



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

LOCAL BUDGET CIRCULAR

No. 133
January 18, 2021

To : Local Chief Executives of Cities, Members of the Sangguniang Panlungsod, City Budget Officers, City Treasurers, City Planning and Development Coordinators, City Accountants, and All Others Concerned

Subject : **GUIDELINES ON THE RELEASE AND UTILIZATION OF THE LOCAL GOVERNMENT SUPPORT FUND-ASSISTANCE TO CITIES UNDER THE FY 2021 GENERAL APPROPRIATIONS ACT, REPUBLIC ACT NO. 11518**

1.0 **LEGAL BASES**

Under Special Provision (SP) No. 1 of the Local Government Support Fund (LGSF) in Republic Act (RA) No. 11518 or the FY 2021 General Appropriations Act (GAA), an amount of P350,000,000.00 is appropriated for the LGSF-Assistance to Cities (LGSF-AC), which shall be used to fund the construction, maintenance, and/or rehabilitation of the following projects:

- a) green open spaces such as public parks and plazas, arboretum, and botanical gardens; and
- b) infrastructure for active mobility such as physically separated bicycle lanes, bike racks, and elevated or at-grade pedestrian footpaths and walkways.

The President, in his Veto Message to the FY 2021 GAA, placed this provision under conditional implementation to subject it to the guidelines to be issued by the DBM.

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2.0 PURPOSE

This Circular is being issued to prescribe the guidelines and procedures on the release and utilization of the LGSF-AC under the FY 2021 GAA.

3.0 GENERAL GUIDELINES

3.1 The LGSF-AC shall be exclusively used by the identified Highly Urbanized Cities (HUCs) located in Metro Manila, Metro Cebu, and Metro Davao to fund the eligible programs and projects enumerated under SP No. 1 of the LGSF in the FY 2021 GAA. For the guidance of the local government units (LGUs), the definition of terms covering the scope of the eligible programs and projects are provided in **Annex A** hereof.

3.2 Consistent with SP No. 1 of LGSF-AC, FY 2021 GAA, beneficiary HUCs listed in **Annex B** hereof are equally allocated with P17,500,000.00.

3.3 The Special Allotment Release Order (SARO), amounting to PhP350,000,000.00, which shall cover the funding requirements for the FY 2021 LGSF-AC, shall be immediately prepared and released upon effectivity of this Circular. However, the corresponding Notice of Cash Allocation (NCA) shall only be issued to the beneficiary HUCs, upon submission of their requests for the release of the LGSF-AC to the DBM-Central Office, together with the following documentary requirements:

3.3.1 Letter request signed by the Local Chief Executive (LCE), specifying the project title, location, and fund allocation addressed to the Secretary of the DBM;

3.3.2 Project Brief signed by the LCE following the template provided in **Annex C** hereof;

3.3.3 Duly notarized omnibus sworn statement following the template provided in **Annex D** hereof; and

3.3.4 Report on Fund Utilization and Status of Program/Project Implementation following the template provided in **Annex E** hereof, if the city previously received funding support from the FYs 2018 to 2020 LGSF-AC. The minimum obligation rate¹ of the programs and/or projects funded under the previous years' LGSF-AC, as of reporting period, shall be as follows:

5)

¹ Obligation Rate = Amount Obligated/Amount Received

Funding Source	Minimum Obligation Rate
FY 2018 & FY 2019 LGSF-AC	100%
FY 2020 LGSF-AC	70% ²

In cases of unobligated balances derived from completed programs or projects funded under the FYs 2018 and 2019 LSGF-AC, the beneficiary HUC shall submit a certification attesting that the balances have already been returned by the city to the National Treasury, together with the corresponding disbursement voucher/check.

Failure on the part of the beneficiary HUCs to meet the minimum obligation rate of the programs and/or projects under the previously received LGSF-AC shall be a ground to deny the request of the LGU.

