



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACANANG, MANILA



NATIONAL BUDGET MEMORANDUM

No. 117
March 1, 2013

F O R : All Heads of Departments, Agencies, Bureaus, Offices, Commissions, State Universities and Colleges, other Instrumentalities of the National Government and all Others Concerned

SUBJECT : **ADOPTION OF THE PERFORMANCE-INFORMED BUDGET STRUCTURE FOR THE NATIONAL EXPENDITURE PROGRAM (NEP)/ GENERAL APPROPRIATIONS ACT (GAA)**

1.0 RATIONALE

Consistent with the on-going Public Expenditure Management (PEM) Reforms, which aim to put more performance orientation in the budget process, **Performance-Informed Budgeting** shall be adopted starting FY 2014 to strengthen linkages between planning, budgeting and outcomes, simplify budget presentation and enhance transparency and accountability in the allocation of limited resources.

The Performance-Informed Budgeting, during its transition period in FY 2014, shall entail the following:

- a. Continued use of the Organizational Performance Indicator Framework (OPIF) as a strategic tool with the following key elements:
 - A defined strategic framework relating agency mandates to overall government priorities, as well as intended outputs and outcomes;
 - An efficient system of indicators to measure agency performance; and
 - A transparent matching of costs and Major Final Outputs (MFO)/programs/projects.
- b. Adoption of a performance-oriented budget structure for the NEP/GAA starting 2014.
- c. Integration of performance information in the NEP/GAA.

2.0 PURPOSES

- 2.1 To inform the various stakeholders on the adoption of the performance-informed budget structure for the NEP/GAA;
- 2.2 To prescribe supplemental budget preparation guidelines and template on the restructured 2014 budget documents; and

- 2.3 To set the schedule for the conduct of the forum, to orient the departments/agencies on the performance-informed budget structure and how this will relate to the prescribed budget preparation forms per NBM 115.

3.0 GUIDELINES

- 3.1 A simplified and comprehensive structure shall be adopted in preparing the Performance-Informed Budget for FY 2014, focusing on the budget prioritization framework approved by the President and the five (5) Key Result Areas (KRAs) to guide departments/agencies in formulating their plans, programs and projects.
- 3.2 The Performance-Informed Budget structure (template shown as **Annex "A"**) considers the implementation, starting FY 2014, of the policy to treat the GAA as the release document and the one-year validity of appropriations. The template has the following parts, sections and features:

3.2.1 Strategic Objectives

Mandate, Vision, Mission, KRAs, Sector Outcome and Organizational Outcome

3.2.2 Section 1 - Expenditure Program

- ❖ Three-year expenditure level (2012-2014) by allotment class [Personnel Services, Maintenance and Other Operating Expenses, Financial Expenses (if applicable), and Capital Outlay] for the following:
 - GASS
 - STO
 - Total Operations
 - Total Projects
 - Total Agency Budget
- ❖ Staffing Summary (2012-2014)
 - Total number of authorized and filled positions
- ❖ 2014 expenditure level for the following:
 - Operations by Major Final Outputs (MFOs) and by allotment class.
 - List of Projects (locally funded and foreign-assisted)

3.2.3 Section 2 – Expenditure Program by Central/Regional Allocation

Expenditure program for the budget year of the agency by central/regional allocation

3.2.4 Section 3 - Special Provisions

These include provisions for use of income and special accounts in the general fund for specific agencies.

3.2.5 Section 4 – Performance Information for 2014

- ❖ Key Strategies
- ❖ Performance Information
 - MFOs
 - Performance Indicators (PIs)

3.3 Other budget information that shall also be presented by DBM in the initial pages of the new template of the NEP/GAA are the following:


- 3.3.1 Overview of the National Budget; and
- 3.3.2 General Provisions

3.4 The following budget details shall be presented in a separate Volume, i.e., Details of FY 2014 Budget, to be treated as an integral part of the NEP/GAA:

- 3.4.1 Comparison of Appropriations and Obligations, 2012-2014
- 3.4.2 Breakdown of Expenditures by Programs and Activities, 2014
- 3.4.3 Expenditure Program by Operating Unit, 2014

