



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GEN. SOLANO ST., SAN MIGUEL, MANILA



CIRCULAR LETTER

No. 2017 - 7

April 12, 2017

TO : All Heads of Departments/Agencies/State Universities and Colleges (SUCs) and Government Owned and/or Controlled Corporations (GOCCs) Receiving Budgetary Support from the National Government (NG); 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 2018 BUDGET LEVELS

- 1.0 In connection with the on-going formulation of FY 2018 budget levels, the DBM shall conduct the Technical Budget Hearings (TBH) to review the Tier 2 (T2) proposals of departments/agencies/SUCs and GOCCs receiving NG budget support starting April 19, 2017 at the Boncodin Hall, General Solano St., San Miguel, Manila.
- 2.0 The T2-TBH shall cover both new and expanded programs and projects based on the following submitted Budget Preparation (BP) Forms:
 - 2.1 For National Government Agencies (NGAs) including SUCs:
 - 2.1.1 BP Form No. 202 — for each New or Expanded Activity or Locally Funded Project; and
 - 2.1.2 BP Form No. 203 — for each New or Expanded Foreign Assisted Project.
 - 2.2 For Government Corporations receiving national government budgetary support:
 - 2.2.1 BP Form No. 708 — for each New or Expanded Foreign Assisted Project; and
 - 2.2.2 BP Form No. 709 — for each New or Expanded Activity or Locally Funded Project.

- 3.0 It must be emphasized that only departments/agencies/SUCs which have completed their encoding in the Online Submission of Budget Proposal System (OSBPS) shall be subject to T2 TBH procedure.
- 4.0 TBH attendees from departments/agencies/SUCs/GOCCs concerned 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.
- 5.0 The following guidelines shall be observed by the departments/agencies/SUCs/GOCCs concerned in presenting and justifying their budget proposals:
 - 5.1 The department/agency/SUCs/GOCC 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 or GOCC Head - not to exceed 45 minutes.
 - 5.1.2 Presentation of detailed respective budgets by Heads - 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, for NGAs and BP Forms 708 and 709 for GOCCs concerned. 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 Proposed Special Provisions for FY 2017.

- 6.0 DBM shall advise the departments/agencies/GOCCs concerned of their respective TBH schedules for Tier 2 review.
- 7.0 When necessary, a separate TBH may be conducted for key priority programs with inter-agency involvement/convergence. The lead department/agency concerned shall present the objective, components and the implications of the funding requirements in the budget of the participating departments/agencies.
- 8.0 For compliance/guidance.


BENJAMIN E. DIOKNO
Secretary

