



Republic of the Philippines
Department of Environment and natural Resources
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MEMORANDUM

FOR : **The Regional Executive Director**
DENR Region 4B
Roxas Blvd., Manila

FROM : **The Director**
Financial and Management Service

SUBJECT : **Three-Year Implementation Plan in Support of the Kalayaan Island Group (KIG) Strategic Development Plan**

DATE : 8 November 2022

This refers to your memorandum dated 18 October 2022 regarding the submission of the Three-Year Implementation Plan (2022-2024) in support of the Kalayaan Island Group (KIG) Strategic Plan which was endorsed to our office by Undersecretary Analiza Rebuelta - Teh in her memorandum dated 26 October 2022 for review.

It is noted that the proposed plan with a proposed budget of P84,600,000.00 is requiring a multi-year implementation period. In several issuances^{1/} of DBM, it was emphasized that for all special projects which require a multi-year implementation period, a Multi-Year Contracting Authority shall be secured **before the commencement of the procurement activity**. The succeeding funding requirements of the Multi-Year Project shall be included in the budget proposal for the succeeding budget year and is within the total project cost and categories.

Furthermore, please identify the specific activities to align the proposed plan with the appropriate programs and projects for implementation. It is also suggested that coordination with all the offices concerned be done in order to come up with a detailed Implementation Plan and funding requirements for possible inclusion in the 2024 budget proposal.

For your information and appropriate action.


ANGELITO V. FONTANILLA

cc: **The Undersecretary**, Policy, Planning and International Affairs
The Undersecretary, Finance, Information Systems and Climate Change
The Undersecretary, Organizational Transformation
The Assistant Secretary, Policy, Planning and Foreign-Assisted and Special Projects
The Assistant Secretary, Finance, Information Systems and Mining Concerns
The OIC-Director, Policy and Planning Service

^{1/} Section 31 of the FY 2022 General Provision of the General Appropriations Act (RA No. 11639)
Section 8.0 of the Department of Budget and Management-National Budget Circular No. 587 dated January 3, 2022
Executive Order No. 91 dated September 9, 2019
DBM National Budget Circular No. 570 dated May 19, 2017
DBM Circular Letter No. 2015-7 dated June 3, 2015

- (d) Ecosystem functions and services such as, but not limited to, drainage, aquifer recharge, heat island effect, analysis of population dynamics which would engender the requirements of solid waste and wastewater management, and the need for softscape and vegetative cover shall be taken into consideration in all public infrastructure projects. These considerations shall be incorporated into the project Environmental Impact Assessments (EIAs) and commitments to protect these services shall be included in the project contracts;
- (e) A certificate of non-coverage or an Environmental Compliance Certificate (ECC) is required prior to the commencement of government infrastructure projects covered by the Philippine Environmental Impact Statement System; and
- (f) In the analysis of projects, the National Economic Development Authority (NEDA) must take into account natural accounting and ecosystem services values over time and provide this information to the NEDA Board in its decision-making process.

(CONDITIONAL IMPLEMENTATION - President's Veto Message, December 30, 2021, Volume I-B, page 818, R.A. No. 11639)

Sec. 29. Installation of Rainwater Collection System. Rainwater collection system (RWCS) shall be installed in public markets, school sites and government buildings and sites as an adaptation measure to combat climate change and to ensure sufficient water supply, which shall be in accordance with the prescribed design of DPWH. In no case shall the RWCS be constructed in private lots or privately-owned or operated market places.

Sec. 30. Certification of Availability of Funds. No obligations chargeable against any authorized allotment shall be incurred by departments, bureaus, and offices of the National Government, including Constitutional Offices enjoying fiscal autonomy, SUCs, GOCCs and LGUs, without first securing a certification of availability of funds (CAF) for the purpose from the agency Chief Accountant, subject to Section 40, Chapter 5 and Section 58, Chapter 7, Book VI of E.O. No. 292. The CAF sufficient to cover the cost of the contracted activities shall be contained in, and made part of, the contract duly signed by the Chief Accountant of the contracting agency.

For multi-year projects, the CAF shall be issued annually based on the budget for the year. In case of multi-year projects with no funding requirement on any given year, instead of the CAF, the Chief Accountant shall issue a certification that no fund is needed for the year, as indicated in the approved multi-year contractual authority (MYCA).

Sec. 31. Multi-Year Contracts. The issuance of a MYCA or any similar document shall be required before agencies may enter into multi-year contracts, subject to the requirements and guidelines prescribed by the DBM. *Provided, That, for foreign-assisted projects funded by foreign loans, the issuance of a MYCA shall no longer be necessary.*

In the procurement of multi-year projects, the MYCA or any similar document shall be required prior to commencement of any procurement activity.

In the case of GOCCs, they shall secure prior authority from their respective governing boards before entering into multi-year contracts.

For LGUs, they shall secure any equivalent document issued by their respective *sanggunian* authorizing them to enter into multi-year contracts.

For the multi-year PPP projects with government undertakings authorized under R.A. No. 6957, as amended by R.A. No. 7718, the same shall be covered by a letter of commitment issued in accordance with the guidelines issued by the DBM.

In the case of recurring procurement projects such as, but not limited to, janitorial and security services, supply of drinking water, telecommunications requirements, rental of office and equipment, and lease-purchase agreements, government agencies may either secure a MYCA or an equivalent authority, or renew the ongoing contract to not more than one (1) year subject to assessment or evaluation of the contractor's performance. In no case shall the total contract renewals exceed two (2) years. Implementation of this provision shall be subject to the relevant GPPB guidelines issued thereon.

