



Republic of the Philippines

**Bangsamoro Autonomous Region in Muslim Mindanao**  
**OFFICE OF THE CHIEF MINISTER**

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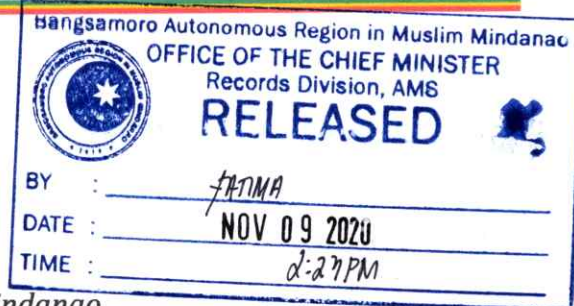
**MEMORANDUM**

Order No. 0622 for  
Series of 2020

**TO: ALL MINISTRIES, AGENCIES, AND OFFICES**  
*Bangsamoro Autonomous Region in Muslim Mindanao*

**SUBJECT: IMPLEMENTING GUIDELINES ON THE UTILIZATION AND MANAGEMENT OF THE SPECIAL DEVELOPMENT FUND**

**DATE: 4 NOVEMBER 2020**



To provide guidance on the utilization and management of the Special Development Fund (SDF) as prescribed in Section 2, Article XIV of Republic Act No. 11054 or the Bangsamoro Organic Law (BOL), the Technical Working Group on SDF (TWG-SDF) has prepared and finalized **the Implementing Guidelines on the Utilization and Management of the SDF during its 2<sup>nd</sup> TWG-SDF Meeting on September 29, 2020** via Zoom Video Conference. Subsequently, the **Chief Minister approved the said implementing guidelines on October 20, 2020.**

In line with the issuance of Memorandum Order No. 606, s. 2020 on the Submission of Programs, Projects, and Activities (PPAs) to be funded under the SDF FY 2020, you are hereby enjoined to promulgate the attached approved implementing guidelines for the proper, effective, and efficient implementation of PPAs to be funded under the SDF.

The submitted PPAs will undergo a screening process based on the Implementing Guidelines of the SDF. Thus, the TWG-SDF will evaluate and identify the possible priority PPAs.

For further inquiries, you may coordinate with **Ms. Norsha L. Lao** of the Bangsamoro Planning and Development Authority (BPDA) at telephone number 557-2797 or mobile number **0906-210-3145.**

For compliance and guidance.

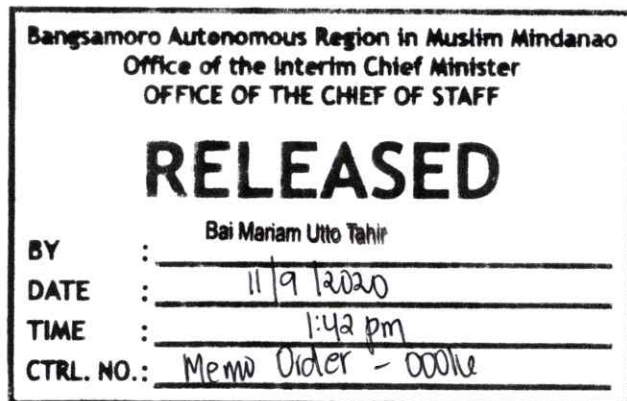
  
**AHOD B. IBRAHIM**  
Chief Minister



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## **IMPLEMENTING GUIDELINES ON THE UTILIZATION AND MANAGEMENT OF THE SPECIAL DEVELOPMENT FUND**

### **I. BACKGROUND**

The passage of the Republic Act No. 11054 otherwise known as the Bangsamoro Organic Law (BOL) paved the way for the creation of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). The BOL provides powers and opportunities for the Bangsamoro Government to chart its own development and provides greater autonomy to exercise self-governance by pursuing its political, economic, social, and cultural development.

