

**[ DBM NATIONAL BUDGET CIRCULAR NO. 444,  
July 01, 1995 ]**

**GUIDELINES ON THE RELEASE AND MONITORING OF FUNDS  
CHARGEABLE AGAINST THE COUNTRYWIDE DEVELOPMENT FUND**

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Purpose

This Circular is issued to prescribe guidelines on the release and monitoring of funds authorized under the General Appropriations Act for the Countrywide Development Fund.

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General Guidelines

2.1 The Countrywide Development Fund shall be released and used in accordance with the provisions of the General Appropriations Act and the guidelines prescribed under this Circular.

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Specific Guidelines

Nature of Projects

3.1 In general, projects to be funded from the CDF shall contribute to the development thrusts of the government such as:

3.1.1 Infrastructure projects, including roads, bridges, waterworks, electrification, schoolbuildings and other public buildings/facilities;

3.1.2 Livelihood projects, including those covered by existing programs of government agencies (e.g. LBP's Countryside Partnership Scheme);

3.1.3 Projects geared toward improving the health, social and economic conditions of a community;

3.1.4 Calamity assistance to a province/municipality (repair or rehabilitation of structures, relief assistance) provided that the proposed assistance) is supported by a presidential proclamation or certification from the National Disaster Coordinating Council specifying the area as a calamity area;

3.1.5 Purchase of equipment.

3.2 Projects should be implementable within the short term (one year) and shall not need future commitments to make these viable.

3.3 The following cannot be funded from the CDF:

3.3.1 Regular operating requirements of government agencies/local government units (e.g. supplies and materials, uniforms, school paraphernalia, maintenance of properties and equipment, travel expenses) as well as grants and subsidies;

3.3.2 Personal expenditures (i.e., payment of salaries for old or new personnel including honoraria, allowances, bonus and similar forms of compensation);

#### Implementing Agency

3.4 The following may be designated as implementors of CDF projects:

3.4.1 Agencies of the government including government corporations;

3.4.2 Local government units (province/city/municipality)

3.5 A government agency shall implement only those projects/programs which fall within its mandated functions. Should an LGU be designated to implement programs/projects that are within the mandated functions of a regular government agency/corporation, a resolution from the concerned Sangguniang Bayan or Sangguniang Panlalawigan shall be submitted the request.

3.6 A barangay or a non-governmental organization (cooperative, foundation, etc. cannot directly implement CDF projects. However, they maybe be contracted to undertake specific activities under the project by a government agency/corporation or an LGU.

3.7 Only government financial institutions (GFIs) may implement credit facilities funded from the CDF. Said credit facilities shall be constituted as a revolving fund and deposited in trust until such time that the project is terminated. Project termination shall be stipulated in the Memorandum of Agreement between the proponent and the GFI.

#### Realignments

3.8 Any realignment involving CDF projects (changes in implementing agency, project specification, project location and fund requirements) have to be approved by the DBM. Requests for realignment shall be allowed only within a period of six months from the date of the issuance of the SARO. However, realignments which require the issuance of a SARO to effect either a change in allotment class (from Maintenance and Other Operating Expenses to Capital Outlays or vice versa) or a change in implementing agency shall no longer be allowed beyond December 31 of the year during which the SARO was issued.

#### Use of Unexpended Balances of Allotments

3.9 LGUs may requests for the use of unexpended balances of allotments for expansion of the project originally funded, or projects allied to the ones previously