



DEPARTMENT OF BUDGET AND MANAGEMENT

DBM UPDATES



JOHN ARIES S. MACASPAC

Local Government and Regional Coordination Bureau
Department of Budget and Management



OUTLINE OF DISCUSSION

1

Salient Features of LBM No. 85 re:
FY 2023 NTA Shares of LGUs and FY
2023 Local Budget Preparation

2

Updating of PFM Manuals

3

FY 2022 Local Government Support
Fund Components



LOCAL BUDGET MEMORANDUM

No. 85
Date: June 15, 2022

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

Subject : **INDICATIVE FY 2023 NATIONAL TAX ALLOTMENT (NTA) SHARES OF LOCAL GOVERNMENT UNITS (LGUs) AND GUIDELINES ON THE PREPARATION OF THE FY 2023 ANNUAL BUDGETS OF LGUs**

1.0 PURPOSE

This Local Budget Memorandum (LBM) is being issued to:

- 1.1 Inform the LGUs of their indicative NTA shares for FY 2023 based on the certifications issued by the Bureau of Internal Revenue (BIR), Bureau of Customs (BOC), and the Bureau of the Treasury (BTr) on the share of LGUs from the actual collections of national taxes in FY 2020 pursuant to the Local Government Code of 1991 (Republic Act [RA] No. 7160) and the Supreme Court (SC) decision in the consolidated cases of *Congressman Hermilando I. Mandanas, et al. vs. Executive Secretary Paquito N. Ochoa, Jr. et al. and Honorable Enrique T. Garcia, Jr. vs. Executive Secretary Paquito Ochoa, et al.*¹ and
- 1.2 Prescribe the guidelines on the preparation of the FY 2023 annual budgets of LGUs.

2.0 GUIDELINES

- 2.1 Allocation of the FY 2023 NTA
 - 2.1.1 In the computation of the FY 2023 NTA shares of LGUs, the following factors were taken into consideration:
 - 2.1.1.1 The 2020 Census of Population by Province, City, Municipality, and Barangay, as approved through Proclamation No. 1179 dated July 6, 2021;² and

¹ G.R. Nos. 199802 and 208488 dated April 10, 2019

² Declaring as Official the Population Count of the Philippines by Province, City/Municipality and Barangay based on the 2020 Census of Population and Housing Conducted by the Philippine Statistics Authority

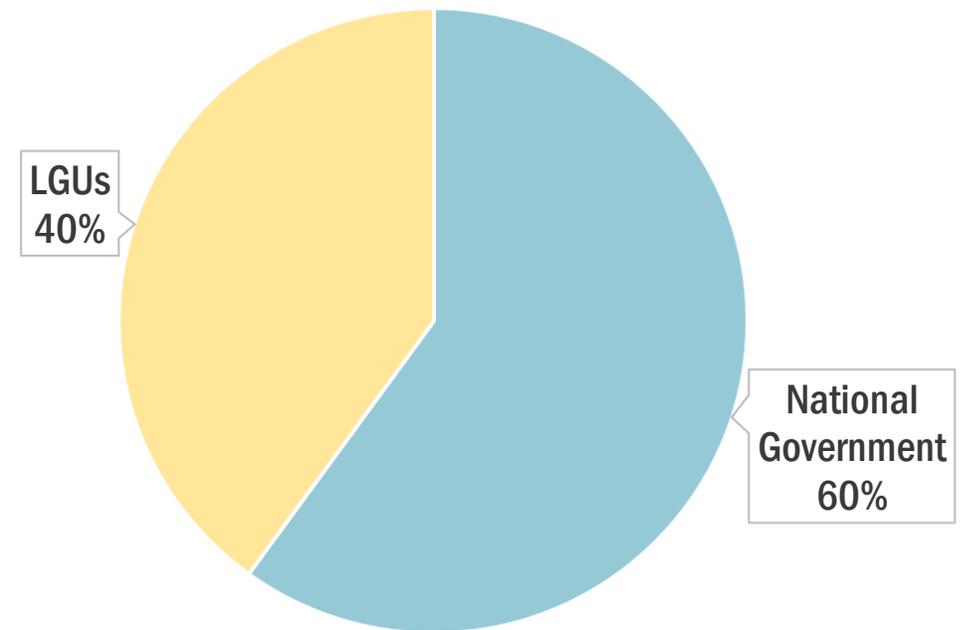
LOCAL BUDGET MEMORANDUM NO. 85 DATED JUNE 15, 2022

INDICATIVE FY 2023 NTA SHARES OF LGUs AND GUIDELINES ON THE PREPARATION OF THE FY 2023 ANNUAL BUDGETS OF LGUs

NTA SHARES OF LGUs

- LGUs shall have a just share, as determined by law, in the national taxes which shall be automatically released to them. (Sec. 6, Article X, 1987 Constitution)
- LGUs shall have forty percent (40%) share in the national taxes based on the collection of the third fiscal year preceding the current fiscal year. (Sec. 284 of the LGC and the SC Ruling on the Mandanas Garcia Case)

NATIONAL TAXES

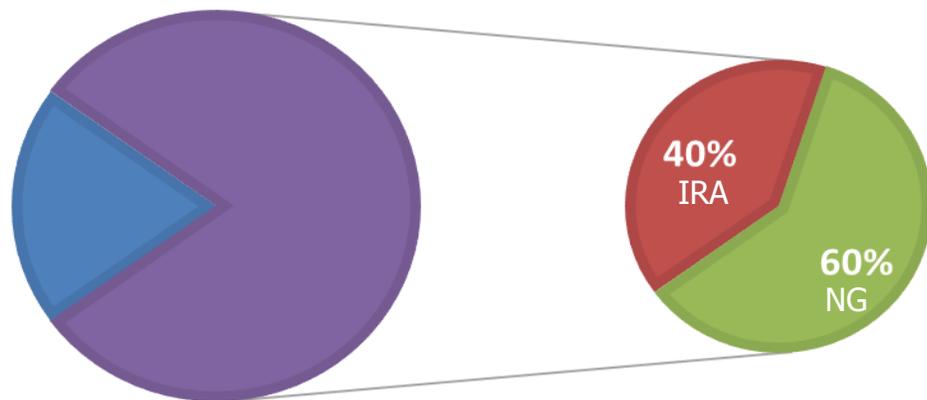


NTA AND THE SC RULING ON THE MANDANAS-GARCIA CASE

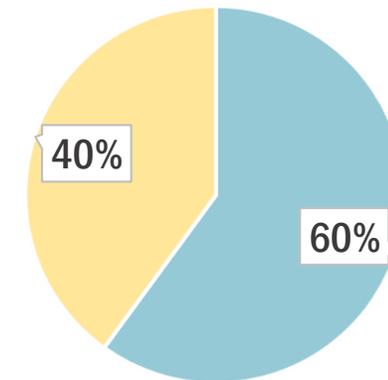
SUPREME COURT RULING ON THE MANDANAS-GARCIA CASE

- The Supreme Court ruled **that the just share of LGUs from the national taxes is not limited to “national internal revenue taxes”** collected by the Bureau of Internal Revenue but includes collections (customs duties) by the Bureau of Customs and other collecting agencies.

