

XXXI. NATIONAL PRIORITIES SUPPORT FUND

A. Capital Expenditures Adjustments Fund

Capital Outlays

1.0 *Price Adjustment of Public Works Projects.* For possible increase in the cost of capital outlays of government agencies arising from the international energy crisis, including contract price adjustments ₱ 550,000,000

1.1 Contract Price Adjustments of Public Works Projects 375,000,000

1.2 Provision for New Projects or Cost Overruns 175,000,000

Total New Appropriations (All Capital Outlays), Capital Expenditures Adjustments Fund ₱ 550,000,000

Special Provision

1. *Use of the Fund.* All disbursements for possible increases in the costs of capital projects of government agencies arising from the international economic crisis, including contract price adjustments covering legitimate increases in contract price arising from changes in cost of construction of projects under government contracts with MPWH and/or MOTC, shall be charged to this Fund and/or such funds as may be earmarked for the purpose in the infrastructure program: PROVIDED, That payment for price escalation chargeable against this Fund shall be made in accordance with P.D. No. 1594 and its implementing guidelines.

B. Consultants Fund

Current Operating Expenditures

1.0 *Administration of Fund for Consultancy Services.* For consultancy services, including professional, technical and expert services ₱ 5,000,000

1.1 Professional, Technical and Expert Services 5,000,000

Total New Appropriations (All Current Operating Expenditures), Consultants Fund ₱ 5,000,000

Special Provision

1. *Administration of the Fund.* The amount herein authorized for the Consultants Fund shall be administered by the Office of the President and shall be released subject to the approval of the President.

C. Contingent Fund

Current Operating Expenditures

1.0 *Administration of Fund Subsidies for Contingencies.*

For administration of fund subsidies for contingencies, including activities relating to implementation of existing laws or international commitments ₱ 250,000,000

1.1 Activities Relating to Implementation of Existing Laws or International Commitments 250,000,000

Total New Appropriations (All Current Operating Expenditures), Contingent Fund ₱ 250,000,000

D. Feasibility Studies Fund

Current Operating Expenditures

1.0 *Feasibility Studies Fund*. For feasibility studies ₱ 30,000,000

1.1 Feasibility Studies 30,000,000

Total New Appropriations (All Current Operating Expenditures), Feasibility Studies Fund ₱ 30,000,000

Special Provisions

1. *Use of the Fund.* The amount appropriated herein shall be used for project feasibility studies to be conducted by authorized agencies and in accordance with a program approved by the National Economic and Development Authority: PROVIDED, That the amount corresponding to ten percent (10%) of the appropriations earmarked for projects under the administration of the National Economic and Development Authority shall be used for developmental feasibility studies of regional projects as may be recommended by the Regional Development Council upon approval of the National Economic and Development Authority.

2. *Releases.* All releases for feasibility studies shall be made upon request of the implementing agency, thru the appropriate Ministry/Office, subject to the approval of the National Economic and Development Authority.

E. Foreign-Assisted Projects Support Fund

Current Operating Expenditures

1.0 *Peso and Foreign Exchange Requirements of Foreign-Assisted Projects.* For peso and foreign exchange requirements of foreign-assisted projects not otherwise appropriated in this Act ₱ 550,000,000

1.1 Peso Counterpart Requirements of Foreign-Assisted Projects 247,000,000

1.2 Foreign Exchange Requirements of Foreign-Assisted Projects 303,000,000

Total Current Operating Expenditures, Foreign-Assisted Projects Support Fund ₱ 550,000,000

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Capital Outlays

2.0 Peso and Foreign Exchange Requirements of Foreign-Assisted Projects. For peso and foreign exchange requirements of foreign-assisted projects not otherwise appropriated in this Act ₱ 1,610,000,000

2.1 Peso Counterpart Requirements of Foreign-Assisted Projects 528,000,000

2.2 Foreign Exchange Requirements of Foreign-Assisted Projects 1,082,000,000

Total Capital Outlays, Foreign-Assisted Projects Support Fund ₱ 1,610,000,000

Total New Appropriations, Foreign-Assisted Projects Support Fund ₱ 2,160,000,000

Special Provisions

1. *Use of the Fund.* The appropriations herein authorized shall be used to cover the foreign exchange proceeds, in cash and in kind, and the peso requirements of foreign-assisted projects not otherwise provided in this Act, subject to the approval of the President upon recommendation of the Office of Budget and Management.

