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**BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO  
MINISTRY OF FINANCE, AND BUDGET AND MANAGEMENT  
BANGSAMORO GOVERNMENT CENTER, COTABATO CITY**

**BANGSAMORO BUDGET MEMORANDUM**

No. **2023001**

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

**SUBJECT** : **BANGSAMORO BUDGET CALL FOR FY 2024**

**DATE** : **1 March 2023 | 9 Sha'ban 1444 AH**

**1.0 INTRODUCTION**

The Bangsamoro FY 2024 budget aims to strengthen the identified priority programs for the extended transition period and respond to the effects of the ongoing global health crises, growing effects of climate change, and the continuously shifting external environment.

With the 2<sup>nd</sup> Bangsamoro Development Plan (BDP) 2023-2028, the bricks are laid down to achieve the six (6) overall development goals through the eight (8) strategies as provided. The plan highlights the priority programs, activities, and projects that will support the realization of an empowered, cohesive and progressive Bangsamoro. Thus, Ministries, Offices, and Agencies shall propose programs aligned with the 2<sup>nd</sup> BDP resulting to economic transformation, which necessitates the practice of open, effective, and accountable governance.

In the allocation of the block grant and all other sources of revenue, the laws and the budgeting rules and regulations implemented by the Ministry of Finance, and Budget and Management (MFBM), guided by generally accepted principles in budgeting in the national government, shall apply.

Toward this end, the FY 2024 Bangsamoro budget shall ensure the implementation-readiness of proposals through better procurement planning, programming of projects and activities, and coordination among agencies. As



such, the Bangsamoro Government is adopting the Cash Budgeting System (CBS), as well as the consolidation of autonomous regional government funds to the Single Treasury Account (STA).

Budget proposals are expected to be anchored on more concrete program plans and designs that outline key procurement and implementation milestones, including specific project locations and beneficiaries. The MFBM will also look into the Ministries', Offices', and Agencies' previous year budget utilization and performance as part of its evaluation process.

## 2.0 EXPENDITURE MANAGEMENT FRAMEWORK

2.1 The FY 2024 budget proposal shall be anchored with the approved **2<sup>nd</sup> Bangsamoro Development Plan 2023-2028** containing the **6-Overall Development Goals with 8 Development Strategies**.

2.2 The adoption of the Cash Budgeting System (CBS) beginning FY 2019 by the National Government, by virtue of Executive Order (E.O.) No. 91 s. 2019, emphasizes the limiting to "within the fiscal year" timeframe for program/activity/project (P/A/P) obligation and implementation. Meanwhile, the payments for the said obligations shall be made until the end of the Extended Payment Period (EPP), as provided under the same EO.

2.3 The FY 2024 Bangsamoro Budget will continue to adopt the following administrative reforms for greater budget transparency and reliability:

- Annual Cash-Based Budgeting (ACBB) or Cash Budgeting System (CBS);
- Two-Tier Budgeting Approach (2TBA);
- Unified Accounts Code Structure (UACS);
- Program-based budgeting structure through the Program Expenditure Classification (PREXC) approach;
- Disaggregation of lump-sum amounts within the Ministry/Office/Agency specific budgets to reflect the P/A/P, implementing Ministry/Office/Agency and/or lower-level operating units;
- A well-functioning, results-based and credible monitoring and evaluation system that will provide evidence-based information;
- Streamlining the harmonization and synchronization of



priority program interventions of Ministries, Offices, and Agencies through submission of program convergence plans and budget strategy; and

- Fostering collaboration and inclusive participation in budgeting with the stakeholders for greater openness, transparency, and accountability.

2.4 To strengthen the vertical and horizontal linkages, Ministries, Offices, and Agencies shall ensure that strategic local needs are considered in the Bangsamoro plans while ensuring that local plans are aligned with Bangsamoro Priorities.

2.4.1 Ministries, Offices, and Agencies shall coordinate their priorities with their respective attached offices and, provincial and field offices. They shall provide guidance on the following:

- a. The Ministry's/Office's/Agency's priorities in the different provinces;
- b. The assessment of implementation-readiness of the priority P/A/Ps in the provinces; and
- c. The consideration of the likely resource constraints for the provincial planning and budgeting.

2.5 The proposed Personnel Services (PS) budget for the entire Bangsamoro Government shall not exceed forty-five percent (45%) of the total revenue source.

2.6 The Bangsamoro government shall appropriate in its annual budget no less than twenty percent (20%) of the total annual appropriation for development projects.

2.7 All the development projects shall contribute to the attainment of desirable social, economic, and environmental management that are directly supportive of the Overall Development Goals attained through the Development Strategies.

2.8 Not less than five percent (5%) of the total annual appropriation shall be appropriated for disaster risk reduction and management.

### 3.0 MINISTRY/OFFICE/AGENCY BUDGET LEVELS

3.1 The total budget of Ministries, Offices, and Agencies shall be based on the total cash requirements of (a) Tier 1 Components, and (b) new and expanded Tier 2 Components.



