



GOVERNMENT OF SINDH
FINANCE DEPARTMENT

NOTIFICATION

NO.FD.SO (PFC)/6(39)/2004-05(Part-I):- With the approval of competent authority, the Provincial Finance Commission (PFC) Award 2007 is being notified as under:

1. **PFC Award 2007:** The PFC Award 2007 would be for three consecutive years starting from financial year 2007-08.

2. **Provincial Divisible Pool (PDP):** The Provincial Divisible Pool (PDP) of the province consists of federal transfers and provincial tax receipts. After setting aside the priority expenditure of the province from the PDP, the remaining amount called as 'net provincial divisible pool'(net PDP) has been divided into 'Provincial Retained Amount' and 'Provincial Allocable Amount' with a ratio of 45% and 55% respectively.

3. **Allocable Amount:** The formula for distribution of Allocable Amount amongst District Governments, after protecting salaries, is as under:

(a)	Population	40%
(b)	Service Infrastructure	35%
(c)	Development Needs	10%
(d)	Area	5%
(e)	Performance	10%

The funds under performance benchmark (10%) are proposed to be 5% for revenue generation and 5% for primary school enrollment. This is to be evaluated by a PFC committee headed by ACS (Dev), Planning and Development Department.

4. **OZT Funds:** The distribution of OZT funds has been proposed to be as under:-

- The historical shares of OZT funds for Districts and TMAs have been increased by 20% over the existing amount of financial year 2006-07;
- The rural octroi as per historical share shall remain same and would be transferred to concerned TMAs as decided earlier by PFC in its meeting held on 19-05-2006;
- The monthly fixed grant of all Union Administrations has been increased from Rs. 0.1 million to Rs.0.2 million per month per UA;
- The funds for Sindh Local Government Board (SLGB) have been allocated as Rs. 140.000 million;

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- (e) The residual amount, after accounting for above shares, shall be transferred to TMAs as per formula given as under:-

Population	50%
Human Development Index (HDI)	40%
Area	5%
Performance	5%

The funds under performance benchmark (5%) shall be determined on the basis of fiscal effort to be evaluated by a PFC committee as in case of distribution of Allocable Amount for Districts.

(MALIK ASRAR HUSSAIN)
FINANCE SECRETARY

NO.FD.SO(PFC)/6(39)/2004-05(Part-I)

Karachi, dated the 30th August, 2007

A copy is forwarded for information to:

1. The Secretary, National Reconstruction Bureau, Prime Minister Secretariat, Government of Pakistan, Islamabad.
2. The Principal Secretary to Governor Sindh, Karachi.
3. The Secretary to Chief Minister Sindh, Karachi.
4. The Administrative Secretaries, Government of Sindh, Karachi (All).
5. The Zilla Nazims, District Governments, Sindh (All).
6. The District Coordination Officers, Sindh (All).
7. The Town/ Taluka Nazims, Town/ Taluka Municipal Administrations, Sindh (All).
8. The Town/ Taluka Municipal Officers, Town/ Taluka Municipal Administrations, Sindh (All).
9. The Members, Provincial Finance Commission (PFC), Sindh (All).
10. The Deputy Secretary (Staff) to Chief Secretary Sindh, Karachi.
11. The Deputy Secretary (Local Finance), Finance Department, Government of Sindh, Karachi.
12. The Deputy Secretary (PFC), Finance Department, Government of Sindh, Karachi.
13. P.S to Advisor to Chief Minister Sindh, Finance Department, Government of Sindh, Karachi.
14. R.O to Secretary, Finance Department, Government of Sindh, Karachi.
15. The Section Officers (Data/Research /LF-I/LF-II), Finance Department, Government of Sindh, Karachi.
16. P.S to Additional Finance Secretaries (B&E/Resources/Local Finance/Development/SR&Admn), Finance Department, Government of Sindh, Karachi.


(ALTAF AHMED SOOMRO)
SECTION OFFICER (PFC)