

Department of Budget and Management (DBM)
National Economic and Development Authority (NEDA)

JOINT MEMORANDUM CIRCULAR (JMC) No. 2018 - 1

Date: November 21, 2018

To : Heads of the Central and Field Offices of the Department of Agriculture (DA), Department of Budget and Management (DBM), Department of Health (DOH), Department of Public Works and Highways (DPWH), and National Economic and Development Authority (NEDA); Chairpersons and Members of the Regional Development Councils (RDCs); and All Others Concerned

Subject: Regional Investment Programming-Budgeting Call for the Fiscal Year (FY) 2020 Budget

1.0 RATIONALE

The Philippine Development Plan (PDP) 2017-2022 serves as the guide in policy formulation and implementation of development programs during the administration. The sectoral and agency thrusts and mandates were taken into consideration during its formulation.

The Regional Development Plan (RDP) 2017-2022 contains the overall development framework of the region in the medium term, including the sectoral and spatial strategies that address the development concerns of the region and support the attainment of the goals and objectives of the PDP 2017-2022. These strategies are operationalized through the programs, activities and projects (PAPs) listed in the Regional Development Investment Programs (RDIPs) 2017-2022. Therefore, these PAPs need to be taken into consideration in the agency investment programs and budgets to be able to realize the development strategies and targets espoused in the RDPs and its Results Matrices (RMs).

The 2017-2022 Public Investment Program (PIP) Guidelines issued on September 10, 2018 called for the submission by the national government (NG) agencies, government-owned and controlled corporations (GOCCs), government financial institutions (GFIs) and other national government offices, including state universities and colleges (SUCs), of priority programs and projects (PAPs), which contribute to the sectoral outcomes in

the PDP and its RM to form part of the PIP. This is to ensure spatial coherence of the PIP and the RDIP. The Guidelines enjoins NG agencies and offices to coordinate with their regional offices, bureaus, and attached agencies in the formulation and updating of the Agency PIPs. Furthermore, agencies are requested to provide feedback to the Regional Development Councils (RDCs) on the reasons for the non-inclusion in the PIP of the indicated priority PAPs in the Regional Development Investment Program (RDIP).

To sustain previous efforts at strengthening the planning-investment programming-budgeting linkages at the national level, a regional investment programming-budgeting call shall be instituted to ensure that the regional priority PAPs are discussed and considered in the national agency sectoral plans, investment programs, and budget.

2.0 PURPOSE

This JMC aims to strengthen the vertical and horizontal linkages between investment programming and budgeting by:

- 2.1. Providing the procedure and timetable¹ for NG agencies to identify and prioritize regional PAPs to be included in the Agency PIPs, and subsequently in the agency budget proposals, taking into consideration the RDPs and RDIPs; and
- 2.2. Providing the procedure and timetable for Agency Central Office (ACO) to give feedback to the RDCs, through the Agency Regional Offices (AROs), on the following:
 - 2.2.1. Priority PAPs under the RDIPs included or not included in the PIP, and the reasons for non-inclusion; and
 - 2.2.2. Priority PAPs under the RDIPs included in the agency budget proposals, and in the General Appropriations Act (GAA).

3.0 COVERAGE

This Circular will guide the regional investment programming and budgeting processes for FY 2020 Budget of the three (3) pilot NG agencies which have the most number of proposed regional priority projects across RDCs, namely: Department of Public Works and Highways (DPWH), Department of Health (DOH), and Department of Agriculture (DA).

The other departments may be included in succeeding years based on the evaluation of the implementation of this JMC.

¹ An indicative schedule/timeline, and suggested key actors in each activity, is provided in Annex A for guidance.

4.0 PROCEDURES

- 4.1. NEDA and DBM shall call on the three (3) NG agencies for an Orientation on the JMC in November 2018.