The implementing agency shall ensure that the annual funding requirements for the multi-year projects shall be included in its budget proposals for the covered years, consistent with the funding schedule in the MYCA and equivalent authorities, and letter of commitment. In the case of NGAs and qualified GOCCs, the DBM shall ensure that the funding requirement for the multi-year projects are included in the National Expenditure Program to be submitted to Congress who shall give due consideration of the said proposal. In the case of GOCCs and LGUs, due consideration shall be given by the governing board of GOCCs and the *sanggunian* of the LGUs, respectively.

In all instances, the disbursements to be incurred for multi-year contracts shall in no case exceed the cash appropriations for the purpose during the year. Procurement of multi-year projects shall be subject to the provisions of R.A. No. 9184 and its IRR and GPPB guidelines.

Sec. 32. Harmonized National Research and Development Agenda. All government agencies shall align their research and development agenda programs under the Harmonized National Research and Development Agenda for funding amounting to Ten Million Pesos (P10,000,000) and above.

The DOST, in coordination with government research institutions and other agencies, shall facilitate dissemination of all output programs and projects under the Harmonized National Research and Development Agenda to appropriate government agencies, LGUs, academe, industry and communities, whenever applicable.

A copy of the progress report shall also be submitted to the DBM, the Office of the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document.

5.3.4.2 Available released allotments for PS cannot be used to pay CNA Incentives.

5.3.5 In instances where an insufficiency in PS occurs and frontloading shall be resorted to, available PS allotments which have been comprehensively released may be utilized subject to approval of Agency Head, based on the following:

5.3.5.1 **Advice for Use of PS Allotment (APSA) (Attachment 3)** duly accomplished and signed by the Agency Head or his designated representative. In the case of SUCs, the approving authority shall be the President of SUC as Agency Head, unless approval of the Board is necessary as required in the respective charter of SUCs; and

5.3.5.2 **Registry of Allotments and Obligations for PS (RAOPS)** reflecting said adjustments and reported in the accountability reports to be submitted to DBM, i.e., SAAODB.

6.0 Pursuant to DBM-DICT-NEDA Joint Memorandum Circular (JMC) No. 2021-01 dated September 27, 2021, the DBM shall have the authority to evaluate/recommend/approve ICT-related budgetary requests, subject to provisions of latest applicable budgetary issuances and such frameworks that DICT may promulgate.

7.0 Agency-specific funds may be used for the purchase of motor vehicles for FY 2022 as reflected in the FY 2022 GAA, provided such vehicles have already been evaluated and included in the Confirmation Letter issued by the DBM to agencies during the preparation of the FY 2022 budget. The said confirmation letter shall serve as the **Authority to Purchase Motor Vehicle (APMV)** issued by the DBM, only if the same number of vehicles as approved in the letter, and if such vehicles conform with the terms and conditions laid out under Administrative Order No. 14¹¹ as implemented by Budget Circular 2019-2¹².

8.0 For purposes of agencies' entering into multi-year contracts, the issuance of a Multi-Year Contractual Authority (MYCA) or an equivalent authority may be required or prescribed by the DBM. A MYCA is an authority issued by the DBM to agencies, covering the full contract cost, for the procurement of multi-year projects (MYPs). This shall be used as the basis in the certification of availability of funds (CAF) required prior to contract execution.

8.1 MYCAs may be required for single-year projects which do not cover a calendar year but, by design, necessitates implementation covering two fiscal years.

8.2 In the case of recurring projects, such as, but not limited to, janitorial and security services, supply of drinking water, telecommunications requirements, rental of office and equipment, and lease-purchase agreements, the following options are available for government agencies:

¹¹ Office of the President AO No. 14 dated December 10, 2018 (Consolidating and Rationalizing the Rules on the Acquisition of Government Vehicles Adopting a Centralized System of Procurement There for. and for Other Purposes)

¹² DBM BC 2019-2 (Guidelines Implementing Certain Provisions of AO No. 14, S. 2018)



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 91

**ADOPTING THE CASH BUDGETING SYSTEM BEGINNING FISCAL
YEAR 2019, AND FOR OTHER PURPOSES**

WHEREAS, Section 25 (1), Article VI of the 1987 Constitution prescribes that the form, content and manner of preparation of the budget shall be prescribed by law;

WHEREAS, Section 36, Chapter 5, Book VI of Executive Order (EO) No. 292 or the "Administrative Code of 1987," provides that an operational cash budget shall be implemented to ensure the availability of cash resources for priority development projects, and to establish a sound basis for determining the level, type and timing of public borrowings;

WHEREAS, Section 3, Chapter 2, Book VI of EO No. 292 declares it a policy of the State to formulate and implement a National Budget that is supportive of and consistent with the socio-economic development plan, and oriented towards the achievement of explicit objectives and expected results, to ensure that funds are utilized and operations are conducted effectively, economically and efficiently;

WHEREAS, significant gaps between the actual expenditure outturns and annual appropriations translate to billions of Pesos of delayed and foregone services, which should have been delivered to the general public;

WHEREAS, there is a need to improve the fiscal planning of government agencies through the implementation of an operational cash budget and by setting deadlines for obligation of funds and execution of projects during the fiscal year, in order to speed up the implementation of programs and to promptly deliver goods and services to our people; and

WHEREAS, Article VII, Section 17 of the Constitution provides that the President shall have control over all the executive departments, bureaus and offices;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. ADOPTION OF THE CASH BUDGETING SYSTEM. The government hereby adopts the Cash Budgeting System (CBS) effective 01 January 2019. Accordingly, the following are hereby directed:

- a. All authorized appropriations shall be available for obligation and disbursement only until the end of each fiscal year (FY);

THE PRESIDENT OF THE PHILIPPINES

- b. Obligations incurred by the National Government within each FY shall be implemented during the same FY. Goods and services corresponding to said obligations shall be delivered or rendered, inspected and accepted by the end of each FY; and
- c. Payments for obligations incurred shall be made until the end of the extended payment period (EPP), which shall be three (3) months after the end of the validity of appropriations against which they were obligated, unless another period has been determined by the Department of Budget and Management (DBM), upon consultation with relevant agencies.