BEFORE MANDANAS RULING



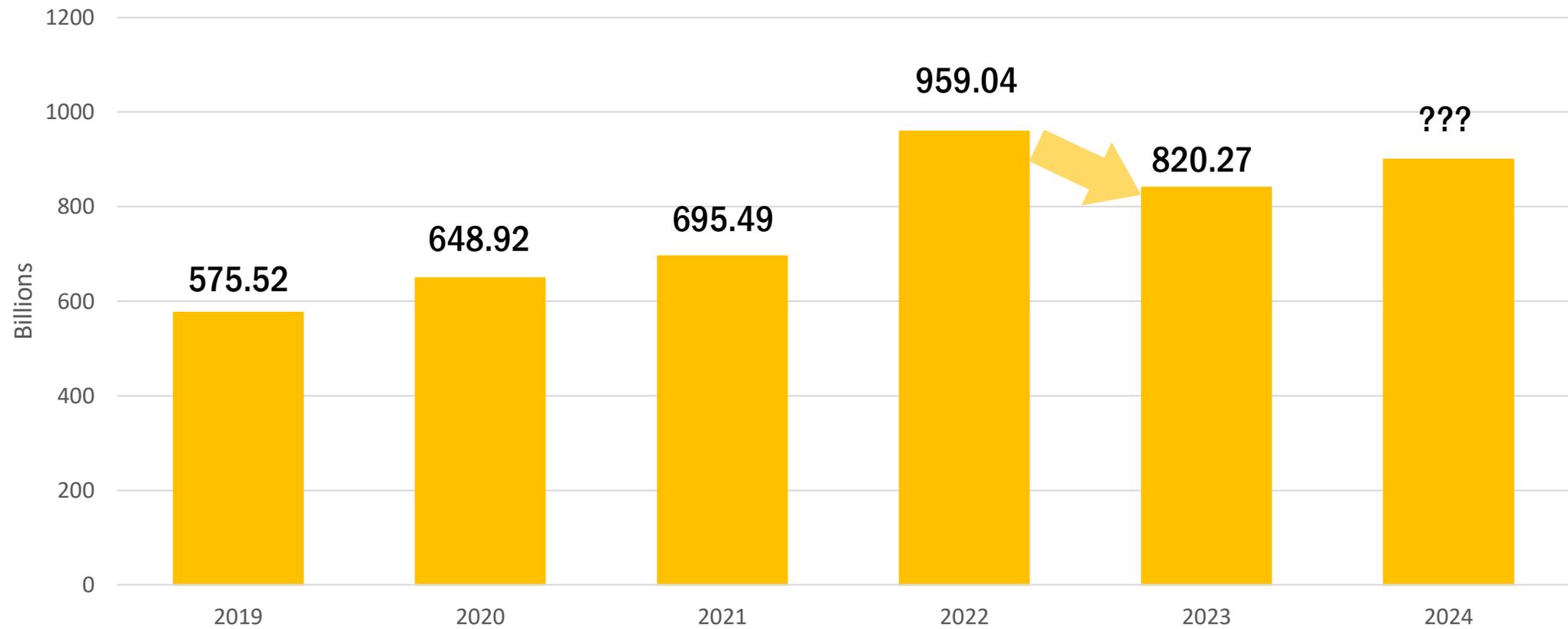
AFTER MANDANAS RULING (NATIONAL TAXES)



NATIONAL
TAXES

■ National Government ■ Internal Revenue Allotment

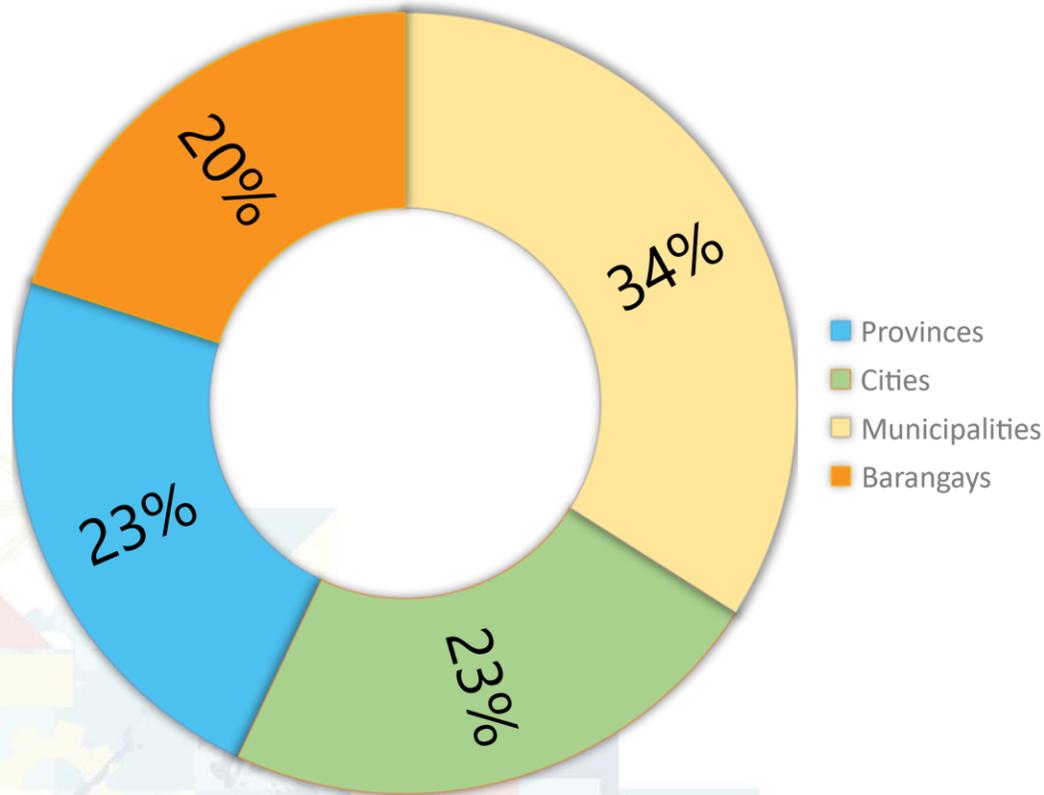
LOWER NTA IN FYs 2023 and 2024



FY 2023 NTA OF LGUs

Certification	Amount (Php)	
	FY 2022	FY 2023
Bureau of Internal Revenue	765,201,593,000	665,801,610,000
Bureau of Customs	193,738,592,000	154,434,736,000
Bureau of the Treasury	101,065,000	32,582,000
TOTAL	959,041,250,000	820,268,928,000

ALLOCATION OF THE NTA PER LGU LEVEL



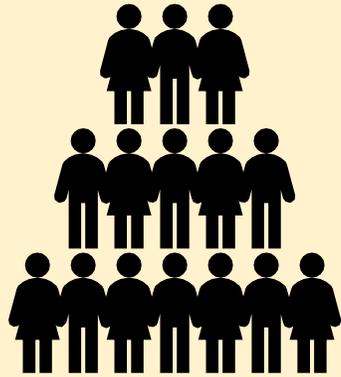
NTA ALLOCATION PER LGU LEVEL

LEVEL OF LGU	NO. OF LGUs	TOTAL NTA SHARES
Provinces	82 ¹	188,661,853,440
Cities	146	188,661,853,440
Municipalities	1,488	278,891,435,520
Barangays	41,935 ²	164,053,785,600
Total	43,651	820,268,928,000

¹There are only 81 Provinces, but the Metro Manila Development Authority receives IRA like that of a Province pursuant to Section 10 (b) of RA No. 7924.

