



Republic of the Philippines
REGIONAL DEVELOPMENT COUNCIL
Region XI, Davao City

**Guidelines for the RDC XI Consultation/Review
of Budget Proposals for FY 2011**

Introduction:

The National Budget Memorandum (NBM) No. 105 signed by DBM Secretary Joaquin C. Lagonera Jr. on May 12, 2010 provides the guidelines and procedures in the preparation of the FY 2011 Budget Proposals. As provided for in Section 4.3.3.1 of said memorandum, “RDCs shall coordinate the conduct of consultations with AROs, SUCs and LGUs for the purpose of reconciling and confirming program thrusts and priorities of the national agencies in the region and to ensure they complement with programs and projects of the local government units.”

Further to the above-mentioned memorandum, RDC XI will pursue the conduct of the budget consultation as part of its continuing effort to firm up the link between planning and budgeting. Such objective is the underlying principle for RDCs to “review and endorse to the national government the annual budgets of agency regional offices, state colleges and universities and special development authorities” as mandated under Section 4(d) of Executive Order No. 325, Series of 1996.

Objectives:

The budget review is designed to achieve the following:

1. Consistency of the regional budget proposals with the national development agenda within the context of overall fiscal discipline.
2. More focused efforts on the delivery of outputs of AROs/SUCs/SDAs directly contributing to their organizational goals to help assess their performance and accountability.
3. Budget proposals of AROs/SUCs/SDAs that are responsive to the goals, objectives and targets, and emerging challenges and opportunities of Davao Region and its local government units. Specifically, these budget proposals are expected help achieve the region’s bottomline targets and the Millennium Development Goals and other commitments of the National Government. As such, these budget proposals contain programs and projects that are also supportive of the region’s priority industry cluster and local development.

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General Guidelines:

1. The RDC XI budget review and consultation of FY 2011 Budget Proposals shall be generally guided by the provisions of NBM 105.
2. The RDC XI budget review and consultation shall cover capital and technical assistance programs and projects proposed by the AROs/SUCs/SDAs, including Personal Services (PS) and Maintenance and Other Operating Expenses (MOOE) of these programs and projects.
3. Generally, programs and projects under the FY 2011 Budget Proposal shall be those that are included in the CY 2011 Annual Investment Program (AIP) of Davao Region as approved by the Council through its Resolution No. 11, Series of 2010. This is to ensure that programs and projects for funding in FY 2011 will support regional development outcomes, including the priority industry clusters of the region. This is in line with the effort of RDC XI to guide the AROs/SUCs/SDAs on the common direction to promote sustained growth and development of the region. AROs/SUCs/SDAs that propose programs and projects in the FY Budget Proposal that are not included in their approved CY 2011 AIP of Davao Region shall be required to justify these new proposals.
4. As much as possible, location of PAPs, particularly those of the AROs should be specifically identified, including the congressional district. Target outputs, as well as beneficiaries of these PAPs should be also explicitly indicated. This is in line with the RDC XI's thrust to promote spatial equity of PAPs and to facilitate request for assistance for funding support from the members of the House of Representatives. This will also enhance program/project target setting.

Regionwide programs and projects of AROs or those without specific LGU location should not be more than **25%** of their proposed total budget. NBM 105 in Section 4.3.3.2 states that "To the extent feasible, these lump-sum funds shall be lessened in the 2011 budget and replaced by approved list of projects to increase transparency. They shall also inform the pertinent RDC of these programs/projects which are finally submitted for congressional approval."

5. As part of keeping track of PAPs that directly address poverty, like KALAHYAN, shall be labelled as such, including their specific location as indicated in item 4. of this Guidelines.
6. In the review of budget proposals, RDC XI shall also be guided by the Operational Framework for Gender and Development (GAD) Plan and Budget, formulated by the Regional Gender and Development Coordinating Committee (RGADCC) and adopted by the Council. The allocation for GAD in the budget proposals of AROs, SUCs and SDAs shall be also consistent with the NCRFW, NEDA and DBM Joint Circular No. 2004-1.
7. Other programs and projects included in the FY 2011 Budget Proposals that are classified in section 5.5 of NBM 105 shall be also endorsed by the identified agencies.

8. In addition to the FY 2011 budget proposal, the AROs/SUCs/SDAs shall submit to RDC XI a status report on their respective FY 2010 budget proposal. The status report shall include a comparative analysis of the proposed programs and projects of their FY 2010 Budget Proposals that were endorsed by RDC XI and the programs and projects (as endorsed by RDC XI and those by the Agency Central Offices/CHED) that were finally included in the FY 2010 General Appropriations Act (GAA).
9. The budget review shall be conducted by the RDC XI Full Council with the members of the Executive Committee as principal budget review panel. The RDC XI will review the FY 2011 Budget Proposals of the AROs/SUCs/SDAs with the approved CY 2011 AIP and the objectives earlier set forth as reference.
10. All concerned AROs/SUCs/SDAs shall prepare and submit to the RDC XI Secretariat not later than May 31, 2010 sixty five (65) copies of their FY 2011 Budget Proposals (BP 201-schedule C allocable portion) for inclusion in the RDC XI meeting agenda folder. The presentation materials on the FY 2011 Budget Proposals should be ready at all times in case the same will be requested. Electronic copies of the budget proposals and presentation materials shall be also furnished to the RDC XI Secretariat through this e-mail address: neda@pltdt.dsl.net.
11. The Regional Directors or Assistant Regional Directors/SUC Presidents or Vice-Presidents/SDA Head or Assistant Head, Planning Officers, and Budget Officers are expected to attend the budget consultation. Each ARO/SUC/SDA is allowed a maximum of three (3) participants only.

