



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Republic of the Philippines

BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

Ministry of Finance, and Budget and Management

Bangsamoro Government Center, Rosary Height VII, Cotabato City



BANGSAMORO BUDGET CIRCULAR

No. 2022-02

FOR : All Heads of Ministries, BTA Parliament, and Offices of the Bangsamoro Government, Budget Officers, Accountants; and all Others Concerned

SUBJECT : **GUIDELINES ON THE RELEASE OF SPECIAL DEVELOPMENT FUND FOR FISCAL YEAR 2020 and 2021**

DATE : **February 02, 2022 | 01 Rajab 1443 AH**

1.0 BACKGROUND AND LEGAL BASES

The Republic Act No. 11054, otherwise known as the Bangsamoro Organic Law (BOL) provides an allocation for Special Development Fund (SDF) to the Bangsamoro government. Specifically, it stipulates that:

Special Development Fund. - *The National Government shall provide a special development fund to the Bangsamoro Government for the rebuilding, rehabilitation, and development of its conflict-affected communities.*

The amount equivalent to Fifty Billion pesos (P50,000,000,000.00), at Five Billion pesos (P5,000,000,000.00) per year, for a period of ten (10) years from the ratification of this Organic Law, shall be allocated for this purpose.

The utilization of the fund shall be in accordance with the Bangsamoro Development Plan to be adopted by the Bangsamoro Government, as provided in Section 6, Article XIII of this Organic Law. (Section 2, Article XIV)

In view of this provision, the Bangsamoro Parliament enacted Bangsamoro Autonomy Act No. 22 (BAA No. 22) or "An Act Appropriating the sum of Ten Billion Pesos (Php 10,000,000,000.00) from the 2020 and 2021 Special Development Fund and for other purposes.

Section 2, Paragraph 2 of the BAA No. 22 authorizes the MFBM to issue guidelines on the release of SDF. Specifically, it provides:

"Releases from this Fund shall be made by the Ministry of Finance, and Budget and Management directly to the appropriate implementing ministries/offices subject to the approval of the Chief Minister and upon

submission of the Special Budget Request and the necessary supporting documents. The MFBM shall formulate and issue guidelines on the release of SDF."

Furthermore, the same law provides in Section 7 that:

"Flexibility and Adjustments in Project Implementation. *Implementing agencies shall be given maximum flexibility in the use of their cash allocations, provided that the authorized allotment for a specific purpose is not exceeded. This may include adjustments in the project design due to changes in scope, location, beneficiaries, and implementation period. The adjustments are subject to the endorsement of the Director General of the BDPA and approval of the Chief Minister.*

The MFBM shall formulate and issue guidelines on the use of funds and project adjustments."

2.0 PURPOSE

To provide guidelines on the release of 2020 and 2021 Special Development Fund.

3.0 GUIDELINES ON THE RELEASE OF SPECIAL DEVELOPMENT FUND

- 3.1 All appropriations authorized by the Approved Cash Program of the FY 2020 Special Development Fund and FY 2021 Special Development Fund shall be available for release and disbursement for the purposes specified.
- 3.2 Funds for programs, activities, and projects (PAPs) specifically appropriated to an implementing Ministry, Office or Agency shall be released directly to the implementing Ministry, Office or Agency, subject to the approval of the Chief Minister.
- 3.3 Release of funds, such as Obligational Authority and Disbursement Authority shall be in accordance with the MFBM-evaluated Budget Execution Documents (BEDs) prepared by Ministries and Offices, in accordance with the approved PAPs funded by the Special Development Fund FY 2020 and Special Development Fund 2021.
- 3.4 All implementation-ready PAPs shall be released with Special Allotment Release Order (SARO) and Notice of Cash Allocation (NCA) upon submission of budget execution documents required in Item 5.0 of this Budget Circular.

4.0 VALIDITY OF FUNDS

- 4.1 All Special Development Fund appropriated through BAA No. 22 shall be available for release and disbursement for the purpose specified until December 31, 2022.

- 4.2 All released obligational authority (SARO) shall be valid until December 31, 2022 regardless of the expense class.
- 4.3 All released disbursement authority (NCA) for infrastructure Capital Outlays shall be valid until June 30, 2023. On the other hand, all NCA released for Maintenance and Other Operating Expenses and other non-infrastructure capital outlays shall be valid until March 30, 2023.

