



DBM-DILG-DSWD-NAPC Joint Memorandum Circular No. 7

November 3, 2015

FOR : Heads of Departments (DA, DEPED, DOE, DENR, DOH, DILG, DOLE, DSWD, DOT, DTI, NCIP and TESDA) and the Administrators of NEA and PCA, All City/Municipal Mayors and Members of the Sanggunian Panlungsod/Bayan, and All Others Concerned

SUBJECT : POLICY GUIDELINES AND PROCEDURES IN THE IMPLEMENTATION OF THE BOTTOM-UP BUDGETING PROGRAM FOR FY2016 AND THEREAFTER

1. STATEMENT OF POLICY

In pursuit of attaining the Philippine Development Plan's goal of inclusive growth and poverty reduction, and promoting good governance at the local level, the Human Development and Poverty Reduction Cluster (HDPRC), through the Bottom-up Budgeting (BuB) Oversight Agencies, shall implement the Bottom-up Budgeting (BuB) program. This program seeks to increase citizens' access to local service delivery through a demand-driven budget planning process and to strengthen government accountability in local public service provision.

The BuB oversight and participating agencies are tasked to ensure the implementation of priority poverty reduction projects as identified at the city/municipal level through the BuB participatory planning and budgeting process.

2. PURPOSE

This circular provides the guidelines and procedures for the implementation of the Bottom-up Budgeting program.

3. DEFINITION OF TERMS

3.1. **Bottom-up Budgeting** - is an approach to the preparation of agency budget proposals, taking into consideration the development needs of

cities/municipalities as identified in their respective local poverty reduction action plans that shall be formulated with the strong participation of basic sector organizations and other civil society organizations.

- 3.2. **BuB Executive Committee** - composed of the heads of the BuB oversight agencies (DBM, DILG, DSWD, NAPC Secretariat, NAPC Office of the Vice-Chair for Basic Sectors, and NEDA). It is responsible for setting BuB policies and overseeing program implementation.
- 3.3. **BuB Projects** – projects identified through the BuB program.
- 3.4. **BuB Project Management Office (PMO)** - shall be responsible for the overall coordination of the BuB program with the guidance of the BuB Executive Committee. It shall be housed within the DILG.
- 3.5. **BuB Technical Working Group** - composed of representatives of the BuB oversight agencies. It shall provide the BuB Executive Committee with technical support in formulating BuB policies and overseeing the implementation of the program.
- 3.6. **Civil Society Organizations (CSOs)** - include non-government organizations (NGOs), People's Organizations (POs), basic sector organizations, cooperatives, trade unions, professional associations, faith-based organizations, media groups, indigenous peoples movements, foundations, and other citizen's groups which are non-profit and are formed primarily for social and economic development to plan and monitor government programs and projects, engage in policy discussions, and actively participate in collaborative activities with the government.
- 3.7. **Civil Society Organizations (CSO) Assembly** - an inclusive meeting of all CSOs in a city or municipality held at least once a year, during which CSO representatives to the Local Poverty Reduction Action Team shall be elected. During election years, CSO representatives to the Local Development Council (LDC) and other Local Special Bodies (LSBs) shall also be elected during this assembly. The assembly shall be facilitated by the DILG Community Mobilizer and maybe supported by the NAPC Provincial Focal Person and DSWD Personnel. Those elected as representatives to the LPRAT, LDC and LSBs shall be accountable to and in their actions as representatives guided by the decisions and agreements of the CSO Assembly. They shall render regular reports to the CSO assembly at the regular meetings and thru letters or email when and where applicable.

- 3.8. **Community Mobilizers (CMs)** - are DILG personnel responsible for mobilizing CSO participation in the BuB program. They are primarily responsible for the conduct of the CSO assembly.
- 3.9. **Enhanced BuB Process** - refers to the modified BuB planning and project identification process that would be undertaken by municipalities that are part of the KALAHI-CIDSS/ National Community Driven Development Program of DSWD.
- 3.10. **Good Financial Housekeeping** - is conferred to local government units that obtained an unqualified or qualified COA Opinion and have complied with the Full Disclosure Policy. It is a component of the Seal of Good Local Governance.
- 3.11. **Local Development Fund** - refers to 20% of the Internal Revenue Allotment to be used for local development projects as prescribed by DILG-DBM JMC 2011-1.
- 3.12. **Local Poverty Reduction Action Plan (LPRAP)** - the city/municipal plan which contains programs and projects collectively drawn through a participatory process by the LGU with CSOs and other stakeholders, and which will directly address the needs of the poor constituencies and the marginalized sectors in the city or municipality.
- 3.13. **Local Poverty Reduction Action Team (LPRAT)** - the group to spearhead the formulation and monitoring of the LPRAP.

Under the Regular BuB program, the LPRAT shall be composed of the following members:

Chairperson: Local Chief Executive (LCE)

Co-Chairperson: A CSO representative elected by the CSO Assembly

Members:

Representatives from Government, to wit:

- Sangguniang Panlungsod/Bayan Member who is the Chairperson of the Committee on Appropriation;
- Liga ng Barangay President;
- All local government department heads such as the Planning Officer, Budget Officer, Fishery and Agriculture Officer, Social Welfare and Development Officer, Health Officer, Public

Employment Service Office (PESO) Manager and Tourism Officer;

- Representatives of NGAs such as the DSWD municipal links/National Community Driven Development Program area coordinators, the DILG City/Municipal Local Government Operations Officer (C/MLGOO), the Schools District Supervisor, Agrarian Reform Officer, DTI field officer, City/Municipal Environment and Natural Resource Management Officer (CENRO), PESO representatives of DOLE and all other NGA representatives;

Representatives from CSOs (must be residents of the city or municipality), that can come from the following groups/organizations:

- Pantawid Pamilya Parent-Leaders recognized by DSWD;
- DOH organized Community Health Teams;
- Parent-Teacher Associations;
- CSOs accredited by LGUs;
- CSOs accredited or recognized by any NGA;
- Women's group;
- Basic sector organization;
- Basic sector organization recognized by NAPC;
- Other community or grassroots organizations;
- In cities/municipalities where Indigenous Peoples (IPs) comprise over twenty-percent (20%) of the population, one of the elected representatives must come from the IP sector;

A representative from a local business group or association

Elected officials at the national and local levels, including the barangay, their immediate relatives (spouse, parent, sibling, child), and LGU employees are ineligible to be elected as CSO representatives.

