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

June 10, 2016

FOR	:	Heads of Departments (DA, DEPED, DOE, DENR, DOH, DILG, DOLE, DSWD, DOT, DTI, NAPC, NCIP and TESDA) and the Administrators of NEA, NIA PCA and SHFC, the ARMM Regional Governor and Department Secretaries, All City/Municipal Mayors and Members of the Sanggunian Panlungsod/Bayan, and All Others Concerned
SUBJECT	:	AMENDMENTS TO DBM-DILG-DSWD-NAPC JMC NO. 7: POLICY GUIDELINES AND PROCEDURES IN THE IMPLEMENTATION OF THE BOTTOM-UP BUDGETING PROGRAM FOR FY2016 AND THEREAFTER

1. The DBM-DILG-DSWD-NAPC JMC No. 7, titled "Policy Guidelines and Procedures in the Implementation of the Bottom-up Budgeting (BuB) program for FY2016 and thereafter", was issued to prescribe the policies and procedures for the planning, budgeting and implementation phases of the Bottom-up Budgeting program.

2. This JMC is being issued to amend sections of JMC No. 7 to include the Autonomous Region in Muslim Mindanao (ARMM) in the coverage of the BuB program, modifying the members of the RPRAT, modifying the prescribed period of compliance for local government units, and expanding the modalities of project implementation.

3. Section 3.18 (definition of implementing agencies) is hereby amended as follows:

   "3.18 Participating Agencies - refers to NGAs (DA- including BFAR, DepEd, DOE, DENR - including DENR-EMB, DOH, DILG, DOLE, DSWD, DTI, DOT, NAPC, NCIP and TESDA), GOCCs (NEA, NIA, PCA and SHFC) and the Office of the ARMM Regional Governor/ ARMM Departments through which BuB projects will be funded, implemented and/or provided oversight/monitored."

4. The following section is added under Section 3 (Definition of Terms):

"3.25 RPRAT in ARMM - 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. It is composed of the following:

Chairperson:	Office of the Regional Governor
Co-Chairperson:	Representative from the DILG Central Office
Vice-Chairpersons:	DILG ARMM Secretary
	Representative from the NAPC Secretariat
	Representative from the DBM

Members:
- Secretaries of the regional agencies involved in the implementation of BuB (as identified by the RPRAT Chair)
- 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)
- Regional Coordinator of the Regional Basic Sector Coordinating Council (RBSCC) 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 ARMM shall serve as the Secretariat of the RPRAT.

5. Section 5.6.1 (BuB Projects in non-compliant LGUs) is hereby amended as follows:

"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 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
- Submission of a letter indicating willingness of the provincial government to implement BuB projects in the specified LGUs that have not complied with the prescribed governance conditions and other documents that may be required by the concerned participating agency.

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6. The following sections are to be added under Section 5.11 (Modes of Implementation):

"5.11.7 Implementing agencies may also tap the AFP Corp of Engineers for the implementation of BuB projects, subject to existing procurement, budgeting, accounting and auditing rules. Any agency adopting this mode of implementation shall inform the NPRAT of the reason for the adoption of this mode of implementation.

5.11.8 In addition, the UNDP may also be tapped for the implementation of BuB projects, subject to compliance with the 1977 Standard Basic Assistance Agreement (SBAA), the covering GPPB opinion issued on December 1, 2015, and relevant procurement, budgeting, accounting and auditing rules. Any agency adopting this mode of implementation shall inform the NPRAT of the reason for the adoption of this mode of implementation."

7. The following section is to be added under Section 5.15 (NGA Reporting):

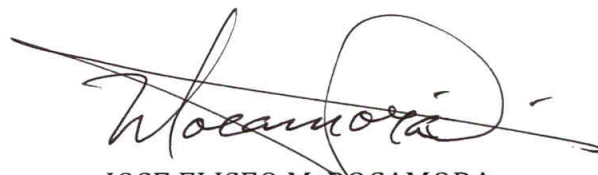"5.15.7 The following steps will be undertaken in the monitoring of BuB-LGSF Projects:
- Regional Project Management Team (RPMT) shall collect from the implementing LGUs the status of implementation for projects funded under BuB-LGSF. The BuB PMO shall provide a standard reporting template for BuB-LGSF projects.
- The RPMT shall then forward the reports submitted to the regional offices of participating agencies assigned to provide oversight for BuB-LGSF funded projects. These agencies shall be determined by the BuB TWG in consultation with the concerned agencies.
- The concerned regional offices shall then be responsible for reporting the status of the BuB-LGSF projects assigned to them for oversight to the OpenBuB portal, until such a time that LGUs can report directly to the portal."

8. Annex A1.1 (Budget Cap and Counterpart Requirements) is also to be included as an annex to the JMC. This is to provide for a TWENTY MILLION PESOS budget cap for each city and municipality in ARMM, as attached in this JMC.

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

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

For compliance.

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