²Inclusion of Barangay Ladol, Alabel, Sarangani (RA No. 11599) and Barangay La Medalla, Pio Duran, Albay (RA No. 11671)

ALLOCATION OF THE FY 2023 NTA



FY 2020 Census of
Population



FY 2001 Master List
of Land Area



**SALIENT FEATURES OF
LOCAL BUDGET MEMORANDUM NO. 85
RE: FY 2023 NATIONAL TAX ALLOTMENT
SHARES OF LGUs**



SALIENT FEATURES OF LBM NO. 85 COVERING THE INDICATIVE FY 2023 NTA SHARES OF LGUs AND PREPARATION OF ANNUAL BUDGETS OF LGUs

Implementation of the SC Ruling
on the Mandanas-Garcia Case



PS Limitation

Preparation of Local Budget
Preparation Forms



Monitoring and
Evaluation

Impacts of the
COVID-19 pandemic



Other programs and projects
based on existing laws



Implementation of the SC Ruling on the Mandanas-Garcia Petitions

- In view of the limited fiscal space of the National Government, the funding support for local projects shall be limited to LGUs belonging to the 5th and 6th income classes, the GIDAs, and LGUs with highest poverty incidences.
- The LGUs that may no longer be covered by the pertinent NGAs are expected to provide funds for the implementation and delivery of devolved functions and services.
- The LGUs shall ensure that the implementation of the following are prioritized in their respective Annual Investment Programs and Annual Budgets:



LGU Devolution
Transition Plan



Capacity
Development
Agenda



Development of
Communications
Plan and Strategy



Preparation of Local Budget Preparation Forms

Provinces, Cities, and Municipalities	Barangays
LBP Form No. 1 – Budget of Expenditures and Sources of Financing	BBP Form No. 1 – Budget of Expenditures and Sources of Financing
LBP Form No. 2 – Programmed Appropriation and Obligation by Object of Expenditure	BBP Form No. 2 – Programmed Appropriation by PPA, Expense Class, Object of Expenditure and Expected Results
LBP Form No. 2-A – Programmed Appropriation and Obligation for Special Purpose Appropriations	BBP Form No. 2-A – List of Projects Chargeable Against the 20% Development Fund
LBP Form No. 3 – Plantilla of LGU Personnel	BBP Form No. 3 – Plantilla of Personnel
LBP Form No. 4 – Mandate, Vision/Mission, Major Final Output, Performance Indicators and Targets	BBP Form No. 4 – Statement of Indebtedness
LBP Form No. 5 – Statement of Indebtedness	
LBP Form No. 6 – Statement of Statutory and Contractual Obligations and Budgetary Requirements	
LBP Form No. 7 – Statement of Fund Allocation by Sector	



Impacts of the COVID-19 Pandemic

LGUs are encouraged to continue to provide funds for COVID-19-related PPAs and expenses such as:

- ✓ **Related to the prevention of the spread of COVID-19;**
- ✓ **Provision of basic services to the affected population;**
- ✓ **Support to frontline workers;**
- ✓ **Procurement and administration of COVID-19 vaccines, and ancillary supplies and services; and**
- ✓ **Other PPAs related to COVID-19 response and recovery measures.**



Waiver of the Personal Services limitation of LGUs

- **The enforcement of PS limitation of LGUs will be proposed to be waived for the LGUs' hiring of additional personnel/manpower who will implement the devolved services and functions.**
- **This will be included in the FY 2023 National Expenditure Program, which shall be subject to budget authorization/legislation by Congress.**
- **The LGUs shall be guided by the guidelines prescribed under Local Budget Circular No. 145 dated March 2, 2022.**



DEPARTMENT OF BUDGET AND MANAGEMENT

**GUIDELINES ON THE IMPLEMENTATION OF
PS LIMITATION ON LOCAL GOVERNMENT BUDGETS AND
DETERMINATION OF WAIVED PS ITEMS PURSUANT TO
SECTION 93 OF THE GENERAL PROVISIONS OF THE FY 2022
GENERAL APPROPRIATIONS ACT, REPUBLIC ACT NO. 11639,
AND YEARS THEREAFTER**

Local Budget Circular No. 145 dated March 2, 2022



LEGAL BASES

1

Section 325 (a) and 331
(b) of the Local
Government Code of 1991
(RA No. 7160)

2

Section 93 of the
General Provisions of
the FY 2022 GAA,
RA No. 11639



WAIVED PERSONAL SERVICES ITEMS

01

Absorb the cost of hospital services transferred from provinces to newly-created cities

02

Pay the Collective Negotiation Agreement incentives of their employees

03

Pay the Retirement and Terminal Leave Benefits, including the monetization of Leave Credits of their employees

04

Pay the minimum Year-End Bonus of the Punong Barangay and other mandatory barangay officials, and their Cash Gifts

05

Pay the salaries and benefits of health/medical personnel that may be hired to perform functions related to emergency situations

06

Pay the special benefits that may be authorized to be granted to LGU personnel during emergency situations

07

Pay the salary differentials of LGU-hired Public Health Workers to fully implement the provisions of RA No. 7305

08

Pay the salaries and other benefits of additional personnel that may be hired by the LGUs to implement the devolved basic services and functions

POLICY GUIDELINES

01

The total appropriations for PS of all LGUs shall be subject to the limitation prescribed under Sections 325 (a) Section 331 (b) of RA No. 7160.

03

Provisions for actual salaries of incumbent personnel occupying regular positions that were properly created shall be prioritized.

02

Funding priorities shall be observed in the formulation of the Personal Services component of LGU budgets

04

Vacant and new positions shall be adequately provided with corresponding appropriations for salaries, authorized allowances and benefits, and fixed personnel expenditures, to back up their legal existence; otherwise, said positions should be deemed abolished.

POLICY GUIDELINES

05

The appropriations for salaries, wages, representation and transportation allowances of officials and employees of the public utilities and economic enterprises owned, operated, and maintained by LGUs shall not be included in the annual budget or in the computation of the maximum amount for PS.

07

The cost of hiring additional personnel not related to the implementation of the devolved functions and services shall not be considered as part of the waived PS items. Moreover, the LGUs that have not yet prepared and submitted their LGU DTPs shall not be allowed to implement the PS waived items.

06

The additional positions that may be created by LGUs to implement the devolved basic services and functions should be those that are reflected in the approved DTP of the LGU.

08

The waived PS items pursuant to Section 93 of the GPs of the FY 2022 GAA, RA No. 11639 shall only be implemented in FY 2022.



Monitoring and Evaluation System

LGUs are enjoined to fully cooperate in the implementation of results-oriented based monitoring and evaluation systems which shall be in place and strengthened to ensure purposive conduct of evaluations in the performance and delivery of devolved functions and services.



Other Priority Programs and Projects Based on Existing Laws

01 Aid to component barangays of not less than Php 1,000.00 per barangay

02 PPAs attributed for GAD, Senior Citizens and PWDs, combatting AIDS, and programs of LCPC

03 PPAs included in local nutrition action plans

04 Anti-illegal drug programs and/or activities

05 PPAs included in the annual cultural development plans

06 Integrated coastal management programs

07 Local agricultural and fisheries mechanization, irrigation, FMR, and other related infrastructure programs

08 Establishment of Community-Based Monitoring System



REVISED GUIDELINES ON THE APPROPRIATION AND UTILIZATION OF THE 20% OF THE ANNUAL INTERNAL REVENUE ALLOTMENT FOR DEVELOPMENT PROJECTS

DBM-DOF-DILG Joint Memorandum Circular No. 1 dated November 4, 2020



**DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)
DEPARTMENT OF FINANCE (DOF)
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG)**

Joint Memorandum Circular (JMC) No. 1

Date: November 4, 2020

To : Local Chief Executives, Members of the Local Sanggunians, Members of the Local Finance Committees, Local Accountants, Heads and Directors of the Central and Regional Offices/Field Offices of the DBM, DOF-Bureau of Local Government Finance (BLGF), and DILG, and All Others Concerned

Subject : **REVISED GUIDELINES ON THE APPROPRIATION AND UTILIZATION OF THE TWENTY PERCENT (20%) OF THE ANNUAL INTERNAL REVENUE ALLOTMENT FOR DEVELOPMENT PROJECTS**

1.0 BACKGROUND

Pursuant to Section 287 of the Local Government Code of 1991 (Republic Act [RA] No. 7160), "[e]ach local government unit (LGU) shall appropriate in its annual budget no less than twenty percent (20%) of its annual Internal Revenue Allotment (IRA) for development projects." The said required allocation of LGUs out of their respective annual IRA¹ shares has been commonly known as the 20% Development Fund (DF).

