

**INTERGOVERNMENTAL FISCAL POLICY BOARD (IFPB)
GUIDELINES ON FOREIGN GRANTS TO THE BANGSAMORO AUTONOMOUS
REGION IN MUSLIM MINDANAO (BARMM)**

Section 1. *Legal Basis.* –

- (a) Section 1, Chapter 1, Title II E.O. 292, otherwise known as the Administrative Code provides that, the Department of Finance (DOF) shall be primarily responsible for the sound and efficient management of the financial resources of the Government, its subdivisions, agencies and instrumentalities;
- (b) Section 1, Republic Act No. 4860, which states that the President may enter into and conclude bilateral agreements involving other forms of official assistance such as grants;
- (c) Article V, Section 1 of Republic Act No. 11054, otherwise known as the Bangsamoro Organic Law (BOL), which provides that all powers, functions, and responsibilities not granted by the Constitution or law to the Bangsamoro Government shall be vested in the National Government;
- (d) Article V, Section 2 (v) of BOL, which provides that the Bangsamoro Government shall exercise authority over grants and loans, without prejudice to the general supervision of the President of the Philippines;
- (e) Article V, Section 26 of BOL, which provides that in case of such grants or donations from governments of foreign countries, their agencies and instrumentalities or multilateral institutions or organizations, acceptance thereof shall be subject to the prior clearance and approval by the President or his authorized representative;
- (f) Article XII, Section 1 of the BOL, which provides that the Bangsamoro Government shall enjoy fiscal autonomy , and that it is entitled to all fund sources as and shall have the power to create its sources of revenues as provided for in the BOL;
- (g) Article XII, Section 6 of the BOL, which provides that the Bangsamoro Government shall have the power to create its own sources of revenue which include grants from economic agreements or conventions entered into by the Bangsamoro Government to which the National Government is a party; and grants, endowments, donations, foreign assistance and other forms of aid;
- (h) Memorandum Circular 16, s. 2017, requiring Special Authority from the President for agreements covering borrowings, guarantees, and foreign grants;
- (i) Section 5, General Provisions, 2020 General Appropriations Act, grants, in cash or in kind, from governments of foreign countries, their agencies and instrumentalities or multilateral institutions or organizations, acceptance thereof shall be subject to the prior



clearance and approval by the President or his authorized representative based on the recommendation of the Secretary of Finance.

Section 2. Scope. – The following guidelines will apply exclusively to grants, in cash or in kind, from governments of foreign countries, their agencies and instrumentalities or multilateral institutions or organizations to the Bangsamoro Government and its subdivisions, ministries, subsidiaries, and instrumentalities.


Section 3. Procedure for Approval of Grants. –

- (a) The Bangsamoro Government shall coordinate closely with the Department of Foreign Affairs prior to the negotiation and signing of an **international agreement**. An international agreement is defined as a contract or understanding, regardless of nomenclature, entered into between the Philippines and another government in written form and governed by international law, whether embodied in a single instrument or in two or more related instruments. The issuance of a Note Verbale/Signing of Exchange of notes may be required by the Department of Finance for foreign grants;
- (b) Prior to the negotiation and signing of **foreign grants**, the Bangsamoro Government shall, coordinate closely with the Department of Finance and shall send a letter from the head of the Bangsamoro Government to the Secretary of Finance endorsing the project and requesting for assistance to facilitate issuance of request for Office of the President (OP) Approval or Special Authority with the following enclosed:
 - a. Certification/confirmation by the Bangsamoro Government including the following but not limited to (i) pay/assume required government counterpart for the project including payment/assumption of customs duties and taxes and (ii) secure the necessary budget to cover the said government counterpart for the project;
 - b. Draft financing/grant/implementation agreement, document, or similar instrument;
 - c. Letter from grantor (if available);
 - d. Project brief; and
 - e. Other additional documents that may be required by the DOF or OP.
- (c) Authorizations for the negotiation and signing of foreign grants shall be granted in writing through Full Powers, Special Authority, Letter or Memorandum signed by the President, or the Executive Secretary “by authority of the President”.
- (d) The requirement of complete staff work as provided in MC No. 68 shall be strictly observed before requesting the abovementioned authorizations.
- (e) These guidelines shall cover foreign grants without prejudice to the requirement that a recommendation from the National Economic and Development Authority be obtained for particular projects covered under the Philippine Development Plan.



Section 4. Effectivity. – These guidelines shall take effect fifteen (15) days following the filing of three (3) copies hereof with the Office of the National Administrative Register (ONAR) University of the Philippines (UP) Law Center, Diliman, Quezon City, pursuant to Presidential Memorandum Circular No. 11 dated 09 October 1992.

Approved on 05 February 2021



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CHIEF MIN. AHOD B. EBRAHIM
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