



GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT

No.BO.I/FD/5-20/2026-27/Release Policy Dated Peshawar the 22/07/2026

To

1. The Additional Chief Secretary (General), Human Resource Management & Administration Department, Khyber Pakhtunkhwa
2. The Additional Chief Secretary, P & D Department, Khyber Pakhtunkhwa.
3. The Senior Member, Board of Revenue, Khyber Pakhtunkhwa.
4. The Additional Chief Secretary, Home & Tribal Affairs Department, Khyber Pakhtunkhwa
5. All Administrative Secretaries to Govt. of Khyber Pakhtunkhwa.
6. The Principal Secretary to Governor, Khyber Pakhtunkhwa.
7. The Principal Secretary to Chief Minister, Khyber Pakhtunkhwa.
8. All Divisional Commissioners in Khyber Pakhtunkhwa.
9. All Deputy Commissioners in Khyber Pakhtunkhwa.
10. The Registrar, Peshawar High Court, Khyber Pakhtunkhwa.
11. The Secretary, Provincial Assembly, Khyber Pakhtunkhwa, Peshawar
12. The Registrar, Khyber Pakhtunkhwa Service Tribunal Peshawar.
13. The Secretary, Khyber Pakhtunkhwa Public Service Commission, Peshawar.

Subject: **RELEASE POLICY FOR FINANCIAL YEAR 2026-27**

Dear Sir,

I am directed to refer to the subject noted above and to state that upon approval of Provincial Cabinet in its meeting held on 19th June, 2026 at 11:00 AM, the budget allocated under Current & Development Expenditure, both Provincial and Local Government including Merged Districts shall be released, as per breakup given below:

(A) DEVELOPMENT EXPENDITURE:

OVERALL RELEASE: During the Financial Year 2026-27, development funds shall be released in two tranches i.e. 1st Tranche - covering 40% will be released in the first half of the financial year and to be released by July 7, 2026. While 2nd Tranche covering 60% will be released in the second half of the financial year, to be released by January 7, 2027. All releases shall be subject to the availability of funds.	
TYPE OF SCHEMES	FUNDS RELEASE METHODOLOGY
Ongoing Schemes	The allocated funds will be released to development schemes in each sector, proportional to their allocation in ADP 2026-27.
New Schemes	The allocated funds will be released to development schemes in each sector after issuance of the Administrative Approval. The release will be proportional to their allocation in ADP 2026-27. However; release to any new scheme will be subject to issuance of the Administrative Approval (A.A) by the concerned department. In case, AA of a new scheme is accorded after 7 th January 2027, the Finance Department will release whole allocation in one tranche.
Schemes with 'R' status in ADP 2026-27	Funds will be released to the schemes of ' R' status in ADP 2026-27 on the basis of Revised Administrative Approval.

- i. Administrative Departments may carry out **Intra-Sectoral** re-appropriation from the released funds w.e.f 1st January 2027.

P.T.O

- ii. Planning and Development Department may carry out **Inter-sectoral** re-appropriation w.e.f 1st March 2027.
- iii. Finance Department, w.e.f 1st October 2026, upon authorization of the P&D Department will release balance allocations to the priority projects, significant fast-moving projects or projects involving procurement of machinery/equipment or land cost or sectoral peculiarities wherein the released amount has either been utilized or fallen deficient to serve the purpose.
- iv. District wise complete breakup of the umbrella schemes shall be provided by the Department within one week after release of funds to enable Finance Department to punch it in SAP System.
- v. The funds allocated under the Foreign Project Assistance (FPA) and Public Sector Development Program (PSDP) schemes shall be released on the recommendations of the P&D Department.
- vi. Release to Law & Justice sector shall be made in Lumpsum by Finance Department as per their allocation in ADP 2026-27.

(B) CURRENT EXPENDITURE – PROVINCIAL

S#	OBJECTS	FUNDS TO BE RELEASED
1.	• Salary and Pension (<i>except Honoraria which shall be released on case-to-case basis</i>)	100%
2.	• Electricity • Sui Gas Charges • Advertisement Charges (Current side only)	
3.	Rest/Others (excluding GIA)	25%
4.	Medical Charges *	On case-to-case basis
5.	Purchase of Physical Assets	
6.	Maintenance & Repair **	
7.	Food Security Net & Social Safety Net	
8.	Medical Teaching Institutions (MTIs)	Monthly Basis
9.	Funds at the disposal of Finance Department	Release through re-appropriation on case-to-case basis

NOTE:

1. ***Medical Charges:** The funds released under object A01274-Medical Charges shall be utilized by the concerned sanctioning authorities only upto the limit of medical re-imbursement claims i.e Rs.30,000/- where verification/authentication by Director General, Health Services, Khyber Pakhtunkhwa is not required under the prevailing rules/policy instructions. The incurrence of expenditure against the remaining claims shall be authorized by Finance Department on case-to-case basis as usual subject to fulfillment of all codal formalities in light of Finance Department instructions issued vide Letter No.BO(NMD-II)/FD/2-10/537/Health/25-26 dated 08th January 2026.
2. ****Maintenance & Repair:** Funds allocated for Civil Works and Machinery & Equipment, including Public Health Engineering and Irrigation, as well as the maintenance and repair of roads, highways, bridges, and buildings, shall be released on a case-to-case basis subject to approval of the **competent forum**, issuance of Administrative Approval and recommendations

of the District Supervisory Committee (notified vide CM Secretariat letter No. SO(Dev-III)/CMS/240/Gen/2025 dated 08.03.2025) on relevant schemes. In cases involving clearance of liabilities, the concerned Administrative Department must provide viable justification supported by work done certificate along with photographic evidence (before and after completion of works), geographic coordinates of the site, duly verified and recommendations by the said Committee.

- 3. Release of Withheld Budget:** The withheld budget under Current Expenditure (Provincial) will be released in subsequent quarter of current financial year subject to availability of financial resources. The demands for earlier release of withheld budget will be entertained subject to utilization of previous release and justification(s) provided by the Administrative Department concerned.
- 4. Grants-in-Aid:** - Grants-in-Aid will be released on case-to-case basis as per prevailing law
- 5. Purchase of Physical Assets:** The allocated budget will be released based on the Procurement Plan, to be provided by the Department excluding petty purchases covering operational requirement.
- 6. Good Governance Roadmap (GG-RM):** The allocated budget shall be released upon recommendation or policy formulation by the GG-RM "Performance Framework Oversight Committee" notified vide Human Resource Management Department, Khyber Pakhtunkhwa's Notification No. SO(ESTAB)/17792736021707822/2026 dated 14.05.2026.

(C) DEVELOPMENT & CURRENT EXPENDITURE – LOCAL GOVERNMENTS

i. DEVELOPMENT EXPENDITURE (LOCAL GOVERNMENT)

Development share of Local Governments Development Funds shall be transferred to respective Local Governments on quarterly installment basis. However, release of remaining quarter of development funds shall be subject to the 60% utilization of the already released amount of 1st quarter of all Tehsil Local Governments and VCs/NCs.

ii. CURRENT EXPENDITURE (LOCAL GOVERNMENT)

SR.#	GRANT	FUNDS TO BE TRANSFERRED
1.	Salary	On monthly installment basis subject to adjustment of balance available from previous month.
2.	Non-salary	On quarterly installment basis subject to availability of financial resources.

(D). GRANT TO LOCAL COUNCILS

SR.#	GRANT	FUNDS TO BE TRANSFERRED
1.	TMA*	On quarterly installment basis subject to availability of financial resources.
2.	Grant to VCs/NCs	
3.	Cantt: Board	

NOTE:

***Additional Grant to Weak TMAs** for pay/pension requirements (if any) shall be considered subject to proper scrutiny by the committee constituted by the Local Government Department as per its notified TORs and subject to availability of financial resources.

(E). URBAN IMMOVABLE PROPERTY TAX

UIPT shall be transferred to respective Development Authorities/TMAs on quarterly basis. During 1st quarter, the amount transferred may be based on provisional estimates. Any adjustments may be made to these amounts in the following quarter based upon actual collections.

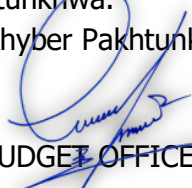
Yours faithfully,


(IMRAN ANWAR)
BUDGET OFFICER-I

Endst: No. and date even:

Copy forwarded for information and necessary action to the:

1. Accountant General, Khyber Pakhtunkhwa, Peshawar.
2. All Heads of Attached Departments in Khyber Pakhtunkhwa.
3. All Heads of Autonomous/Semi-Autonomous Bodies in Khyber Pakhtunkhwa.
4. Military Secretary to Governor, Khyber Pakhtunkhwa, Peshawar.
5. All Additional Secretaries in Finance Department, Khyber Pakhtunkhwa.
6. All Divisional Controller of Accounts / District Accounts Officer, Khyber Pakhtunkhwa.
7. Director FMIU, Finance Department with the request to upload it in the Web Portal of Finance Department.
8. All Deputy Secretaries in Finance Department, Khyber Pakhtunkhwa.
9. PSO to Chief Secretary, Khyber Pakhtunkhwa.
10. Budget Officer II-XII, Coord/PAC, W&M, Res-I & II, NFC, Funds/Loans, PFC I & II, Finance Department.
11. Section Officer (Dev. I-IX, Admn, EMU, Pension & MRS Cell), Finance Department.
12. Private Secretary to Advisor to Chief Minister on Finance, Khyber Pakhtunkhwa.
13. P.Ss to Finance Secretary/Special Secretary Finance (Budget/R & R), Khyber Pakhtunkhwa.


BUDGET OFFICER-I