Previous circulars jointly issued by the DILG and DBM provided the guidelines and policies on the appropriation and utilization of the 20% DF.

LEGAL BASIS

Each local government units shall appropriate in its annual budget **no less than twenty percent (20%)** of its annual Internal Revenue Allotment for development projects.

-- Section 287 of RA No. 7160



GENERAL GUIDELINES

01

The 20% DF shall be utilized to finance the LGUs' priority development projects.

03

The LGUs shall ensure that the development projects are **well planned and procurement and implementation ready**.

02

The development projects that may be included under the 20% DF shall be **necessary, appropriate, or incidental** to efficient and effective local governance, and **essential to the promotion of the general welfare of the people**.

04

Technical assistance may be sought from NGAs for the determination of the more relevant and responsive development projects and to ensure compliance with the standards prescribed by the NGAs concerned.





The following expenditure items shall not be allowed to be charged against the 20% DF:

- **Personal Services expenditures;**
 - **Administrative expenses;**
 - **Traveling expenses;**
 - **Registration fees and other expenses related to the conduct of and participation to trainings, seminars, conferences or conventions;**
 - **Purchase, maintenance or repair of administrative office' furniture, fixtures, equipment or appliances; and**
 - **Purchase, maintenance or repair of motor vehicles used for administrative purposes.**
- 



REPUBLIC ACT NO. 11768

**AN ACT STRENGTHENING THE SANGGUNIANG KABATAAN,
INSTITUTIONALIZING ADDITIONAL REFORMS TO REVITALIZE
YOUTH PARTICIPATION IN LOCAL GOVERNANCE AND BY
PROVIDING HONORARIUM, OTHER BENEFITS, AND PRIVILEGES,
AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC
ACT NO. 10742, OTHERWISE KNOWN AS THE “SANGGUNIANG
KABATAAN REFORM ACT OF 2015”**



SALIENT FEATURES OF REPUBLIC ACT NO. 11768

Age

18 to 30

Expands eligibility for Sangguniang Kabataan Treasurer and Secretary

not more than

25%

SK funds can be allocated for personnel services



Additional honorarium, social welfare contributions, and hazard pay

not more than

15%

set aside an amount for mandatory and continuing training

not less than

1%

Allows appropriation of LGU budget for LYDO



UPDATING OF PFM MANUALS

- **Budget Operations Manual for LGUs**
 - **Internal Audit Manual for LGUs**
 - **eBudget System for LGUs**
 - **Electronic Public Financial Management Assessment Tool**
- 

UPDATING OF THE BOM FOR LGUs

To update the BOM for LGUs, 2016 edition in accordance with the several significant developments in the local government sector (i.e., Supreme Court ruling on the Mandanas-Garcia petition, creation of the Special Health Fund, Salary Standardization Law of 2019, new guidelines on the 20% Development Fund and Special Education Fund, and among others)

UPDATING OF THE BOM FOR LGUs

To update the BOM for LGUs, 2016 edition in accordance with the several significant developments in the local government sector (i.e., Supreme Court ruling on the Mandanas-Garcia petition, creation of the Special Health Fund, Salary Standardization Law of 2019, new guidelines on the 20% Development Fund and Special Education Fund, and among others)

UPDATING OF THE IAM FOR LGUs

To update the IAM for LGUs taking into consideration the recent revision of the Philippine Government Internal Audit Manual (PGIAM) and other significant developments in internal audit. (Item 3.2 of the DBM Circular Letter No. 2020-8 dated May 26, 2020)

UPGRADING THE eBUDGET SYSTEM FOR LGUs

ENTER YOUR ACCOUNT CREDENTIALS TO CONTINUE

Username
Enter Username

Password
Enter Password

LOG IN

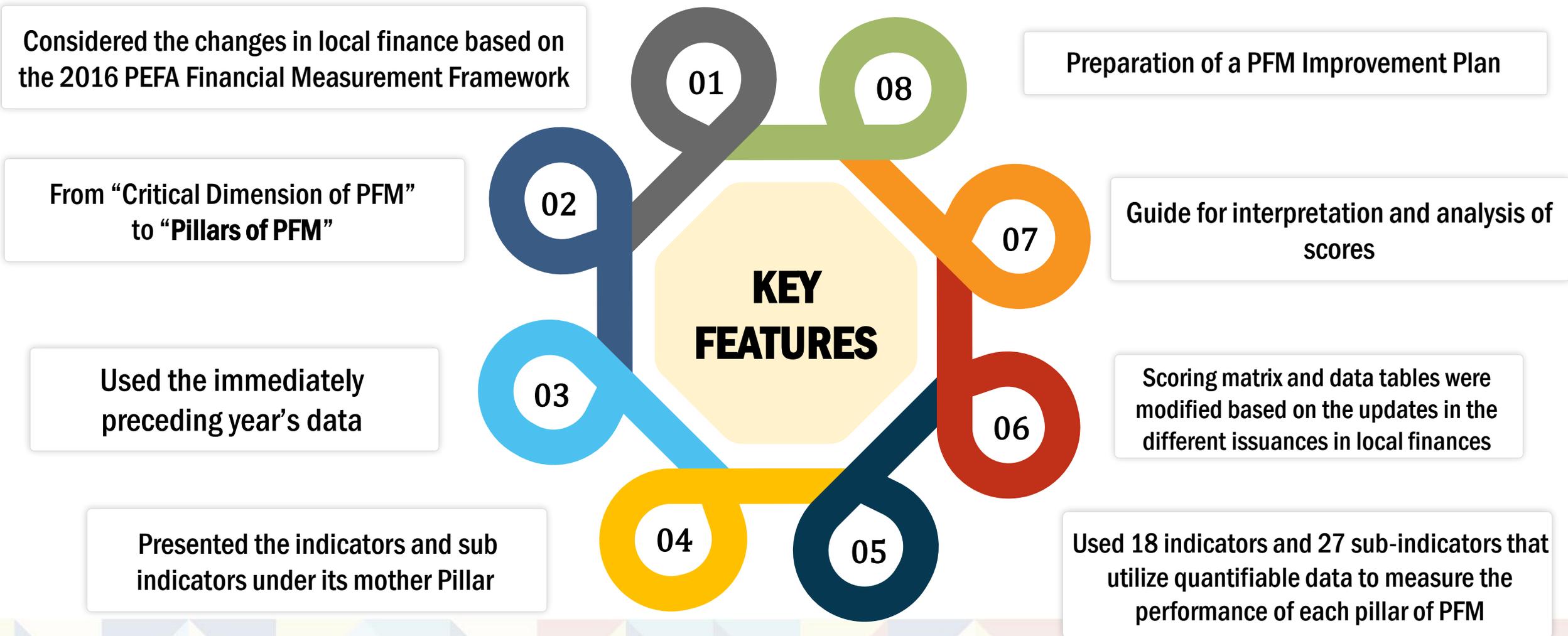
[Forgot password?](#)

e-Budget
FOR LGUS

A Project of Department of Budget and Management Funded by the EU
Technical Assistance for Local Government Units

The Project on Upgrading the eBudget System for LGUs developed a new eBudget system to LGUs, which synchronized with the Electronic Statement of Receipts and Expenditures (eSRE) of the DOF and cover all facets of budgeting from budget preparation to budget accountability.