- 3.4 All the required information, format, and signatories in the documentary requirements under this Circular and its annexes shall be completely provided by the cities. Failure to completely provide the required information, format, and signatories shall result to the returning of documentary requirements to the concerned cities for further completion.
- 3.5 Other documents submitted by the cities that are not among the prescribed documentary requirements under this Circular shall not form part of the evaluation of the DBM.
- 3.6 It is understood that only requests prepared, signed, and submitted by the LCEs shall be evaluated by the DBM. Requests that are shown to have been prepared and/or submitted by third parties, *e.g., fixers, middlemen, and facilitators*, shall be immediately denied.
- 3.7 All projects to be funded under the LGSF-AC shall strictly conform with the following design concepts, environmental principles, and requirements:
 - 3.7.1 Designing for the Environment
 - 3.7.1.1 Design schemes that respect the existing site attributes and harness those attributes in the site development plan. The following types of attributes should be considered:
 - 3.7.1.1.1 Ecosystem type (Lowland, Upland, Wetland, Coastal, Riverine, Lacustrine/Lakeshore, or Palustrine/Swampland/Marshland);

² Except for those funded under the FY 2020 LGSF-AC but released only in FY 2021



- 3.7.1.1.2 Topography (slope, elevation);
 - 3.7.1.1.3 Biological features (flora, fauna, vegetation cover, feeding, nesting, resting areas, and breeding sites and the conservation status of the flora and fauna species);³
 - 3.7.1.1.4 Physical features (land use, land classification, conservation areas, and other special interest areas);
 - 3.7.1.1.5 Freshwater sources; and
 - 3.7.1.1.6 Culture and heritage.
- 3.7.1.2 Preserve, improve or add green and/or blue infrastructures that go beyond the business-as-usual level and help maintain critical ecosystem functions or address climate or disaster risks by achieving the following:
- 3.7.1.2.1 Managing surface water and reducing flooding through detaining, retaining, and effective and appropriate discharging of storm water, with a preference for using nature-based barriers or buffers found in natural ecosystems;
 - 3.7.1.2.2 Improving urban air and storm water quality, through the phytoremediation processes of plants that absorb pollutants from air, water, or soil into their leaves and roots;
 - 3.7.1.2.3 Regulating the urban micro-climate (urban heat island effect) through increased tree cover and planting areas, and natural or artificial water features, especially those that serve as effective carbon sinks;
 - 3.7.1.2.4 Promoting biodiversity and ecosystem-based adaptation and mitigation through strategic planting plans with a preference for endemic and endangered species;



³ As described in the Biodiversity Management Bureau Technical Bulletin 2018-02

- 3.7.1.2.5 Reducing carbon emissions from vehicles through natural carbon sequestration by trees; and
- 3.7.1.2.6 Creating or enhancing the network of open spaces in the city.
- 3.7.1.3 Select project components that minimize generation of waste and promote ease-of-maintenance for long-term sustainability by achieving the following:
 - 3.7.1.3.1 Energy efficient site lighting and/or other site operation or maintenance activities where appropriate;
 - 3.7.1.3.2 Harvesting and re-use of storm water for landscape irrigation; and
 - 3.7.1.3.3 Selecting materials guaranteed to be long-lasting, resource-efficient, and all weather, and are procured with relevant warranties.

3.7.2 Designing for People

The proposed project must achieve the following:

- 3.7.2.1 Ensure inclusive mobility within the site and its surroundings by:
 - 3.7.2.1.1 Establishing pedestrian and cyclist-friendly linkages from public open spaces to centers of commerce, employment, and social services, and places of residence, leisure, and recreation;
 - 3.7.2.1.2 Providing universally accessible pathways and walkways which shall by default be at-grade and include provision for accessibility facilities such as ramps, handrails, and tactile paving;
 - 3.7.2.1.3 Providing physically separated lanes, which shall be for the exclusive use of bicycles and other light electric vehicles;



- 3.7.2.1.4 Providing bicycle racks and parking spaces in public spaces, including but not limited to malls, banks, restaurants, business establishments and government offices;
- 3.7.2.1.5 Allocating an arrival space within the public open space for beneficiaries using public transport modes;
- 3.7.2.1.6 Selecting a site which is accessible to the commuting public; and
- 3.7.2.1.7 Promoting safety of pedestrians and cyclists and ensuring inter-connectivity of active mobility infrastructure between adjacent cities and within a planned network of bike lanes and and/or walkways by ensuring that such active mobility infrastructure, especially in major thoroughfares, are in accordance with the following design standards and guidelines of national agencies, among others:
- Department of Interior and Local Government (DILG) Memorandum Circular No. 2020-100⁴;
 - Department of Health (DOH) – Department of Transportation (DOTr) – DILG – Department of Public Works and Highways (DPWH) Joint Administrative Order No. 2020-0001⁵
 - DOH's Health Promotion Playbook for Active Transportation; and,
 - DPWH Department Order No. 88⁶.



⁴ Guidelines for the Establishment of a Network of Cycling Lanes and Walking Paths to Support People's Mobility

⁵ Guidelines on the Proper Use, and Promotion of, Active Transport

⁶ Prescribing the Design of Bicycle Facilities along National Roads.