Mechanics of Presentation and Review:

12. The AROs/SUCs/SDAs shall be given a maximum of 10 minutes to present their respective budget proposals for FY 2011. The Regional Director or Assistant Regional Director/SUC President or Vice-President/SDA Head or Assistant Head shall personally do the presentation of his/her ARO/SUC/SDA budget proposal. Budget proposals of ARO attached agencies shall be included in the presentation of the ARO.
13. To ensure uniformity in the presentation, a prescribed template is provided (attached). AROs/SUCs/SDAs are advised to adopt the prescribed template and use Powerpoint version 2003. To save on time, the presentation shall be limited to the general classifications of programs and projects, e.g., construction of roads, trainings, etc., together with their respective total costs. Specific programs and projects are to be provided in the meeting's agenda folder.
14. The FY 2011 Budget Proposals of major AROs shall be given priority in the RDC XI review in anticipation of major development issues/concerns pertaining to these proposals. Deliberations on each FY Budget Proposal shall immediately follow after each presentation. In the case of SUCs, all SUCs shall be allowed to finish their presentations before the deliberations.
15. All actions taken by RDC XI on each FY 2011 Budget Proposal shall be indicated in the form of a resolution.

Coverage (AROs/SUCs/SDAs):

16. The following AROs/SUCs/SDAs shall be covered by the RDC XI budget review, namely:

<u>Sector/Agency</u>	<u>Sector/Agency</u>
<u>Infrastructure Development Sector</u> <ul style="list-style-type: none"> • DPWH XI • NIA XI • DOTC-PPA XI • DOE XI • CICT - TelOf XI 	<u>Economic Development Sector</u> <ul style="list-style-type: none"> • DA XI/BFAR XI/ATI XI • DENR XI/MGB XI/EMB XI • DAR XI • DOT XI • DOST XI • DTI XI • SPDA
<u>Social Development Sector</u> <ul style="list-style-type: none"> • DOH XI/PopCom XI/ NNC XI/DRH • DepEd XI • DSWD XI • NHA XI • DOLE XI • TESDA XI 	<u>Development Administration Sector</u> <ul style="list-style-type: none"> • DILG XI/BFP XI/BJMP XI • PNP XI
<u>State Universities and Colleges</u> <ul style="list-style-type: none"> • USEP • DNSC • DOSCST • SPAMAST • UP-Mindanao 	

17. AROs not listed above but are required by their central offices (COs) to submit RDC endorsed budget proposals have to get in touch with the RDC XI Secretariat for possible inclusion of their budget proposals during the budget consultation.

Post Budget Review:

18. No modifications

All budget proposals favorably acted upon by the RDC XI will be issued a resolution of endorsement. The approved list of PAPs in the prescribed format (BP 201-schedule C allocable portion) shall be attached as an integral part of the resolution.

19. With Modifications

a. Modifications prescribed by RDC XI



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The ARO/SUC/SDA shall submit to the RDC XI Secretariat the revised list of PAPs as recommended by the RDC XI during the budget review. The RDC XI Secretariat shall authenticate this revised list of PAPs.

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b. Agency Central Office-required modifications

In the event after the conduct of the budget review, the agency CO shall require modifications to the ARO budget proposal or CHED in the case of SUCs, the ARO or SUC should inform the RDC XI Secretariat of the changes and submit in the prescribed format (BP 201-schedule C allocable portion) the revised list of PAPs. This is in line with Section 4.3.3.2 of NBM 105 which states that “Agency Central Offices, through the AROs, are enjoined to provide RDCs and DBM ROs with feedback information on RDC-endorsed programs/projects including regionally defined projects funded from nationwide lump-sums which they have included in their consolidated budget proposal to DBM.” The RDC XI Secretariat shall validate the revised list of PAPs to determine if the region’s priority PAPs have been affected. If such a determination is made, the RDC XI Secretariat shall submit a report of this fact in the next RDC XI meeting.

Davao Region Development Outcomes

- Goal 1. Increase Job Creation through Economic Growth
- Goal 2. Enhanced Social Development with Direct Poverty Reduction Measures
- Goal 3: Improved Physical Planning and Sustainable Management of the Environment
- Goal 4. Improved Infrastructure and Logistics Support
- Goal 5. Good Governance

Priority Industry Clusters

1. Banana
2. Mango
3. Coconut
4. Seaweed
5. Wood
6. Mining
7. Eco-Tourism
8. ICT
9. Biofuels
10. Livestock and Poultry
11. Machineries and equipment;