



Republic of the Philippines  
**NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY**

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**MEMORANDUM**

**FOR :** Heads of Department/Agencies of the National Government;  
Government-Owned and -Controlled Corporations,  
Government Financial Institutions; and All Others  
Concerned

**FROM :** The Secretary of Socio-Economic Planning

**SUBJECT :** **GUIDELINES ON THE UPDATING OF THE MEDIUM-TERM  
PUBLIC INVESTMENT PROGRAM, 2005-2010**

**DATE :** 15 June 2005

1. Pursuant to Executive Order No. 391 (dated 13 December 2004) directing all government agencies and instrumentalities to implement the Medium-Term Philippine Development Plan (MTPDP), 2004-2010 and the Medium-Term Public Investment Program (MTPIP), 2005-2010, we are providing herewith the MTPIP Updating Guidelines.
2. The Guidelines present the general framework, steps and considerations in updating the MTPIP. It also prescribes the submission requirements and timetable for completing the updating exercise.
3. All members of the Cabinet and their respective attached agencies/organizations are hereby requested to prioritize this MTPIP updating exercise in parallel with the DBM-led 2006 budget formulation exercise.

For action.

  
**ROMULO L. NERI**  
Secretary of Socio-Economic Planning

cc : Executive Secretary Eduardo G. Ermita  
Cabinet Secretary Ricardo L. Saludo  
Regional Development Council Chairs

*15 June '05*



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## **Guidelines in Updating the Medium-Term Public Investment Program (MTPIP), 2005-2010**

### **Rationale and Purpose**

1. The 26 July 2004 **Planning Guidelines on the Formulation of the Medium-Term Philippine Development Plan (MTPDP), 2004-2010 and the Medium-Term Public Investment Program (MTPIP), 2005-2010** provides that the MTPIP shall be updated annually in order to account for the agency accomplishments, measure the gap between outputs/outcomes and the 2004-2010 MTPDP (the "Plan") annual targets and recalibrate the annual list of priority programs and projects over the remainder of the Plan period.
2. This was reinforced by the President's issuance of Executive Order (EO) No. 391 on 13 December 2004 directing all government agencies including local government units to implement the Plan and the MTPIP. It states that the MTPIP shall be updated annually in parallel with the preparations of the annual National Government budget. In particular, agencies are directed to adhere to the monitoring and reporting requirements of the Plan and MTPIP.
3. Annual updating of the MTPIP is also important to be a responsive input in preparing the Annual National Expenditure Program proposed to Congress and the subsequent passage of the Annual General Appropriations Act.
4. Moreover, the MTPIP and its annual updates shall be a basis for:
  - The ICC review and approval of Major Capital Programs/Projects (MCPs) and subsequent endorsement of the same to the NEDA Board; and
  - Pipelining public sector programs and projects for Official Development Assistance (ODA), private sector participation (PSP) and other financing source.
5. It should be noted also that the ICC Policy Issuance of 4 March 2005, indicates among others that, approval of projects costing below PhP500 million is delegated to heads of agencies and/or Governing Boards of GOCCs and GFIs subject to several conditions, one of which is the inclusion of the program or project in the MTPIP.

### **General Framework**

1. Section 4 of EO 391 (MTPDP and MTPIP Monitoring and Reporting) provides the legal basis for reporting agency accomplishments in implementing the Plan and

the MTPIP and updating of the MTPIP. Inasmuch as the MTPIP formulation work was concluded during the 24 February 2005 inter-agency MTPIP Implementation meeting, all concerned agencies shall have, since then, focused their efforts in implementing the programs and projects prioritized in 2005 and prepare the accomplishment reports, covering the agencies' activities in 2004 and first quarter of 2005, in accordance with EO 391.

2. As such, agencies shall measure and consider the results of program/project implementation. In this exercise, agencies shall assess and define the implication of their accomplishments vis-à-vis the current year's Plan targets and financing program. Where gaps are realized, a recalibration of the Strategy Planning Matrices (SPMs) and the MTPIP shall be made.
3. The MTPIP entries in the current year shall be finalized/ fixed taking into account the feasibility of carrying out the project activities as scheduled in the current year. For 2006-2009 updating, entries for years prior the current year should also reflect actual accomplishment and amounts. On the other hand, the MTPIP entries for the succeeding years shall be validated for their relevance and responsiveness based on the Plan targets. The physical targets and cost requirements of the priority programs and projects shall likewise be confirmed and programmed accordingly over the remainder of the medium-term.
4. Agencies shall apply the Effectiveness and Efficiency (EER) criteria in deciding the inclusion of programs and projects in the succeeding years' list of priorities according to the same classification: New and Continuing programs and projects.
5. Agencies shall also identify which PAPs are contributing to the achievement of the targets of the Millennium Development Goals (MDGs) and which are gender-responsive
6. Attachment 3 outlines the MTPIP Activity Calendar. The annual MTPIP updating shall start in the second quarter of each year and be completed by the end of the third quarter, in parallel with the submission of the national government budget proposal to Congress.

