Government of Pakistan
Finance Division
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No. F. 3(1) FO/2026-27 Islamabad, the 1st July, 2026

OFFICE MEMORANDUM

Subject: STRATEGY FOR RELEASE OF FUNDS FOR DEVELOPMENT BUDGET FOR FY 2026-27

The undersigned is directed to refer to the subject and state that in pursuance of the provisions of the Public Finance Management Act, 2019 and Financial Management & Powers of Principal Accounting Officers Regulations, 2021, the funds release strategy for Development Budget for FY 2026-27 is being issued for implementation with immediate effect and till further orders:

i. Funds for Development Budget shall be authorized by the Planning, Development & Special Initiatives (PD&SI) Division out of the PSDP allocation for FY 2026-27 for approved projects at 15% for Quarter 1, 20% for Quarter 2, 25% for Quarter 3, and 40% for Quarter 4;

ii. While executing development projects, PD&SI Division and PAOs concerned shall ensure adherence to provisions of the Public Finance Management Act, 2019;

iii. PD&SI Division shall devise a quarterly sector/project/division-wise strategy for release of PSDP funds within the approved appropriations;

iv. Any proposal for change to the quarterly limits prescribed at i. above shall be considered by Budget Wing, Finance Division on case-to-case basis and shall require prior approval of Finance Secretary;

v. Release of funds for approved projects in the Demand for Grants and Appropriations shall be made by PAOs in each quarter as authorized by the PD&SI Division within the above limits. PAOs shall ensure availability of sufficient funds for employee related expenses for each project;

vi. PAOs/Heads of Attached Departments/Heads of Sub-ordinate Offices/Project Directors shall not re-appropriate funds from employee related expenditures to non-employee related expenditures (heads of account) except with prior concurrence of PD&SI Division;

vii. Adequate budgetary allocations on account of foreign exchange component (rupee cover) shall be ensured by all PAOs and conveyed to PD&SI Division, Economic Affairs Division and Finance Division;

viii. Funds for foreign exchange payments shall require prior approval of External Finance Wing, Finance Division;

ix. All payments shall be made through the pre-audit system or through the Assignment Account Procedure, or any other procedure issued by Finance Division from time to time. A separate Assignment Account shall be opened for each project;

x. No direct payment through SBP shall be made except with prior approval of Finance Secretary as per Rules 3(9) and (10) of the Cash Management & Treasury Single Account Rules, 2024;

xi. Provisions of the Public Finance Management Act, 2019, the Financial Management & Powers of Principal Accounting Officers Regulations, 2021 and instructions issued by PD&SI Division shall be strictly adhered to by all PAOs and accounting offices;

xii. Instructions with regard to supplementary grants, technical supplementary grants and reappropriation of funds shall be issued by Budget Wing, Finance Division separately;

xiii. There shall be no requirement of ways and means clearance from Budget Wing, Finance Division for the release of development budget;

xiv. No payment shall be made over and above the limits by any accounting office except with prior written approval of Finance Division; and

xv. Development Wing, Finance Division shall coordinate and oversee matters relating to the release of funds for the development budget and other ancillary matters.

2. PAOs may approach PD&SI Division for matters related to authorizations and distribution of funds between approved projects/schemes.

Note: Notwithstanding anything contained in this strategy, all releases shall be subject to availability of fiscal space.

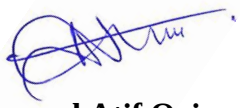
(Muhammad Atif Qaisrani)
Section Officer (FO)
051-9202664

Distribution:

1. Deputy Chairman, Planning Commission, Islamabad
2. All Principal Accounting Officers
3. All Heads of Departments, Sub-ordinate Offices and Autonomous Bodies
4. All Additional Finance Secretaries, Senior Joint Secretaries and Joint Secretaries of Finance Division
5. Governor, State Bank of Pakistan, Karachi
6. Auditor General of Pakistan, Islamabad
7. Controller General of Accounts, Islamabad
8. Accountant General Pakistan Revenues, Islamabad
9. Military Accountant General, Rawalpindi
10. Sub-Offices of AGPR, Lahore, Karachi, Peshawar, Quetta and Gilgit
11. CF&AOs of all Divisions
12. Managing Director, SBP Banking Services Corporation, Karachi
13. Director (Budget Computerization), Budget Wing, Finance Division, Islamabad
14. Federal Treasury Officer, Islamabad and Karachi
15. Web Master (with the request to upload on Finance Division's website)

Copy to:

i. SA to Minister for Finance & Revenue
ii. SA to Minister of State for Finance
iii. SPS to Finance Secretary
iv. PS to Special Secretary Finance



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