Replacement of CSO representatives in the LPRAT under the regular or enhanced process shall only be made when there is a vacancy as certified by the MLGOO. The three CSO signatories shall choose from among the CSO participants who attended the last CSO assembly to fill in the vacancy among CSO representatives in the LPRAT.

The LPRAT under the regular or enhanced process shall always be composed of an equal number of government (including the LCE) and basic sector and civil society representatives. All CSO representatives should be residents of

the city/municipality. The LPRAT should also be composed of at least 40% women.

- 3.14. **NAPC Provincial Focal Persons (PFPs)**- refers to the CSO leaders or representatives elected through a NAPC process who shall serve as the CSO representative in the RPRAT. They shall also help monitor compliance with the participatory elements of the BuB program and the implementation of BuB projects. They shall report directly to the NAPC Secretariat.
- 3.15. **National Community Driven Development Program (NCDDP)**- refers to the DSWD managed poverty reduction program that seeks to empower poor communities to have better access to quality basic services and to participate in more inclusive local planning, budgeting, and implementation at the barangay level.
- 3.16. **National Poverty Reduction Action Team (NPRAT)** - composed of senior officials of the BuB oversight and participating agencies. DILG shall serve as its chair while DBM and NAPC shall serve as vice-chairs. It shall serve as a coordinating body among the participating agencies where implementation issues can be discussed and addressed.
- 3.17. **NPRAT Technical Working Group (NPRAT TWG)** - composed of designated BuB focal persons (technical staff) from the BuB oversight and participating agencies.
- 3.18. **Participating Agencies** - refers to the NGAs (DA- including BFAR, DepEd, DOE, DENR, DOH, DILG, DOLE, DSWD, DTI, DOT, NCIP and TESDA) and GOCCs (NEA and PCA) through which BuB projects will be funded and implemented.
- 3.19. **Public Financial Management Assessment** - refers to the diagnostic review of a local government unit's existing structure, policies, systems and procedures for generating and managing its financial resources. It is conducted to determine the extent to which the LGU is able to establish and operationalize an open and orderly Public Financial Management (PFM) system in the LGU using as criteria the critical dimensions of an open and orderly PFM system provided under the PFM Assessment Tool for Local Government Units (PFMAT for LGUs) developed by the Department of Budget and Management (DBM).
- 3.20. **Public Financial Management Improvement Plan** - refers to the set of programs/projects/activities (PPAs) that will be undertaken by the LGU to address the areas in Public Financial Management (PFM) that need to be

further improved and/or sustained based on the assessment by the LGU of the different critical dimensions of an open and orderly PFM system provided under the PFM Assessment Tool for LGUs.

3.21. **Regional Coordinators (RCs)**- are DILG personnel tasked with supervising the CMs and assisting the DILG Regional Office in ensuring genuine CSO participation in the BuB program.

3.22. **Regional Poverty Reduction Action Teams (RPRATs)** –the group that shall provide support and guidance to LGUs throughout the BuB process and make decisions on implementation issues raised at the regional level, composed of the following:

Chairperson :	DILG Regional Director
Vice-Chairpersons :	DBM Regional Director
	NAPC Secretariat Representative

Members :

- Regional Directors of BuB participating agencies (Assistant Regional Director as alternates)
- Designated representatives of participating agencies that do not have regional offices
- All Provincial Planning and Development Coordinators (PPDCs) in the Region
- A NAPC Sectoral Representative (SR) as identified by the NAPC Office of the Vice-Chair for the Basic Sectors (must be residing in the region) and a Basic Sector Council member selected from among Basic Sector Council members in the region.
- All the NAPC Provincial Focal Persons (PFPs) and their alternates who are elected in the process facilitated by NAPC and the alternate representative selected by the PFP. This does not refer to the elected members of the basic sector councils of NAPC at the national level.

DILG shall serve as the Secretariat of the RPRAT. The Secretariat shall be composed of the DILG BuB Focal Person, the Regional Coordinator and other personnel as maybe assigned by the RPRAT Chair.

3.23. **RPRAT Technical Working Group** - composed of designated agency BuB focal persons, the DILG BuB Regional Coordinator and the NAPC representatives in the RPRAT. It shall closely monitor the implementation of BuB projects and coordinate the conduct of related BuB activities.

3.24. **Seal of Good Local Governance (SGLG)** – is the scaled up version of the Seal of Good Housekeeping. It is a recognition given to local governments for their good performance in the areas of a) transparency and accountability in the use of public funds; b) preparation for disasters; c) sensitivity to the needs of the vulnerable and marginalized sectors; d) attraction of investments and generation of employment; e) maintaining security; and f) safeguarding the environment

4. **GUIDELINES FOR THE BUB PLANNING PROCESS**

The following processes shall serve as the main steps in the conduct of the participatory planning and budgeting process through which BuB projects will be identified: 4.1) Announcement of the CSO Assembly, 4.2) Conduct of the CSO Assembly, 4.3) Organizing the LPRAT and Conduct of the LPRAP Workshops, 4.4) Submission of the list of priority projects to the DILG Regional Office (RO), 4.5) Consolidation of the projects by the DILG RO, 4.6) Validation of projects by the RPRAT and the NPRAT, 4.7) Submission of the revised list of priority projects together with a Sanggunian Resolution to the DILG RO, and 4.8) Integration of the LGU projects in the budgets of participating agencies.