- 3.1.1 For this purpose, Tier 1 Component is defined as the budget level of the Ministry/Office/Agency composed of Personnel Services requirements of authorized positions and the cost of listed administrative operating expenses sensitive to inflation and fixed expenses, and recurring programs and activities based on the Ministry/Office/Agency 2023 minimum cash requirement level.
- 3.1.2 Tier 2 Component is defined as the budget level of the Ministry/Office/Agency composed of total new or expanded spending based on the Bangsamoro priorities.
- 3.1.3 Under the two-tier budgeting approach, Tier 1 shall be the hard budget ceiling which may be increased from the fiscal space to fund the major expansion and new development programs/activities/projects (Tier 2) in accordance with the Bangsamoro Budget Priorities Framework.
- 3.1.4 The hard budget ceiling for Tier 1 shall be issued to the Ministries, Offices, and Agencies by the MFBM.
- 3.2 The amount available for Tier 2 proposals corresponds to the fiscal space, or the difference between the projected expenditure program (after considering projected revenues) and Tier 1 budget ceiling.
- 3.2.1 With the continued implementation of cash budgeting, the Tier 2 proposals shall be limited to the P/A/Ps or goods and services that are to be delivered and paid within the year. Accordingly, the intended appropriations for these proposals shall only pertain to the cash requirements to be fully disbursed within the fiscal year. Furthermore, Tier 2 proposals will be evaluated based on its viability in adherence to the 2<sup>nd</sup> Bangsamoro Development Plan 2023-2028.
- 3.2.2 To properly allocate the limited fiscal space, Tier 2 proposals shall be evaluated based on the following considerations:
- Relevance to the Overall Development Goal,
  - Implementation readiness,
  - Ministry/Office/Agency Absorptive Capacity,
  - Budget Utilization Rate (BUR), and
  - Indicative Annual Procurement Plan (APP)



## 4.0 SUBMISSION REQUIREMENTS

### GENERAL PROCEDURES

- 4.1 All concerned shall submit the complete set of Bangsamoro Budget Preparation (BBP) Forms per **Annex B** (BBP Guidelines, Forms and Instructions) and other forms required on 4.4.1, if applicable, through manual submission and transmit to MFBM **three (3) hard copies** of the required BBP Forms duly endorsed by the Ministry/Office/Agency Head.

Furthermore, an electronic copy contained in a flash drive is required to be submitted at the MFBM. **Submission through email shall not be recognized as official document**, unless ratified by manual submission thereof.

- 4.2 **Ministries, Offices, and Agencies are directed to strictly adhere to the submission deadlines specified in the Calendar of Activities per Annex C of this Bangsamoro Budget Memorandum.**

- 4.3 For proposed special or general provisions, Ministries, Offices, and Agencies are required to completely fill-out BBP Form 900, particularly the justification for the inclusion of such provisions. Incomplete forms will not be considered in the evaluation of proposed special and general provisions.

- 4.4 Tier 2 Proposals' P/A/Ps must be implementation-ready, and to be delivered and executed within the year.

- 4.4.1 Proposals must include clear, comprehensive, and complete submission of relevant supporting documents such as:

- Feasibility Studies,
- Detailed Engineering Designs,
- Annual Procurement Plans,
- Relocation Action Plan,
- Right of Way Acquisitions,
- Ministry/Office/Agency Operational Plans,
- Ministry/Office/Agency Sector Roadmaps,
- Network Plans,
- Inter-office Clearances and Permits, and
- Proofs of consultation with stakeholders

- 4.4.2 Other necessary information like monitoring and evaluation plans and risk management plans indicating efforts done to ensure P/A/Ps implementation or execution are encouraged.



- 4.5 All Ministries, Offices, and Agencies shall submit the pertinent BBP Forms and supporting documents cited in items 4.1 to 4.4 of this Memorandum directly to the Ministry of Finance, and Budget and Management, Bangsamoro Government Center, Cotabato City.

### SPECIFIC PROCEDURES

- 4.6 The Ministry of Basic, Higher and Technical Education (MBHTE) shall submit budget proposals covering only those activities to be implemented within the Calendar Year (CY) 2024 (January to December 2024 only), i.e., not the requirements for the whole Academic Year (August 2024 to May 2025).
- 4.7 Ministries, Offices, and Agencies shall likewise prepare the indicative 2024 Annual Procurement Plan (APP) to support their budget proposals. The APP shall be a consolidation of the different Procurement Projects as contained in their respective PPMPs. The indicative APPs shall be submitted to the MFBM as part of the budget proposals.
- 4.8 The FY 2024 proposals on infrastructure shall be presented to and evaluated by the Bangsamoro Economic and Development Council (BEDC) and endorsed to the MFBM.
- 4.9 Relative to the FY 2024 Gender and Development (GAD) Plan and Budget (GPB), the Bangsamoro Women Commission (BWC) shall issue separate guidelines on the specific details of its submission pursuant to Republic Act 9710, or the Magna Carta of Women.
- 4.10 In addition, the budget proposals of Ministries, Offices, and Agencies involving specific concerns shall require Ministry/Office/Agency endorsement as follows:

Endorsing Entity	Subject of Endorsement
MPW	Buildings and Infrastructure-Related Proposals
MENRE	Environment-Related Proposals
ICO	Information and Communication Technology-Related Proposals

- 4.11 Similarly, budget proposals of participating Ministries, Offices, and Agencies for projects linked to or part of convergence programs, activities, and projects shall require endorsements of the lead Ministry/Office/Agency.

4.12 All endorsed projects by the above Ministry/Office/Agency shall still be subject to MFBM evaluation.

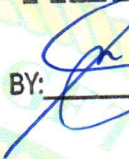
5.0 For strict compliance.

  
UBAIDA Q. PACASEM  
Minister



MINISTRY OF FINANCE, AND  
BUDGET AND MANAGEMENT - BARM

**RELEASED**

BY:  DATE: 3/2/23 TIME: 4:50