ENHANCED PUBLIC FINANCIAL MANAGEMENT ASSESSMENT TOOL AND ITS ELECTRONIC VERSION





FY 2022 LOCAL GOVERNMENT SUPPORT FUND COMPONENTS

FY 2022 LOCAL GOVERNMENT SUPPORT FUND

Financial Assistance to Local Government Units	P 5,583,396,000
Support for Capital Outlays and Social Programs	5,007,600,000
Conditional Matching Grant to Provinces for Road and Bridge Rehabilitation, Upgrading and Improvement	500,000,000
Support to the Barangay Development Program of the National Task Force to End Local Communist Armed Conflict	5,624,000,000
Growth Equity Fund	1,250,000,000
TOTAL	P 17,964,996,000



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



LOCAL BUDGET CIRCULAR NO. 142 DATED JANUARY 24, 2022

GUIDELINES ON THE RELEASE AND UTILIZATION OF THE LGSF– FA to LGUs AND SUPPORT FOR CAPITAL OUTLAYS AND SOCIAL PROGRAMS UNDER THE FY 2022 GAA, RA NO. 11639

LOCAL BUDGET CIRCULAR

No. **142**
Date: **January 24, 2022**

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

Subject : **GUIDELINES ON THE RELEASE AND UTILIZATION OF THE LOCAL GOVERNMENT SUPPORT FUND–FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT UNITS AND SUPPORT FOR CAPITAL OUTLAYS AND SOCIAL PROGRAMS UNDER THE FY 2022 GENERAL APPROPRIATIONS ACT, REPUBLIC ACT NO. 11639**

1.0 LEGAL BASIS

Pursuant to Special Provision (SP) No. 2 of the Local Government Support Fund (LGSF) under the FY 2022 General Appropriations Act (GAA), Republic Act (RA) No. 11639, the amount appropriated for the LGSF-Financial Assistance to Local Government Units and Support for Capital Outlays and Social Programs (hereinafter referred to as "LGSF-FA to LGUs" for brevity) includes Five Billion Five Hundred Eighty Three Million Three Hundred Ninety Six Thousand Pesos (PhP 5,583,396,000.00) for FA to LGUs and Five Billion Seven Million Six Hundred Thousand Pesos (PhP 5,007,600,000.00) for support for Capital Outlays and social programs to LGUs, except for LGUs under the Bangsamoro Autonomous Region in Muslim Mindanao, to support the following projects:

- i) Construction, concreting, rehabilitation, repair or improvement of any of the following: (a) local roads and/or bridges; (b) public markets; (c) slaughterhouses; (d) multi-purpose buildings/halls/facility including daycare center; (e) auditorium stage; (f) perimeter fence; (g) multi-purpose pavements; (h) drainage canals; (i) sea wall or river wall; (j) water system projects including level 1 or stand-alone water points; (k) evacuation centers; (l) public parks/eco-tourism parks; (m) fish ports; (n) post-harvest facilities composed of ice plant and cold storage facilities; and (o) protected bike lanes and better pedestrian infrastructure;
- ii) Purchase of ambulance, trucks, mini dump trucks, or multicabs;



APPROPRIATION

LGSF-Financial Assistance to Local Government Units

PHP 5,583,396,000

except for LGUs under the Bangsamoro Autonomous Region in Muslim Mindanao

Support for Capital Outlays and Social Programs

PHP 5,007,600,000

except for LGUs under the Bangsamoro Autonomous Region in Muslim Mindanao





ELIGIBLE PROGRAMS AND PROJECTS

- **Construction, concreting, rehabilitation, repair or improvement of any of the following:**
 - a. local roads and/or bridges;**
 - b. public markets;**
 - c. slaughterhouses;**
 - d. multi-purpose buildings/halls/facility including daycare center;**
 - e. auditorium stage;**
 - f. perimeter fence;**
 - g. multi-purpose pavements;**
 - h. drainage canals;**
- 



ELIGIBLE PROGRAMS AND PROJECTS

- **Construction, concreting, rehabilitation, repair or improvement of any of the following:**
 - i. sea wall/river wall;**
 - j. water system projects including level 1 or stand-alone water points;**
 - k. evacuation centers;**
 - l. public parks/eco-tourism parks;**
 - m. fish ports;**
 - n. post-harvest facilities composed of ice plant and cold storage facilities; and**
 - o. protected bike lanes and better pedestrian infrastructure.**
- 



ELIGIBLE PROGRAMS AND PROJECTS

- **Purchase of ambulance, trucks, mini dump trucks, multi-purpose vehicles, or multicabs;**
 - **Purchase of medical/rescue/disaster-related equipment;**
 - **Street lighting or barangay electrification;**
 - **Purchase and installation of Closed-Circuit Television Surveillance System; and**
 - **Assistance to indigent individuals or families in any of the following forms: (a) medical; (b) burial; (c) transportation; (d) food assistance; (e) cash for work; and (f) educational assistance.**
- 



GUIDELINES IN THE RELEASE OF FY 2022 LGSF-FA TO LGUs

LGU

DBM Central Office

BTr

Submit request and corresponding
documentary requirements to the
DBM Central Office





DOCUMENTARY REQUIREMENTS

- **Special Budget Requests/Letter of Intent, signed by the LCE of the LGU**
 - **For purchase of motor vehicles:**
 - (i) Project Profile for Motor Vehicles; and**
 - (ii) Inventory of Motor Vehicles**
 - **Report on Fund Utilization for any previous releases funded under the FY 2016 to FY 2021 LGSF-FA to LGUs**
- 

GUIDELINES IN THE RELEASE OF FY 2022 LGSF-FA TO LGUs

LGU

DBM Central Office

BTr

Submit request and corresponding documentary requirements to the DBM Central Office

Check compliance with the documentary requirements submitted by the LGUs and return the same immediately in the event that the documentations required are incomplete

Conduct evaluation of the fully compliant SBRs and render appropriate action thereon

INDICATIVE CEILING

Level of LGU	Maximum Amount per LGU
Barangay	5,000,000
Municipality	10,000,000
City	20,000,000
Province	30,000,000



DEADLINE

June 30, 2022

in order to ensure that funds are released within the Fiscal Year





LIMITATIONS ON THE USE OF THE LGSF-FA TO LGUs

The LGSF-FA to LGUs shall **only** be used:

- For the purpose the program and/or project, including the location thereof, for which the fund was released; and
- For the purchase of motor vehicles with specifications, costs, deployment, and/or purpose as specified in the APMV in the form of Confirmation Letter issued by the DBM to the LGU.

