



Republic of the Philippines  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
Malacañang, Manila

**CIRCULAR LETTER**

**NO. 2013 - 6**  
**Date: July 30, 2013**

**TO : All Heads of Departments, Bureaus, Offices, and Agencies of the National Government, including Government-Owned or Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs); and All Others Concerned**

**SUBJECT : Conduct of Briefing Sessions for Departments/Agencies in Preparation for the Congressional Deliberation of the FY 2014 National Expenditure Program (NEP)**

- 1.0 Following the submission of the FY 2014 proposed national budget by the President, Congress will begin deliberations of the individual budgets of departments/agencies.
- 2.0 Under Section 25(1), Article VI of the 1987 Constitution, Congress is prohibited from increasing the appropriations recommended by the President as specified in the proposed national budget. As earlier advised by the President, departments/agencies shall refrain from lobbying before Congress for: (a) increase in the appropriations for existing items of expenditures in their respective budgets; or (b) inclusion of new expenditure items in the proposed budget.
- 3.0 Accordingly, any increase in the appropriations of existing items of expenditure as well as any inclusion of new expenditure items in the proposed national budget will inevitably result to (a) an equivalent decrease in the appropriations for the other existing items of expenditure thereby deviating from the focused and planned program set by the government as reflected in the proposed national budget, or (b) bloating the deficit, if such increases are to be accommodated without suppressing other items in the budget.
- 4.0 All Department/Agency Heads shall defend their individual budgets as presented in the NEP submitted to Congress, particularly, the adoption of the Performance-Informed Budget (PIB) structure. Under the PIB, the budget contains non-financial information, i.e., outputs and targets, along

with the major final outputs (MFOs) which government agencies commit to achieve with their respective budgets.

- 5.0 To guide departments and agencies in preparing their respective budget presentations to Congress, the DBM has prepared a the attached **substantives guide**, shown as Annex "B." This substantives guide prescribes minimum required information that agencies should include, as well as other essential information. In particular:
- 5.1 Consistent with the new Performance-Informed Budget Structure introductory section on agencies' Strategic Objectives, agencies must start their presentations by describing their respective mandates, mission and vision. They must also emphasize the Aquino Social Contract Key Result Areas and the Philippine Development Plan (PDP) outcomes (sectoral) that they are responsible for given their mandates.
  - 5.2 In relation to this, agencies are highly encouraged to present their respective Logical Frameworks under the Organizational Performance Indicator Framework; as well as their respective outcome targets (consistent with the PDP) and strategies to meet these outcomes (consistent with the Cabinet Assistance System Planning Tool).
  - 5.3 Agencies are highly encouraged to present their accomplishments during the first half of the Aquino Administration, i.e., for fiscal years 2010 to 2012. They are also highly encouraged to present their accomplishments in a manner that is consistent with the Aquino Social Contract, the PDP and their MFOs and performance indicators.
  - 5.4 Agencies must present their respective proposed budgets for 2014 in comparison with their current year's (2013) budgets and, if feasible, their previous year's (2012) budgets. The impact of the restructuring of PAPs due to NBC 532 on the comparability of the budget structure will need to be explained .
  - 5.5 Moreover, agencies must highlight their respective MFOs and Performance Indicators. Agencies may choose to emphasize their most important MFOs and Performance Indicators, in terms of size of budgetary allocation and other factors. Showing the PAPs which contribute to the MFOs which will be found in Annex 2 of the NEP may assist the Legislators understand the agency budget since the PAPs are what they are familiar with.
  - 5.6 In line with their respective MFOs, agencies must also be able to present their most important projects.
  - 5.7 For mother Departments, they must be able to reflect their attached agencies' aggregate proposed budgets as well as select MFOs, Performance Indicators and past performance. Component agencies should also be prepared with their own presentations, and should

be able to link their budgets, outcomes, MFOs and PIs with those of their mother Departments.

