1.905	5.147	16
<b>21</b>	<b>Shangla</b>		<b>2.904</b>	<b>11.511</b>	<b>28</b>
		Alpuri	1.936	7.811	19
		Puran	0.968	3.700	9
<b>22</b>	<b>Swat</b>		<b>43.118</b>	<b>21.280</b>	<b>65</b>
		Swat	41.666	17.024	52
		Matta	1.452	4.256	13
<b>23</b>	<b>Tank</b>		<b>14.221</b>	<b>7.754</b>	<b>16</b>
		Tank II	14.221	7.754	16
	<b>TOTAL</b>		<b>656.771</b>	<b>342.146</b>	<b>986</b>
	Provision for weak TMAs/ Zilla Councils.		82.227	0.000	0
	<b>Cantonment Boards</b>		<b>67.321</b>	0.000	0
	1	Abbotabad	5.820	0.000	0
	2	Bannu	2.945	0.000	0
	3	D. I. Khan	0.578	0.000	0
	4	Kohat	8.165	0.000	0
	5	Mardan	4.379	0.000	0
	6	Nowshera	9.946	0.000	0
	7	Peshawar	30.959	0.000	0
	8	Risalpur	3.479	0.000	0
	9	Murree Galis (Kalabagh Hazara)	0.726	0.000	0
	10	Havellian	0.324	0.000	0
	<b>G.Total</b>		<b>806.319</b>	<b>342.146</b>	<b>986</b>