



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. 2023-05**

**FOR** : All Heads of Ministries and Offices of the Bangsamoro Government, SDF Focal Persons and Budget Officers, Accountants; and all Others Concerned

**SUBJECT** : **GUIDELINES ON THE RELEASE OF SPECIAL DEVELOPMENT FUND FOR FISCAL YEAR 2020, 2021 and 2022**

**DATE** : **MARCH 13, 2023 | 21 Sha'ban 1444 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 (₱50,000,000,000.00), at Five Billion pesos (₱5,000,000,000.00) 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."*

## **2.0 PURPOSE**

To provide guidelines on the release of 2020, 2021, and 2022 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 Special Development Fund 2020 (SDF 2020), Special Development Fund 2021 (SDF 2021), and Special Development Fund 2022 (SDF 2022) 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 under the SDF 2020, SDF 2021, and SDF 2022.
- 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 documents required in Item 5.0 of this Budget Circular.

## **4.0 VALIDITY OF FUNDS**

- 4.1 Pursuant to Bangsamoro Autonomy Act No. 34 or "An Act Extending the Availability of 2020 and 2021 Special Development Fund" (BAA No. 34), the availability for the use of SDF 2020 and SDF 2021 is extended. Specifically, appropriations for infrastructure capital outlays shall be valid for obligation until December 31, 2023, while the completion of construction, inspection, and payment shall be made not later than June 30, 2024. On the other hand, appropriations for MOOE and other capital outlays items shall likewise be valid for obligation until December 31, 2023, while the delivery, inspection and payment shall be made not later than March 31, 2024.
- 4.2 Pursuant to Bangsamoro Autonomy Act No. 33 or "An An Act Extending the Availability of the General Appropriations Act of the Bangsamoro Until

December 31, 2023, except Personnel Services, and General Administration and Support under Maintenance And Other Operating Expenses, Amending For the Purpose Sections 48 and 67 of the General Provisions of the Bangsamoro Autonomy Act No. 23 or FY 2022 General Appropriations Act Of The Bangsamoro" (BAA No. 34), the availability for the use of SDF 2022 is extended. Specifically, appropriations for infrastructure capital outlays shall be valid for obligation until December 31, 2023, while the completion of construction, inspection, and payment shall be made not later than June 30, 2024. On the other hand, appropriations for MOOE and other capital outlays items shall likewise be valid for obligation until December 31, 2023, while the delivery, inspection and payment shall be made not later than March 31, 2024.

- 4.3 All released obligational authority (SARO) and disbursement authority (NCA) shall be valid until December 31, 2023 regardless of the expense class.

## 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 (SBR) indicating the name and cost of the project;
  - 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 proving Implementation Readiness of PAPs, which include but not limited to:
    - 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.
    - iii. Equipment, other than motor vehicle:
      - Specifications of Equipment

**5.2 Special procedure for requests including Motor Vehicle charged to SDF:**

Pursuant to Administrative Order No. 14, series of 2018 of the President of the Philippines and DBM Budget Circular No. 2022-01, no purchase of vehicle shall be valid without the Authority to Purchase Motor Vehicle (APMV) issued by the Chief Minister.

For this purpose, the following procedure for all request of APMV shall be implemented:

- a) The implementing M/O/As may submit a Request for Authority to Purchase Motor Vehicle (APMV) containing the following information:
  - i. Intended use or user;
  - ii. Quantity;
  - iii. Cost;
  - iv. Funding Source; and
  - v. Motor Vehicle classification and specification
- b) If in order, the MFBM shall endorse the same to the Office of the Chief Minister for further review and/ or subsequent release of APMV to the requesting M/O/A.
- c) Upon receipt of the APMV, the M/O/A may submit SBR requesting for release of funds attaching the following documents:
  - i. Duly signed APMV;
  - ii. Budget Execution Documents (BEDs 1-3)
- d) In no case shall the request for motor vehicle be consolidated with other requests of different nature.

5.3 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.

**5.4 Procedures for the Use of Extended 2020 and 2021 Special Development Fund**

The following procedure shall be observed to access the extended fund:

- a) Submission of Letter of Request for Authority to Disburse Extended Fund attaching the following documents:
  - i. Budget Execution Documents (1-3) pertaining to the unobligated 2020 or 2021 SDF, as the case may be; and

- ii. Budget and Financial Accountability Form 1, 1-A, 1-B, 3, 4, and BAR No. 1, as of December 31, 2022;
- b) Upon finding the request to be in order, the MFBM shall issue the appropriate Authority to Disburse extended fund.
- 5.5 Submission of requests made in batches (e.g. one request contains more than one project item based on PAP list) will be facilitated and assessed as such. Thus, the requesting M/O/A is enjoined to only submit in batch which include projects with complete documentary requirements.
- 5.6 The provision of the General Appropriations Act of the Bangsamoro, as well as pertinent issuances of the MFBM on fund release and utilization, shall apply supplementary.

## **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 SDF 2020, SDF 2021, and SDF 2022 approved by the Chief Minister.
- 6.2 To avoid duplicity, under no circumstances shall the SDF 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) and other appropriation law.
- 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 2020 SDF, 2021 SDF, and 2022 SDF 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 (10<sup>th</sup>) 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 permanent focal persons for all Special Development Fund concerns, within five (5) days from the receipt of this Circular. The MFBM shall only coordinate with the designated personnel on matters concerning Special Development Fund.

8.3 All documents must be submitted in duly signed hard copy, except otherwise allowed by the MFBM.

8.4 The MFBM shall initiate activities to properly orient the different stakeholders on the policy and procedures on the release of the SDF as provided herein.

8.5 For information and strict compliance.

**9.0 EFFECTIVITY**


This Bangsamoro Budget Circular shall take effect immediately.

  
**UBAIDA C. PACASEM**  
Minister



MINISTRY OF FINANCE, AND  
BUDGET AND MANAGEMENT-BARMM

**RELEASED**

  
DATE: 3/15/23 TIME: 4:00