- 5.8 Agencies may also wrap up their respective presentations with the regional/provincial/district breakdown of their respective budgets. Legislators may appreciate understanding how the agency budget will benefit their constituencies. These must show the actual location of the programs and projects to be implemented, as differentiated from the regional allocation in the NEP which shows the location of the implementing agency. The main consideration in the NEP is to enable the use of the GAA as a release document.
  - 5.9 Agencies should not deviate from the information already reflected in the National Expenditure Program and other supporting budget documents, unless such information are the subject of an Erratum that the DBM has already submitted to Congress.
  - 5.10 Soft copy of said substantives guide is available thru the Budget and Management Bureaus (BMBs) concerned.
- 6.0 In line with this, the Department of Budget and Management (DBM) will hold **six (6) half-day fora/briefings** on **August 2, 5 and 6, 2013** at the **Boncodin Multi-Purpose Hall, (Building II), DBM Compound**, on the effective presentation of the FY 2014 budget to Congress. The Schedule of said Fora/Briefings is shown in **Annex "A"**.
- 6.1 Departments/agencies and GOCCs are requested to send a maximum of three (3) representatives, i.e., one (1) department official (either Undersecretary or Assistant Secretary level) **or** agency head (in the case of executive offices/attached agencies), **and** chiefs of planning and budget offices.
  - 6.2 The briefing session shall cover the following:
    - 6.2.1 Presentation by DBM of the Overview on PIB as well as the guidelines and presentation format of the 2014 budget;
    - 6.2.2 Simulated presentation by assigned presenter departments as identified per Annex A; and
    - 6.2.3 Evaluation/recommendations on the presentation by designated panels.
  - 6.3 In the simulated presentation of the FY 2014 budget during each briefing session, the assigned presenter department for each group shall use the prescribed template. Right after the presentation, the evaluator panel (composed of DBM officials (USEC or ASEC and BMB Director/Assistant Director) shall give its assessment, comments and recommendations on the presentation.

7.0 The full cooperation of all concerned is enjoined to ensure the enactment of the FY 2014 appropriation measure by mid-December, 2013. The timely passage of the FY 2014 General Appropriations Act, such being a release document itself would facilitate the efficient and effective implementation of agency programs and projects next year.

8.0 For compliance.

  
**FLORENCIO B. ABAD**

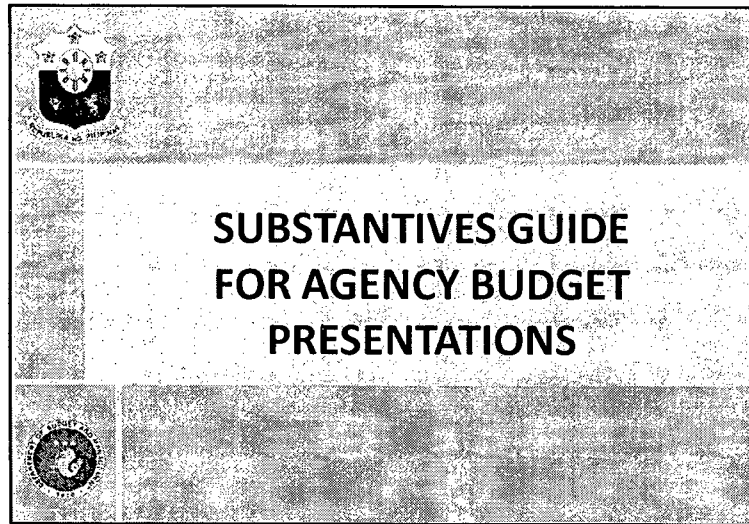
**Schedule of Fora/Briefings on the Effective Presentation  
of the FY 2014 Budget to Congress  
For Departments/Attached Agencies/OEOs/Constitutional Offices/GOCCs**

**SCHEDULE OF BRIEFINGS**

Date	Time	Venue	Target Participants (3 per Office)	NGAs/ Constitutional Offices/OEOs	No. of Attached Agencies	Total	Presenter
Aug 2	8:30 - 11:30 a.m.		Department Officials (USEC or ASEC Level) or Agency Heads and Chiefs of Planning and Budget Divisions	OP		3	DOT
				OVP		3	
				PCOO	6	21	
				DBM	1	6	
				DOF	10	33	
				DOT	2	9	
				COA		3	
				CSC	1	6	
				OEOs (AMLC, CCC, CFO, CHED, KWF, DDB, PCUP, PMS)		24	
TOTAL					108		
Aug 2	2:00 – 5:00 p.m.		Department Officials (USEC or ASEC Level) or Agency Heads and Chiefs of Planning and Budget Divisions	DSWD	4	15	DSWD
				DepEd	4	15	
				DOH	2	9	
				DOLE	8	27	
				CHR		3	
				Office of the Ombudsman		3	
				The Judiciary	4	12	
				OEOs (ERC, FDCP, GAB, GCG, HLURB, HUDCC, MDA, MTRCB)		24	
TOTAL					108		
Aug 5	8:30 - 11:30 a.m.		Department Officials (USEC or ASEC Level) or Agency Heads and Chiefs of Planning and Budget Divisions	DA	10	33	DOJ
				DOJ	9	30	
				DOE		3	
				DPWH		3	
				DOTC	6	21	
				OEOs (NCCA, NCIP, PRRC, PRC, PSC, PCSDO)		18	
TOTAL					108		
Aug 5	2:00 – 5:00 p.m.		Department Officials (USEC or ASEC Level) or Agency Heads and Chiefs of Planning and Budget Divisions	DND	5	18	DAR
				DILG	6	21	
				DAR		3	
				DTI	6	21	
				COMELEC		3	
				ARMM		3	
				OEOs (NAPC, NCMF, NICA, NSC, NTC, OMB, OPAPP, PLLO, PDEA, PCW)		30	
TOTAL					99		