Investment Program Preparation

At the regional level

- 4.2. The AROs shall identify and prioritize their proposed PAPs (ongoing and new, major² and non-devolved³) for inclusion in the RDIPs after the consultation with their respective ACOs cited under item 4.5 below.
- 4.3. The RDCs shall update their RDIPs, ensuring the alignment of PAPs with the goals and objectives under their respective Regional Development Plans.
- 4.4. The AROs shall submit the RDC-endorsed PAPs in the RDIPs to their ACOs as input to the Agency PIPs.

At the agency level

- 4.5. Each ACO shall conduct meetings with their respective AROs to provide guidelines on the updating of the Agency PIP, taking into consideration the ACO's priority for the medium-term and project implementation readiness.
- 4.6. The Agency PIPs shall take into consideration the RDC-endorsed PAPs. The ACOs, in consultation with their AROs, shall come up with their own PAP prioritization criteria in terms of relevance and responsiveness to the PDP and RMs, and project implementation readiness, to determine which PAPs shall be included in the Agency PIPs.
- 4.7. The ACOs shall submit their Agency PIPs, duly endorsed by the Head of Agency and/or their mother agency, as applicable, through the PIP Online (PIPOL) System. The PIPOL System could be accessed by the authorized focals of the agencies through URL: <http://pipol.neda.gov.ph/>.
- 4.8. The ACOs shall inform their respective AROs of the final validated list of PAPs in the PIP.

² Major PAPs refer to those that shall require the approval of the Investment Coordination Committee (ICC) and/or the NEDA Board, with total project costs of at least P2.5 billion.

³ Non-devolved PAPs shall refer to those costing not greater than PhP2.5 billion which are implemented by the NG agencies and are not devolved to LGUs under the Local Government Code.

- 4.9. Subsequently, the AROs shall inform their respective RDCs on which PAPs have been included or not included in the agency PIP and the reasons for non-inclusion.

Budget Preparation

- 4.10. As part of the process above, the ACOs shall discuss with their AROs the RDC-endorsed PAPs for inclusion in the FY 2020 Budget, guided by the following:
- 4.10.1. The ACO's budget priorities for the medium-term;
 - 4.10.2. The indicative budget ceiling⁴ for FY 2020 for each ARO based on the FY 2019 National Expenditure Program (NEP). The ACOs shall determine each region's ceiling based on their priorities; and
 - 4.10.3. The criteria for determining the implementation-readiness of the PAPs.
- 4.11. The AROs shall submit their annual or multi-year budget proposals to their ACOs, resulting from their consultations with their ACOs and the RDCs.
- 4.12. The ACOs shall finalize their agency budget proposals, consistent with the priority Agency PIPs, agency budget ceilings, absorptive capacity, sectoral policies and standards adopted by the NG agencies, and other policies and guidelines as may be prescribed in the National Budget Call and the Budget Priorities Framework.

Feedback Process

- 4.13. The ACOs shall provide feedback to their AROs and DBM on the PAPs that were included in the agency budget proposals by furnishing them a copy of Budget Preparation (BP) Form C⁵.
- 4.14. Within thirty days upon approval of the GAA, the ACOs, through the AROs, shall provide feedback to the RDCs on the final list of PAPs in the GAA, using the attached BP Form C-1⁶.
- 4.15. The PDP/Socioeconomic Report, PIP, Three-Year Rolling Infrastructure Program, and BP Form C, among others, shall form part of the bases for prioritizing the PAPs during the Technical Budget Hearings and Executive Review Board deliberations by the DBM.

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⁴ The indicative budget ceiling shall also consider the indicative increase of the FY 2020 budget based on the Medium-Term Fiscal Program (MTFP) approved by the DBCC

⁵ Summary of RDC Inputs and Recommendations on Agency Programs and Projects


⁶ BP Form C-1 Summary of RDIP PAPs Included in the Agency Budget Proposal, is provided in Annex B for guidance.

5.0 CASES FOR RESOLUTION

Interpretation of the provisions in this JMC, including cases not covered herein, shall be referred to the DBM and NEDA for resolution.

6.0 EFFECTIVITY

This Circular shall take effect immediately.