- 3.8 Consistent with DILG Memorandum No. 2020-100, the following objectives shall be considered in the identification and establishment of infrastructure for active mobility, to wit:
- 3.8.1 To provide active transport access, favoring the shortest and most direct routes to the entire city/municipality, particularly vital establishments or social services, such as, but not limited to, public hospitals, public markets and other authorized commercial spaces; public schools; public transport terminals; government centers and offices; and public open spaces; historical and heritage sites; and local tourist destinations;
 - 3.8.2 To prioritize moving the largest volume of people possible to maximize the use and value of street space to be measured by the flow of people, rather than the volume of vehicles;
 - 3.8.3 To prioritize the safety and welfare of people using active transport, ensuring that cyclists, other light mobility users, and pedestrians are not placed at risk due to motorized transport; and
 - 3.8.4 To ensure that people of all ages and abilities are able to safely use active transport to access services in the locality.
- 3.9 In order to ensure that funds from the LGSF-AC are released to the cities within the Fiscal Year consistent with SP No. 6 of the FY 2021 LGSF, the deadline for the submission of requests shall be on or before **June 30, 2021**.
- 3.10 Consistent with DBM-Department of Finance Joint Circular No. 2016-1 dated January 4, 2016,⁷ the LGSF-AC shall be released directly by the Bureau of the Treasury (BTr) to the beneficiary HUCs, through authorized government servicing banks, consistent with the purposes indicated in the corresponding SARO and Advice of NCA Issued to be released by the DBM to the BTr.
- 3.11 The FY 2021 LGSF-AC shall be recorded as trust fund by the beneficiary HUCs for the specific purpose(s) for which the funds were received and shall be made available for disbursement for the purpose specified until December 31, 2022.

After the end of the validity period, any unreleased appropriations shall lapse, while undisbursed funds shall revert to the National Treasury, particularly to the unappropriated surplus of the General Fund in accordance with Section 28, Chapter 4, Book VI of E.O. No. 292, s. 1987.



⁷ Guidelines for the Direct Release of Funds by the Bureau of the Treasury (BTr) to Local Government Units (LGUs) in FY 2016 and Thereafter

If at any point before December 31, 2022, the beneficiary HUC determines that the funds can no longer be utilized, *e.g.*, when the program(s) and/or project(s) cannot be implemented for any reason or when the same has/have been funded from other sources, the amount received by the same beneficiary HUC from the LGSF-AC shall be immediately reverted to the National Treasury.

- 3.12 Consistent with SP No. 4 of the DILG-OSEC Budget, FY 2021 GAA, the DILG shall be responsible for the monitoring and evaluation of actual project implementation, including the documentary requirements to be submitted by the LGUs to be used for said monitoring and evaluation of projects covered by the LGSF.

4.0 **PROHIBITIONS ON THE USE OF THE LGSF-AC**

The LGSF-AC shall not be used for the following:

- 4.1 Any purpose other than the program(s) and/or project(s), including the location thereof, for which the fund was released, **without the prior evaluation and approval of the DBM;**
- 4.2 Projects already fully covered by other sources of funds;
- 4.3 Payment of Personnel Services expenditures (i.e., payment of salaries, including honoraria, allowances, bonuses, and similar forms of compensation);
- 4.4 Consultation fees or other related incidental expenses for the development of the design of the proposed project(s); and
- 4.5 Acquisition, reclamation or lease of land.

5.0 **PROJECT IMPLEMENTATION**

Disbursement and utilization of the LGSF-AC by the cities shall be subject to pertinent provisions of RA No. 9184 or the Government Procurement Reform Act and its 2016 Revised Implementing Rules and Regulations (IRR), and any relevant policies issued by the Government Procurement Policy Board (GPPB), as well as the applicable budgeting, accounting, and auditing rules and regulations.

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6.0 POSTING AND REPORTING REQUIREMENTS

The beneficiary HUCs shall:

- 6.1 Comply with the posting requirements prescribed under RA No. 9184 and its 2016 Revised IRR, and all relevant policies issued by the GPPB.
- 6.2 Prepare quarterly reports on fund utilization and status of program/project implementation using the prescribed format (Annex 'D') until such time that the Unified Reporting System for LGUs has been developed and can be used by the cities.
- 6.3 Consistent with the Full Disclosure Policy of the DILG, the said reports shall be posted in at least three (3) conspicuous public places in the locality and on the LGU's website within twenty (20) calendar days from the end of each quarter.
- 6.4 The LCE of the implementing city shall send a written notice to the Secretary of DBM, Secretary of DILG, Speaker of the House of Representatives, President of the Senate of the Philippines, and the Chairpersons of the House Committee on Appropriations and Senate Committee on Finance, upon posting of the reports on the LGU's website. The date of notice to said agencies shall be considered the date of compliance with the requirement.