Appropriations covering financial subsidy to local government units (LGUs) shall be available for obligation and disbursement until the end of the succeeding FY. On the other hand, appropriations for the statutory shares of LGUs shall be available for obligation and disbursement until fully expended.

All funds transferred between or among government agencies and LGUs shall not be considered disbursed under this Section, until the transferred amounts have been actually utilized to pay for goods delivered and services rendered, inspected and accepted.

SECTION 2. REVERSION OF UNEXPENDED BALANCES OF APPROPRIATION. Any unreleased appropriations and unobligated allotments at the end of the FY, as well as unpaid obligations and undisbursed funds at the end of the EPP shall revert to the National Treasury and shall not thereafter be available for expenditure, except by subsequent legislative enactment. For financial subsidies to LGUs, reversion shall be made to the National Treasury after the end of the succeeding FY. Departments, bureaus and offices of the National Government, including constitutional offices enjoying fiscal autonomy, state universities and colleges, government-owned or -controlled corporations (GOCCs) and LGUs, shall strictly observe the validity of appropriations and comply with the reversion of funds.

SECTION 3. MULTI-YEAR PROJECTS. Consistent with Section 30 of the General Provisions of the General Appropriations Act (GAA) for FY 2019, multi-year procurement projects, or those with an implementation period exceeding twelve (12) months, shall require the issuance of a Multi-Year Contractual Authority (MYCA) by the DBM for national government agencies (NGAs) and qualified GOCCs prior to the conduct of procurement. The MYCA or equivalent authority shall cover the full project cost, and shall be the basis of the approved budget for the contract.

A MYCA may likewise be issued for single-year procurement projects or those with an implementation period of twelve (12) months or less, that are either research or scientific in nature, and by design necessitate implementation covering two (2) FYs.

Multi-year Public-Private Partnership projects with government undertakings authorized under Republic Act (RA) No. 6957, as amended by RA No. 7718, shall require the issuance by the DBM of a letter of commitment to cover the National Government funding commitment.

SECTION 4. EARLY PROCUREMENT ACTIVITIES OF GOVERNMENT AGENCIES. Pursuant to Section 20 of the General Provisions of the FY 2019 GAA, government agencies are authorized to undertake procurement activities short of award, to the extent consistent with RA No. 9184 or the "Government Procurement Reform Act" and its Revised Implementing Rules and Regulations.

For this purpose, Early Procurement Activities (EPA) shall cover goods to be delivered, infrastructure projects to be implemented and/or consulting services to be rendered in the following FY pending approval of the corresponding GAA. EPA shall commence from the posting of the procurement opportunity, if required, until recommendation to the Head of the Procuring Entity as to the award of the contract.

SECTION 5. TRANSITORY PROVISIONS. In the first year of implementing the CBS, the concerned national government agencies and qualified GOCCs shall strictly comply with the following:

- a. Appropriations for infrastructure capital outlays, including subsidy releases to GOCCs for infrastructure projects, shall be valid for obligation until 31 December 2019. Meanwhile, the completion of construction, inspection and payment shall be made not later than 31 December 2020; and
- b. Appropriations for maintenance and other operating expenses as well as other capital outlays shall likewise be valid for obligation until 31 December 2019. On the other hand, the delivery, inspection and payment shall be made not later than 30 June 2020.

SECTION 6. SUPPLEMENTAL GUIDELINES. Supplemental guidelines for the implementation of this Order, as may be necessary, shall be formulated in accordance with relevant laws, rules and regulations.

SECTION 7. SEPARABILITY. If any provision of this Order is declared invalid or unconstitutional, the other provisions not thereby affected shall remain valid and subsisting.

SECTION 8. REPEAL. All issuances, orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

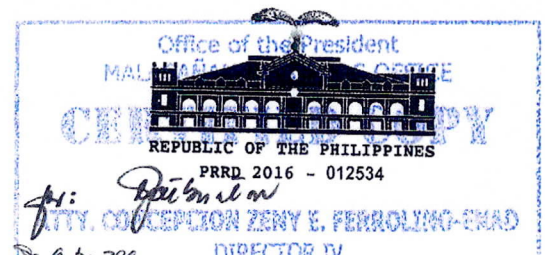
SECTION 9. EFFECTIVITY. This Order shall take effect immediately following its publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 9th day of **September**, in the year of our Lord Two Thousand and Nineteen.

By the President:




SALVADOR C. MEDIALDEA
Executive Secretary





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



NATIONAL BUDGET CIRCULAR

No. 570
MAY 19, 2017

TO : The Heads of Departments, Agencies, Bureaus and Offices of the National Government, including State Universities and Colleges (SUCs) and Commissions or Offices under the Constitutional Fiscal Autonomy Group (CFAG); Heads of Finance Units; Budget Officers; Chief Accountants and All Others Concerned

SUBJECT : Prescribing Guidelines for Issuance of Multi-Year Obligational Authority (MYOA) for Multi-Year Projects (MYPs) Covering the Procurement of Regular and Recurring Services

1.0 PURPOSE

To provide guidelines relative to the application of Section 26 of the General Provisions (GP) of Republic Act (R.A.) No. 10924, FY 2017 General Appropriations Act (GAA) specifically where regular and recurring multi-year projects may require issuance of MYOA. These include janitorial and security services, telecommunication requirements, provision for water, rental of office space and equipment, and lease-purchase agreements.