Section 2, Article XIII of Republic Act No. 11054 states that in order to protect and improve the quality of life of its inhabitants, the development in the BARMM shall be carefully planned taking into consideration the ecological balance and the natural resources that are available for its use and for the use of future generations. It also provides that the Bangsamoro Government shall promote the effective use of economic resources and endeavor to attain economic development that facilitates growth and full employment, human development and social justice.

In support to the BARMM efforts on rehabilitation and development, Section 2, Article XIV of Republic Act No. 11054 mandates that the National Government shall provide a Special Development Fund (SDF) to the Bangsamoro Government for the rebuilding, rehabilitation, and development of its conflict-affected communities. The amount equivalent to fifty billion pesos (PhP50,000,000,000.00), at five billion pesos (PhP5,000,000,000.00) per year, for a period of ten (10) years shall be allocated to the BARMM. The utilization of the funds shall be in accordance with the Bangsamoro Development Plan to be adopted by the Bangsamoro Government.

Recently, the 1<sup>st</sup> Bangsamoro Development Plan (BDP), 2020-2022 and its accompanying Results Matrices (RM) and Bangsamoro Development Investment Program (BDIP) was formally adopted by the Bangsamoro Economic and Development Council (BEDC) on June 5, 2020 and subsequently approved by the Bangsamoro Parliament in its special session held on July 1-3, 2020.

Further, Chapter 10 of the 1<sup>st</sup> BDP 2020-2022 provides for the establishment of an entity by the Bangsamoro Government that will facilitate and fast-track recovery and rehabilitation efforts in the conflict-affected areas including those areas that are formerly affected by conflict.

Based on the foregoing, there is a need to formulate implementing guidelines that will provide guidance on the utilization and management of the SDF taking into consideration existing government budgeting, accounting, and auditing rules and regulations, as well as, to ensure that no duplication of regular programs, projects, and activities (PPAs) will be implemented by the concerned Ministries and Agencies.

### **II. PURPOSE**

This guideline aims to provide policies, procedures and processes on the utilization and management of the SDF. Specifically, this guideline provides the following:

1. Scope of implementation and the selection criteria in the identification of programs and projects;



2. Implementation strategies and mechanisms to achieve programs and projects results/outcomes; and
3. Institutional arrangements for transparency and proper accountability to ensure a smooth and effective programs and projects implementation.

### III. SCOPE OF IMPLEMENTATION

The automatic appropriation and utilization of the SDF shall cover the period of ten (10) years with an amount equivalent to 50 Billion pesos, at 5 Billion pesos per year. The aforementioned amount shall be utilized for the rebuilding, rehabilitation, and development of Bangsamoro conflict-affected communities.

### IV. IMPLEMENTATION STRATEGIES AND MECHANISMS

#### 4.1 *Implementation Strategies*

The SDF programs, projects and activities (SDF-PPAs) aim to rebuild, rehabilitate, and develop the Bangsamoro conflict-affected communities. These include the improvement of access to critical-infrastructure and basic utilities and restoration of livelihood activities of affected communities and promote their disaster resilience.

The SDF-PPAs are different from the regular PPAs funded from the Black Grant since they are implemented on a yearly basis for ten (10) years. This means that the 5 Billion annual SDF allocation must be implemented within a given calendar year; otherwise, the fund earmarked for a particular year if not utilized shall be reverted to the Bangsamoro treasury. Hence, the annual SDF programs/projects should be clearly identified and ready for implementation.

The SDF-PPAs shall not merely respond to physical rebuilding of areas affected by armed conflict but must also respond to the complex situation of recurrent conflict, cyclical displacement, inadequate access to basic services, and vulnerability to natural disasters in the target areas.

Given this combination of hindrances to human security and development, there is a need to build the resilience of communities so that they are better able to cope with recurrent crisis and help drive the transformation of these conditions to longer-term peace and development.

#### 4.2 *Implementation Mechanisms*

To ensure proper utilization of the SDF and smooth project implementation, the following implementation mechanisms and processes shall be undertaken:

1. **Creation of SDF-Technical Working Group (TWG).** The Office of the Chief Minister, Bangsamoro Autonomous Region in Muslim Mindanao, issued Special Order No. 044 series of 2020 constituting the SDF-TWG for the effective prioritization and implementation of PPAs to be funded under the SDF.