7.0 RESPONSIBILITY AND ACCOUNTABILITY

The responsibility and accountability in ensuring that the project(s) to be funded under the LGSF-AC comply with the designs, concepts, and requirements under this Circular, and proper utilization and disbursement of the LGSF-AC shall rest upon the LCE and other officials concerned of the cities. It is also the responsibility of said city officials to ensure that the funds released to the city are utilized strictly in accordance with applicable budgeting, accounting, and auditing rules and regulations, and pertinent provisions of RA No. 9184.

Moreover, the beneficiary HUC shall ensure that no duplication of funding will occur. As such, the city, through its LCE, shall immediately inform the DBM if it has received funding from other sources for the same project(s).

8.0 ITEMS FOR RESOLUTION

Interpretation of the provisions of this Circular, including relevant items not covered herein, shall be referred to the DBM for resolution.



9.0 **SEPARABILITY**

If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

10.0 **REPEAL**

All provisions of existing guidelines that are not consistent with this Circular are hereby revised, modified and/or repealed accordingly.

11.0 **EFFECTIVITY**

This Circular shall take effect fifteen (15) calendar days after its publication.


WENDEL E. AVISADO
Secretary



DEFINITION OF TERMS

Particulars	Definition	Source
Bicycle lane	A road, street, or pathway where motorized transport is not allowed to ensure the safety of bicycle users or those using light mobility transport vehicles	DILG Memorandum Circular (MC) No. 2020-100, July 17, 2020
Light mobility	Travel using electronic or non-motorized vehicles weighing not more than 100 kg	DILG MC No. 2020-100, July 17, 2020
Motorized transport	Motorized vehicles weighing more than 100 kg	DILG MC No. 2020-100, July 17, 2020
Pedestrian	A person who uses shared paths or sidewalks	DILG MC No. 2020-100, July 17, 2020
Pedestrian footpath/walkway	Pathway which can be used by pedestrians	DILG MC No. 2020-100, July 17, 2020
Public parks	An area of land, usually in a largely natural state, for the enjoyment of the public, having facilities for rest and recreation.	

ANNEX B**FY 2021 ASSISTANCE TO CITIES**

City	Amount (in Pesos)
1. Mandaluyong	17,500,000.00
2. Marikina	17,500,000.00
3. Pasig	17,500,000.00
4. Quezon City	17,500,000.00
5. San Juan	17,500,000.00
6. Caloocan	17,500,000.00
7. Malabon	17,500,000.00
8. Navotas	17,500,000.00
9. Valenzuela	17,500,000.00
10. Las Piñas	17,500,000.00
11. Makati	17,500,000.00
12. Muntinlupa	17,500,000.00
13. Parañaque	17,500,000.00
14. Pasay	17,500,000.00
15. Taguig	17,500,000.00
16. Manila	17,500,000.00
17. Lapu-lapu	17,500,000.00
18. Mandaue	17,500,000.00
19. Cebu City	17,500,000.00
20. Davao City	17,500,000.00
TOTAL	350,000,000.00

ANNEX C

**LOCAL GOVERNMENT SUPPORT FUND – ASSISTANCE TO CITIES (LGSF-AC)
FY 2021, Republic Act 11518**

PROJECT BRIEF

Project Name			
Location		(Barangay, City, Province)	
Project Cost¹			
Project Area		(sqm)	
Type of Project/Program		<ul style="list-style-type: none"> • Green Open Space <ul style="list-style-type: none"> • Public Park • Plaza • Arboretum/Botanical Garden • Waterfront • Others (pls. specify) 	<ul style="list-style-type: none"> • Active Mobility <ul style="list-style-type: none"> • Bicycle lanes • Bicycle Rack • Pedestrian footpath/walkway • Others (pls. specify)
Type of Development	• Construction	• Maintenance	• Rehabilitation
Population of the City		Total Land Area of the City	
Population Within 10-Minute Walking Distance/ 800m Radius		Land Area Consisting of Existing Public Open Spaces of the City	
Project Description			
Please justify that the proposed project(s) conform(s) to the design, concept and requirements under item 3.7 and/or 3.8 of the Circular.			
Objectives			
Kindly itemize the objectives in conformance to item 3.7 and/or 3.8 of the Circular			
Vicinity Site Map			
Please provide vicinity map of the proposed project with graphic scale and north arrow			

