



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

NATIONAL BUDGET CIRCULAR

No. 580
April 22, 2020

TO : All Heads of Departments/Agencies/State Universities and Colleges (SUCs) and Other Offices of the National Government, Government Owned or Controlled Corporations (GOCCs) Receiving Budgetary Support; Budget Officers; Heads of Accounting Units; and All Others Concerned

SUBJECT : ADOPTION OF ECONOMY MEASURES IN THE GOVERNMENT DUE TO THE EMERGENCY HEALTH SITUATION

1.0 RATIONALE

- 1.1 The provisions of Republic Act. No. 11469 (The Bayanihan to Heal as One Act), authorize the President to exercise emergency measures to respond to the crisis brought about by the Coronavirus Disease 2019 (COVID-19).
- 1.2 While said law identified funding sources to carry out such emergency measures, given the duration and scale of the COVID-19 pandemic, adequate and readily available funds must be provided in a sustainable and responsible manner to respond to this national health emergency for reasons of fiscal prudence.
- 1.3 Relative thereto, R.A. No. 11469 Section 4(v) directed the discontinuance of appropriated programs, projects or activities of any agency of the Executive Department, in the FYs 2019 and 2020 General Appropriations Acts (GAAs), including unreleased appropriations and unobligated released allotments.

2.0 COVERAGE

All departments, agencies and operating units of the National Government, including SUCs and GOCCs receiving budgetary appropriations authorized under the FYs 2019 and 2020 GAAs. This Circular shall cover appropriations not expressly earmarked for the implementation of programs/activities/projects (P/A/Ps) addressing the COVID 19 pandemic.

3.0 PURPOSES

- 3.1 To provide for the possible measures for the discontinuance of appropriated P/A/Ps, whether released or unreleased as well as unobligated allotments of covered entities under Section 2.0 hereof, as of March 31, 2020 to fund the operations and response measures related to the COVID-19 emergency situation;
- 3.2 To identify the unreleased funds for P/A/Ps under the FY 2019 continuing appropriations and the FY 2020 GAA, which may already be discontinued or may no longer be completed within the current fiscal year; and,
- 3.3 To prescribe the submission of documents/reports to be used as bases on the discontinuance of said unobligated balances and identification of unreleased appropriations.

4.0 GUIDELINES

- 4.1 To partially generate the required amounts to implement the national policy to address the COVID-19 situation, while observing the overall expenditure program for FY 2020, government instrumentalities concerned are advised that thirty five percent (35%) of programmed appropriations under the FY 2020 GAA shall no longer be made available for release **effective April 1, 2020**. Likewise, at least ten percent (10%) of the total released allotments to covered entities under Sec. 2 hereof for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO), shall no longer be available for obligation.
- 4.2 No allotment shall be released for new programs, projects, activities, including Congress-Introduced Increases which are not likely to be implemented within the current calendar year, FY 2020.
- 4.3 To effect the 10% discontinuance in the amounts corresponding to FY 2020 released allotments for MOOE and CO, the following economy measures are to be implemented:
 - 4.3.1 Discontinuance of the following:
 - 4.3.1.1 Purchase of any type of motor vehicles, except ambulances and those required by the military and uniformed personnel for the direct exercise of their public safety functions;
 - 4.3.1.2 Start-up construction of government buildings, as well as repairs/renovation works which may be deferred;
 - 4.3.1.3 All foreign travels, except for ministerial meetings and scholarship/trainings that are grant-funded or undertaken at no cost to the government;



4.3.1.4 All local travels, unless urgently necessary and allowed by the Secretary or head of the SUCs, constitutional offices and GOCCs;

4.3.1.5 Conduct of celebrations and cultural or sports activities not related to the core function of the agency, including athletic competitions conducted by public schools or SUCs; and,

4.3.1.6 Hiring of job orders, except those considered as front-liners during this state of public health emergency.

4.3.2 Discontinuance by at least 10% in the cost of the following:

4.3.2.1 Services of consultants and technical assistants;

4.3.2.2 Consumption of fuel, water and electricity and other utilities;

4.3.2.3 Consumption of supplies and materials, except for essential and critical supplies and materials related to COVID-19;

4.3.2.4 Cost of training, seminars and workshops; and,

4.3.2.5 All other MOOE items not otherwise enumerated above.

4.4 In addition, to estimate the amounts corresponding to P/A/Ps which may be discontinued in view of the prevailing conditions/events, all covered entities under Section 2.0 of this Circular are advised to evaluate those authorized under the following available appropriation sources as of March 31, 2020:

4.4.1 FY 2019 GAA Unreleased Appropriation and Unobligated Allotments considered as Continuing Appropriations pursuant to R.A. No. 11464; and,

4.4.2 Those identified as "For Later Release" including new P/A/Ps in the FY 2020 GAA, as well as, unobligated allotment.

It is understood that P/A/Ps offered for discontinuance will not adversely affect agency performance in FY 2020 semestral reviews to be conducted by the DBM.

4.5 Each NGA/SUC/GOCC shall identify and compute their FYs 2019 and 2020 unobligated allotments for MOOE and CO as of March 31, 2020, based on item 4.3 of this Circular. **The Certification signed by the Head of Agency, duly certified by the authorized budget and finance officers concerned, shall include the specific source P/A/Ps covering the released amount/s, as well as the corresponding amount to be offered. Said certification shall be submitted to the DBM not later than April 30, 2020.**



- 4.6 Failure to submit the required certification under item 4.5 hereof by the public officer concerned shall be a ground for non-release of subsequent allotment requests until such certification is submitted, without prejudice to the sanctions provided under other provisions of existing laws.
- 4.7 The DBM shall prepare and submit to the President, a report on the P/A/Ps with unobligated allotments to be discontinued, to be used to fund programs and activities being implemented in relation to the current health situation.
- 4.8 The Legislative and Judicial Branches of Government, Constitutional Commissions and other Offices vested with fiscal autonomy, are strongly urged to adopt and implement the herein prescribed economy measures in their respective offices. Through such cooperation, the collective action of the whole of government will ensure the efficient and effective promotion and protection of the interests of all Filipinos for their common good.

5.0 **APPLICABILITY**

This Circular shall be in full force and effect for the duration of R.A. No. 11469.

6.0 **SEPARABILITY**

If any part or provision of this Circular is held invalid or unconstitutional, other provisions not affected thereby shall remain in force and effect.

7.0 **REPEALING CLAUSE**

All provisions of existing circulars and other issuances inconsistent with this Circular are hereby rescinded/repealed and/or modified accordingly only for purposes of implementation of this Circular.

8.0 **SAVING CLAUSE**

Cases not covered in this Circular shall be referred to the DBM for resolution.

9.0 **EFFECTIVITY**

This Circular shall take effect immediately upon publication.


WENDEL E. AVISADO
Secretary

Department of Budget
and Management



OSEC-2020-17136