



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

**Guidelines for the RDC XI Consultation/Review
of FY 2013 Budget Proposals**

I. Background/Rationale

The National Budget Memorandum (NBM) No. 112 dated December 29, 2011 provides the policy guidelines and procedures in the preparation of the FY 2013 Budget Proposals.

NBM 112 lays down the overall fiscal policy framework and priority thrusts of the FY 2013 Budget based on the Philippine Development Plan (PDP), 2011-2016, on-going reforms in public expenditure management, and the five (5) key result areas of the President's Social Contract with the Filipino People, specifically:

- 1) Transparent, accountable, and participatory governance;
- 2) Poverty reduction and empowerment of the poor and vulnerable ;
- 3) Rapid, inclusive, and sustained economic growth;
- 4) Just and lasting peace and the rule of law; and
- 5) Integrity of the environment and climate change adaptation and mitigation

As an enhancement to last year's budgeting exercise, NBM 112 introduces the concept of bottom-up budgeting approach which is being piloted by the Human Development and Poverty Reduction Cluster, one of the five cabinet clusters created by the present Administration through Executive Order No. 43, Series of 2011, in 300 to 400 municipalities nationwide to identify the priority development needs of poor communities and harmonize them with sectoral and regional objectives of departments.

The FY 2013 budget preparation exercise continues to strengthen the linkage between development planning, investment programming and budgeting and shall further promote a more extensive engagement of civil society organizations (CSOs). NBM 112 thus prescribes the guidelines and procedures for the conduct of agency consultations at the central and regional levels with civil society organizations (CSOs), the private sector, the Regional Development Councils (RDCs) and other stakeholders.

Section 5.2.1 of NBM 112 states that *"RDCs shall be used as venue for the validation and/or suggestions on needed improvements in agency programs. The presence of LGU officials as well as private stakeholders in the RDCs shall be maximized by soliciting their feedback on the impact of national agency programs/projects in their localities."*

As such, RDC XI shall pursue the conduct of the FY 2013 budget review and consultation consistent with the provisions of NBM 112 and as mandated under Section 4(d) of Executive Order No. 325, Series of 1996 which states that RDCs shall *"review and endorse to the national*

government the annual budgets of agency regional offices, state colleges and universities and special development authorities.”

As a result of the RDC XI budget review and consultation, it is expected that the budget proposals of AROs/SUCs/SDAs become more responsive to the goals, objectives and targets, and emerging challenges and opportunities of Davao Region and its local government units. The activity shall also ensure complementation of national government and LGU programs within the region and enable support of the region’s comparative advantage and needs.

II. Objectives

The RDC XI budget review and consultation guidelines are intended to:

1. Provide all concerned AROs/ SUCs/ SDAs in the region the minimum parameters, in addition to the requirements of NBM 112 in the formulation of their respective FY 2013 Budget Proposals to ensure their comprehensiveness and consistency with national and regional development thrusts and priorities, ongoing reforms in public expenditure management, and the five (5) key result areas of the President’s Social Contract with the Filipino People.
2. Provide the basic criteria in the review of the FY 2013 Budget Proposals.
3. Provide the timetable of activities to ensure the timely completion and review of FY 2013 Budget Proposals.

III. General Guidelines

1. The RDC budget review and consultation of FY 2013 Budget Proposals shall be generally guided by the provisions of National Budget Memorandum (NBM) No. 112 (<http://www.dbm.gov.ph/BudgetCall2013.pdf>).
2. The preparation of the FY 2013 Budget Proposals shall prioritize sectors/purposes/expenditures within the context of the Medium Term Expenditure Framework (MTEF), the Organizational Performance Indicator Framework (OPIF) and Zero-Based Budgeting (ZBB) Approach.
3. The preparation of the FY 2013 Budget Proposals shall be also 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 FY 2013 Budget Proposals of all concerned AROs/ SUCs/ SDAs shall be also consistent with the NCRFW, NEDA and DBM Joint Circular No. 2004-1.
4. The preparation of the FY 2013 budget proposals shall likewise include specific programs, projects, and activities (PAPs) that will contribute to the achievement of the Millennium Development Goals (MDGs)