The TWG is chaired by the Executive Secretary and composed of Ministries and Agencies that are members of the Bangsamoro Economic Development Council (BEDC) Executive Committee (ExeCom). The Bangsamoro Planning and Development Authority (BPDA) serves as the Technical Secretariat of the SDF-TWG. The Ministers and Heads of these member Ministries and Agencies shall designate their alternate focal persons who will facilitate the identification of the list of programs and projects to be funded under the SDF subject for approval of the Chief Minister.

2. **SDF Policy Board.** A SDF Policy Board (PB) shall be organized and chaired by the Chief Minister with members coming from representatives of the different ministries and agencies with a rank of Minister / Deputy Minister or Bangsamoro Director General, as the case may be, to serve as the highest policy making body in the implementation of the SDF-PPAs. The SDF Policy Board shall have following functions and responsibilities:

- a) Formulate policies on the utilization, implementation and monitoring of the SDF;
- b) Build consensus around the program and project's strategies and planned results;
- c) Provide advice when substantive changes are needed in the PPAs implementation arrangements;
- d) Monitor progress, and ensure that potential opportunities and risks, including lessons learned from experience are taken into account by the SDF-PMO;
- e) Approve the consolidated annual (or as the case maybe, quarterly) work and financial plans and any major deviation from these agreed annual/quarterly plans;

The Bangsamoro Women Commission (BWC) shall be automatically appointed as member in the SDF-PB to ensure that gender and development (GAD) issues and critical roles of women in decision-making are included in the agenda. The concerned LGUs, and relevant agencies and organizations may be invited to participate in the SDF-PB meetings as the need arises.

The SDF Board shall convene on a quarterly basis unless there are urgent matters to take up in which case the Chair of the Board may call for an emergency meeting at anytime.

3. **Creation of SDF Program Management Office (PMO).** The Bangsamoro Government shall create a PMO under the Office of the Chief Minister (OCM) tasked to coordinate, oversee, monitor and evaluate the implementation of the SDF-PPAs.

The SDF PMO shall be headed by a Project Manager to be complemented by project staff that will handle the day to day operation of the PMO. The Project Manager reports directly to the OCM. The SDF PMO shall serve as the Secretariat to the SDF Policy Board.

The OCM shall issue an Executive Order (EO) creating the SDF PMO. The PMO shall have the following functions:

- a) Supervise and monitor the implementation of projects by the appropriate ministries or agencies and where appropriate, implement projects approved by the SDF Board.
- b) Provide advisory or technical support in the implementation of the SDF-PPAs;
- c) Prepare and submit the consolidated Annual Work Plans (AWP) of the implementing ministries or agencies to the SDF Board and the Office of the Chief Minister;
- d) Manage, certify, and report financial disbursements of its implemented projects based on approved AWP and payment schedule;
- e) Report, monitor and evaluate outputs and accomplishments of the implementation of the SDF-PPAs;
- f) Ensure the effective, efficient and timely implementation of SDF-PPAs;
- g) Raise programme advocacy and visibility and maintain coordination with relevant stakeholders;
- h) Provide support services to the concerned implementing ministries and agencies; and
- i) Prepare semestral and annual consolidated accomplishment report on the implementation of the SDF PPAs and submit the same to the SDF Board, the OCM and the DBM as the case may be.



4. **Designation of SDF Focal Person.** The Ministries and Offices shall designate their permanent and alternate focal persons primarily responsible in coordinating and facilitating the implementation of the SDF-PPAs.

5. **Identification Target Areas and SDF-PPAs.** The identification of target areas and beneficiaries shall be guided by the following processes:

a. **Identification of the Target Areas.** The Bangsamoro Government through the SDF-TWG shall facilitate the identification of the conflict-affected areas for the implementation of the SDF-PPAs using the selection criteria approved under this guideline.

