



Republic of the Philippines  
**DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT**  
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**OFFICE OF THE UNDERSECRETARY FOR LOCAL GOVERNMENT**

June 15, 2016

**MEMORANDUM CIRCULAR**  
**No. 2016-82**

**TO :** DILG REGIONs VI and VII AND NIR REGIONAL DIRECTORS AND ALL CONCERNED LGUs/IMPLEMENTING PARTNERS OF NIR

**SUBJECT :** GUIDELINES ON THE RELEASE OF FUNDS FROM DILG REGIONS VI AND VII TO DILG-NIR FOR THE CY 2016 BuB INFRASTRUCTURE PROJECTS-WATER SUPPLY AND EVACUATION CENTER AND PAYAPA at MASAGANANG PamayaNAn (PAMANA)-DILG

**1.0 PURPOSE**

This Circular is being issued to prescribe the guidelines on the release of funds for the CY 2016 BUB Infrastructure Projects – Water Supply and Evacuation Center and PAMANA Projects from DILG Regions VI and VII to the concerned LGUs of NIR.

**2.0 COVERAGE**

This circular covers the CY 2016 BUB Infra Projects for Water Supply and Evacuation Center and PAMANA Projects for NIR LGUs which were incorporated in the CY 2016 budget of DILG VI and VII respectively.

**3.0 GUIDELINES**

**3.1 Pre- MOA Signing – Review and Approval/Disapproval**

The concerned LGUs/Implementing Partners shall submit the documentary requirement for the project to DILG-NIR.

DILG-NIR shall be responsible in reviewing and approving/disapproving the initial documents submitted by the concerned LGUs/Implementing Partners as enumerated in Section 6.3.1.1, of the Department Memorandum Circular on the Guidelines for the Implementation of Provision of Potable Water Supply and other Projects (Evacuation Center) under the Bottom-Up Budgeting (BuB) – DILG Fund FY 2016.

DILG-NIR shall be responsible in reviewing and approving/disapproving of PAMANA-DILG Fund Projects in Negros Panay Areas affected by the Communist Party of the Philippines (CPP)/New People's Army (NPA)/National Democratic Front (NDF) in accordance with Section III, Item B.5 of the provisions of DILG-OPAPP Joint Memorandum Circular No. 2, Series of 2014. While, for PAMANA-

DILG Fund in Negros Panay under Closure Agreement with RPM-P/RPA/ABB-TPG, it shall be in accordance with the provisions enumerated in the Supplemental to DILG-OPAPP Joint Memorandum Circular No. 2, Series of 2014.

Once it is verified that the Implementing Partner has complied with the aforesaid requirements, DILG-NIR shall inform DILG Region VI or VII, as the case maybe, in writing, of their approval for the project.

The said letter shall be the basis for DILG Region VI or VII Regional Director to enter into a Memorandum of Agreement (MOA) pertinent to the project.

### **3.2 MOA Signing**

The MOA shall be entered into by and between DILG Region VI or VII Regional Director, DILG NIR Regional Director and LGU Governor/Mayor.

Immediately after the MOA signing, DILG VI or VII shall obligate the whole DILG Fund stipulated in the MOA.

They shall also issue a certificate of availability of funds (CAF) to the Implementing Partner within 5 (5) days after the MOA signing equivalent to the BuB-DILG Fund/PAMANA Fund allocation as reflected in the MOA.

A separate MOA for projects covered by the Supplemental Guidelines under Closure Agreement with RPM-P/RPA/ABB-TPG of PAMANA-DILG Fund. The said MOA shall contain the provision as stated in the approved Supplemental to DILG-OPAPP Joint Memorandum Circular No. 2, Series of 2014 under Section III Guidelines in Accessing the PAMANA-DILG Funds, Item B.7 Signing of the Memorandum of Agreement (MOA).

### **3.3 Releasing of Funds**

DILG Region VI or VII shall release the funds to the concerned Implementing Partners for the first tranche or the full amount depending on the cost of the project based on the approved/signed MOA and the letter of approval by DILG-NIR Regional Director. All other documents shall be kept by DILG-NIR.

Subsequent releases, if any, shall also be done upon receipt of the required liquidation report of the first releases and upon receipt of written advice from DILG-NIR Regional Director to proceed with the second tranche releases.

### **3.4 Reviewing/Approval of Technical Design/Detailed Engineering Design (DED) and Equipment Specification**

DILG-NIR shall be responsible in coordinating with the Proponent LGU/Implementing Partners regarding the submission of technical design/DED and the review/approval of the documents as enumerated in the provision of the respective guidelines of BuB and PAMANA-DILG Fund.