5. The RDC XI budget review and consultation shall cover capital and technical assistance programs, projects, and activities (PAPs) proposed by the AROs/SUCs/SDAs, including Personal Services (PS) and Maintenance and Other Operating Expenses (MOOE) of these programs and projects.
6. Per Section 5.1.2.1 of NBM 112, ACOs shall inform the AROs of their program thrust, focus of agency budget and indicative distribution of existing lump-sum funds to guide the AROs in their discussions with a) target municipalities under the bottom-up budgeting, b) CSOs relative to their feedback and findings of existing programs and projects, and c) RDCs relative to the presentation of their budget ceilings and program thrusts for the region.
7. The RDC XI shall only review the FY 2013 Budget Proposals of AROs/SUCs/SDAs with budget ceilings, as such, concerned AROs/SUCs/SDAs should officially inform the RDC XI Secretariat of the availability of their respective budget ceilings not later than February 10, 2012.
8. In line with the bottom-up budgeting approach, AROs should prioritize the funding needs of PAPs for the target municipalities within the budget ceiling. These PAPs should be properly tagged to facilitate tracking and monitoring in all phases of budgeting.
9. PAPs under the FY 2013 Budget Proposal shall be those that are supportive of the achievement of the goals and targets of the RDP, 2011-2016 and the Davao Gulf Area Development Plan. This is to ensure that PAPs for funding in FY 2013 will support regional development outcomes, particularly sustained inclusive growth and poverty reduction. As such, the FY 2013 Budget Proposals shall be reviewed vis-à-vis the priority PAPs in the CY 2013 Annual Investment Program (AIP) and Regional Development Investment Program (RDIP), 2011-2016.
10. Complementation in the programs and projects of all concerned AROs/SUCs/SDAs with those of the LGUs shall be observed to avoid duplication, address gaps and promote greater equity in service delivery. The participation of the civil society organizations, private sectors and other stakeholders is encouraged in the preparation of FY 2013 budget proposals. As such, AROs/SUCs/SDAs in the region shall undertake consultations with LGUs and CSOs in the preparation of their FY 2013 Budget Proposals.
11. SUCs should also consider PAPs geared towards higher education sector reforms such as amalgamation and typology of higher education institutions (HEIs).
12. As much as possible, location of PAPs, particularly those of the AROs, shall be specifically identified, including the congressional district. Target outputs, as well as beneficiaries of these PAPs, shall be also explicitly indicated. This is in line with the RDC XI's thrust to enhance PPA target setting, promote spatial equity of PAPs, and facilitate request for funding support from the region's Members of the House of Representatives.

13. In addition to their FY 2013 Budget Proposals, all concerned AROs/SUCs/SDAs shall submit to RDC XI a status report on their respective FY 2012 budget proposal. The status report shall include a comparative analysis of the proposed PAPs of their FY 2012 Budget Proposals that were endorsed by RDC XI and those that were finally included in the FY 2012 General Appropriations Act (GAA).
14. The budget review and consultation shall be conducted by the RDC XI Full Council with the members of its Executive Committee as principal budget review panel. The RDC XI shall review the FY 2013 Budget Proposals of all concerned AROs/SUCs/SDAs.
15. All concerned AROs/SUCs/SDAs shall prepare and submit to the RDC XI Secretariat not later than February 10, 2012, sixty-five (65) copies of their FY 2013 Budget Proposals (MFO Budget Matrix (Form A) and Agency Performance Measures (Form B)) for inclusion in the RDC XI meeting agenda folder. The presentation materials on the FY 2013 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 nedaxi_davao@yahoo.com and edc_davao@yahoo.com.
16. 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 RDC XI budget review and consultation. Each ARO/SUC/SDA is allowed a maximum of three (3) participants only.