In case the targeted communities are outside the BARMM, the Bangsamoro Government through the SDF-PMO shall coordinate with the local government units (LGUs) where these communities are located and appropriate national government agencies (NGAs) shall provide assistance to enhance their economic, social and cultural development as provided under Section 12, Article VI of the BOL.

b. **Criteria in the selection of SDF-PPAs.** The identification of SDF-PPAs shall be in accordance with the following criteria:

- i. **Conflict-affected areas.** The PPAs are intended for the rebuilding, rehabilitation, and development of conflict-affected and poverty-stricken communities of the Bangsamoro.
- ii. **Alignment to the BARMM thrusts and priorities.** The PPAs shall be supportive to the 1<sup>st</sup> BDP 2020-2022 development thrusts and priorities and the 12-Point Priority Agenda of the Chief Minister.
- iii. **Responsiveness.** The PAPs shall address the pressing development issues, contribute to the attainment of the eight (8) overall goals of the 1<sup>st</sup> BDP and have direct impact to the needs of the conflict-affected communities.
- iv. **Viability.** The PPAs must be feasible and suited to the development needs of the conflict-affected communities.
- v. **Readiness.** Proposed projects should have project profile, feasibility studies, detailed engineering design, program of work, deeds of donation. Proposals coming from LGUs shall be duly endorsed by their respective Local Development Councils (LDCs).

The selection criteria shall adopt the following scoring system for the identification of the PPAs eligible for funding under the SDF:

Key Area	Qualification Criteria (Minimum Requirements)	Points
<b>Conflict affected areas</b>	Proposed programs and projects are within conflict-affected areas identified by the TWG-SDF	25
<b>Alignment to the BARMM thrusts and priorities</b>	Supportive to the 1 <sup>st</sup> BDP 2020-2022 development thrusts and priorities and the 12 Point Priority Agenda of the Chief Minister	20

Key Area	Qualification Criteria (Minimum Requirements)	Points
<b>Responsiveness</b>	<p>The proposed PAPs should address pressing development issues and has direct impact to the needs of the communities</p> <ul style="list-style-type: none"> <li>✓ It contributes to poverty alleviation;</li> <li>✓ No. of population that will benefit from the proposed programs and projects</li> <li>✓ Community driven programs and projects</li> <li>✓ Gender and cultural sensitivity</li> </ul>	20
<b>Viability</b>	<p>Programs and projects must be feasible and suited to the development needs of the community</p> <ul style="list-style-type: none"> <li>✓ Accessibility of the location of the projects</li> <li>✓ Peace and order and environmental considerations</li> </ul>	20
<b>Readiness</b>	<ul style="list-style-type: none"> <li>• Proposed projects should have project description/profile, feasibility studies as the case may be, detailed engineering design, program of work, deeds of donation.</li> <li>• Proposed programs and projects coming from LGUs shall be duly endorsed by their respective local development council</li> </ul>	15
<b>TOTAL</b>		<b>100</b>

The preparation and submission of proposed SDF-PPAs by the concerned Ministries and Agencies shall be based on the approved selection criteria provided in this guideline.

- c. Finalization and approval of the projects to be funded under the SDF.** The BPDA shall consolidate, review, and finalize the proposed PPAs for possible funding under the SDF. The same shall be submitted to the SDF-TWG for deliberation and shall recommend the same for approval of the Chief Minister. The approved SDF-PPAs shall be packaged and form part of the BDIP 2020-2022 as Volume 3.
- 6. Social Preparation Activities.** For projects to be implemented directly by the SDF PMO, shall facilitate the following activities:
- a. Coordination and Orientation with the Target LGUs.** Proper coordination and orientation of the project to the target areas shall be conducted to ensure smooth project implementation. This is to ensure project collaboration and to generate support and commitment in the implementation the SDF PPAs.
  - b. Profiling of target areas and beneficiaries.** The SDF-PMO shall facilitate the profiling of target areas and beneficiaries to serve as baseline data, identify the needs of the target communities and design appropriate project interventions to be funded under the SDF.
  - c. Project Validation and Appraisal.** The SDF PMO shall conduct actual area and project validation to determine feasibility of the pre-identified projects and ensure that pre-project implementation requirements are met, such as, execution of a deed of donation and the like.



d. **Organization/Strengthening of Target Beneficiaries' Cooperatives/Associations.** Capacity-building activities to target beneficiaries shall be conducted by implementing ministries and/or agencies based on needs and results of the area and beneficiary profiling.

e. Ministries and agencies implementing SDF PPAs shall undertake the above-mentioned social preparations.