The LGSF-FA to LGUs shall **not** be used for:

- Projects already fully covered by other sources of funds; and
 - Payment of Personal Services expenditures.
- 

DILG MEMORANDUM CIRCULAR NO. 2022-043 DATED APRIL 8, 2022

IMPLEMENTATION GUIDELINES OF THE CONDITIONAL MATCHING GRANT TO PROVINCES FOR ROAD AND BRIDGE REHABILITATION, UPGRADING AND IMPROVEMENT UNDER THE LGSF IN THE FY 2022 GAA, RA NO. 11639



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, West Triangle, Quezon City
<http://www.dilg.gov.ph>



MEMORANDUM CIRCULAR
No. 2022 - 043

TO : ALL PROVINCIAL GOVERNORS, MEMBERS OF THE SANGGUNIANG PANLALAWIGAN, LOCAL ROAD MANAGEMENT TEAM OF PROVINCES, DILG REGIONAL DIRECTORS, MINISTER (MILG - BARMM) AND ALL OTHERS CONCERNED IN THE IMPLEMENTATION OF THE CMGP PROGRAM

SUBJECT : IMPLEMENTATION GUIDELINES OF THE CONDITIONAL MATCHING GRANT TO PROVINCES FOR ROAD AND BRIDGE REHABILITATION, UPGRADING AND IMPROVEMENT (CMGP) UNDER THE LOCAL GOVERNMENT SUPPORT FUND IN THE FY 2022 GENERAL APPROPRIATIONS ACT (GAA), REPUBLIC ACT NO. 11639

DATE : APR 08 2022

1.0 Background

The CMGP is a *Governance Reform Program* that aims to sustainably improve the quality of local road network across the country by using road infrastructure projects as an entry point to reinforce the achievement of reform targets aimed at enhancing the Provinces' systems, processes, and practices in Local Road Management (LRM) and Public Financial Management (PFM). Over the course of more than four (4) years of CMGP project and governance reform implementation, the majority of provinces have significantly enhanced their ability to plan, design, manage, and maintain their local road infrastructure projects.

Special Provision (SP) No. 1 of the LGSF under the Allocations to LGUs (ALGU) in the FY 2022 GAA, RA No. 11639 provides that the amount of Five Hundred Million Pesos (P500,000,000.00) shall be used for road and bridge rehabilitation, upgrading and improvement of the provinces identified therein.



APPROPRIATION

PhP 500,000,000

covers seventeen (17) provinces identified in FY 2022 GAA, namely: Ifugao, Quirino, Aurora, Bulacan, Zambales, Cavite, Rizal, Southern Leyte, Camiguin, Lanao del Norte, Misamis Occidental, Davao del Norte, Davao del Sur, Agusan del Norte, Surigao del Sur, Sulu, and Tawi-Tawi



DOCUMENTARY REQUIREMENTS

01

Result of 2021 Local Road Management Performance Assessment

03

Notarized Omnibus Sworn Statement

02

Latest DBM-validated Public Financial Management Improvement Plan

04

Detailed Engineering Design compliant with the DPWH standards



DEADLINE OF SUBMISSION

June 30, 2022





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



LOCAL BUDGET CIRCULAR NO. 144 DATED FEBRUARY 28, 2022

GUIDELINES ON THE RELEASE AND UTILIZATION OF THE LGSF- SUPPORT TO BARANGAY DEVELOPMENT PROGRAM OF THE NATIONAL TASK FORCE TO END LOCAL COMMUNIST ARMED CONFLICT UNDER THE FY 2022 GAA, RA NO. 11639

LOCAL BUDGET CIRCULAR

No. 144
Date: February 28, 2022

To : Local Chief Executives, Members of the Local Sanggunian, Local Budget Officers, Local Treasurers, Local Planning and Development Coordinators, Local Accountants, National Government Agencies Concerned, and All Others Concerned

Subject : **GUIDELINES ON THE RELEASE AND UTILIZATION OF THE LOCAL GOVERNMENT SUPPORT FUND – SUPPORT TO BARANGAY DEVELOPMENT PROGRAM OF THE NATIONAL TASK FORCE TO END LOCAL COMMUNIST ARMED CONFLICT UNDER THE FY 2022 GENERAL APPROPRIATIONS ACT, REPUBLIC ACT NO. 11639**

1.0 BACKGROUND

President Rodrigo Roa Duterte signed Executive Order (EO) No. 70, s. 2018,¹ which recognizes the need to reframe and refocus the government policy for achieving inclusive and sustainable peace by recognizing that insurgencies, internal disturbance and tensions, and armed conflicts and threats are not only military and security concerns but symptomatic of broader social, economic, and historical problems.

To address the root cause of insurgency and other armed conflicts, there is a need to prioritize and harmonize the delivery of basic services and social delivery packages by the government and, at the same time, facilitate societal inclusivity and ensure active participation of the different sector of the society in the pursuit of sustainable peace and prosperity.

One of the strategies being implemented to address development gaps is the Retooled Community Support Program (RCSP), which is a convergence mechanism for local governments, particularly at the barangay level, for the identification of issues and needed government interventions. It is anchored on the empowerment framework that intends to develop people's capability to organize themselves and implement their own programs and projects by bringing about value chain interventions to uplift their current condition.²



APPROPRIATION

PHP 5,624,000,000

implementation of various support programs of the NTA-ELCAC for the 1,406 cleared barangays





ELIGIBLE PROGRAMS AND PROJECTS

Each cleared barangay shall be allocated with an amount **not exceeding PHP 20,000,000** to be used for the following projects:

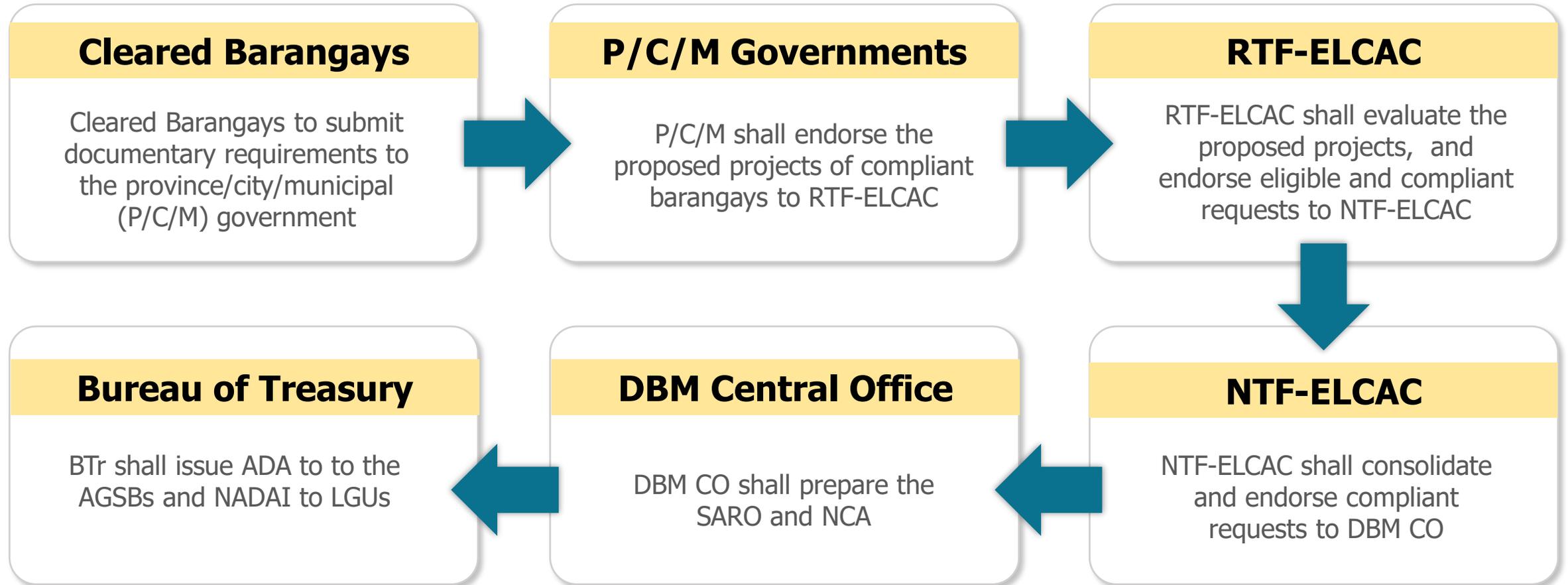
- a. farm-to-market road;
 - b. school building;
 - c. water and sanitation system;
 - d. health stations; and
 - e. electrification.
- 