2. *Key Budgetary Inclusions (KBI).* The amounts herein appropriated for the various programs and projects of the fund shall specifically provide for the activities and purposes in the indicated amounts and conditions:

<i>P/P/A</i>	<i>Purpose</i>	<i>KBI</i>	<i>Amount</i>
1.1.1	Deposit to the Special Account of the Counterpart Fund established pursuant to the Economic and Technical Cooperation Agreement between the Government of the United States and the Republic of the Philippines, to be released to NEDA subject to Section 40 of P.D. No. 1177	4	₱ 60,000,000
1.1.2	Peso counterpart component of the operational requirements of foreign-assisted projects	4	<u>187,000,000</u>
	Sub-total, Project 1.1		<u>247,000,000</u>
1.2.1	Development projects approved by NEDA and USAID representing proceeds of P.L. 480, to be released to implementing agencies	5	15,000,000
1.2.2	Foreign exchange component of the operational requirements of foreign-assisted projects	5	<u>288,000,000</u>
	Sub-total, Project 1.2		<u>303,000,000</u>
2.1.1	Peso counterpart component of the capital requirements of foreign-assisted projects	4	<u>528,000,000</u>
2.2.1	Foreign exchange component of		

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the capital requirements of foreign-assisted projects	5	<u>1,082,000,000</u>
Total, fund commitments and key budgetary inclusions		<u>₱ 2,160,000,000</u>

F. National Livelihood Program Support Fund

Capital Outlays

2.0 <i>Special Capital Outlays</i> . For special capital outlays	₱	<u>460,000,000</u>
2.1 Special Capital Outlays		<u>460,000,000</u>
Total New Appropriations (All Capital Outlays), National Livelihood Program Support Fund	₱	<u>460,000,000</u>

Special Provisions

1. Use of the Fund. The amount herein appropriated shall be used exclusively to finance KKK programs, project development and all other related activities requiring capital or equity investments in accordance with existing guidelines adopted for the program.

2. *Administration of the Fund*. The funds covered by the appropriation herein authorized shall be released to and administered by the Central Bank through government banking institutions and authorized and accredited private commercial and rural banks in accordance with rules and guidelines to be formulated by the National Livelihood Council.

3. *Financing of Kilusang Kabuhayan at Kaunlaran Projects*. The organizational and other operating expenses to be incurred in the implementation of the Kilusang Kabuhayan at Kaunlaran Program shall be charged against the National Livelihood Program Support Fund, as well as from other funds appropriated for the organization and operation of livelihood activities. All releases shall be made with the approval of the Pambansang Lupon and/or the President.

G. Integrated Area Development Projects Fund

Current Operating Expenditures

1.0 <i>Integrated Area Development Projects</i> . For integrated and development projects	₱	<u>49,773,000</u>
1.1 Integrated Area Development Projects		<u>49,773,000</u>
Total Current Operating Expenditures, Integrated Area Development Projects	₱	<u>49,773,000</u>

Capital Outlays

2.0 <i>Acquisition of Equipment</i> . For acquisition of equipment	₱	<u>227,000</u>
2.1 Acquisition of Equipment		<u>227,000</u>
Total Capital Outlays, Integrated Area Development Projects	₱	<u>227,000</u>

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Total New Appropriations, Integrated Area Development Projects . . ₱ 50,000,000

Special Provisions

1. *Use of the Fund.* The amounts herein authorized shall be released and used to support the operating requirements of the integrated area development projects and offices in the preparation of integrated investment program, consistent with the regional development plans as approved by the President.

2. *Key Budgetary Inclusions (KBI).* The amounts herein appropriated for the various programs and projects of the fund shall specifically provide for the activities and purposes in the indicated amounts and conditions:

<i>P/P/A</i>	<i>Purpose</i>	<i>KBI</i>	<i>Amount</i>
1.1.1	Support for operational requirements of integrated area development projects	11 ₱	<u>24,297,000</u>
	Bicol River Basin Development Program Office		6,828,000
	Samar Integrated Rural Development Project Office		3,912,000
	Mindoro Integrated Rural Development Office		3,292,000
	Cotabato-Agusan River Basin Development Program Office		3,290,000
	Cagayan Integrated Agricultural Development Project Office		3,934,000
	Zamboanga del Sur Development Project Office		3,041,000
1.1.2	General indirect cost for services, facilities and accommodation under the Australian Development Assistance Bureau (ADAB) grant in support of the Samar Integrated Rural Development Project Office	4	9,847,000
1.1.3	Support for the operational requirement of the Palawan Integrated Area Development Project Office (Peso Counterpart, ADB Loan Nos. 528/529)	14	5,195,000
1.1.4	Grant proceeds for the operational requirement of the Integrated Environmental Program of the Palawan Integrated Area Development Project Office (EEC Grant)	15	2,976,000

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1.1.5	Support for operational requirement of the Project Benefit Monitoring and Evaluation of the Palawan Integrated Area Development Project Office (Peso Counterpart, ADB Loan Nos. 528/529)	14	338,000
1.1.6	Loan proceeds for additional maintenance and other operating expenses of the Palawan Integrated Area Development Project Office (ADB Loan Nos. 528/529)	15	685,000
1.1.7	For allocation of operating expense support to integrated development projects, including monitoring and coordinating activities	11	6,435,000
	Sub-total, Project 1.1.		<u>49,773,000</u>
2.1.1	Acquisition of equipment for the Cagayan Integrated Agricultural Development Project Office	11	25,000
2.1.2	Acquisition of equipment for the Samar Integrated Rural Development Project Office (General Indirect Cost component)	4	202,000
	Sub-total, Project 2.1		<u>227,000</u>
	Total, fund commitments and key budgetary inclusions		<u><u>₱ 50,000,000</u></u>