## **Guidelines and Procedures for 2005 Updating of the MTPIP, 2005-2010**

### **A. Steps and Considerations**

In this year's updating of the MTPIP 2005-2010, agencies shall be guided by the following:

1. The 2005 agency accomplishments vis-à-vis their committed/targeted outputs and outcomes for 2005 (actual of first quarter 2005 and expected for the rest of 2005 based on the annual budget as provided in the 2005 GAA).

Should there be gap/s in the 2005 targets and the agency deems such targets still critical in achieving the medium term Plan targets, the supporting programs and projects are expected to be included in the list of priority investments for implementation in 2006 and beyond.

2. 2006 Plan targets and strategies.

Only those programs and projects responsive to the 2006 Plan targets and strategies shall be prioritized and included in the 2006 MTPIP. Agencies shall also firm up the design, ensure the viability and conclude the financing arrangements for such priority programs and projects, in coordination with relevant institutions and observing the ICC review procedures and processes as well as applicable laws, rules and regulations (e.g., RA 9184 Government Procurement Law and its Implementing Rules and Regulations).

3. The National Budget Memorandum No. 98 dated 25 April 2005 and EER application.

This DBM Budget Memorandum provides for related guidelines and emphasizes the principles on improved fund allocation, such as, Performance-Based Budgeting, Value for Money, Resource Optimization, Full Disclosure and Transparency.

Agencies shall adhere to this DBM Budget Memorandum particularly Section 5.0 (Budget Ceilings). The funding requirements of the priority programs and projects to be included in the updated MTPIP for 2006 shall be within the DBM-prescribed indicative budget ceiling (see Annex D of the DBM Budget Memorandum). Agencies shall apply the EER in finalizing their updated list of priority programs and projects. Based on the overall economic performance, there may be targets which the agency may find as no longer responsive to the Plan and therefore do not merit investment support. The resulting agency priority ranking/score accorded to each PAP shall be indicated.

4. RDIP and Agency MTPIP.

The Agency MTPIP should consider the RDC endorsed PAPs within their area of responsibility as contained in the various Regional Development Investment Programs (RDIPs). Agency Central offices shall closely coordinate with their respective Regional Offices in this regard. Particularly for region-specific programs and projects in the MTPIP, agencies shall accordingly secure the endorsement from concerned Regional Development Council/s (RDCs). This shall harmonize the regional priorities espoused in the Regional Development Plans with the investment priorities in the updated agency MTPIP. The NEDA Regional Offices, as RDC Secretariat, may assist in facilitating the required RDC endorsement for region specific PAPs.

5. Millennium Development Goals (MDGs) and Gender-Responsiveness of PAPs

Agencies shall also identify which PAPs are contributing to the achievement of the targets of the Millennium Development Goals (MDGs) and which are gender-responsive. Please refer to Attachment 1 for the prescribed format of accounting the MDG-responsive investments in the agency MTPIP. In addition, please be guided by Attachment 2 (Harmonized Gender and Development Guidelines for Project Development, Implementation, Monitoring and Evaluation) in identifying the gender-responsive programs and projects of the agency.

## **B. Submission Requirements and Timetable**

1. Agencies shall submit to NEDA the updated MTPIP, duly endorsed by the head of the Agency, for national line agencies, the Governing Board or its authorized official/managing head/Chief Executive Officer, for government corporations and financial institutions, according to the prescribed format in Attachment 4.
2. The deadline for submitting the updated MTPIP to NEDA is on 22 July 2005, at which time the agencies shall have discussed with DBM the implications of the indicative planning ceilings with the proposed investment programs/projects (see related item 6 of the General Framework above). NEDA shall convene bilateral meetings with agencies to fine-tune the updated MTPIP. The schedule of said bilateral meetings will be disseminated once finalized.
3. Consistent with Annex E of NBM No. 98 (dated 25 April 2005), agencies are expected to adhere to the deadlines set herein since the updates in the MTPIP are critical inputs to the formulation of the 2006 Budget. Inability to comply with the timelines in the MTPIP updating exercise shall translate to delays in the finalization of the budget proposal, that is, the submission to the Congress and subsequent enactment into law of the 2006 budget program of the national government.
4. The updated MTPIP shall be finalized and submitted to the President by end of August 2005.