Date	Time	Venue	Target Participants (3 per Office)	NGAs/ Constitutional Offices/OEOs	No. of Attached Agencies	Total	Presenter
Aug 6	8:30 - 11:30 a.m.		Department Officials (USEC or ASEC Level) or Agency Heads and Chiefs of Planning and Budget Divisions	DENR	5	18	DFA
				DFA	3	12	
				DOST	19	60	
				NEDA	6	21	
TOTAL						111	
Aug 6	2:00 – 5:00 p.m.		Department Officials (USEC or ASEC Level) or Agency Heads and Chiefs of Planning and Budget Divisions	GOCCS (38 )		114	PhilHealth
GRAND TOTAL						648	

of 29 July 2013)



### Introduction Slides: Strategic Objectives

As agencies begin their presentations, they must present a summary of their respective mandates, as well as their vision and mission, consistent with the Strategic Objectives of their respective agency budgets in the NEP.

Example: Mandate of DBM

#### Mandate of the DBM

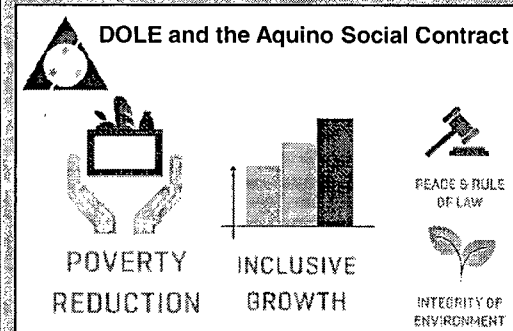


Promote sound, efficient and effective management and utilization of government resources as instruments in achieving national socioeconomic development goals

### The Agency and the Aquino Social Contract

Agencies must likewise identify and discuss the Aquino Social Contract Key Result Areas, as well as the Philippine Development Plan outcomes, that they are responsible for given their respective mandates.

Example: DOLE and the Aquino Social Contract



**Possible Talking Points:**  
DOLE primarily contributes to meeting the Social Contract priorities of Poverty Reduction and Inclusive Growth. Given its mandate, it also contributes to Peace and the Rule of Law as well as Integrity of the Environment.

### Agency Accomplishments for 2010-2012

Agencies are highly encouraged to present their key accomplishments during the first half of the Administration, in line with the Aquino Social Contract and the Philippine Development Plan.

Example: Department of Education

Department of Education FY 2012 Major Programs and Projects				
MAJOR PROGRAMS/PROJECTS	PROGRAM/PROJECT BENEFICIARIES	TARGET	STATUS OF ACCOMPLISHMENT	
Construction of Teaching Facilities	Selected schools nationwide	16,000 new Teaching Rooms	99%	FY 2012 Budget for selected teaching rooms was allocated to 99% of the schools, resulting in 15,999 new teaching rooms constructed nationwide.
Classroom Construction	Selected schools nationwide	43,550 new Classrooms	74% 130%	The program achieved a 74% accomplishment rate as of July 2012, resulting in 32,333 new classrooms constructed nationwide. The program is on track to achieve 130% accomplishment by the end of the year.

### Agency Outcomes and Strategies

Agencies are highly encouraged to provide a general overview of their respective outcomes and strategies in meeting these.

Example: DoH



#### DoH Outcomes and Strategies

In ensuring the people's access to quality and affordable health products and services, the DoH strategically emphasizes **Preventive Healthcare** over Curative Healthcare.

### Agency Major Final Outputs

Agencies must present their respective Major Final Outputs (for mother Departments, they must include key MFOs of their attached agencies and GOCCs). In doing so, they may also opt to present their OPIF LogFrames.