MYOAs may be issued to cover such regular/recurring services to:

- Promote prudent government spending in terms of reasonable costs in the provision of quality services in a timely manner.
- Enable agencies to tap Multi-Year Contracts (MYCs) with the following options during the contract period, without prejudice to annual performance evaluation:
 - ✓ Flexibility of adopting rates advantageous to the government; and
 - ✓ Adoption of locked-in contract for specific cases, e.g., IT contracts of proprietary conditions, etc.

2.0 COVERAGE

This Circular covers all departments, bureaus, offices, agencies and operating units of the national government, including commissions/offices under the CFAG and SUCs, undertaking MYCs approved by the DBM, for the following specific support services:

1. Janitorial and security services;
2. Supply of mineral/purified/distilled water;
3. Telecommunications requirements;
4. Rental of office space and equipment;

5. Lease-purchase agreements; and
6. Others as may be identified in later issuances.

3.0 DEFINITION OF TERMS

The following terms, as defined in previous circulars¹, shall be taken and understood in the sense indicated hereunder and as used in this NBC:

- 3.1 **Multi-Year Obligational Authority (MYOA)** – a document issued by DBM, either for locally funded projects (LFPs) or foreign-assisted projects (FAPs) implemented by agencies, in order to authorize the latter to enter into MYPs for the full project cost. A MYOA, which contains an annual breakdown of the full project cost, obligates the agencies to include in their budget proposal for the ensuing years, the amount programmed for the said year(s) (**MYOA Format attached as Annex A**).
- 3.2 **Multi-Year Project (MYP)** – program or project which will take more than one year to complete and requires multi-year appropriations.
- 3.3 **Regular and Recurring Services (General Support Services)** - services that are essential, indispensable, or necessary to support the operations of the procuring entity or for the enhancement of the welfare of its personnel, such services to include among others, janitorial and security services, telecommunications requirements, provision for water, rental of office space and equipment, and lease-purchase agreements.
- 3.4 **Lease-Purchase Agreements - Lease contract** under which a portion of the **lease** payment or rent is applied to the **purchase** price of the **leased** asset or property. When the full price is paid up, the title to the item is transferred from the seller or owner (the lessor) to the buyer or tenant (the lessee). This also refers to agreements for the acquisition of office space or building using agencies' annual rental appropriations for the purpose, subject to the following requirements for Lease Purchase Agreements as listed under Section 27 of the General Provisions of the FY 2017 GAA:
 - The annual lease payment shall not exceed the annual rental appropriations at the time of the signing of the lease-purchase agreement; and
 - Any available Maintenance and Other Operating Expenses (MOOE) allotments for Repair and Maintenance, Transportation and Delivery, Supplies and Materials, Utility Expenses, Printing and Binding, and Storage Expenses may be used by the agency to accelerate the lease-purchase payments whenever such would lower the amortization cost or total contract of the office space or building.

¹ Specifically DBM CL No. 2015-7 (Updated Guidelines for Issuance of Multi-Year Obligational Authority [MYOA]), dated June 3, 2015

4.0 GUIDELINES

- 4.1 The DBM shall issue MYOAs covering recurring services only under the following instances:
 - 4.1.1 Savings will be generated in a contract that would exceed one year;
 - 4.1.2 Delivery of timely services would be hampered if annual bidding will be conducted; and
 - 4.1.3 Locked-in contracts which would make it more advantageous for the government agency to undergo the same.
- 4.2 A government agency requesting for the issuance of MYOAs to cover MYCs for regular/recurring services to facilitate timely procurement of such services shall submit the following:
 - 4.2.1 A fully accomplished Request Form for MYOA (attached as **Annex B**); and
 - 4.2.2 Certification of the agency head that procurement activity pertaining to the project to be covered by the MYOA has not been started as of date of request.
- 4.3 Notwithstanding the issuance of a MYOA, MYCs entered into based on such MYOAs, shall be guided by the following:
 - 4.3.1 The liability of the agency for a given year shall only be limited to the available appropriations for the purpose for a specific year;
 - 4.3.2 Obligations to be incurred by the agency in any given calendar year shall in no case exceed the allotment released for the purpose; and
 - 4.3.3 Annual review should be conducted by the agency concerned as part of the process/MYC to enable to negotiate for a lower price for the service in the event that the actual cost for the good or service covered by the contract become lower as per prevailing market analysis; and
 - 4.3.4 Procurement covering MYCs shall be subject to guidelines issued by the GPPB and/or the DBM.

5.0 MYOA AMENDMENT

MYOAs issued for recurring MYPs under this Circular may be amended, if the MYC is adjusted as a result of the annual review conducted by the agency consistent with the provisions of item 4.3.3 of this Circular.

6.0 ESTABLISHMENT OF A REGISTRY

The DBM shall set up a registry or database for all MYOAs issued in order to monitor the required annual budgetary requirements of the MYPs.

7.0 ISSUES FOR RESOLUTION

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

8.0 REPEALING CLAUSE

All provisions in existing guidelines that are inconsistent with this Circular are hereby revised, modified and/or repealed accordingly.

9.0 EFFECTIVITY

This Circular shall take effect immediately upon publication.