¹ should not exceed P17,500,000.00 consistent with the amount appropriated to the City as stipulated under the FY 2021 GAA, RA. No. 11518

Photos of Existing Site Condition
Please include photos of existing site condition
Pre-Construction As-Built Plan
Kindly show a pre-construction as-built plan/existing site condition plan prior to the proposed development
Site Development Plan
Please show the proposed site development plan with graphic scale, north arrow and appropriate labels
Specific Components to be Funded Under the FY 2021 LGSF-AC
Please itemize the components to be funded under the FY 2021 LGSF-AC
LGU CONTACT DETAILS
Local Chief Executive
Project Contact Person
Designation
Contact Numbers (Telephone and Mobile)
Email Address
Office Address

Prepared by:

Approved by:

NAME AND SIGNATURE OF THE LCE

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.

X-----X

OMNIBUS SWORN STATEMENT

I, the undersigned, attest to the veracity of the following:

- i. The following program(s) and/or project(s) conform(s) to the designs, concepts, and requirements for eligible projects as prescribed under Local Budget Circular No. ____;
 1. [Insert PROJECT TITLE]
 2. _____
 3. _____

(The number of projects may vary depending on the request of the LGU.)
- ii. There is a Sanggunian Resolution endorsing the said program(s) and/or project(s), and that the same is/are part of the duly approved Local Development Investment Program and Annual Investment Program of the City;
- iii. The City has prepared the necessary Program of Works, Detailed Estimates, and Detailed Engineering Design for the said project(s), in accordance with the design, plan, specifications, and such other standards and policies of the National Government;
- iv. The City has the capability to implement the said program(s) and/or project(s) either by administration or contract;
- v. The said program(s) and/or project(s) is/are readily implementable within the prescribed timelines and that there are no issues related to the site/land title, including informal settlers thereon, and right-of-way acquisition;
- vi. The City has complied with the standards prescribed by the appropriate government agencies and has secured all the necessary clearances or certifications from same agencies, e.g., Environmental Clearance, Zoning Clearance, etc.;
- vii. The location, area or site of the said program(s) and/or project(s) is/are: (1) not privately-owned land/lot; (2) not included in the critical geo-hazard areas or no build zones identified and/or certified by the Mines and Geo-sciences Bureau hazard map; and (3) within the territorial jurisdiction of the City;
- viii. The City commits to fund the cost of maintenance and repairs of the said project(s); and
- ix. The said project(s) is not fully funded from other sources.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of [month] [year]
at [place of execution].

[Insert NAME AND SIGNATURE OF LOCAL CHIEF EXECUTIVE]

[Insert Signatory's Legal Capacity]

Affiant

SUBSCRIBED AND SWORN to before me this ____ day of [month] [year] at [place of execution], Philippines. Affiant is personally known to me and was identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC).

Witness my hand and seal this ____ day of [month] [year].

NAME OF NOTARY PUBLIC

Serial No. of Commission _____

Notary Public for _____ until _____

Roll of Attorneys No. _____

PTR No. _____ [date issued], [place issued]

IBP No. _____ [date issued], [place issued]

Doc. No. _____

Page No. _____

Book No. _____

Series of _____

LOCAL GOVERNMENT SUPPORT FUND
Report on Fund Utilization and Status of Program/Project Implementation
For the Quarter Ended _____

Fund Source	Date of Notice of Authority to Debit Account Issued (NADAI)	Type of Program/Project	Name Title of Program/Project	Specific Location	Mechanism/ Mode of Implementation	Estimated Number of Beneficiaries	Amount			Estimated Period of Completion (month and year)	Remarks on Program/Project Status
							Received	Obligation	Disbursement		

Certified correct by: The Local Finance Committee (LFC)

Attested by:

City Budget Officer

Local Chief Executive

City Treasurer

City Planning and Development Coordinator

Instructions:

1. The report shall be prepared by the LFC, in coordination with the other local officials concerned (e.g. local accountant on the allotment, obligation and disbursements; local engineer on the status of infrastructure projects, as may be applicable).
2. The fund source shall be based on the NADAI issued to the cities.
3. The type of program/project shall be identified, consistent with the projects that may be implemented under the Circular.
4. Amount received refers to the amount received by the city as its allocation. It is the amount indicated in the NADAI. Obligation refers to the total amount obligated by the city as of reporting period. Disbursement refers to the total amount paid by the city as of reporting period.
5. The status of programs/projects refers to the percentage of physical completion or delivery of service as of reporting period.