Example: DND and attached agencies' MFOs

#### MFOs of the DND & Attached Agencies

##### DND Proper MFOs

- Defense Policy Services
- Disaster Risk Reduction & Management Services



##### Selection of Attached Agencies' MFOs

- AFP GHQ: Joint Force Strategic Planning, Logistics and Resource Management Services
- Army, Navy and Air Force: Territorial Defense, Security and Stability Services
- OCDA: Disaster Management Operations

### Proposed Budget Summary

For Departments, they must be able to present the OSEC proper and attached agencies' aggregate budgets for 2013 and 2014.

Example: DA and Attached Agencies



Budget of DA and Attached Agencies (in billion Pesos)		
Agency	2013 Enacted	2014 Proposed
Department of Agriculture (OSEC)	55.76	64.03
Agricultural Credit Policy Council	0	0.053
Bureau of Fisheries and Aquatic Resources	4.61	4.88
Cotton Development Authority	0.057	0.057
Fertilizer and Pesticide Authority	0.058	0.055
Fiber Industry Development Authority	0.25	0.223
Livestock Development Council	0.047	0.043
National Agricultural and Fishery Council	0.717	0.156
National Meat Inspection Service	0.601	0.3
Philippine Carabao Center	0.465	0.474
Philippine Center for Post-Harvest Development and Mechanization	0.167	0.195
<b>Total</b>	<b>62.732</b>	<b>70.466</b>

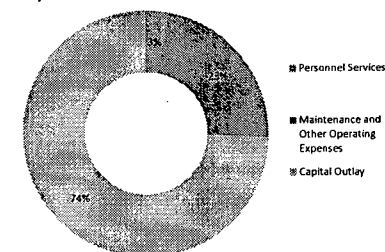
### Proposed Budget Summary

In presenting their proposed Budgets for 2014, departments and agencies must also present the distribution per Allotment class (PS, MOOE, CO).

Example: DOTC Budget by Allotment Class



The DOTC Budget FY 2014  
By Allotment Class



**Proposed Budget Summary**

Agencies must be able to present a summary of their proposed budgets categorized into GASS, STO, Operations and Projects. If feasible, they may present the breakdown of each category into PS, MOOE and CO.

Example: Proposed Budget Summary of DoJ

**Proposed Budget Summary**

DOJ OSEC Expenditure Program (in billion Pesos)		
	2013 Enacted	2014 Proposed
General Administration and Support	Php0.235	Php0.238
Support to Operations	Php0.000	Php0.012
Operations	Php2.889	Php3.091
Projects	Php0.203	Php0.015
<b>Total</b>	<b>Php3.327</b>	<b>Php3.356</b>

**Summary of Operations Budgets by MFO**

Agencies must present their proposed budgets for Operations per MFO. In subsequent slides, they must present details (component programs and projects, and performance indicators) of all or a selection of MFOs.

Example: DPWH Operations Budget by MFO

**DPWH Operations Budget by MFO**

DPWH Operations Budget 2014 by MFO (in billion pesos)	
National Road Network Services	Php91.126
Flood Management Services	Php28.871
Maintenance and Construction Services of other Infrastructures	Php16.309
<b>Total</b>	<b>Php136.306</b>

**Details of Highlighted MFOs and Performance Indicators**

Agencies must present all or a selection of their key MFOs; their corresponding performance indicators and targets for 2014, component programs and activities, and proposed budgets for 2014.

Example: DSWD MFO2 on Social Services

**MFO2: Social Protection Services**

MFO2 Budget	(in billion pesos)
Total	75.77
Of which: Pantawid Pamilyang Pilipino Program	62.61
Other component Programs and Activities	13.16



MFO2 Performance Indicators	Target for 2014
Of which: PI Set for Pantawid Pamilyang Pilipino Program	
Regular CCT	3,989,538 indigent families
Modified CCT for homeless families and families from indigenous communities	157,630 families
P500.00 monthly subsidy for high school students whose families are part of the regular CCT	10,196,437 students

**Other Important Projects**

Agencies will also present other important projects or services in their proposal, its cost and contribution to the Aquino Social Contract.

Example: DTI on its Shared Service Facilities Project



Shared Service Facilities Project	P770 M
Relevant Performance Indicators	Target
Provide assistance to SMEs	81,221 SME owners
Job Creation	200,000 jobs

### Distribution of Budget per Region

As a wrap-up agencies must present how the total budget will be distributed per region in the country

Example: DILG-OSEC

