



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GEN. SOLANO ST., SAN MIGUEL MANILA



NATIONAL BUDGET MEMORANDUM

No. 114
March 30, 2012

T O : Heads of Departments, Agencies, Bureaus, Offices, Other Instrumentalities
of the National Government and All Others Concerned

SUBJECT: Adoption of a Program Approach for the FY 2013 Budget Preparation

1.0 RATIONALE

- 1.1 It is the objective of the government to ensure the accomplishment of key performance targets under the five (5) key result areas (KRAs) of the President's Social Contract with the Filipino People, as laid out in Executive Order No. 43, series of 2011.
- 1.2 For this purpose, the government shall focus its fiscal space or uncommitted resources on these key programs and shall set in place a coordinated and holistic approach in the programming of needed funds across departments.

2.0 PURPOSES OF THE GUIDELINES

- 2.1 To lay down the key programs supportive of the objectives/goals set under the Philippine Development Plan (PDP) 2011-2016 and the President's Social Contract which shall be given priority funding in 2013; and,
- 2.2 To define the process and framework which shall be the basis for determining budget appropriations and the resource allocation of the available fiscal space.

3.0 GENERAL GUIDELINES

- 3.1 For the FY 2013 Budget, all departments/agencies shall identify their key programs, defined as an integrated group of activities that contributes to a continuing objective or output of a department/agency, particularly those supportive of the five (5) KRAs under the Social Contract and Executive Order No. 43 where resources shall be allocated.
- 3.2 The following programs under each cluster shall be given priority in resource allocation for FY 2013:
 - 3.2.1 Good Governance and Anti-Corruption Cluster

3.3.4 Funding Requirements for 2012-2016: Budget Proposals of Participating Agencies, including Indicative Ceilings and Proposed Budget for 2013

3.3.5 Proposed Measures to Address Implementing Issues/Gaps

- 3.4 For multi-agency programs, the expected participation/contribution of each department and agency to the program shall be indicated, in terms of the specific component programs, activities and/or projects. The corresponding key annual targets and funding requirements shall be laid out. Output targets and strategies/approaches shall be detailed to the extent possible and shall specify geographic locations, including regions and provinces.
- 3.5 The annual targets and funding requirements shall refer to the targets and direct costs submitted by the lead and/or participating department/agency under the Operations portion of the budget.
- 3.6 Thus, in addition to the BP forms under NBM No. 112 dated December 29, 2011, each participating agency shall accomplish the required Form BP 201-D Program Expenditure Plan (PEP) for their activities and projects contributing to the priority programs above. The participating department shall review, consolidate and rationalize the submission of their participating agencies for submission to the lead department who shall in turn, review, consolidate and ensure that the targets and funding requirements for the program are reasonable, appropriate and support the meeting of the key targets under the PDP and Social Contract. These shall be submitted to DBM.
- 3.7 The lead departments shall participate in the Technical Budget Hearings (TBH) of the participating agencies with DBM to assist in the discussion of the program components and implications of various funding requirements. The DBM shall schedule these TBH in April and May and shall inform the lead and participating agencies

4.0 DEADLINE OF SUBMISSION

- 4.0 The Program Expenditure Plans shall be submitted between April 10, 2012 and April 30, 2012 and the funding requirements for FY 2013 shall be included in the respective budget proposals of the departments/agencies.
- 4.1 These Program Expenditure Plans shall be revised/updated as a result of the TBH with DBM and shall be submitted on or before May 8, 2012 (before ERB) in time for the presentation of the 2013 Budget to the President.

