



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CIRCULAR LETTER

NO. 2018 - 5

For : All Heads of Departments, Agencies, Bureaus, Offices, Commissions, State Universities and Colleges, Other Instrumentalities of the National Government and all Others Concerned

Subject : **PROCEDURAL GUIDELINES ON THE CONDUCT OF REGIONAL DEVELOPMENT COUNCIL (RDC) DIALOGUES ON PROPOSED PROGRAMS/PROJECTS FOR FY 2019**

Date : February 20, 2018

1.0 BACKGROUND

Item 2.5 of National Budget Memorandum (NBM) No. 129 dated January 3, 2018 provides:

"The FY 2019 budget proposal shall incorporate the following expenditure/budgetary policies:

xxx

- 2.5 *Strengthen the vertical linkage between national and regional/local government development plans and budgets. To this end, in the preparation of their respective agency budget, the Agency Central Offices (ACOs) shall take into consideration the Agency Regional Offices' (AROs) evaluation of the Regional Development Council (RDC) proposals, ensuring consistency with the priority programs and projects of the national government.*

Pursuant to Section 305 (k) of the Local Government Code of 1991, and in support of the localization of the Philippine Development Plan (PDP) 2017-2022, only priority programs and projects that can directly contribute to the Results Matrices of the PDP 2017-2022 shall be considered in the budgets of the Regional Line Agencies (RLAs).

*The ACO shall also provide feedback to the RDC on the actions taken relative to the proposals and the reasons therefor, **by furnishing RDC of the copy of BP Form C as submitted to DBM.***"

Corollary to the aforecited, and as in prior years, the FY 2019 Budget Preparation Calendar provides that RDC consultation/dialogue with selected ACOs/AROs shall be undertaken in January 2018 to provide a venue for presenting the developmental priorities of the different regions for inclusion by the various national government agencies in their respective budget proposals.

To strengthen the vertical linkage of national and local plans and budgets, and to guide the conduct of the RDC consultation/dialogue with ACOs/AROs to ensure the formulation of a more inclusive and responsive national budget, the procedures outlined below are being prescribed.

PROCEDURES

- 1.1 The Department of the Interior and Local Government (DILG) shall endorse to the RDC concerned the local government units' (LGUs') list of priority projects, as identified in the Local Development Investment Programs, that cannot be funded from their resources on or before February 28, 2018, for possible funding and implementation under the following programs:

- 1.1.1 Health Facilities Enhancement Program of the Department of Health;
- 1.1.2 Farm-to-Market Roads of the Department of Agriculture;
- 1.1.3 Sagana at Ligtas na Tubig sa Lahat Program of the DILG;
- 1.1.4 Communal Irrigation System of the National Irrigation Administration;
- 1.1.5 Level III Water Supply System of the Local Water Utilities Administration; and/or
- 1.1.6 Local Roads and Bridges program of the Department of Public Works and Highways.

The endorsement should be made prior to the conduct of the RDC consultation/dialogue with selected ACOs/AROs as scheduled in the Budget Calendar, which for purposes of the FY 2019 National Budget Preparation was scheduled in January 2018. However, since the period for the said RDC-ACO/ARO consultation has already lapsed, the RDCs may still convene for the purpose of endorsing the list of programs and projects from the DILG to the appropriate RLAs/AROs, provided the same is made well before the deadline of submission (through the Online Submission of Budget Proposals System) of CY 2019 Budget Proposals Tiers 1 (Forward Estimates) and 2, as well as Summary of Outyear Requirements (manually prepared) on April 19, 2018.

- 1.2 The RDCs shall evaluate the list of programs and projects, taking into consideration their alignment with regional development goals and their direct contribution to the PDP 2017-2022 Results Matrix.
- 1.3 The RDCs shall endorse their list of priority programs and projects to the appropriate RLAs/AROs not later than March 10, 2018.
- 1.4 The RLAs/AROs, in turn, shall submit to their respective ACOs their budget proposals not later than March 17, 2018, taking into consideration their evaluation of the RDC-endorsed list of priority programs and projects.
- 1.5 The ACOs shall take into consideration the RLAs'/AROs' evaluation of the RDC-endorsed programs and projects, and shall prioritize those strongly recommended.
- 1.6 The ACO shall also provide feedback to the RDC on the actions taken relative to the proposals and the reasons therefor, thirty (30) days after submission of the National Expenditure Program to Congress. This shall be done by furnishing the RDCs with a copy of BP Form C as submitted to the Department of Budget and Management.

The RDCs, in turn, shall provide feedback to the DILG on the action(s) taken on the list of priority programs and projects which the latter endorsed to the RDC.

2.0 For compliance.

BENJAMIN E. DIOKNO
Secretary