BENJAMIN E. DIOKNO
Secretary





MYOA No. _____

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT

MULTI-YEAR OBLIGATIONAL AUTHORITY

ORGANIZATIONAL DESCRIPTION/CODE:		FUND SOURCE CODE: <div style="text-align: center; font-weight: bold;">101 152</div>	<input type="checkbox"/> LOCALLY FUNDED <input type="checkbox"/> FOREIGN-ASSISTED
Department:	Dept. of Budget and Management		
Agency:	Office of the Secretary		
Operating Unit:			
Organizational Code (UACS):	06 001 00 00000		

PROGRAM / PROJECT NAME:

YEAR	PARTICULARS	AMOUNT AUTHORIZED

AMOUNT IN WORDS:

NOTES:

The authority herein issued shall be used solely for the purposes indicated. Notwithstanding the issuance of this MYOA, the actual obligations to be incurred in any given fiscal year shall in no case exceed the allotment released for the said fiscal year subject to the usual budgeting, accounting and auditing rules and regulations.

DATE OF ISSUE _____

SECRETARY OF BUDGET AND MANAGEMENT _____

Document Reference Number _____

REQUEST FOR MULTI-YEAR OBLIGATIONAL AUTHORITY

Organization Description/Code :		Fund Source Code:	<input type="checkbox"/> Locally Funded
Department:	Dept. of Budget and Management	101 152	<input checked="" type="checkbox"/> Foreign - Assisted E.g., Asian Dev't. Bank
Agency:	Office of the Secretary		
Operating Unit:			
Organizational Code (UACS):	06 001 00 00000		
Type*	Program <input type="checkbox"/> 1 Project <input type="checkbox"/> 2		
Program/ Project Name /Title			
Total Cost:		Duration: Years	
Note:			
Implementation Schedule (Year)	Particulars	Amount Requested	
		P	
Total		P -	

Checklist of Requirements/Submissions:

- ☐ Certification of the agency head that procurement activity pertaining to the project to be covered by the MYOA, has not been started yet as of date of request.
- ☐ Others, Specify _____

Certification:

As a prerequisite for the issuance of a Multi-Year Obligational Authority, we are confirming our commitment to give priority and include the annual budgetary requirements of the projects/activities specified above within our annual budgetary ceilings as may be prescribed by the DBM. Said project/activity has been approved by _____ (cite competent authority/agency, when applicable)

Date_____
Head of Department/Agency
Designation

*Type refers to programs/projects which require multi-year appropriations:

Type 1 - Programs which will be implemented with regular recurrence with no definite termination period.

Type 2 - Projects which will be implemented and completed within a given period of time as specified in the project profile.



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACAÑANG, MANILA



CIRCULAR LETTER

No. 2015- 7
June 3, 2015

TO : Heads of Departments, Bureaus, Offices and Agencies of the National Government, Heads of Finance Units; Budget Officers; Chief Accountants and All Others Concerned

SUBJECT : Updated Guidelines for Issuance of Multi-Year Obligational Authority (MYOA)

1.0 Policy Statement

Pursuant to the General Provision of the annual GAA, departments, bureaus and offices of the National Government, including Constitutional Offices enjoying fiscal autonomy and SUCs shall request the DBM for the issuance of a MYOA prior to entering into contracts to cover the total project costs of multi-year programs, activities and projects (whether locally funded projects or foreign assisted projects). The MYOA to be issued by the DBM shall be the basis or reference for the Approved Budget for the Contract referred to under Section 5 of R.A. No. 9184, (Government Procurement Reform Act).

2.0 Coverage

This Circular covers all multi-year programs, activities, and projects being implemented by National Government Agencies, Constitutional Offices and SUCs. This shall also include multi-year contracts, lease and lease-purchase agreements under the Revised Armed Forces of the Philippines Modernization Program (AFPMP), R.A. No. 10349.

3.0 Definition of Terms

The following terms shall be taken and understood in the sense indicated hereunder and as used in this Circular:

3.1 Approved Budget for the Contract (ABC) refers to the following:

3.1.1 For specifically appropriated items as reflected in the annual budget of the agency (NGAs including SUCs), the amount corresponding to either the full cost of a single year or multi-year program or project or activity. For multi-year projects, for which a MYOA has been issued, the ABC shall be the amount reflected in the MYOA.

3.1.2 For lump sum allocation of a department or agency, this corresponds to the allocation of the specific implementing unit as determined by the head of the department or agency.

3.2 Capital Expenditures or Outlays refer to an expenditure category or expense class for the purchase of goods and services, the benefits of which extend beyond the fiscal year and which add to the assets of the Government, including investments in capital stock of Government-Owned and Controlled Corporations and their subsidiaries.

- 3.3 **Forward Estimate (FE)** refers to the future costs of the on-going policies (translated into programs and projects) of the government over a three-year period.
- 3.4 **Funding Strategy** refers to a funding program for a specific multi-year project indicating sources of financing to support said project for the entire duration of the project, subject to DBM review and confirmation.
- 3.5 **Medium Term Expenditure Program (MTEP)** refers to the three to five year requirements of the agency's yearly priority programs, activities, projects (PAPs) within a given or assumed budget ceiling.
- 3.6 **Multi-Year Obligational Authority (MYOA)** is a document issued by DBM either for locally funded projects or foreign assisted projects implemented by agencies in order to authorize the latter to enter into multi-year contracts for the full project cost.
- 3.7 **Multi-year project (MYP)** refers to the program or project which will take more than one year to complete that requires multi-year appropriations.
- 3.8 **Non-capital Expenditures** refer to an expenditure category or expense class which address spending on predictable, repeatable costs for goods and services for the conduct of normal government operations.