- **For Bottom-Up Budgeting (BuB)-DILG FUND FY 2016 Guidelines for the Implementation of Provision of Potable Water Supply and other Projects (Evacuation Center)**

**Section 6.6.4 Documentary Requirements** "The Implementing Partner shall submit the TD/DED to DILG-RO through the DILG-C/PD or C/MLGOOs within **60 calendar days** after the receipt of the first tranche".

**Section 6.7 Approval of Technical Design/Detailed Engineering Design (TD/DED)** “The DILG-NIR shall review/evaluate and approve/disapprove TD **within fifteen (15) working days** after receipt of the proposals. Non-compliance, with the prescribed 60-day period the DILG-NIR shall take further and appropriate actions for as provided in the same Section as stated above and such other provisions thereat”.

- **For PAMANA-DILG Fund in Negros Panay Areas affected by the Communist Party of the Philippines (CPP)/New People’s Army (NPA)/National Democratic Front (NDF) shall be in accordance with the provisions of DILG-OPAPP Joint Memorandum Circular No. 2, Series of 2014**

**Section III, Item B.5. Preparation and Submission of Project Proposals and Supporting Documents** “The Proponent LGU shall be responsible in the preparation of the project proposal including the Detailed Engineering Design (DED) or Technical Design”. The Proponent shall prepare proposal/s of projects included in PAMANA List, immediately after receipt of the official notice from the Regional Office. The documentary requirements is listed in Section III, Item B.5.j in the same guidelines stated above”.

**Section III, Item B.6 Review, Evaluation/Appraisal of Project Proposal** “Within 15 days after receipt of the proposal, complete with the required documents, the R/PTWG shall complete the review and appraisal with Feasibility, Soundness, Sustainability, and Peace-building as parameters. The R/PTWG shall likewise validate the assessment on the capability and absorptive capacity of the identified Implementing Partner in accordance with Section III, Item B.2 (Assessment of Implementing Partner)”.

- **For PAMANA-DILG Fund in Negros Panay under Closure Agreement with RPM-P/RPA/ABB-TPG it shall be in accordance with the provisions enumerated in the Supplemental to DILG-OPAPP Joint Memorandum Circular No. 2, Series of 2014 under Section III Guidelines in Accessing the PAMANA-DILG Funds, Item B.7 Signing of the Memorandum of Agreement (MOA)**

**Item B.7a** “A MOA shall be forged to establish the implementation arrangement between the DILG/RO and the **Implementing Partner (IP)**, after the submission of **Sangguniang Panlalawigan (SP)/ Sangguniang Panlungsod (SP) Sangguniang Bayan (SB) Resolution authorizing the Local Chief Executive to enter into MOA with DILG**. The Implementing Partner may opt to open a **Special Trust Account for the PAMANA-DILG Fund** to facilitate the tracking of fund utilization however, the **Implementing Partner** may also use their existing trust account provided that a separate subsidiary ledger shall be maintained”.

**Item B.7d** “The **Implementing Partner** shall, **within 90 days** immediately after the receipt of funds, submit the Project Proposal including all the requirements as stated in the above stated Supplemental to PAMANA-DILG Fund Guidelines.”

**Item B.7e** “The **DILG Regional Office** through the **RTWG** shall, **within 15 days** after the receipt of proposal and the required



documents, complete the review and validation of the project and the recommend its approval by the Regional Director”.

### **3.5 Monitoring/Inspection of Project Implementation**

DILG-NIR shall take full responsibility in monitoring all aspects of the project implementation.

### **3.6 Reporting and Liquidation**

The concerned LGU/Implementing Partner shall liquidate the funds by submitting to the source agency (DILG Regions VI and VII) the report of disbursement (ROD) duly signed by the concerned Accountant and approved by the LCE/Head of Agency and received by the Local COA Auditor, copy furnish DILG-NIR. DILG-NIR shall be responsible in coordination and facilitation of the concerned LGUs for the submission of reports.

All funds transferred shall be liquidated within six (6) months after the completion of each project.

However, if upon liquidation by the concerned LGUs/Implementing Partners, DILG-NIR has already established a complete set of books of accounts, and said funds have already been transferred and recorded thereat, the liquidation reports and the unexpended balances shall be submitted and returned to DILG-NIR, respectively.

## **4.0 EFFECTIVITY**

This Memorandum Circular shall take effect immediately.



**MEL SENEN S. SARMIENTO**

Secretary 