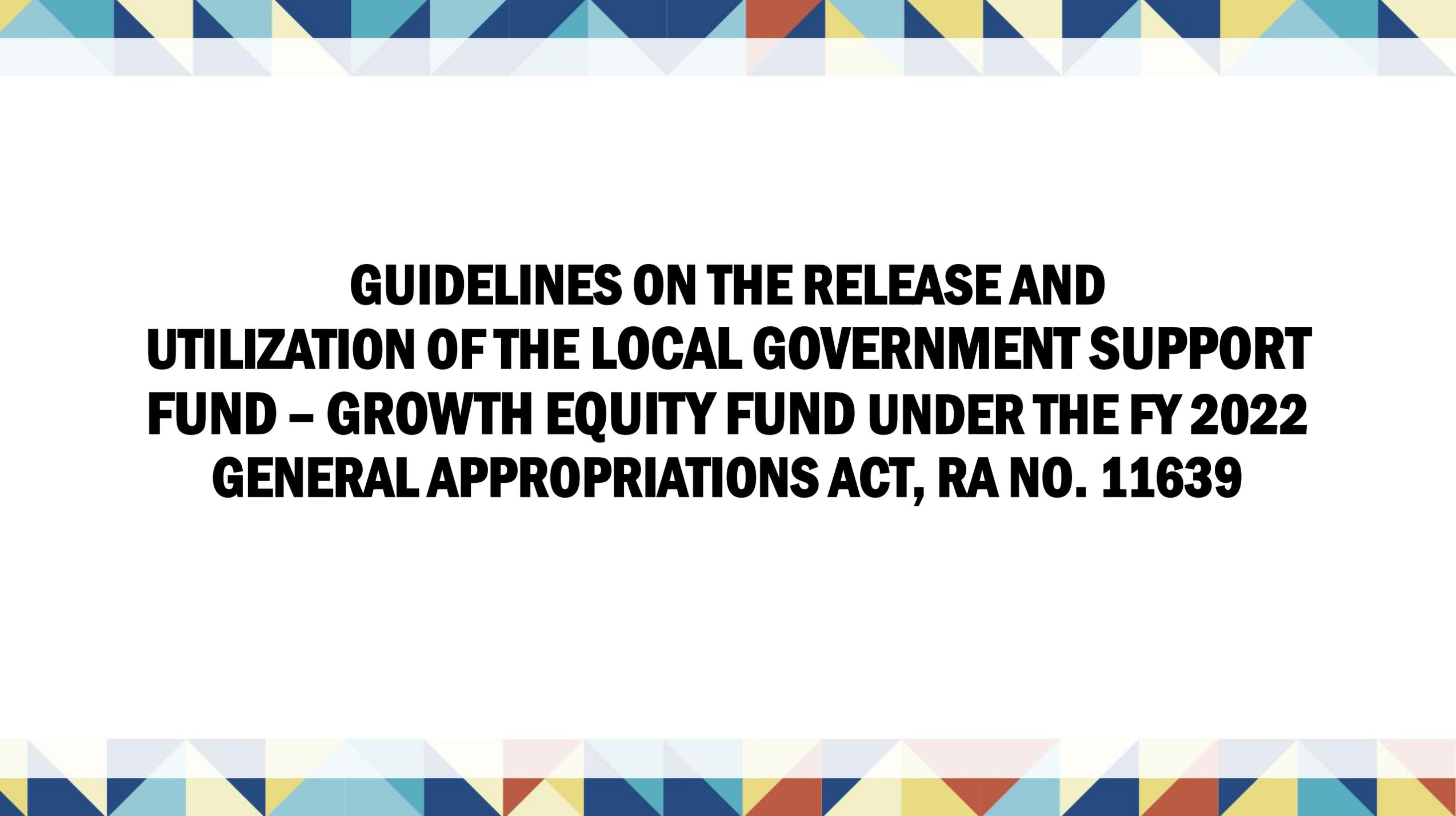


DOCUMENTARY REQUIREMENTS

- Request letter signed by the Punong Barangay;
 - In case the request covers 2 or more projects, the order or hierarchy of priorities of the barangay shall be provided in the request letter; and
 - Contact details signed by the Punong Barangay.
- 

GUIDELINES IN THE RELEASE OF FY 2022 LGSF-SBDP





**GUIDELINES ON THE RELEASE AND
UTILIZATION OF THE LOCAL GOVERNMENT SUPPORT
FUND – GROWTH EQUITY FUND UNDER THE FY 2022
GENERAL APPROPRIATIONS ACT, RA NO. 11639**

ESTABLISHMENT OF GROWTH EQUITY FUND

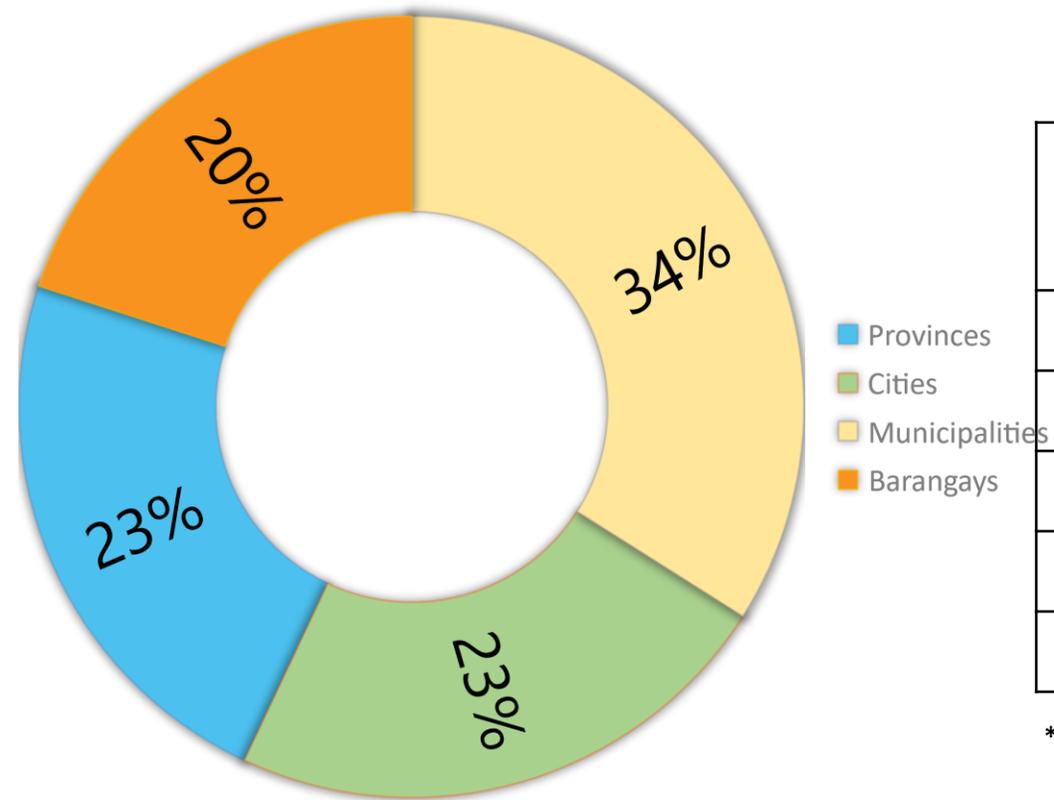
APPROPRIATION:

P 1.25 B



A Growth Equity Fund shall be established starting FY 2022 to address problem of marginalization, unequal development, and high poverty incidence across different LGUs.