BENJAMIN E. DIOKNO
Secretary of Budget and Management

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ERNESTO M. PERNIA
Secretary of Socioeconomic Planning

0SEC-01046

ANNEX A: TIMETABLE OF ACTIVITIES

Schedule	Activity	Concerned Offices
November 2018	Orientation on the Joint Memorandum Circular	DBM, NEDA, and DPWH, DOH, DA as participants
November – December 2018	ACO meetings with their AROs to provide guidelines on the updating of the Agency PIPs	ACOs
	Submission of prioritized PAPs for inclusion in the RDIP	AROs
	Updating of the RDIPs	RDCs/AROs
	Submission of RDC-endorsed PAPs in the RDIPs to ACOs as input to the Agency PIPs	AROs
December 2018	Submission of PAPs in the PIP through the PIPOL System	ACOs (only for DPWH, DOH, and DA)
	PIP Validation	NEDA
January 2019	Feedback to AROs on the final validated list of PAPs in the PIP	ACOs
	Feedback to RDCs on PAPs which have been included in the PIP and the reasons for the non-inclusion	AROs
January – February 2019	Meetings/discussions on the RDC-endorsed PAPs for inclusion in the FY 2020 Budget	ACOs and AROs
February 2019	Submission of FY 2020 annual budget proposals to the ACO	AROs
March – April 2019	Submission to DBM their budget proposals Feedback to the AROs on the PAPs that were included in the agency budget proposal using BP Form C	ACOs
Within thirty days upon approval of the GAA	Feedback to the RDCs on the final list of PAPs in the GAA using BP Form C-1	ACOs through AROs

ANNEX B

BP FORM C-1

STATUS OF RDIP PROGRAMS, ACTIVITIES, AND PROJECTS (PAPs) INCLUDED IN THE AGENCY BUDGET PROPOSAL

FY 2020 BUDGET

(in thousand pesos)

DEPARTMENT/AGENCY: _____

PROGRAMS/ACTIVITIES/ PROJECTS (1)	AMOUNT			ACO Remarks (5)
	RDC Input/ Recommendation (2)	Included in the Agency Budget Proposal (3)	Included in the GAA (4)	
Operations Organizational Outcome 1 Program 1 Sub-program 1 a. Activity 1 b. Project 1 Program n Sub-program 1 a. Activity 1 b. Project 1				
Prepared by:				Approved by:
Budget Officer	Planning Officer			Head of Office/Agency

CERTIFIED PHOTOCOPY
 11/27/2018
 CONSISTENT
 MAYUGA
 Administrative Officer I

BP FORM C-1

STATUS OF RDIP PROGRAMS, ACTIVITIES, AND PROJECTS (PAPs) INCLUDED IN THE AGENCY BUDGET PROPOSAL

Instructions

The form shall be used to capture information on PAPs in the Agency Budget Proposal, particularly the amount of the Regional Development Council (RDC)-endorsed budget, agency budget proposal, and the General Appropriations Act (GAA).

The form will be prepared by the Agency Central Office (ACO), in coordination with their Agency Regional Offices (AROs), which will be reported by the ARO to the RDC.

Column 1	Indicate the specific PAP in the agency budget proposal that formed the subject of RDC input or recommendation. Agency PAPs that are: (1) not in the agency budget proposal, or (2) in the agency budget proposal but did not form the subject of RDC input or recommendation, may be omitted in this form.
Column 2	Reflect the total amount endorsed by the RDC for the PAP.
Column 3	Reflect the total amount included in the agency budget proposal for the PAP.
Column 4	Reflect the total amount approved in the GAA for the PAP. If the agency-proposed PAP is not in the GAA, the amount reflected should be zero.
Column 5	Reflect information on the reasons for non-inclusion of the PAP in the GAA or for the difference in the amount of the RDC recommendation (Column 2) vis-à-vis the amount in the agency budget proposal (Column 3) and/or in the amount in the GAA (Column 4).

CERTIFIED PHOTOCOPY
11/23/2018
CONSTANTINE B. MAYUGA
Administrative Officer I