4.0 SUBMISSION REQUIREMENTS AND TIMETABLE

- 4.1 All departments/agencies/operating units, **in addition** to the information requirements per NBM 115 (2014 Budget Call), shall submit to DBM the accomplished template on the new budget structure, **not later than April 15, 2013**. This shall be included as one of the talking points during the Technical Budget Hearing (TBH).
 - 4.2 The required template cited under Item 4.1 of this Circular must be duly endorsed by the Department Secretary/ OEO Head and submitted in five (5) copies to the **Budget Technical Service (BTS)**, Ground Floor, DBM Building II, General Solano St., San Miguel, Manila. In the case of SUCs, the accomplished template must be duly endorsed by CHED and submitted directly to their counterpart DBM Regional Offices.
- 5.0 The Circular on the conduct of the forum for agencies on the new budget structure shall be issued separately by DBM.
- 6.0 For strict compliance.


FLORENCIO B. ABAD
Secretary

(NAME OF DEPARTMENT)A. (NAME OF AGENCY)**STRATEGIC OBJECTIVES**

MANDATE	(source document – Agency Charter)
VISION:	(source document – Citizen's Charter)
MISSION:	(source document – Agency Charter)
KEY RESULTS AREAS	(source document – EO 43)
SECTOR OUTCOME:	(Updated PDP statement, if available or updated OPIF Logframe)
ORGANIZATIONAL OUTCOME:	

SECTION 1: EXPENDITURE PROGRAM

(in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2012 Actual	2013 Current	2014 Proposed
	General Administration and Support			
	• PS			
	• MOOE			
	• CO			
	Support to Operations			
	• PS			
	• MOOE			
	• CO			
	Operations /1			
	• PS			
	• MOOE			
	• CO			
	Projects /2			
	• PS			
	• MOOE			
	• CO			
	TOTAL AGENCY BUDGET			
	• PS			
	• MOOE			
	• CO			

STAFFING SUMMARY

	2012	2013	2014
TOTAL STAFFING			
Total Number of Authorized Positions			
Total Number of Filled Positions			

	OPERATIONS BY MFO (please specify) /1	PROPOSED 2014			
		PS	MOOE	CO	TOTAL
	MFO 1				
	MFO 2				
	MFO 3				
	MFO 4				

	PROJECTS (specify the name of Projects) /2	PROPOSED 2014			
		PS	MOOE	CO	TOTAL
	• Locally-Funded				
	• Foreign-Assisted				

SECTION 2: EXPENDITURE PROGRAM BY CENTRAL/ REGIONAL ALLOCATION
(In pesos)

REGION	PS	MOOE	CO	TOTAL
Central Office				
Regional Allocation (net of CO):				
NCR				
Region I				
Region II				
Cordillera Administrative Region				
Region III				
Region IV-A				
Region IV-B				
Region V				
Region VI				
Region VII				
Region VIII				
Region IX				
Region X				
Region XI				
Region XII				
Region XIII				
Autonomous Region in Muslim Mindanao				
TOTAL AGENCY BUDGET				

SECTION 3: SPECIAL PROVISIONS

SP No. 1
SP No. 2
SP No. 3
(other SPs)

SECTION 4: PERFORMANCE INFORMATION

KEY STRATEGIES FOR 2014:	
MFO / PIs ¹	2014 Proposed
MFO 1:	
• Performance Indicator No. 1	
• Performance Indicator No. 2	
• Performance Indicator No. 3	
• (others)	
MFO 2	
• Performance Indicator No. 1	
• Performance Indicator No. 2	
• Performance Indicator No. 3	
• (others)	
MFO 3	
• Performance Indicator No. 1	
• Performance Indicator No. 2	
• Performance Indicator No. 3	
• (others)	
MFO 4	
• Performance Indicator No. 1	
• Performance Indicator No. 2	
• Performance Indicator No. 3	
• (others)	

¹ The 2012 and 2013 Performance Indicators (PIs) shall be presented separately since these are not aligned with the 2014 PIs.