H. Special Activities Fund

Current Operating Expenditures

1.0 *Special Development Activities.* For funding support of special priority programs and projects . . ₱ 1,250,000,000

1.1 Special and Development Program Activities 1,250,000,000

Total Current Operating Expenditures, Special Activities Fund ₱ 1,250,000,000

Capital Outlays

2.0 *Special Capital Outlays.* For special capital outlays ₱ 1,250,000,000

2.1 Special Capital Outlays 1,250,000,000

Total Capital Outlays, Special Activities Fund ₱ 1,250,000,000

Total New Appropriations, Special Activities Fund ₱ 2,500,000,000

Special Provisions

1. *Use of the Fund.* The appropriations authorized herein shall be used to support new activities of Government agencies or expansion of existing ones which are not provided for in their respective appro-

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priations but which were subsequently accorded higher priority, subject to the approval of the President.

2. *Funding for Organizational Changes.* Of the appropriations authorized herein for Current Operating Expenditures, such amounts as may be deemed necessary and approved by the President shall be made available to support the transitional funding requirements of agencies established or reorganized in accordance with law and for transfer expenses of agencies moving to new quarters.

3. *Matching Fund for Donations.* An amount not exceeding ₱5,000,000 may be made available from this fund to match donations received by state universities and colleges and national secondary and collegiate schools for scholarships and professorial chairs, to the extent of ₱1.00 for every ₱2.00 received, which shall be released subject to the rules and regulations prescribed by the Office of Budget and Management: PROVIDED, That matching funds shall be granted only in cases of donations directly received by the institution from private individuals and corporations other than endowment or foundations formed by or affiliated with the institution concerned: PROVIDED, FURTHER, That donations/grants directly or indirectly received from other government agencies, government-owned and controlled corporations or local government units shall not be eligible for matching purposes: AND PROVIDED, FINALLY, That neither the donation received nor the matching fund shall be transferred to any foundation or agency to be used to defray operational expenses of the recipient institution.

4. *Prior Years' Obligations.* This Fund may be used to pay valid prior years' obligations to government agencies and to private parties, subject to Section 40 of P.D. No. 1177.

5. *Incentive Fund for Agency Savings.* Such amount as may be necessary may be made available from this Fund to implement the provisions of LOI No. 635, dated December 13, 1977 which allows agencies to accumulate savings for priority projects with a 10% premium.

I. Economic Support Fund

Current Operating Expenditures

1.0 *Technical Assistance.* For technical assistance for project feasibility and detailed engineering design, environmental assessment and project manage-

ment ₱ 25,370,000

1.1 Technical Assistance 25,370,000

Total Current Operating Expenditures,

Economic Support Fund ₱ 25,370,000

Capital Outlays

2.0 *Development Programs and Projects.* For priority development programs and projects ₱ 1,974,630,000

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2.1 Development Program and Projects	<u>1,974,630,000</u>
Total Capital Outlays, Economic Support Fund	<u>₪ 1,974,630,000</u>
Total New Appropriations, Economic Support Fund	<u>₪ 2,000,000,000</u>

Special Provision

1. *Proceeds from Economic Assistance.* Proceeds from the Economic Support Fund constituted pursuant to the Military Bases Agreement shall be a Special Account in the General Fund and, except as otherwise provided in this Act, shall be made available to finance priority projects to be recommended by the Management Advisory Committee created under LOI No. 1030 and approved by the President, subject to Section 40 of P.D. No. 1177.

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GENERAL SUMMARY

Current Operating Expenditures

B.	Consultants Fund	₱ 5,000,000
C.	Contingent Fund	250,000,000
D.	Feasibility Studies Fund	30,000,000
E.	Foreign-Assisted Projects Support Fund	550,000,000
G.	Integrated Area Development Projects Fund	49,773,000
H.	Special Activities Fund	1,250,000,000
I.	Economic Support Fund	25,370,000
	Total Current Operating Expenditures	₱ 2,160,143,000

Capital Outlays

A.	Capital Expenditures Adjustments Fund	₱ 550,000,000
E.	Foreign-Assisted Projects Support Fund	1,610,000,000
F.	National Livelihood Program Support Fund	460,000,000
G.	Integrated Area Development Projects Fund	227,000
H.	Special Activities Fund	1,250,000,000
I.	Economic Support Fund	1,974,630,000
	Total Capital Outlays	₱ 5,844,857,000
	Total New Appropriations, National Priorities Support Fund ...	₱ 8,005,000,000