



HIGHER EDUCATION COMMISSION

H-9, ISLAMABAD, PAKISTAN, Website: <http://www.hec.gov.pk>

F.P. 2-1/HEC/2021-22/

May 24, 2022

Dr. Shaista Sohail

Executive Director

Subject: **PROVISIONAL REVISED ESTIMATES FY 2021-22 AND PROVISIONAL IBCs FOR FY 2022-23 - RECURRENT BUDGET (GRANTS)**

Respected Madam, السلام عليكم ورحمة الله وبركاته

Kindly refer to the Government of Pakistan, Finance Division's letter No. F.2(1)/Budget-II/2022-23/900 dated May 23, 2022, on subject cited above (Annex-I).

02. I consider it important to apprise that recurring grant allocated to HEC since FY 2016-17 has remained **almost stagnant and its share as %age GDP** kept on declining to the level of 0.14% in CFY. The comparison of *requirements* (submitted by the HEC) and *final allocation* (by the Federal government) during last 5 years is depicted in Annex-II. In comparison, in response to the demand for HE, the sector has witnessed tremendous growth in terms of establishment of number of new universities / HEIs. In addition to aforesaid, all-time high inflation, resultant increase in operational expenses (POL + utilities in particular), maximum rise in the salaries and pension announced by the Federal/Provincial Governments has increased the demand of recurring grant of universities/HEIs and HEC national level programs. Thus, Public sector universities are currently facing severe financial crunch and unable to pay full salaries/pension with allocation of Rs. 66.250 billion for CFY which constitutes almost 28.6% of their overall annual budget and remaining 71.4% is met from their own resources or provincial grant. It was insufficient budget that led to demand of Rs. 15 billion supplementary grant in CFY that was also committed by the Federal Government which is not yet released inspite of repeated requests.

03. Keeping in view the current financial situation, the Provisional IBC of Rs. 30 billion for recurring budget FY 2022-23 against the rationalized demand of Rs. 104.983 billion needs to be rectified immediately. Please be apprised that demand submitted by HEC is assessment-based i-e, after extensive review of budgetary requirement of all the public sector universities (100 existing + 18 new universities/DAs + 49 centers/institutes) and curtailing their expenses (salary and operational) by the joint Review and Assessment Committee of HEC and Ministry of Finance. Rs.30 billion IBC FY 2022-23 is extremely insufficient and will have far reaching and adverse consequences on the sector, youth, unemployment and the country itself.

04. In view of the foregoing, I would urge support of the Ministry to sensitize the M/o Finance, Pakistan to the fact that only an effective education system can raise the nation on sound economic, social, political, and moral footings. Such a low level of funding would cause inconceivable damage to the overall education system, and the development of the country itself. To avoid such a situation and to protect HE in general and public sector universities/HEIs, it is necessary that the Government be convinced to allocate Rs. 104.983 billion to HEC for the FY.2022-023 to enable HEC to submit NIS accordingly.

With best regards,

Yours sincerely,

(Dr. Shaista Sohail)

The Secretary

Ministry of Federal Education and Professional Training
Government of Pakistan, Pak. Secretariat
Islamabad.

Copy for information and necessary action to:

- I. The Secretary, M/o Finance Govt, of Pakistan, Islamabad.
- II. Mr. Javed Iqbal Khan JS(Budget-III), Finance Division, Govt. of Pakistan, Islamabad



HIGHER EDUCATION COMMISSION

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Director General (Finance)

No.F.P.2-1/HEC/2021-22/

May 24, 2022

Subject: Stoppage of House Rent Ceiling/Requisition to Public Sector University Employees in Provinces

Respected Sir,

It is to apprise that on the directive of Public Accounts Committee (PAC), a sub-committee was formulated for framing uniform policy / guidelines for public sector universities in the wake of irregularities observed on the payment of inadmissible allowances, perks and privileges during the external audit of public sector universities. Apart from the other recommendations of the sub-committee, House Rent Ceiling/ Requisition was declared as inadmissible to the employees of provincially chartered universities as per Government of Pakistan, Housing & Working "Accommodation allocation rules 2002", according to which it is only admissible to the employees serving in Basic Pay Scales in Federal Government.

02. During budgetary assessment of universities for 2022-23, which was carried out jointly with Ministry of Finance in February-March 2022 at ICT and all provincial headquarters, it was observed with great concern that few of the provincially chartered universities are also paying house rent ceilings to their employees. I may clarify that above-mentioned facility of house requisition is not admissible to the employees of provincially chartered universities, therefore, its payment may be stopped immediately. However, they all are entitled for House Rent Allowance @ 45% in metropolitan cities and 30% in other cities, as revised by the respective provincial governments from time to time.

With kind regards,

Yours Sincerely,

(Ghulam Nabi)

The Vice Chancellor,

Balochistan University of Information Technology, Engineering and Management Sciences

Quetta, Balochistan

Islamabad the 26th May, 2022.

OFFICE MEMORANDUM

Subject:- **PROVISION OF ADDITIONAL GRANT FOR FY 2022 - 23 TO HIGHER EDUCATION COMMISSION (HEC).**

I am directed to say that Higher Education Commission (HEC) was allocated Rs.66.250 billion against a demand of Rs.120 Billion in Financial year as per decision of Finance Division. Rs.15 billion was also announced to be provided in addition to Rs. 66.250 billion for higher education as recurring budget 2021-22. This amount has not been provided by Finance Division as yet. For the next Financial year 2022-23, provisional IBC of Rs.30 billion has been indicated which is unfortunately extremely low.

2. The recurring grant allocated to HEC since financial year 2016-17 has remained almost stagnant and its share as percentage of GDP has kept on declining to the level of 0.14% in CFY. The comparison of requirements (submitted by the HEC) and final allocation (by the Federal Government) during the last 5 years is explained below:

Particulars	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
Demand	58.00	60.00	65.00	72.00	82.00	103.55	104.79	120.00	104.88
Allocation	43.00	51.00	58.00	63.18	65.00	64.10	66.30	66.25	30.00
Shortfall	15.00 (26%)	09.00 (15%)	07.00 (11%)	8.82 (12%)	17.00 (21%)	39.45 (38%)	38.49 (37%)	53.75 (45%)	74.98 (71.4%)

3. The Higher education sector has witnessed tremendous growth in terms of establishment of number of new universities / HEIs. In addition to aforesaid, all-time high inflation, resultant increase in operational expenses (POL + utilities in particular), maximum rise in the salaries and pension announced by the Federal / Provincial Governments; has increased the demand of recurring grant of universities / HEIs and HEC's national level programs. Public sector universities are currently facing severe financial crunch and unable to pay full salaries / pension. Allocation of Rs.30 billion is unfortunately lower than what was given five years ago and it would hit the higher education sector adversely.

4. In view of above, the provisional IBC of Rs.30 billion for financial year 2022-23 against the rationalized demand of Rs.104.983 billion may kindly be reconsidered, please.

The Additional Secretary (Budget),
Finance Division
Government of Pakistan
Islamabad

(RAJA MUHAMMAD AKHTAR IQBAL)
Joint Secretary (Policy/PT)