- 4.1. *Announcement of the CSO Assembly.* The CM, with the support of the C/MLGOO, shall announce the schedule of the CSO assembly through invitations to CSOs and posters in the city/municipal hall at least two weeks before the CSO assembly. The list of CSOs invited and information about the person/office who may be contacted by other local CSOs who wish to be invited shall also be posted in the municipal bulletin board of the city/municipal hall at the same time. DILG shall post the schedule of all CSO assemblies on the DILG website and on the OpenBuB Portal.
- 4.2. *Conduct of Civil Society General Assembly.* The CM, with the support of the C/MLGOO, will convene the general assembly of CSOs at the city/municipal level during which the activities specified below shall be undertaken. The NAPC PFP and DSWD may assist DILG in convening the general assembly.
 - 4.2.1. *Orientation.* The CM shall give an orientation to CSOs on the BuB Program. The C/MLGOO shall likewise orient participants on the role of CSOs in Local Development Councils (LDCs) and Local Special Bodies (LSBs).
 - 4.2.2. *Election of LPRAT representatives.* The CSOs shall independently select individuals who will represent CSOs in the LPRAT. These must include representatives from basic sector organizations and CSOs accredited by the LDC. In addition, a Pantawid Pamilya Parent leader selected in a process facilitated by DSWD shall also be included as one of the LPRAT representatives.

- Individuals must be a designated representative of a CSO participating in the CSO Assembly.
- The assembly will also elect the LPRAT co-chair from among the elected CSO representatives.
- Local government officials, including but not limited to the LCE or the C/MPDC, shall respect the autonomy of CSOs and shall not influence the election of the CSO representatives during the CSO assembly.
- The number of CSO representatives in the LPRAT shall equal the number of government representatives in the LPRAT.

4.2.3. *Composition of the CSO signatories of the LPRAP.* The three CSO representatives, including the Co-chair of the LPRAT, who will sign the LPRAP must come from and represent each of the following:

- Pantawid Pamilya parent leaders, or in their absence, the Parent Teachers Association;
- Basic Sector Organizations from any of the following sectors: farmers and landless rural workers, artisanal fisherfolk, formal labor and migrant workers, workers in the informal sector, indigenous peoples and cultural communities, women, persons with disabilities, senior citizens, victims of calamities and disasters, youth and students, children, urban poor, or cooperatives; and
- CSO members of the LDC.

4.2.4. *Election of CSO representatives to the LDC and other LSBs.* During the first CSO assembly conducted after a local election, the participants of the CSO Assembly shall also elect CSO representatives to the LDC and other LSBs. A more detailed guideline on the election of CSO representatives to the LDC and other LSBs shall be issued by DILG.

- LSBs include but are not limited to the following: Local Health Boards, Local School Boards, and Local Peace and Order Councils
- Only CSOs accredited by the Local Sanggunian can be elected as LDC and LSB representatives.
- Any CSO that is not accredited by or whose application for accreditation is not acted upon by the Local Sanggunian may file a complaint to the BuB RPRAT Grievance Redress Committee. Failure to justify non-accreditation of a CSO or inaction on its application for accreditation may result in the disqualification of the LGU from participating in BuB.

4.2.5. *Reporting on the status of BuB Projects*. The DILG C/MLGOO shall report on the status of the BuB Projects for the current and previous years during the CSO Assembly.

4.2.6. *Poverty Situation Analysis*. After the selection of representatives, the assembly should review, validate and analyze social and economic data of the city/municipality and propose solutions to its concerns and problems. The City/Municipal Planning and Development Coordinators (C/MPDC), with the local finance committee (LFC) and other department heads of the LGU, will provide technical assistance to the CSO assembly in doing the local poverty situation analysis. These include presentation of updated, consolidated, relevant social and economic data.

4.2.7. *Selection of priority projects by the CSO assembly*. The CSO assembly shall identify priority projects that will be proposed by their elected representatives to the LPRAT based on the latest available BuB Menu of Programs. The CM must carefully explain to the assembly that not all proposed projects may be included in the LPRAP that will be approved by the LPRAT as this will still be subject to a discussion with LGU representatives in the LPRAT.

4.3. *Organizing the LPRAT and Conduct of LPRAP Workshop.*

4.3.1. The LCE shall issue a memorandum or an order reconstituting the LPRAT. It shall identify the composition of the LPRAT and its functions and related budget allocation. It shall indicate the CSO representatives in the LPRAT, the LPRAT Co-Chair, and CSO signatories of the LPRAP who were elected during the CSO assembly. The composition of the LPRAT must be consistent with Section 3.13, 4.2.2 and 4.2.3.

4.3.2. The LGU shall announce the schedule of the LPRAP workshop through an invitation to the members of the LPRAT sent at least two weeks before the scheduled workshop.

4.3.3. The conduct of the LPRAP workshop shall be guided by modules which will be provided by DILG to all C/MLGOOs, BuB BMS and C/MPDCs.

4.3.4. The RPRAT shall provide technical assistance to the LPRATs in the formulation of the LPRAP. The DILG RO shall ensure that at least one member of the RPRAT or representatives of participating agency regional offices will participate in each LPRAP Workshop.

4.3.5. The LPRAT shall identify poverty reduction strategies to be undertaken by the LGU and other stakeholders based on the results of the poverty situational analysis.

4.3.6. The LPRAT shall also identify priority projects through a consensus among its members. If consensus cannot be reached, the decision will be made through a majority vote.