## V. FUND UTILIZATION, MANAGEMENT AND MONITORING AND EVALUATION

The OCM shall supervise and monitor the utilization of the SDF through the SDF PMO. The SDF-PPAs shall be implemented either through by-administration or by-contract by the concerned Ministries, Offices, and Agencies.

**5.1 SDF Utilization.** The utilization of the SDF shall be aligned with the approved 1<sup>st</sup> BDP 2020-2022 and its accompanying RM and BDIP as well as the succeeding development plan of the Bangsamoro Government.

**5.2 Fund Management.** The SDF shall be released by the National Government to the Bangsamoro Government through the Ministry of Finance, Budget and Management. The SDF shall be transferred by the MFBM to the concerned implementing Ministries, Offices, or Agencies. A Memorandum of Agreement (MOA) between the OCM and the implementing Ministries, Offices, and Agencies shall be undertaken to facilitate the transfer of funds. The disbursement of the funds shall be subject to the accounting and auditing laws, rules and regulations of the Commission on Audit.

**5.3 Bidding Process.** There shall be an established Special Bids and Award Committee under the OCM to undertake the bidding process and comply with the bidding requirements for the implementation of projects by the SDF PMO of the SDF-PPAs. A similar special Bids and Awards Committees maybe established by the implementing ministries and agencies to hasten the implementation of SDF projects.

**5.4 Monitoring and Evaluation.** The implementing Ministries, Offices and Agencies shall submit to the PMO a progress report on the implementation of their respective SDF-PPAs on a quarterly basis. The PMO shall validate such report trough the conduct of field validation or monitoring visits.

The SDF PMO shall prepare the standard template for the preparation of report and monitoring tool as basis for project monitoring and evaluation.

A regular coordination meeting of concerned implementing agencies shall be conducted to assess progress of project implementation and deliberate on issues/concerns and provide corresponding recommendations to ensure smooth project implementation and completion.

## VI. GRIEVANCE MECHANISM

The SDF-PMO shall setup a Grievance, Redress and Feedback System (GRFS) subject to the approval of the Chief Minister. This will serve as venue for receiving feedback and providing remedial actions on issues/concerns relative to the implementation of the programs and projects. The SDF PMO shall elevate the issues/concerns that cannot be resolved at the PMO level to the SDF-TWG and/or the SDF-Policy Board.

This mechanism aims to promote good governance through increased transparency and accountability in the implementation of projects and ensure that issues and concerns on program/project implementation are addressed timely and appropriately.

## VII. PROJECT DURATION

The SDF-PPAs shall be implemented in accordance with the criteria set by this Implementing Guidelines within 10 years from the release of the first tranche of the SDF to the Bangsamoro Government as provided under Section 2, Article XIV of the BOL.

## VIII. AMENDMENT CLAUSE

Any amendment and/or revision of this Implementing Guidelines must be with the concurrence of the members of the SDF PB.

## IX. EFFECTIVITY CLAUSE


This Implementing Guidelines shall take effect immediately upon approval.

Approved on the ~~2016~~ day of October, 2020 at Bangsamoro Government Center, Cotabato City.

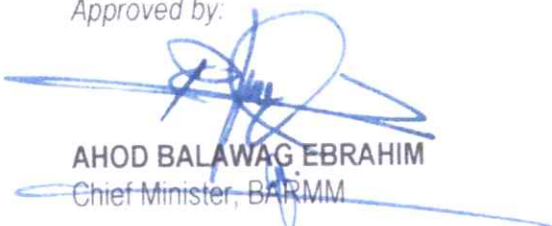
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