

**DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG)
DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)**

Joint Memorandum Circular No. 02

Date: September 23, 2016

To : Local Chief Executives, Members of the Local Sanggunians, Heads of Local Government Departments and Offices, Regional Governor of the Autonomous Region in Muslim Mindanao, Heads and Directors of the Central and Regional Offices (ROs)/Field Offices of the DBM and DILG, and All Others Concerned

Subject : **POLICIES AND GUIDELINES ON STUDY TOURS OR “LAKBAY ARAL” ACTIVITIES OF LOCAL GOVERNMENT UNITS**

1.0 BACKGROUND

Section 3 (b) of Republic Act (RA) No. 7160, otherwise known as the Local Government Code of 1991, provides that, “[t]here shall be established in every local government unit an accountable, efficient and dynamic organizational structure and operating mechanism that will meet the priority needs and service requirements of its communities.” Such operative principle of decentralization is anchored on the recognized value of continually improving governance to ensure the efficient and effective delivery of public goods and services to the people.

An important aspect of the pursuit of good governance is building the capacity of the local government units (LGUs) to perform their mandates. To provide an integrated and more responsive approach to capacity development (CapDev), LGUs are enjoined to design and implement a formal CapDev agenda.

There are various strategies to implement the CapDev Agenda of LGUs, and these include participation in CapDev interventions offered by various institutions or those organized by the LGUs themselves. It is remarkable, though, that one of the most preferred strategies of LGUs is the conduct of and participation in study tours or “*lakbay aral*” activities.

While the value of learning and transferring knowledge by observing best practices is recognized, it is noted that many of these study tours or “*lakbay aral*” activities do not directly address or respond to the CapDev needs of the LGUs. Moreover, it is also observed that most of these activities are expensive, thus, unduly reduce local funds primarily intended for the delivery of basic services and facilities.

Thus, to bolster Section 17 (g) of RA No. 7160, which states, in part, that “[a]ny fund or resource available for the use of [LGUs] shall be first allocated for the provision of basic services or facilities enumerated in [Section 17 (b) of RA No. 7160] before applying the same for other purposes, unless otherwise provided in this Code,” there is an apparent need to rationalize the policies and guidelines on study tours or “*lakbay aral*” activities of the LGUs.

2.0 PURPOSE

This Joint Memorandum Circular (JMC) is issued to prescribe the policies and guidelines on study tours or "*lakbay aral*" activities of the LGUs, and ensure that:

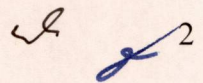
- 2.1 LGU funds are invested in the right priorities, and are efficiently and effectively utilized; and
- 2.2 CapDev interventions, particularly study tours or "*lakbay aral*" activities, are made an integral part of the LGUs' CapDev program which will enable them to obtain, strengthen and maintain their capabilities to set and achieve their own development objectives over time.¹

3.0 GENERAL GUIDELINES

- 3.1 "Study Tour" or "*Lakbay Aral*" as used in this JMC refers to a learning journey, exposure visit, or experiential learning which may be initiated or sponsored by LGUs, National Government Agencies, Civil Society Organizations, and other organizations and associations for the purpose of enhancing local government capability by observing best practices, interacting with peers and other appropriate stakeholders, and understanding current issues, alternative solutions and trends in a particular subject matter. It may be conducted locally and internationally.
- 3.2 Consistent with the general policy to prioritize the provision of basic services and facilities in the allocation of available local resources, LGUs are strongly discouraged from conducting or participating in study tours or "*lakbay aral*" activities, unless it is shown that:
 - 3.2.1 The subject matter of the study tour or "*lakbay aral*" is part of the LGU's CapDev program which was formulated based on an assessment of actual capacities;
 - 3.2.2 The subject matter of the study tour or "*lakbay aral*" is directly responsive to the actual CapDev needs or gaps in the LGU as identified based on the assessment of actual capacities;
 - 3.2.3 The subject matter of the study tour or "*lakbay aral*" is contributory to the improvement of the capacity pillars identified under the LGU's System on Capacity Assessment for Local Governments and the CapDev Agenda; and
 - 3.2.4 The subject matter of the study tour or "*lakbay aral*" cannot be addressed by a more economical mode of CapDev intervention that can be undertaken within the territorial jurisdiction of the LGU, such as but not limited to inviting the resource persons to the LGU.
- 3.3 Accordingly, no study tour or "*lakbay aral*" activity shall be conducted or participated in by LGU officials and personnel without prior authorization from the DILG or its appropriate bureau/office/unit, subject to the guidelines herein provided and other conditions or requirements as may be determined and prescribed by the DILG.
- 3.4 In accordance with and subject to the other applicable limitations prescribed in Commission on Audit Circular No. 2012-003 dated October 29, 2012,² the following expenditures in relation to authorized study tours or "*lakbay aral*" shall not be allowed:
 - 3.4.1 Excessive allowances to participants;
 - 3.4.2 Excessive expenses, such as but not limited to, payment of accommodation expenses in five star hotels or meals in expensive restaurants; and
 - 3.4.3 Payment for rent of expensive halls or rooms in luxury hotels or restaurants used for meetings or seminars and other official functions, except when such hotels or restaurants are used for government-sponsored international conventions, meetings and the like.

¹ Capacity Development: A UNDP Primer

² Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Excessive, Extravagant and Unconscionable Expenditures



3.5 All existing budgeting, accounting and auditing laws, rules and regulations shall be strictly observed in the conduct of and participation in study tours or "lakbay aral" activities.

4.0 REPEALING CLAUSE

Provisions of existing DBM and DILG circulars/memoranda/guidelines that are not consistent with the provisions of this JMC are hereby repealed and/or modified accordingly, while the provisions of existing circulars/memoranda/guidelines which are not affected shall remain in full force and effect.

5.0 CASES FOR RESOLUTION

Cases not covered by this JMC shall be referred to the DBM and DILG for resolution.

6.0 EFFECTIVITY

This JMC shall take effect five (5) days after its publication.

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