- The total funding requirement for the proposed priority projects shall not exceed the budget allocated for the city/municipality and the required LGU cash counterpart as detailed in Annex A.
- The LPRAT may identify additional projects that could serve as replacement projects in case any of the submitted projects are not accepted during the RPRAT validation.

4.3.7. The LPRAT shall abide by the following conditions in identifying priority projects:

- Proposed projects must be included in the Menu of Programs (Annex B)
- LGUs that are entitled to the performance incentive (as explained in Section 4.9) may propose TWO (2) additional projects
- Must have a minimum budget allocation of **FIVE HUNDRED THOUSAND PESOS** (refers to amount requested from national government and does not include any local counterpart), except for BuB Projects that are fully funded through the LGU Counterpart
- Projects to be funded out of the required LGU counterpart shall also be identified by the LPRAT and be included in the submitted LPRAP
- Must consider gender-responsiveness and gender equality in their design
- Must include Support for LPRAT operations, which would be provided funding of **at least FIFTY THOUSAND PESOS** (P50,000.00), to be funded out of the required LGU cash counterpart. This will be used to support the meetings and monitoring activities of the LPRAT, including the reimbursement of transportation expenses of CSO representatives in the LPRAT.

4.3.8. All BuB Projects including those funded from the LGU Counterpart shall be included in the LGU's Annual Investment Plan (AIP).

4.3.9. The LPRAT shall also identify projects that will be funded through the required LGU cash counterpart.

- LGU counterpart funding for a national government funded BuB project shall only be provided if it is required in the Menu of Programs (Annex B)
- LGU counterpart funding can be used to fund BuB projects that are 100% funded by the LGU
- The required cash counterpart must be sourced from LGU funds, including **but not limited to** the 20% Local Development Fund.
- LGU counterpart funding must be included in the LGU's Annual Budget.

4.3.10. The LPRAT shall identify the beneficiaries of livelihood projects and ensure that they are specified in the project briefs that are submitted together with the LPRAP.

4.4. *Submission of the List of Priority Poverty Reduction Projects.* The list of priority poverty reduction projects duly endorsed by the LPRAT shall be submitted to the RPRAT through the DILG Regional Office.

4.4.1. The submission should include:

- Cover letter signed by the city/municipal mayor;
- List of Priority Projects to be considered for funding in the next proposed budget and the indicative projects to be considered for funding in the next two proposed budgets, using the attached format (Annex C) and with all pages signed by the 3 CSO representatives identified in Section 4.2.3; and
- Project brief for each proposed project (using template in Annex D)

4.4.2. The list of priority projects that will be submitted must be signed by the three elected CSO members of the LPRAT on every page.

4.4.3. **Both printed and electronic copies of these documents should be submitted** to the DILG RO. Electronic copies should be submitted through e-mail (xx). The list of priority projects must be submitted in both PDF and word/excel format.

4.4.4. In addition to the LPRAT submission, the following reports/documents must also be submitted by CMs and MLGOOs to the DILG Provincial Office as proof of compliance with BuB participatory processes:

TO BE SUBMITTED BY	REPORT / DOCUMENT (Using the prescribed DILG forms)
Community Mobilizer	<ul style="list-style-type: none"> - CSO assembly report - Accomplished CSO satisfaction survey - Photo of participants of CSO assembly
City/Municipal Local Government Operations Officer	<ul style="list-style-type: none"> - LPRAP Workshop report - Accomplished LPRAP satisfaction survey -Photo of LPRAP workshop participants

4.5. *Consolidation, validation, review and revision of Priority Poverty Reduction Projects*

4.5.1. The DILG Regional Office shall consolidate all submitted LPRAPs distribute copies to the RPRAT members.

4.5.2. The DILG Regional Director or Assistant Regional Director shall convene the RPRAT TWG to review and validate the proposed projects.

4.5.3. In cases where projects are not accepted by the RPRAT and have to be replaced, the RPRAT shall duly inform the authorized LPRAT representatives, including the 3 CSO LPRAT Signatories.

4.6. *Submission of revised list of priority projects.* The LPRAT shall submit its revised list of priority poverty reduction projects, with all pages signed by the 3 CSO signatories, to the DILG RO. The project brief for each new or revised project shall be included in the submission.

4.6.1. The submission shall include a Sangguniang Panlungsod/Bayan Resolution adopting the revised list of priority projects and authorizing the local chief executive to enter into MOA with the concerned BuB implementing agencies for the implementation of the identified priority projects. A sample resolution is attached as Annex E.

4.6.2. LPRATs that will not need to revise their list of priority projects shall also submit a Sangguniang Panlungsod/Bayan Resolution adopting the list of their priority projects and authorizing the LCE to enter into MOA with the concerning BuB implementing agencies for the implementation of their BuB projects.

4.6.3. The RPRAT, through the DILG RO, shall then submit the revised list of validated BuB Projects to the DBM Central Office. RPRAT members shall then present their BuB projects to the RDC.

4.7. *Integration of the LGU projects in the budgets of participating agencies.* The ACOs shall integrate in their proposed budget for all BuB projects that have been submitted to them by DBM.

4.7.1. DBM shall consolidate all the submissions of the RPRAT and forward it to all participating Agency Central Offices (ACOs).

4.7.2. All agencies should ensure that BuB Projects are not duplicated in their regular programs, including the PAMANA program.

4.7.3. DBM shall provide all RPRATs a copy of the list of BuB projects that have been incorporated into the proposed budget.

4.7.4. The RPRAT shall provide LPRATs a copy of the list of BuB Projects that have been incorporated into the proposed budget.

4.8. *Enhanced BuB Process.* The following additional processes will be undertaken in municipalities that are implementing the KALAHI-CIDSS/ National Driven Development Program. The LGUs that will be required to implement the Enhanced BuB process shall be determined by the DSWD Regional Office.

4.8.1. *Participatory barangay development planning.* This will be conducted prior to the CSO assembly.