ALLOCATION CRITERIA



LEVEL OF LGU	% ALLOCATION	ALLOCATION (PhP)
Provinces	10%	125 Million
Cities	10%	125 Million
Municipalities	70%	875 Million
GIDA Barangays	10%	125 Million
Total	100%	PhP 1.25 B

*The LGUs in the BARMM shall not be included in the allocation of the FY 2022 LGSF-GEF.

ELIGIBILITY CRITERIA



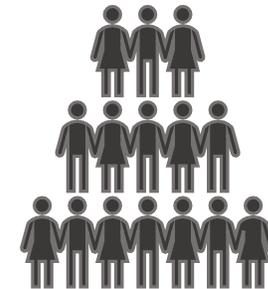
Income Bracket

Deflated the FYs 2017-2020 income to the FYs 2004-2007 income of the LGUs



Poverty Incidence

2018 Full Year Official Poverty Statistics and 2018 Municipal and City Level Poverty Estimates of the PSA



Per capita FY 2022 NTA

ratio of the National Tax Allotment for the FY 2022 and the 2020 POPCEN of the PSA

BENEFICIARY LGUs

LGU Level	Income Bracket	No. of LGUs	Allocation (Php)		
			Min	Max	Average
Provinces	Bracket 4	3	11,185,920	58,000,370	41,666,667
Cities	Bracket 4	7	10,723,550	28,955,860	17,857,143
Municipalities	Bracket 4 to 5	150	2,713,470	9,200,590	5,833,333
GIDA Barangays	From Municipalities belonging to Bracket 4 to 5	270	459,620	560,560	462,963



ALLOCATION CRITERIA

50%

Poverty incidence from the 2018
Family Income and Expenditure
Survey (FIES) of the PSA

50%

per capita FY 2022 NTA based on the
2020 Census of Population of the PSA

*The LGUs in the BARMM shall not be included in the allocation of the FY 2022 LGSF-GEF.



RELEASE OF THE ALLOCATIONS

01

FY 2022 LGSF-GEF - released to the beneficiary provinces, cities, municipalities, and barangays.

03

The SARO shall be released by the DBM to the BTr, while the corresponding NCAs shall be released to the AGSBs of the beneficiary LGUs.

02

Beneficiary LGUs are **not** required to submit any documentary requirement prior to the release of the fund

04

Upon receipt of the Advice of NCA Issued from the DBM, the BTr shall release the corresponding ADAs to the AGSBs of the beneficiary LGUs.

UTILIZATION OF THE ALLOCATIONS

01

The programs and projects shall be those that are included in their respective Devolution Transition Plans (DTPs).

03

The programs and projects shall be included in their respective duly approved LDIP and AIP.

02

Only the LGUs that have DTPs approved by the Local Sanggunian on or before the issuance of the LBC, as confirmed by the DILG, shall be qualified to be beneficiaries of the FY 2022 LGSF- GEF.

04

The beneficiary LGUs shall conduct public consultations through the Civil Society Organizations, and seek technical assistance from the NGAs concerned.

UTILIZATION OF THE ALLOCATIONS

05

The beneficiary higher level LGUs shall prioritize their component LGUs that did not receive any allocation from the FY 2022 LGSF-GEF.

07

Beneficiary LGUs shall seek technical assistance from the NGAs concerned to ensure their compliance with the standard prescribed by the National Government.

06

Beneficiary lower level LGUs shall coordinate with the higher level LGUs to ensure harmonization and vertical integration of development requirements and convergence across different levels of LGUs.

08

The beneficiary LGU shall provide counterpart funds for the completion of programs and projects which cost exceed the amount of allocation received.



MONITORING AND EVALUATION

- **DILG - monitoring and evaluation (M&E) of actual project implementation of LGUs**
 - **DBM - provide the DILG with a list of releases for M&E purposes**
 - **Beneficiary LGUs - comply with the guidelines that may be issued by the DILG for M&E of actual implementation of projects**
- 



LIMITATIONS ON THE USE OF THE FY 2022 LGSF-GEF

The FY 2022 LGSF-GEF shall **not** be used for the following expenditure items:

- Payment of Personal Services expenditures;
 - Administrative expenses;
 - Traveling expenses, whether domestic or foreign;
 - Registration fees and other expenses related to the conduct of and participation to trainings, seminars, conferences or conventions;
 - Purchase, maintenance or repair of administrative office' furniture, fixtures, equipment or appliances;
 - Purchase, maintenance or repair of motor vehicles used for administrative purposes; and
 - Other PPAs and expenses that are not related to the implementation of devolved functions and services of LGUs.
- 



VALIDITY OF FY 2022 LGSF COMPONENTS

December 31, 2023





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

NOTICE TO THE PUBLIC

THIS IS TO WARN THE PUBLIC AGAINST DEALING WITH INDIVIDUALS CLAIMING TO BE CONNECTED WITH THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) OR IN ANY WAY CAPABLE OF FACILITATING THE RELEASE OF FUNDS.

THE DBM DOES NOT AND WILL NOT TOLERATE NOR CONDONE SAID ILLEGAL ACTIVITIES. ANY VIOLATION SHALL BE DEALT WITH STRICTLY AND BE PROSECUTED IN ACCORDANCE WITH APPLICABLE ADMINISTRATIVE AND CRIMINAL LAWS. THE PUBLIC IS THEREFORE CAUTIONED AGAINST ENTERTAINING SIMILAR OFFERS FROM ANYONE, REGARDLESS OF HIS/HER SEEMING INFLUENCE OR CONNECTION.

THE DBM STRICTLY FOLLOWS THE PROVISIONS OF LAWS, RULES, AND REGULATIONS ON THE RELEASE OF FUNDS. THE PUBLIC IS HEREBY ADVISED TO REFER TO OUR CITIZEN'S CHARTER ON THE REQUIREMENTS AND TIMELINE IN THE RELEASE OF FUNDS. THE DBM CITIZEN'S CHARTER IS CONSPICUOUSLY POSTED AT THE DBM PREMISES AND ON OUR WEBSITE (WWW.DBM.GOV.PH).

IF YOU HAVE ANY INFORMATION ON ANY SIMILAR UNDERTAKINGS OR HAVE RECEIVED OFFERS TO FACILITATE THE RELEASE OF FUNDS, WE ENCOURAGE YOU TO CALL US AT TELEPHONE NUMBER 735-4847. REST ASSURED THAT YOUR IDENTITY WILL BE KEPT CONFIDENTIAL.

Thank you!

For more information:
Department of Budget and Management
General Solano Street, San Miguel, Malacañang, Manila
Trunkline: (02) 8657-3300 local 2345
Website: www.dbm.gov.ph