5.0 PROCEDURAL GUIDELINES AND DOCUMENTARY REQUIREMENTS

- 5.1 All fund releases of Special Development Fund shall be made only after submission of the following documents, subject to evaluation of MFBM, to wit:
 - a) Special Budget Request,
 - b) Financial Plan (Budget Execution Document No. 1),
 - c) Physical Plan (Budget Execution Document No. 2),
 - d) Monthly Disbursement Program (Budget Execution Document No. 3), and
 - e) Other documentary requirements, which include:
 - i. Project Implementation Plans (for non-infrastructure PAPs);
 - ii. Pertinent Construction Documents (for infrastructure PAPs):
 - Approved and duly signed Program of Works (POW),
 - Approved and duly signed Budget for the Contract (ABC),
 - Approved and duly signed Detailed Engineering Design and/or Construction Plan.
- 5.2 All Ministry, Office or Agency implementing infrastructure projects must comply with the additional requirements for the implementation of infrastructure projects as set forth in Section 4 of the BAA No. 22.
- 5.3 The MFBM shall issue Authority to Disburse for the funds of the Programs and Projects already released to the implementing Ministries, Offices, or Agencies subject to the submission of Statement of Allotment, Obligations, Balances, and Disbursements (SAOBD) and Budget Execution Document No. 3 (BED No. 3).
- 5.4 The provision of the General Appropriations Act of the Bangsamoro, as well as pertinent issuances of the MFBM on fund utilization, shall apply suppletorily.

6.0 LIMITATIONS, FLEXIBILITY AND ADJUSTMENTS IN PROJECT IMPLEMENTATION

- 6.1 All releases for the Special Development Fund shall be limited to the approved list of Programs, Projects, and Activities, as well as the Cash Program of the FY 2020 Special Development Fund and the FY 2021 Special Development Fund approved by the Chief Minister.
- 6.2 To avoid duplicity, under no circumstances shall the SDF FY 2020 and SDF FY 2021 be released for other purposes such as the implementation of regular programs, activities, and projects appropriated under the General Appropriations Act of the Bangsamoro (GAAB) for FY 2020 and FY 2021, as well as PAPs already funded under other plans such as the Bangsamoro Response and Recovery Plan.
- 6.3 In compliance with Section 7 of the BAA No. 22, implementing Ministries, Offices or Agencies shall be given maximum flexibility in the use of their cash allocations, provided that the authorized allotment for a specific purpose is not exceeded. This may include adjustments in the project design due to changes in scope, location, beneficiaries, and implementation period.
- 6.4 All proposed adjustments in the approved PAPs for SDF FY 2020 and SDF FY 2021 are subject to the endorsement of the Director General of the BPDA and approval of the Chief Minister.

7.0 REPORTING AND POSTING REQUIREMENTS

- 7.1 **Quarterly Financial and Physical Reports.** The implementing Ministries, Offices or Agencies shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - a) Unified Reporting System (URS) or other electronic means for submission of reports;
 - b) Hardcopy submitted to the MFBM; and
 - c) Implementing Ministry/Office/Agency's website.
- 7.2 **Monthly Financial Reports.** The Ministries, Offices or Agencies shall submit monthly reports on appropriations, allotments, and obligations of the current appropriations as well as monthly reports of disbursement, on or before the tenth (10th) day of the month immediately following the covered period, through the following:
 - a) Unified Reporting System (URS) or other electronic means for submission of reports;

- b) Hardcopy submitted to the MFBM; and
- c) Implementing Ministry/Office/Agency's website.

- 7.3 The implementing Ministries, Offices, or Agencies shall send written notice when said reports have been submitted or posted on its website to the MFBM and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said Ministries and Offices shall be considered the date of compliance with this requirement.
- 7.4 Failure to comply with any of the foregoing shall result in the automatic suspension of the salaries of the responsible official or employee until they have complied with the above requirements pursuant to Section 57, Chapter 6, Book VI of E.O. No. 292, as may be applicable, and existing laws and guidelines issued thereon.
- 7.5 Repeated failure or refusal of said official or employee to submit the above reports without any justifiable cause may be a ground for administrative disciplinary action, subject to pertinent civil service rules and regulations. The Minister or Head of Office shall be responsible for ensuring compliance with this penalty provision.

8.0 MISCELLANEOUS PROVISIONS

- 8.1 The Ministries, Offices or Agencies shall submit to the MFBM the name and profile of at least two (2) officially designated contact persons/ focal persons for all Special Development Fund concerns, within five (5) days from the receipt of this Circular.
- 8.2 The MFBM shall only coordinate with the designated personnel on matters concerning Special Development Fund.
- 8.3 All documents must be submitted in hard copy, except otherwise allowed by the MFBM.
- 8.4 For information and strict compliance.

9.0 EFFECTIVITY

This Bangsamoro Budget Circular shall take effect immediately.

MINISTRY OF FINANCE, AND
BUDGET AND MANAGEMENT-BARMM

RELEASED

DATE: 2/3/2022
TIME: _____


AHOD B. EBRAHIM
Chief Minister
Concurrent Minister, MFBM-BARMM

