



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

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**MEMORANDUM CIRCULAR**  
**No. 78 Series of 2014**

**TO : ALL CONCERNED DILG REGIONAL/PROVINCIAL/CITY DIRECTORS AND MUNICIPAL LOCAL GOVERNMENT OPERATION OFFICERS (MLGOOs), PROVINCIAL GOVERNORS, CITY/MUNICIPAL MAYORS OF CONCERNED LGUs**

**SUBJECT : GUIDELINES FOR THE IMPLEMENTATION OF VARIOUS PROGRAMS/PROJECTS FOR LOCAL GOVERNMENT UNITS; PROVISION FOR POTABLE WATER SUPPLY, LOCAL ACCESS ROADS AND OTHER PROJECTS UNDER THE GRASSROOTS PARTICIPATORY BUDGETING PROCESS (GPBP DILG FUND) (FORMERLY KNOWN AS BOTTOM-UP BUDGETING)**

**I. LEGAL BASES**

- Executive Order No. 43, series of 2011, organizing the Human Development and Poverty Reduction Cluster (HDPRC), among others, with mandate of implementing Bottom-Up Budgeting (BUB) to ensure the inclusion of the funding requirements for the development needs of focus cities and municipalities in the budget proposals of participating agencies
- Chapter XIV.B.1.g, Implementation of Various Programs/Projects for Local Government Units, Provision for Potable Water Supply under Republic Act No. 10352 (FY 2013 General Appropriations Act)
- Chapter XIV, 406010001 - Provision for Potable Water Supply, Local Access Roads and Other Projects under Republic Act No. 10633 (FY 2014 General Appropriations Act)
- Joint Memorandum Circular No. 3, series of 2012, among DBM, DILG, DSWD and NAPC, providing Policy Guidelines and Procedures in the Implementation of Bottom-Up Budgeting (BUB) for FY 2014 Budget Preparation

**II. BACKGROUND**

Pursuant to the Philippine Development Plan for 2011-2016, the National Government shall pursue the Millennium Development Goal of reducing poverty in the country from 26.50% in 2009 to 16.6% by 2015.



As a strategy of converging programs of National Government Agencies (NGAs) with the needs of the communities and the delivery of municipal services by Local Government Units (LGUs), the Bottom-Up Budgeting (BUB), now known as Grassroots Participatory Budgeting Process (GPBP), was introduced in CY 2012. Local Poverty Reduction Action Teams (LPRATs) were created in the original priority 609 cities and municipalities to formulate and monitor Local Poverty Reduction Action Plans for CY 2013.

As a result, various projects were identified and included in the CY 2013 Budget of pilot-participating NGAs. For DILG's part, two (2) projects were included in the 2013 Budget: (i) Provision for Potable Water Supply and (ii) Implementation of Various Programs/Projects for LGUs. For FY 2014, the same 2 projects are still budgeted with the inclusion of a new one, the Local Access Roads.

### III. PURPOSE

To provide the DILG Central and Field Offices and LGUs with the guidelines on the policies, processes and responsibilities in the implementation of priority poverty reduction subprojects identified by the LGUs through the GPBP which are funded under the General Appropriation Act (GAA): (i) **Implementation of Various Programs/Projects for LGUs– FY 2013**, and (ii) **Provision for Potable Water Supply, Local Access Roads and Other Projects - FY 2014**.

### IV. COVERAGE

This Circular shall cover the following:

- Fourteen (14) Cities and Municipalities (CMs) in five (5) Regions in FY 2013 under the **Implementation of Various Programs/Projects for Local Government Units**
- Six hundred thirty (630) Cities and Municipalities (CMs) in 16 Regions in FY 2014 under the **Provision for Potable Water Supply**
- Ninety (90) Cities and Municipalities (CMs) in fourteen (14) Regions in FY 2014 under the **Other Projects**
- One hundred ninety three (193) Cities and Municipalities (CMs) located in 15 Regions under FY 2014 Budget under the **Local Access Roads**

The List of covered LGUs and the corresponding budget allocation per subproject are shown in **Annex A**.

### V. DEFINITION OF TERMS

For purposes of this Guidelines, the following terms and conditions or words and phrases shall mean or be understood as follows:

- a. **Grassroots Planning and Budgeting Process** (GPBP) – an approach to formulating the budget proposal of agencies, taking into consideration the development needs of the poor cities/municipalities as identified in their respective local poverty reduction action plans that shall be formulated with strong participation of basic sectors and civil society organizations.