4.8.2. *Participation of barangay assembly representatives.* The Barangay Development Council Vice-Chair selected during each KALAHI-CIDSS/NCDDP barangay assembly shall be invited to attend the CSO Assembly. DSWD shall ensure their participation to the CSO assembly and

shall shoulder costs that would arise from their participation (such as transportation and food).

4.8.3. *Selection of CSO representatives to the LPRAT.* Half of the CSO representatives in the LPRAT should come from among the KALAHI-CIDSS/NCDDP barangay assembly representatives, and the other half from KALAHI-CIDSS/NCDDP non-barangay assembly representatives. All the CSO representatives should be elected during the CSO assembly.

4.9. *Provision of incentives for good performers.* LGUs that have shown a good track record in their implementation of BuB shall be provided with performance incentives.

4.9.1. To qualify for the performance incentives, an LGU must comply with the following conditions:

Good Financial Management

- attain Good Financial Housekeeping
- implementation of the PFM improvement measures as contained in the duly approved PFM improvement plan

Timely Implementation of BuB Projects

- Completed at least 80% of the previous year's BuB projects by September 30 of the current year
- Completed at least 50% of the current year's BUB projects by September 30 of the current year
- Computation of the percentage shall be based on number of projects and not the budgetary allocation; Only LGU implemented projects will be considered; NGA implemented and dropped projects shall not be included in the computation

Participatory Governance

- Have not been the subject of a complaint related to the participation of CSOs in the BuB process (such as political interference in the selection of CSO representatives or failure to convene the quarterly LPRAT meetings) that has been validated by the RPRAT
- Conducting regular LPRAT meetings

4.9.2. Based on this criteria, the RPRAT shall determine by October each year, which LGUs will be eligible to receive the incentives.

4.9.3. LGUs that qualify shall be provided with the following incentives:

- An additional **FIVE MILLION PESOS** may be proposed by the eligible LGU on top of the initial proposed budget cap indicated under Annex A that the LPRAT may submit for the succeeding year; and
- The LPRAT can propose an additional two (2) projects which may not necessarily be included in the Menu of Programs, provided that these are in line with Section 4.9.4 and is approved by the RPRAT review

committee. (The LPRAT can propose a maximum of nine projects, instead of just seven)

4.9.4. Outside the Menu Projects that will be proposed must help attain outcomes in any of the following national budget priority areas:

- Basic Education (does not include Tertiary Education)
- Public Health
- Social Protection
- Disaster Risk Reduction and Management
- Job Generation and Livelihood

4.9.5. The RPRAT shall create an inter-agency committee to review proposed projects that are Outside of the Menu. They shall create their own criteria for approving Outside the Menu Projects, as long as it is consistent with Section 4.9.4, and project proposal templates for this purpose.

4.10. The timeline for the BuB Planning Process shall be issued through a memorandum by DILG annually.

5. GUIDELINES FOR THE IMPLEMENTATION OF BUB PROJECTS

Early Procurement

5.1. Pursuant to DBM Circular Letter 2010-9, implementing agencies that will implement their BuB projects themselves may commence the procurement activities for projects that will be procured through public bidding after the National Expenditure Program (NEP) is submitted to Congress.

5.1.1. For projects funded through implementing agencies, the cost of project to be indicated in the Approved Budget for the Contract (ABC) shall be based on the budget level provided in the list of BuB projects included in the NEP and the project design or program of work approved by the implementing agency.

5.1.2. The issuance of the notice of award shall only be made once the allotment has been released by DBM.

5.2. Pursuant to the same circular, LGUs may also undertake early procurement activities, short of award, for their BuB-LGSF projects that will be procured through public bidding, provided that the following conditions have been met:

- The LGU is compliant with the good governance conditions of BuB indicated in Section 5.4.2;
- The LGU has physically started or completed the implementation of all of its BuB LGSF Projects from the previous year; and

- The three CSO signatories to the LPRAP shall be invited to sit as observers in the LGU Bids and Awards Committee that will undertake any necessary procurement for the implementation of BuB projects by the concerned LGU.
 - The issuance of the notice of award shall only be made once the cash has been transferred to the LGU.
- 5.3. For BuB-LGSF projects, the ABC shall be based on the project design or program of work approved by the city/municipal engineer or other concerned department head.

Fund Release

5.4. Fund Release for BuB projects under NGAs and GOCCs

- 5.4.1. Funding for BuB projects will be comprehensively released to implementing agencies as part of the GAA-as Release Document budget regime, except for projects under DOE, NEA and PCA which will be released through a Special Allotment Release Order (SARO).
- 5.4.2. Fund releases from implementing agencies to LGUs will only be allowed if the beneficiary LGU has complied with the following governance conditions, in accordance with the pertinent special and general provisions in the GAA:
- Compliance with the Good Financial Housekeeping component of the Seal of Good Local Governance (latest available assessment)
 - Proof of progress in the implementation of the LGU PFM Improvement Plan, as assessed by the DBM Regional Office

5.5. Fund release for BuB projects under the Local Government Support Fund (LGSF)

- 5.5.1. Funds under the LGSF shall be comprehensively released by the DBM Central Office to DBM Regional Offices through the issuance of a SARO.
- 5.5.2. The Notice of Cash Allocation (NCA) shall be released by DBM Central Office to DBM Regional Offices, provided that LGUs have physically started the implementation of all their BuB-LGSF projects from previous years and have submitted documents that may be required by DBM, DILG or NAPC.
- 5.5.3. DBM Regional Office shall release funds intended for the implementation of BuB Projects directly to LGUs by issuing Authority to Debit Account (ADA) to Authorized Government Servicing Bank,

and a Notice of Authority to Debit Account Issued to the recipient LGU, subject to the LGU's compliance with conditions set in Section 5.4.2 and if the implementation of all of the LGUs' BuB LGSF Projects from the previous year have been physically started or completed.