IV. Mechanics of Presentation and Review

17. Each concerned ARO/SUC/SDA shall be given a maximum of 10 minutes to present its FY 2013 Budget Proposal. The Regional Director or Assistant Regional Director/SUC President or Vice-President/SDA Head or Assistant Head shall personally present his/her ARO/SUC/SDA budget proposal. Budget proposals of ARO attached agencies shall be included in the presentation of the ARO.
18. To ensure uniformity in the presentation, a prescribed template is provided (attached). All concerned 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 PAPs, e.g., construction of roads, trainings, etc., together with their respective total costs. Specific information on programs, projects and activities in each FY 2013 Budget Proposal shall be provided in the RDC XI meeting agenda folder.
14. The FY 2013 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 2013 Budget Proposal shall immediately follow after each presentation. In the case of CHED XI and SUCs, all shall be allowed to finish their presentations before the deliberations.

15. All actions taken by RDC XI on each FY 2013 Budget Proposal shall be indicated in the form of a resolution.

V. Coverage

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

Sector/Agency	Sector/Agency
<u>Infrastructure Sector</u> <ul style="list-style-type: none"> • DPWH XI • NIA XI • DOTC-PPA XI • DOE XI • CICT – TeIOf XI • CAAP XI 	<u>Economic Sector</u> <ul style="list-style-type: none"> • DA XI/BFAR XI/ATI XI • NFA • DENR XI/MGB XI/EMB XI • DAR XI • DOT XI • DOST XI • DTI XI • SPDA • PCUP XI
<u>Social Sector</u> <ul style="list-style-type: none"> • DOH XI/SPMC/DRH/ PopCom XI/NNC XI • 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 • NEDA/RDC CHED XI <u>State Universities and Colleges</u> <ul style="list-style-type: none"> • USEP • DNSC • DOSCST • SPAMAST

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 FY 2013 budget proposals during the budget review and consultation.

VI. Post Budget Review

18. No modifications

All FY 2013 Budget Proposals favorably acted upon by the RDC XI will be issued a resolution of endorsement. The approved list of PPAs in the prescribed format MFO

Budget Matrix (Form A) and Agency Performance Measures (Form B) shall be attached as an integral part of the resolution.

19. With Modifications

a. Modifications prescribed by RDC XI

All concerned AROs/SUCs/SDAs shall submit to the RDC XI Secretariat the revised list of PPAs programs, projects, and activities as recommended by the RDC XI during the budget review and consultation. The RDC XI Secretariat shall authenticate this revised list.

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 concerned ARO or SUC should inform the RDC XI Secretariat of the changes and submit in the prescribed format the revised list of PPAs. This is in line with Section 5.2.4 of NBM 112 which states that "Agency Central Offices (ACOs), through the AROs, are enjoined to provide RDCs and DBM ROs with feedback information on RDC recommendations on programs/projects which are to be incorporated in the budget submission to DBM." The RDC XI Secretariat shall validate the revised list of PPAs 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 in the next RDC XI meeting.

VII. Schedule of Activities

	Activity	Responsible Entity	Date
1	Issuance of Guidelines for the RDC XI Budget Review and Consultation	RDC XI	January 20, 2011
2	FY 2013 Budget Proposal Preparation, including conduct of consultations by concerned agencies with LGUs, civil society organizations (CSOs), private sector and other interested stakeholders	AROs/SUCs/SDAs/LGUs	January 23-February 3, 2012
3	Consultation of HDPARC-targeted municipalities with convergent agencies	DA/DAR/DENR/DILG/DSWD/DepEd/DOH/Philhealth/Concerned LGUs	February 2012
4	Submission of FY 2013 Budget Proposal	AROs/SUCs/SDAs	February 6 – 10, 2012, 2012
5	RDC XI Technical Secretariat Review	Secretariat of the RDC XI	February 13-17, 2012

	Activity	Responsible Entity	Date
6	RDC XI meeting for the review of the FY 2013 Budget Proposals	RDC XI	February 21 and 22, 2012
7	Submission of RDC XI Resolutions to concerned ACOs, CHED, DBM and Congress	RDC XI Secretariat	February 23 to March 2, 2012
8	Feedback on RDC XI-endorsed programs/projects which are to be incorporated in the ACO budget submission to DBM	Concerned AROs/SDA	1 st Week of April

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