4.0 **Guidelines**

- 4.1 Prior to the bidding of multi-year contract for MYPs (both capital and non-capital projects), national government agencies must first secure a MYOA (format shown in **Annex A**) from the DBM. This prerequisite shall ensure that the succeeding funding requirements of the MYP shall be included in the budget program for the corresponding year and is within the total project cost and categories as reflected in the FEs or in the MTEP.
- 4.2 Capital expenditures or outlays requested for issuance of MYOA shall have been included by the agencies in the Comprehensive Integrated Infrastructure Program (CIIP) or in the **Three-Year Rolling Infrastructure Program (TRIP)** as reinstituted by the Committee on Infrastructure (INFRACOM). This aims to build the pipeline of strategic projects needed to sustain rapid economic growth, thereby ensuring that only those well developed and implementation-ready projects queue up for the budget. The DBM and NEDA will jointly issue the guidelines for the TRIP.
- 4.3 Evaluation of proposals for funding of capital and non-capital projects shall be as follows:
 - 4.3.1 Investment Coordination Committee (ICC), INFRACOM, and the NEDA Board – for projects costing P1 billion and above (locally funded and foreign assisted projects), including Public Private Partnership projects;
 - 4.3.2 Development Budget Coordination Committee (DBCC) Sub-Committee on Program/Project Appraisal (SC-PPA) – for projects costing less than P1.0 billion (P300 million to less than P1.0 billion);
 - 4.3.3 Department of Budget and Management – for projects costing less than P300 Million.

- 4.4 Agencies shall submit the following documentary requirements for issuance of a MYOA using the format prescribed in this Circular:

DOCUMENTS	PROJECT COST	
	P1 Billion and above	Below P1 Billion
1. Request for MYOA including a confirmation on the agency commitment (format shown in Annex B)	√	√
2. Funding Strategy/Medium Term Expenditure Program (format shown in Annex C)	√	√
3. Approval of the projects by: <ul style="list-style-type: none"> • INFRACOM or NEDA Board or DBCC, when applicable • Agency Head, supported with the following: <ul style="list-style-type: none"> ❖ Summary of Project Benefits including economic viability and technical justification¹ ❖ Details of expected output and outcome 	√ - -	- √ √
4. Approved loan agreement for FAPs, when applicable	√	√
5. Certification of the Agency Head that any procurement activity pertaining to the project to be covered by the MYOA has not been started yet as of date of request	√	√
6. All other clearances as required under existing laws, policies, rules and regulations, when applicable: <ul style="list-style-type: none"> • DOST-ICTO endorsement of computerization projects • NTC clearance for acquisition of communication equipment • DENR geo-hazard certification; or Project Location with geo-tagged map or electronic photograph of the project location with certification² 	√ √ √	√ √ √

¹ The agency shall certify that the project is consistent with (i) Philippine Development Plan, (ii) NEDA Result Matrix, and (iii) Public Investment Program, as required under Item 3a of ICC Memorandum dated April 29, 2013.

² Certification of the proponent agency may be worded as follows:

"This is to certify that we coordinated with the (i) Mines and Geo-Science Bureau to ensure that the locations/areas/sites are not included in critical geo-hazard areas or no-build zones and with the (ii) Department of Environment and Natural Resources that the same is not within the National Integrated Protected Area System, critical habitats and other conservation areas." (In case the project is to enhance biodiversity protection, the (ii) phrase could be removed.)

DOCUMENTS	PROJECT COST	
	P1 Billion and above	Below P1 Billion
In the case of AFP Modernization Program (AFPMP):		
• Approval of the projects or activities by President of the Philippines in the event that the Revised AFPMP has not yet been endorsed to Congress	√	√
• Approval by the President issued to the DND Secretary to enter into MYC for a specific acquisition or project	√	√
• Documents cited under Items 1 and 2 above		
❖ Request for MYOA including a confirmation on the agency commitment	√	√
❖ Funding Strategy/Medium Term Expenditure Program	√	√

4.5 Notwithstanding the issuance of a MYOA, the annual requirement of the program or project shall be included in the proposed National Expenditure Program subject to Congressional Approval.

4.5.1 Agencies shall include in their budget proposals to be submitted to DBM for succeeding budget year, the requirement of the program or project covered with MYOA.

4.5.2 Obligation to be incurred in any given year shall in no case exceed the allotment released for the purpose during said year.

5.0 Applicability Clause

Provisions of existing circulars and issuances not consistent herewith are amended accordingly.

6.0 This Circular shall take effect immediately.

FLORENCIO B. ABAD
Secretary





Republic of the Philippines
DEPARTMENT OF BUDGET AND MANAGEMENT

MYOA No. _____

MULTI-YEAR OBLIGATIONAL AUTHORITY

ORGANIZATIONAL DESCRIPTION/CODE:		FUNDING SOURCE CODE:	<input type="checkbox"/> LOCALLY FUNDED <input type="checkbox"/> FOREIGN-ASSISTED
Department:			
Agency:			
Operating Unit:			
Organizational Code (UACS):			

PROGRAM / PROJECT NAME:

YEAR	PARTICULARS	AMOUNT AUTHORIZED

AMOUNT IN WORDS:

NOTES:

The authority herein issued shall be used solely for the purposes indicated. Notwithstanding the issuance of this MYOA, the actual obligations to be incurred in any given fiscal year shall in no case exceed the allotment released for the said fiscal year subject to the usual budgeting, accounting and auditing rules and regulations.