5.5.4. LGUs shall be accountable for ensuring that the design and costing of these projects are within standard and do not exceed the cost of similar projects being implemented by NGAs in the same locality and that government procurement, budgeting, accounting and auditing rules and regulations are observed.

5.6. Funding for BuB Projects in LGUs that have not complied with the governance conditions shall be subject to the following rules:

NGA Funded Projects

5.6.1. If a component city or municipality fails to comply with the governance conditions set in Section 5.4.2, NGAs shall release funds to the concerned provincial government, for the implementation of identified BuB projects, provided that it has met the following good governance conditions:

- Compliance with the Good Financial Housekeeping component of the Seal of Good Local Governance (latest available assessment)
- Submission of the PFM Improvement Plan or any other requirement that may be required by the DBM PFM Improvement Program

5.6.2. NGAs shall implement the BuB projects in independent cities and areas where both the component city/municipal and the provincial governments are unable to implement their BuB project.

LGSF Funded Projects

5.6.3. Funding for BuB-LGSF projects in component cities and municipalities that fail to comply with the good governance conditions shall be released to provincial governments, provided that the provincial government has met the conditions in 5.5.1.

5.6.4. Funding for BuB-LGSF projects in independent cities and areas where both the component city/municipal and the provincial governments fail to comply with good governance conditions shall no longer be released.

5.6.5. DBM and/or DILG shall publicly release the list of LGUs that have not yet complied with the governance conditions and the reason for non-compliance.

- 5.7. DBM and DILG shall provide additional technical assistance to LGUs that failed to comply with the governance conditions so that may become eligible for BuB in succeeding years.

Project Implementation

- 5.8. In the implementation of projects, LGUs may submit a revised detail, design, specification and location as proposed in their LPRAP and project briefs under the following conditions:

- The LPRAT has submitted a letter signed by the LCE and the 3 CSO signatories to the implementing agency requesting for the revision of the detail, design, specification and location of the project.
- The implementing agency has determined that there is a justifiable necessity for the revision of such details, design and specifications in order for the project to be implemented within the fiscal year and the approval of such revision has been communicated in writing to the LPRAT.

- 5.9. Coordination between NGAs and LGUs

- 5.9.1. The Participating Agencies shall coordinate with and inform the LGUs about the requirements for the implementation of BuB projects under their respective agencies not later than March of the current year.

- 5.9.2. All participating agency shall designate a BuB focal person in their central office and all their regional offices.

- 5.10. Roles and responsibilities of the RPRAT:

- 5.10.1. Organize a Regional Project Management Team composed of full time staff to provide the RPRAT with secretariat and technical support in implementing and monitoring BuB, as well as providing LGUs with technical assistance;

- 5.10.2. Facilitate the coordination between LGUs and implementing agencies to help speed up the implementation of BuB projects;

- 5.10.3. Coordinate and guide the use of the 3% M&E fund for coordinated action of implementing agencies, to include among others, hiring of staff to provide technical assistance to LGUs to facilitate compliance with documentary requirements and coordinated monitoring activities;

- 5.10.4. Resolve implementation issues not addressed in this guideline; and

5.10.5. Resolve any grievances raised to the RPRAT or referred by any oversight agency through its Grievance Redress Committee;

5.11. Modes of implementation

5.11.1. In view of technical requirements and program design, the following projects shall only be implemented by the concerned participating agencies in collaboration with the LGUs:

- Projects under DOE;
- Projects under NEA;
- Projects under DSWD which will be implemented through the Community Driven Development approach, unless otherwise determined by DSWD;
- Projects under DENR, DOH and TESDA, unless otherwise determined by these agencies; and

5.11.2. City and municipal governments must comply with the good governance conditions to be eligible to implement BuB projects (see Section 5.4.2). Otherwise the provincial government shall be asked to implement the project subject to conditions stated in Section 5.6.1.

5.11.3. If both the city/municipal government and the provincial government are not eligible to implement their BuB projects, these will be implemented by the concerned national government agencies. However, projects funded through the local government support fund will no longer be implemented.

5.11.4. Provincial governments are encouraged to provide technical assistance to component city and municipal governments to help fast-track project implementation, especially for infrastructure projects.

5.11.5. Agencies may enter into a partnership with CSOs for the implementation of BuB Projects, subject to the guidelines provided under the Commission on Audit Circular No. 2007-001, R.A. 9184 and its IRR, GPPB Resolution No. 012-2007 and COA-DBM-DSWD Joint Resolution No. 2014-001.

5.11.6. Communities at the barangay level may also manage and implement BuB Projects provided that they have had prior experience in implementing projects through a Community Driven Development (CDD) approach. Specifically, these communities must have:

- Capacity to conduct a participatory situation analysis, identify priority projects through participatory barangay assemblies, and prepare project proposals; and/or
- Prior experience in undertaking community-led procurement, in managing public funds using a community finance management system led by community volunteers duly recognized by the barangay LGU through barangay assembly resolution, and in community monitoring of project implementation using participatory processes of information disclosure.

Community implementation of BuB projects will be allowed in LGUs that have unliquidated funds to participating agencies

Communities with no prior experience in implementing projects through a CDD approach may still be eligible to implement BuB projects provided that technical assistance is provided by DSWD and the city/municipal LGU.

- 5.12. The three CSO signatories to the LPRAP shall be invited to sit as observers in the LGU Bids and Awards Committee that will undertake any necessary procurement for the implementation of BuB projects by the concerned LGU. (If the CSO signatories do not represent organizations registered with the SEC or CDA, the LGU must still invite a SEC or CDA registered organization to observe the BAC, in compliance with Section 13.2 of the IRR of RA 9184.)
- 5.13. In case of conflict between agency specific guidelines and the provisions on project implementation under this Circular, the provisions under this Circular shall prevail.

