VICE-CHANCELLOR

No.129/VC
Date: 11.08.2023

MOST URGENT

The Secretary
Higher Education Department
Government of Khyber Pakhtunkhwa

Subject: **Insufficient Funds to Pay Salary and Pension for August, 2023**

Respected Madam,

It is being mentioned with great concern that the University of Peshawar is facing a severe financial crisis for the last few years, which has adversely affected its academic and administrative functions.

The main reason for this crisis is the insufficient release of funds from the federal government, which has resulted in a huge gap between the university's income and expenditure. The university has been trying to cope with this situation by cutting down its non-development budget, rationalizing its staff, and generating its own resources. However, these measures have not been enough to meet the rising salaries, pensions, utilities, and maintenance costs.

The situation has become critical now as the university does not have fund to pay salaries and pensions for the month of August 2023, due on September 1, 2023.

The fund required for 1st September, 2023 is as under:-

S. No.	Particulars	Rs. In Millions
1	Salaries	200
2	Electricity	35
3	Pension	100
4	Other Miscellaneous Expenses	20
	Total Required	355
	Total Available	29.7
	Short Fall	**325.289**

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This is a matter of grave concern as it will affect the morale and performance of the faculty, staff, and retired employees, who depend on their monthly income for their livelihood.

The Higher Education Commission has also asked the University to contact provincial Government for additional funds as well as Higher Education Commission grant will be used mostly for Federal Government universities (letter is attached).

Therefore, I request you to kindly provide an immediate financial grant of Rs.325 million to the University of Peshawar to ensure timely payment of salaries and pension. This will not only relieve the financial burden on the university but also enable it to continue its academic and research activities without any disruption.

Thanking you in anticipation.

Yours sincerely,

11/08/23

Prof. Dr. Jehan Bakht
Vice-Chancellor

Copy to:

1. The Executive Director, Higher Education Commission, Islamabad.
2. PSO to the Advisor Finance, Khyber Pakhtunkhwa
3. The Principal Secretary to Governor, Khyber Pakhtunkhwa/Chancellor, University of Peshawar.
4. PSO to the Chief Secretary, Khyber Pakhtunkhwa
5. PS to the Finance Secretary, Khyber Pakhtunkhwa
6. The PS to Chairman, Higher Education Commission, Islamabad.

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HIGHER EDUCATION COMMISSION

Finance Division
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No.F.P.2-1/HEC/2023-24/1149
July 11, 2023

Subject: **Allocation of Annual Recurring Grant of Provincially Chartered Universities/DAI/HEIs for the FY 2023-24**

Dear Sir/Madam,

A rationalized demand amounting to Rs.118.286 billion was submitted to the Government of Pakistan for allocation of recurring grant to the public sector Universities/HEIs for FY 2023-24. Against the said demand, HEC received IBC (Indicative Budget Ceiling) at a level of previous FY (i-e., Rs.65.00 billion) with additional directions to comply including, *(i) Out of the above Grant-in-aid, priority for allocation of funds may be given to the Federal Government public sector universities, centers, and Institutes, (ii) Regarding other public sector universities, provincial governments may be approached to enhance their shares to meet the expenditures of respective universities, (iii) HEC may release funds to public sector universities to meet their budgetary shortfall for a limited period of time as non-recurring expenditures*. With the stagnant resource envelop, it was a real challenge for HEC to prevent allocation of the Universities/HEIs from drastic cut while meeting the increased demand of National Programs involving foreign currency payments (viz. PERN and Digital Library, Coursera, SAP) and compliance to the directions of the Federal Government conveyed in IBC-2023-24. In this regard, you would appreciate that despite serious financial challenges, realized effort has been made in keeping allocation-2023-24 of the federally funded HE institutions with minimal possible cut over previous year's allocation. Effort in FY 2022-23 has also been made to compensate Universities/HEIs through provision of additional/supplementary grant over and above annual allocation.

02. In view of the above-referred background, I am pleased to convey that the Rs.1456.166 million federal recurring grant has been allocated to University of Peshawar, Peshawar for quarterly releases as per Government's Budget Release Strategy announced vide Finance Division's O.M. **(Annex-I)**. Please be apprised that the grant is all-inclusive including the annual grant-in-aid, need-based scholarship grant, and HEC's annual contribution/share against TTS faculty cases approved for funding by HEC as per TTS Funding Policy in vogue **(Annex-II)**. Accordingly, Institution as per practice shall submit quarterly utilization report to HEC Finance Division within fifteen (15) days of closure of each quarter.

03. it is pertinent that the PAOs (Principal Accounting Officers) in budget release strategy-2023-24 have been categorically directed to *not approach the Finance Division for meeting any additional expenses of recipients of the federal grant-in-aid and allocation /disbursement of funds be linked to outputs, outcomes and performance of entities*. In this regard, HEC has already issued policy instruction to all the public sector HEIs to comply to the financial reform policy guidelines for improvement in their financial management and controls, good governance and enhance income especially from third/intellectual stream of sources. For details, HEC recent policy communication No. F.P.2-1/HEC/2021-22/858 dated June 15, 2022 may be referred. Implementation of these guidelines was also reviewed in

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joint budgetary assessment (2023-24) exercise in its meetings held in Jan-Feb 2023. The assessment however, identified serious financial bottlenecks due to non-observance of all or few of the policy reform guidelines. Accordingly, the public sector universities/campuses/institutes are finally sensitized to ensure implementation of HEC's reform guidelines in true spirit before final review in the next budgetary assessment exercise for 2024-25 to be held during Jan-Feb 2024 failing to which allocation of the institutions shall reduce as per policy.

(Sahibia Parrani)
Director Budget

The Vice Chancellor,
University of Peshawar,
Peshawar

Copy to: The Director Finance, University of Peshawar, Peshawar

joint budgetary assessment (2023-24) exercise in its meetings held in Jan-Feb 2023. The assessment however, identified serious financial bottlenecks due to inobservance of all or few of the policy reform guidelines. Accordingly, the public sector universities/centers/institutes are finally sensitized to ensure implementation of HEC's reform guidelines in true spirit before final review in the next budgetary assessment exercise-2024-25 to be held during Jan-Feb 2024 failing to which allocation of the institutions shall reduce as per policy.

(Samina Durrani)
Director Budget

The Vice Chancellor,
University of Peshawar,
Peshawar

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