The amount authorized in this MYOA is subject to the condition that it is the same amount covered by the approving body, i.e., ICC Cabinet Committee endorsement for NEDA Board notation or NEDA Board; or DBCC SC-PPA; or DBM.

In case of adjustments as determined by the ICC/NEDA / DBCC SC-PPA / DBM, a revised MYOA shall be issued.

DATE OF ISSUE _____

SECRETARY OF BUDGET AND MANAGEMENT

Document Reference Number _____

REQUEST FOR MULTI-YEAR OBLIGATIONAL AUTHORITY

Organization Description/Code :		Funding Source Code:	<input type="checkbox"/> Locally Funded <input type="checkbox"/> Foreign - Assisted
Department: Agency: Operating Unit: Organizational Code (UACS):			
Type*	Program <input type="checkbox"/> 1 Project <input type="checkbox"/> 2		
Program/ Project Name /Title			
Total Cost:		Duration: Years	
Note:			
Implementation Schedule (Year)	Particulars	Amount Requested	
		P	
Total		P -	

Checklist of Requirements/Submissions:

- ☐ Funding Strategy and Medium Term Expenditure Program (**Annex C** of this Circular)
- ☐ Approval from any of the following:
- ☐ For projects costing P1 billion and above - ICC Cabinet Committee endorsement for NEDA Board notation or NEDA Board
 - ☐ For projects costing less than P1.0 Billion (P300 Million to less than P1.0 Billion) - DBCC SC-PPA
 - ☐ For projects costing less than P300 million - DBM
- ☐ Approved Loan Agreement (for FAPs)
- ☐ Certification of the agency head that procurement activity pertaining to the project to be covered by the MYOA, has not been started yet as of date of request.
- ☐ All other clearances as may be required under existing laws, policies, rules and regulation, e.g., DOST-ICTO endorsement of computerization projects; NTC clearance for acquisition of communication equipments; and other similar authorizations.
- ☐ Others, Specify _____

Certification:

As a prerequisite for the issuance of a Multi-Year Obligational Authority, we are confirming our commitment to give priority and include the annual budgetary requirements of the projects/activities specified above within our annual budgetary ceilings as may be prescribed by the DBM. Said project/activity has been approved by _____ (cite competent authority/agency, when applicable)

Date_____
Head of Department/Agency
Designation

*Type refers to programs/projects which require multi-year appropriations:

Type 1 - Programs which will be implemented with regular recurrence with no definite termination period.

Type 2 - Projects which will be implemented and completed within a given period of time as specified in the project profile.

Funding Strategy									
1. Proponent/Department					2. Program/Project Titles				
3. Implementing Agency					4. Total Cost:				
5. SEER (ed)? YES <input style="width: 50px;" type="text"/>					NO <input style="width: 50px;" type="text"/>				
6. If YES, Priority Classification: RANK:					7. If NO, Agency Classification: RANK:				
Hi <input style="width: 40px;" type="text"/>		Rank: <input style="width: 150px;" type="text"/>			Hi <input style="width: 40px;" type="text"/>		Rank: <input style="width: 150px;" type="text"/>		
Mid <input style="width: 40px;" type="text"/>		of			Mid <input style="width: 40px;" type="text"/>		of		
Low <input style="width: 40px;" type="text"/>		Total No. of Programs/ Projects <input style="width: 150px;" type="text"/>			Low <input style="width: 40px;" type="text"/>		Total No. of Programs/ Projects <input style="width: 150px;" type="text"/>		
8. Medium-Term Budget Program and Project Requirement									
Particulars		Allot. Class		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Program/Project: _____									
9. Year	10. Department	11. Agency			12. Program/Project Requirement				
					0.00				
					0.00				
		TOTAL			0.00				
13. Program/Project supports the following MFOs.									
MFO 1									
MFO 2									
MFO 3									
MFO 4									
14. Funding Sources:									
15. Year	16. Agency Budget Ceiling (In Pesos)	17. Scrap and Build		20. OTHERS (Attach separate sheet if necessary)					
		18. From PAP/Proj.	19. Amount (In Pesos)	(Eg. Revenues)			21. Total		
							-		
							-		
							-		
22. Total	-						-		
23. Other Measures/Remarks/Explanatory Notes									
24. Prepared by:					25. Endorsed by:				
<div style="border-top: 1px solid black; width: 100%; text-align: center; margin-top: 10px;"> Chief, Budget Division Financial and Management Service, DBM </div>					<div style="border-top: 1px solid black; width: 100%; text-align: center; margin-top: 10px;"> Director, FMS </div>				



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
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929-7041 to 43; 929-6252; 929-1669
Website: <http://www.denr.gov.ph> / E-mail: web@denr.gov.ph

MEMORANDUM

TO : **The Director**
Policy and Planning Service

The Director
Financial and Management Service

FROM : **The Undersecretary**
Finance, Information Systems, and Climate Change
DENR Permanent Representative to the National Task Force for the West
Philippine Sea (NTF-WPS)

SUBJECT : **DENR REGION 4-B THREE-YEAR IMPLEMENTATION PLAN
(2022-2024) IN SUPPORT TO THE KALAYAAN ISLAND GROUP
(KIG) STRATEGIC DEVELOPMENT PLAN (2020-2030)**

DATE : 26 October 2022

This refers to the submitted implementation plan of DENR Region 4-B (MIMAROPA) in support to the Strategic Development Plan (SDP) 2020-2030 of the Kalayaan Island Group (KIG), which is under the jurisdiction of the municipality of Kalayaan in the Province of Palawan.