Project Monitoring

5.14. LPRAT Monitoring

- 5.14.1. The LCE shall assign a BuB Focal Person from among LGU personnel. The C/MLGOO cannot be assigned as the BuB Focal Person.
- 5.14.2. The LPRAT shall meet quarterly to discuss the progress of BuB projects.
- The meeting shall be presided by the chair (LCE) or by his/her representative. In case an LCE has not designated a representative, the CSO vice-chair shall preside such meetings.
 - If an LPRAT meeting was not conducted in the previous quarter and no meeting is scheduled for the current quarter, the CSO Co-chair may call for an LPRAT meeting by sending a notice of meeting to all LPRAT members two (2) weeks in advance.
 - The LGU BuB Focal Person, the C/MPDC and the C/MLGOO shall provide Secretariat support to the LPRAT. They may be assisted by volunteer CSO leaders/staff designated by the CSO members of the LPRAT.
- 5.14.3. The LPRAT shall constitute a sub-committee that shall serve as the Project Monitoring Committee of all BuB Projects.
- It shall be composed of an equal number of government and non-government representatives and shall include the CSO Co-chair.
 - It shall conduct project monitoring field visits to inspect the progress of BuB projects at least twice a year.

- The LGU shall provide resources necessary for the functions of the project monitoring committee.

5.14.4. LPRATs shall review and validate the status of their BuB projects as presented in the OpenBuB portal (www.openbub.gov.ph).

5.14.5. The LPRAT, through the BuB Focal Person, shall submit the following reports every quarter to the RPRAT:

- Validation report on status of BuB projects (template to be provided by DILG)
- Status of BuB-LGSF Projects (using template provided by DBM or DILG)
- These quarterly reports should be noted/signed by the CSO co-chairperson of the LPRAT

5.14.6. LGUs shall support the transportation and travel of CSO representatives to the LPRAT meetings, monitoring activities and other related activities. These can be funded from funds of the LGU including their required counterpart for BuB.

5.14.7. LGUs shall also submit progress reports and other documents as may be required for projects funded by participating agencies but implemented by the local government.

5.14.8. Provincial governments may also assist in monitoring BuB projects in coordination with the RPRAT.

5.15. NGA Reporting

5.15.1. Agency Regional Offices (AROs) shall submit quarterly progress reports through the OpenBuB Portal on or before the following dates:

- April 21 - 1st quarter report
- July 21 - 2nd quarter report
- October 21 - 3rd quarter report
- January 21 - for the 4th quarter report and consolidated annual report of the previous year

5.15.2. Agency Central Offices (ACOs) shall validate the ARO quarterly progress reports through the online reporting system within two weeks of the ARO online submission.

5.15.3. The progress status reports submitted by the agencies will be publicly viewable on the OpenBuB Portal five weeks after the end of every quarter.

5.15.4. The RPRAT shall meet every quarter to review the submission of LGU reports and the status of project implementation.

- The RPRAT Chair shall ensure that all NAPC Provincial Focal Persons are invited to the RPRAT meetings. Their transportation expenses shall be reimbursed by the DILG.
- The RPRAT shall coordinate agency monitoring efforts and conduct field validation of a sample of projects. LGUs that do not submit reports shall be prioritized for validation.

5.15.5. The RPRAT shall coordinate the monitoring efforts of its members for greater operational efficiency.

5.15.6. A citizen-led monitoring of the implementation of BuB projects shall be undertaken by NAPC through local CSO partners. The results of this monitoring effort shall be reported to the BuB oversight agencies.

- NAPC shall also coordinate and seek to harmonize other citizen led monitoring efforts of BuB projects.
- All BuB implementing agencies are enjoined to extend their support to the CSO/ Citizen Monitors, such as in the disclosure and sharing of relevant project documents needed for monitoring work.

5.16. Use of the 3% BuB Implementation, Monitoring and Evaluation Fund

5.16.1. Funding support for the implementation, monitoring and evaluation of BuB projects has been provided to participating agencies. These funds can be used for:

- Engagement of personnel (consultants, contract-of-service or job orders) to assist in the provision of technical assistance to local governments and in the implementation, monitoring and evaluation of the BuB projects
- Conduct of activities in support of the implementation, monitoring and evaluation of BuB projects, such as coordination meetings/workshops, capacity building, technical assistance, field validation, and other related activities
- Engagement of 3rd party external monitors to monitor the implementation of the BuB Projects.

5.16.2. RPRATs are enjoined to undertake joint or coordinated monitoring activities. Member agencies may use their 3% M&E fund allocation for such activities.

Blacklisting of LGUs

5.17. Blacklisting of LGUs

5.17.1. The RPRAT may blacklist any LGU from participating in next year's BuB Program and file the necessary administrative and/or criminal cases with the appropriate agency for the following reasons:

- grossly unsatisfactory implementation of projects for which funds have been released to the LGU
- grave violation of R.A. 9184 or the Procurement Act

5.17.2. LGUs that are blacklisted from participating in the next round of BuB will not be allowed to submit their LPRAP and list of priority projects in the current or next BuB planning cycle, whichever is applicable.

5.17.3. In blacklisted LGUs, the CSO assembly may instead propose a maximum of 3 projects that must be within the Menu of Programs with a total budget not exceeding FIVE MILLION PESOS (P5,000,000.00). The proposed priority project from the CSO assembly, signed by the 3 CSO signatories, shall be submitted to the RPRAT in place of the LPRAP. This process shall be facilitated by the DILG Community Mobilizer with the assistance of the C/MLGOO.