5.0 For guidance and strict compliance of all concerned.


FLORENCIO B. ABAD
Secretary

MATRIX OF PRIORITY PROGRAMS AND PARTICIPATING AGENCIES

Cluster/Program	Lead Agency	Participating Agencies								
A. Good Governance and Anti-Corruption - Digitization of Financial Management Operations	DBM	DOF - Osec	DOF - BTr	COA	DOST - ASTI	DOST - NCC				
B. Human Development and Poverty Reduction - Pantawid Pamilyang Pilipino Program	DSWD	DepED	DOH							
- Universal Health Care Program	DOH	PHIC	DILG*							
- Housing for Resettlement from Danger Areas and Infrastructure Development	HUDCC	NHA	OEO - PCUP	DPWH	DOTC	DILG*				
- Basic Education Program	DepED	DOLE - TESDA	CHED	DILG*						
C. Economic Development - Rural Electrification Program	DOE	NEA								
- Tourism Development Program	DOT	DOTC	DPWH	DOTC - CAAP	DOJ - BI	DFA	DOF - BOC	DOTC - MAA	DTI	DOLE - TESDA
	DILG*	TPB	TIEZA	NPF	PRA	PCSD	DFPC			
- Agricultural Development Program (Rice & Corn, Fish & Coconut)	DA	DA - NIA	DA - NFA	DA - PRRR	DA - PCA	DA - BFAR				
- Transport Infrastructure Development Program	DPWH	DOTC	DOTC - LRTA	DOTC - PNR	DOTC - PPA	DOTC - CAAP	DOTC - LTO	DOTC - LTRFB	MMDA	
- SME Development Program	DTI	DOLE	CHED	DA	DOST					
D. Climate Change Adaptation - Interventions on Poor Conflict-Ridden Municipalities Critical Geologic Hazard Areas	CCC	DENR	DILG	DOST - PAGASA	DENR - NAMRIA	DA	DOST - PHIVOLCS	DENR - MGB		

* Requires LGU participation

**BP 201 - SCHEDULE D
PROGRAM EXPENDITURE PLAN
(In P'000)**

1. KEY RESULT AREA CLUSTER:

2. PROGRAM NAME:

3. IMPLEMENTING AGENCIES AND COMPONENT ACTIVITIES:

4. PROGRAM DESCRIPTION AND OBJECTIVES:

5. FUNDING REQUIREMENT:

Program/Component	2011	2012	2013	Total	2014	2015	2016
Agencies		GAA	Indicative	Proposal			

TOTAL

6. PHYSICAL TARGET AND ACCOMPLISHMENT

Performance Indicator	Target (No.)						Accomplishment (%)	
	2011	2012	2013	2014	2015	2016	2011	Slippage

7. STRATEGIES AND ACTIVITIES/PROJECTS TO ACHIEVE TARGETS

8. PROPOSED MEASURES TO ADDRESS IMPLEMENTING ISSUES/GAPS

Prepared by:

MANAGING OFFICER BUDGET OFFICER

Certified Correct by:

CHIEF ACCOUNTANT

Approved by:

HEAD OF AGENCY

DATE

INSTRUCTIONS

BP 201 – Schedule D: PROGRAM EXPENDITURE PLAN

- Box No. 1 : Indicate the Key Result Area Cluster as identified under Executive Order No. 43, series of 2011.
- Box No. 2 : Indicate the priority Program Name.
- Box No. 3 : Indicate the names of the participating agency/ies under a department as well as the component activity/ies of each involved in the program based on the submission of each participating agency.
- Box No. 4 : Provide a brief description of the specific program contribution of the department and its objectives.
- Box No. 5 : Indicate and summarize the funding requirements of the participating agency/ies related to the program.

Column 2011 Refers to the actual obligations incurred for 2011

2012 Refers to the 2012 appropriation per GAA

2013 Refers to the 2013 proposed program, indicating the Indicative Ceiling and Total Proposal

2014-2016 Refers to the 2014-2016 total proposals

- Box No. 6 : List down the key physical targets related to the program in absolute terms and the corresponding accomplishments for the periods/years indicated for each of the participating agencies. Specify the most important pertinent performance targets related to the program. Express slippage/over-performance as the difference between target and accomplishment in relative terms for 2011. Enclose slippage data in parenthesis.
- Box No. 7 : Indicate the strategies and activities/projects to be implemented to achieve the targeted output.
- Box No. 8 : List down all the proposed measures to address issues or gaps (either experienced or foreseen) during the implementation period.