As backgrounder, the SDP-KIG contains the multi-sectoral strategies (socio-economic, environment and natural resources, security and defense, and infrastructure and institutional clusters) to further the Philippines' national interest over the KIG features, and to exercise the sovereignty and sovereign rights over the area by enhancing the resilience of communities and their physical environment in the KIG against natural and anthropogenic impacts, securing the health and ecological integrity of the coastal and marine habitats and ecosystems, as well as creating a vibrant economy.

May we request your Office to consider the submitted Three-Year Implementation Plan (2022-2024) of the DENR Region 4-B in support of the SDP-KIG, amounting to **Php 84,600,000**, in the 2023 Work and Financial Plan (WFP) and in the 2024 budget proposal.

For your appropriate action.


ATTY. ANALIZA REBUELTA-TEH

CC: THE UNDERSECRETARY
Organizational Transformation

THE UNDERSECRETARY
Policy, Planning and International Affairs



**Republic of the Philippines
Department of Environment and Natural Resources
MIMAROPA Region**

MEMORANDUM

FOR : ATTY. ANALIZA REBUELTA-TEH, CESO I
Undersecretary for Finance, Information Systems and Climate
Change and DENR Permanent Representative to the National
Task Force for the West Philippine Sea (NTF-WPS)

FROM : THE REGIONAL EXECUTIVE DIRECTOR

**SUBJECT : SUBMISSION OF IMPLEMENTATION PLAN IN SUPPORT TO
THE KALAYAAN ISLAND GROUP (KIG) STRATEGIC
DEVELOPMENT PLAN**

DATE : OCT 18 2022

Please find the attached proposed Three-Year Implementation Plan (2022-2024) with a total budget requirement amounting to Eighty-Four Million, Six Hundred Thousand Pesos (Php 84,600,000.00) for the Kalayaan Island Group (KIG) Strategic Development Plan.

LORMELYN E. CLAUDIO, CESO IV



Doc ID: 80722

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DENR MIMAROPA IMPLEMENTATION PLAN

In Support to the Kalayaan Island Group Strategic Development Plan

SDP Goal	SDP Objective	Indicators	Estimated Budget (Php)	Schedule of Delivery
I. SOCIO-ECONOMIC SECTOR (CROSS-CUTTING)				
To establish an inclusive and progressive local economy by 2030	To provide improved health and sanitation service	• Operational Septage and Sewage Management		
		- Assessment of the proposed area prior to construction	100,000	2022
		- Construction of STP (Septage Treatment Plant)	25,000,000	2024
		• Effective Solid Waste Management		
		- Materials Recovery and Hazardous Facility that can temporarily handle household and hazardous waste	1,000,000	2023
		- Composting Component	500,000	2023
		• Operational Desalination Plant	4,000,000	2024
	To develop Biodiversity Friendly and Sustainable Enterprise	• Operational Rainwater Harvesting Facility	3,000,000	2024
		• Seaweeds farming including drying facility	3,000,000	2023
	To establish Tourism Development Areas (TDAs)	• Assessment of marine parks, i.e., snorkeling, diving and bathing for Community-Based Sustainable Tourism	1,500,000	2023
SUB-TOTAL			38,100,000	

SDP Goal	SDP Objective	Indicators	Estimated Budget (Php)	Schedule of Delivery
II. BIO-PHYSICAL ENVIRONMENT SECTOR				
To have a balanced and healthy environment	To stabilize the boundaries of the islands against extreme weather conditions and climate change impacts (scouring, coastal erosion and sea level rise)	▪ Site Suitability Assessment to identify suitable sites for:	1,500,000	2022
		a. Mangrove afforestation		
		b. Beach afforestation		
		c. Formulate and implement mangrove/beach afforestation plan		
	To conduct relevant scientific studies	d. Establishment of coastal protection buffers		
		Establish mangrove afforestation, beach area afforestation and coastal protection buffer	5,000,000	2024
		▪ Research on the following areas conducted in coordination with Ecosystem Research and Development Bureau, Academe, NGOs such as:	20,000,000	2023
		- Mangroves (NGP) Development Plan		
		- Asian Water Birds Census		
		- Improvement of groundwater availability		
		- Establishment of turtle monitoring sites (Terrestrial and Marine Ecosystems)		
		- Climate Change Adaptation and Resiliency Plan and Monitoring		
		- Solid and Liquid Waste Management		
		- Marine Protected Area Establishment		
		- Tourism Destination Areas (Islands/Islets)		

SDP Goal	SDP Objective	Indicators	Estimated Budget (Php)	Schedule of Delivery
	To strictly implement environmental laws, policies, rules and regulations	<ul style="list-style-type: none"> ▪ Intensify partnership among law enforcement agencies ▪ Water body classification pursuant to existing DENR regulation ▪ Water quality monitoring ▪ Compliance and monitoring and enforcement ▪ Establishment of Research Facility and Conduct of Environmental Monitoring 	5,000,000	2023
			15,000,000	2024
	SUB-TOTAL		46,500,000	
	GRAND TOTAL		84,600,000	

SUMMARY OF ESTIMATED BUDGET PER YEAR (Php)	
2022	1,600,000
2023	31,000,000
2024	52,000,000
TOTAL	84,600,000

OTHER ACTIVITIES:

- Strict implementation of relevant laws on environmental conservation and upholding Philippine Sovereignty.
- Conduct of Community Education Public Awareness (CEPA) on environmental protection and conservation of the environment and natural resources including related trainings
- Classification of the KIG as alienable and disposable and forestland pursuant to the 1987 Philippine Constitution
- Review of Comprehensive Land Use Plan (CLUP) and Forest Land Use Plan (FLUP)