5.18. Local government officials shall not participate in the identification of the priority projects.

6. **GRIEVANCE REDRESS MECHANISM**

6.1. A Grievance Redress Mechanism (GRM) shall be established to address complaints and concerns raised by any BuB stakeholder or concerned citizen related to any of the following:

- 6.1.1. Concerns regarding the BuB planning and project identification phase
- Conduct of CSO assemblies and utilization of CSO assembly funds
 - Conduct of the LPRAP Workshop
 - Election of CSO representatives and Composition of the LPRAT
 - Conduct of the LPRAP Workshop
 - Formulation, approval and submission of the LPRAP
- 6.1.2. Problems with project implementation
- Irregularities with budget allocation and procurement
 - Quality of Project implementation
 - Other cases as may be deemed relevant by the concerned Grievance Redress Committee
- 6.1.3. Queries on the status of project implementation shall not be covered by the GRM. These should be addressed directly to the concerned implementing agency.

6.2. Grievance Redress Committees (GRCs) shall be created at the national and regional level.

6.2.1. The Regional GRC shall be composed of the following members in each Region:

- A NAPC Provincial Focal Person as Chair
- DILG Regional Coordinator
- DILG BuB Focal Person
- DBM Representative
- Another NAPC Provincial Focal Persons
- DILG Legal Officer - as needed
- Representative from LMP or LCP
- Other members as may be decided by the RPRAT

6.2.2. DILG ROs shall provide secretariat support to the GRC. It shall also provide for the transportation expenses of the NAPC Provincial Focal Persons in their attendance in GRC meetings and participation in other GRC activities.

6.2.3. The National GRC shall be composed of the following members:

- NAPC Office of the Vice Chair, as Chair
- NAPC Secretariat representative
- NEDA representative
- DSWD representative
- DILG representative
- DBM representative
- Representative from LMP or LCP

6.2.4. NAPC shall serve as the secretariat of the National GRC.

6.3. Procedures for Grievance Redress

6.3.1. Any individual or organization which is involved in or is a beneficiary of the BuB program may submit a complaint to the BuB Grievance and Redress System by:

- Submitting a formal letter or a filled-up BuB complaint form (refer to Annex F) to the NAPC Provincial Focal Person or the DILG Regional Office
- Submitting a comment on a specific project through the Open BuB Portal: www.openbub.gov.ph (Complainants must first register in the website)

6.3.2. The letter of complaint form shall be submitted to the concerned Regional GRC Secretariat, which will evaluate whether the complaint received falls within the scope of the GRM.

- If the complaint does not fall within the scope of the GRM, the Secretariat shall inform the complainant and refer to the complaint to the concerned agency.
- The GRC Secretariat shall maintain a complaint log and forward this to NAPC and the DILG PMO every quarter.

6.3.3. The Regional GRC Secretariat shall validate the complaint within two weeks of receipt. It shall obtain the input of all parties concerned.

- The Regional GRC Secretariat may immediately refer the complaint to the concerned community mobilizer, regional coordinator or NAPC Provincial Focal Person for validation and/or mediation.
- The NAPC Provincial Focal Person shall be invited to join any fact finding team that will be sent to validate the complaint.

6.3.4. The Regional GRC Secretariat shall present its finding to the Regional GRC not later than a month after receipt of the complaint.

- If the complaint has been successfully mediated, a report shall be presented to the Regional GRC in its next meeting.

6.3.5. The Regional GRC shall recommend action to be taken on the complaint for the approval of the RPRAT Chair (see Section 6.4).

6.3.6. Parties concerned shall be informed of any decision by the RPRAT Chair within five (5) working days of the decision.

6.3.7. Concerned parties may appeal the decision to the National GRC. The National GRC shall resolve all appeals within a month of receipt of the appeal.

6.4. Powers of the Grievance Redress Committee

6.4.1. The Regional GRC may recommend to the RPRAT Chair the following action/s to resolve grievances raised to the GRC:

For planning process/ project identification related grievances:

- Ask relevant DILG personnel or RPRAT members to mediate between parties concerned and resolve any conflict concerning BuB planning processes
- Require that BuB processes (such as CSO assemblies, selection of CSO representatives, LPRAP workshop) be undertaken again in order to comply with BuB requirements
- Not accept the submitted LPRAP for failure to comply with JMC process requirements
- Other actions that the Regional GRC may see fit

For project implementation related grievances:

- Communicate to the concerned implementing agency or local government unit about the findings of the Regional GRC and to request for information or a plan of action to rectify the problem; if no action is taken at the regional level, it may elevate the issue to the National GRC for action at the national level
- Recommend that a concerned party take a course of action to resolve the issue/concern
- Blacklist an LGU from participating in the next round of BuB, for approval of the RPRAT
- File a report or complaint with the appropriate government bodies

- Recommend new policies or modification of existing policies to the NPRAT


6.4.2. The National GRC may take the following action to help resolve appeals:


- Communicate to the concerned implementing agency or local government unit about the findings of the Regional GRC and to request for a plan of action to rectify the problem; if no action is taken at the regional level, it may elevate the issue to the National GRC for action at the national level
- Recommend the confirmation, modification or reversal of decisions of the Regional GRC, for approval of the NPRAT Chairperson
- Recommend new policies or modification of existing policies to the NPRAT or BuB Executive Committee


7. **REPEALING CLAUSE.** All provisions of existing issuances that are inconsistent with this Circular are hereby repealed/amended accordingly.

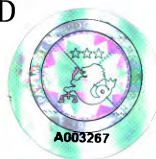
8. **EFFECTIVITY.** This circular shall take effect immediately.


For compliance.


CORAZON JULIANO-SOLIMAN
Secretary, DSWD


JOSE ELISEO M. ROCAMORA
Lead Convenor, NAPS


FLORENCIO B. ABAD
Secretary, DBM




MEL SENEN S. SARMIENTO
Secretary, DILG

