



Republic of the Philippines
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

CIRCULAR LETTER

NO. 2016 - 5
Date: May 10, 2016

TO : All Heads of Departments/Agencies; Finance and Planning Directors; Budget Officers; Heads of Accounting Units and All Others Concerned

SUBJECT : Conduct of the Tier 2 Technical Budget Hearings for the FY 2017 Budget Levels

- 1.0 In connection with the on-going formulation of FY 2017 budget levels, the DBM shall conduct the Technical Budget Hearings (TBH) for Tier 2 Review as part of the consultation process for budget proposals of departments and agencies **starting May 11, 2016** at the Boncodin Hall, General Solano St., San Miguel, Manila.
- 2.0 The TBH shall cover both **new and expanded** programs and projects based on the following submitted Budget Preparation (BP) Forms:
 - 2.1 BP Form No. 202 – for each New or Expanded Activity or Locally-Funded Project; and
 - 2.2 BP Form No. 203 – for each New or Expanded Foreign Assisted Project.
- 3.0 TBH attendees from departments/agencies may be led by Heads of departments who may be represented by an Undersecretary (USEC) or Assistant Secretary (ASEC) provided said representative can respond to issues that may be raised and make commitments on behalf of his/her department. In the case of Other Executive Offices, agencies under CFAG and those that are similarly situated, the respective Agency Heads are encouraged to attend the TBH.
- 4.0 The TBH Panel/s shall be comprised of DBM representatives (Budget Preparation Task Force) and other offices, such as NEDA, Climate Change Commission (CCC) and MITHI sector clusters (for ICT programs and projects) as may be necessary. In cases where a USEC or an ASEC leads the presentation of the budget proposal of the department to be heard, a Senior Official of the DBM shall head the TBH panel.

5.0 The following guidelines shall be observed by the departments/agencies in presenting and justifying their budget proposals:

5.1 The department/agency's presentation of its Budget Proposal shall comply with the following time limits:

5.1.1 Presentation of the Aggregate Department Budget (inclusive of attached agencies) by Department Secretary or his representative USEC/ASEC - not to exceed 45 minutes.

5.1.2 Presentation of respective budgets by Heads (Agencies, OEOs, CFAG and agencies similarly situated) - not to exceed 30 minutes.

5.2 Among others, the key issues/concerns for the TBH shall be discussed in the following order:

5.2.1 Justification of the proposed new spending proposals or expansion of existing/ongoing programs/projects, using as basis the information and guide questions per BP Forms 202 and 203. Aspects of the proposals to be considered/taken up during the TBH, will include among others:

5.2.1.1 Rationale (situational background);

5.2.1.2 Strategy and Delivery Methodology;

5.2.1.3 Prioritization or Ranking of Programs/Projects (no two programs/projects with the same rank);

5.2.1.4 Beneficiaries and Clients;

5.2.1.5 Accountability Structure;

5.2.1.6 Costing;

5.2.1.7 Performance Management; and

5.2.1.8 Monitoring and Evaluation and Risk Management.

5.2.2 Justification on the proposed realignments of Hard Budget Ceilings for Forward Estimates under Tier 1 across PAPs, if any; and

5.2.3 Proposed Special Provisions for FY 2017.

6.0 DBM shall advise the departments/agencies of their respective TBH schedules for Tier 2 review.

7.0 A separate TBH shall be conducted for the following key priority programs with inter-agency involvement, including specific programs such as PAYapa at MASaganang PamayaNAn (PAMANA) and Comprehensive Agrarian Reform Program (CARP). The lead department/agency of a Program Budget shall present the objective, components and the implications of the funding requirements in the budget of the participating departments/agencies.

- 7.1 Good Governance and Anti-Corruption
 - Digitization of Financial Management Operations
- 7.2 Human Development and Poverty Reduction
 - Pantawid Pamilyang Pilipino Program
 - Universal Health Care Program
 - Housing for Resettlement from Danger Areas
 - Education Program
- 7.3 Economic Development
 - Transport Infrastructure Program
 - Agricultural Development Program
 - Manufacturing Revival Program
 - Tourism Development Program
- 7.4 Climate Change Risk Resiliency Program
- 8.0 For compliance/guidance.

FLORENCIO B. ABAD
Secretary

