



PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS
(National Headquarters Philippine Coast Guard)
139 25th Street, Port Area
Manila 1018

NHQ-PCG/CG-6

02 July 2024

STANDING OPERATING PROCEDURES
NUMBER 14-24

GUIDELINES IN THE PHILIPPINE COAST GUARD'S JOINT ANNUAL PLAN AND BUDGET AND ANNUAL PROCUREMENT PLAN DEVELOPMENT PROCESS

1. AUTHORITY

Republic Act No. 9993 otherwise known as the PCG Law of 2009 and its Implementing Rules and Regulations

2. REFERENCES

- A. Presidential Decree No. 1445 dated 11 June 1978, entitled "Government Auditing Code of the Philippines."
- B. Republic Act No. 9184 dated 22 July 2002, An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and for Other Purposes
- C. National Budget Circular No. 569 dated 08 February 2017, Subj: Adoption of Program Expenditure Classification-Based Performance-Informed Budgeting (PREXC-PIB) for the preparation of the proposed National Budget for Fiscal Year 2018
- D. SOP Nr. 26-21 dated 23 December 2021, Establishment of the Program and Budget Advisory Committee (PBAC) and PBAC Technical Working Groups (TWGs) for the Philippine Coast Guard Budgeting, Procurement Planning and Budget Execution Systems

3. RATIONALE

Resource Management is one of the imperative responsibilities of the Commandant, Philippine Coast Guard. With the resources becoming more constrained, higher monitoring and accountability standards must be established to ensure that funds entrusted to all government agencies are spent legally. The public must be assured that every peso allocated goes to the most needed projects for the benefit of the public with every peso worth well spent.

In programming its budget, the Philippine Coast Guard (PCG) has to ensure the implementability, adherence to pertinent laws, rules and regulations, and expeditious implementation of every Program, Activity and Project (PAP) to achieve its priorities, objectives and targets. Before a PAP can be implemented, the two major requirements are the Annual Plan and Budget (APB) and the Annual Procurement Plan (APP). The preparation of these documents must embody comprehensive, precise, interdependent and integrated processes.

An integrated APB and APP preparation will link budgeting, financial and logistics management systems, and other complementary systems. It will consequently promote sound decision-making and proper implementation.

4. PURPOSE

The “Guidelines in the Philippine Coast Guard’s Joint Annual Plan and Budget and Annual Procurement Plan Development Process” strengthens the framework, concepts and principles in the implementation of the PREXC-PIB being applied in the agency.

In line with the continuous thrust of the agency to abide by the principles of public expenditure management and achievement of the PCG’s vision, which is focused on improving institutional arrangements and management practices and creating systems for better resource allocation and financial management. This policy further seeks to specifically achieve the following objectives:

- A. To establish a joint and simplified process in the formulation and preparation of the PCG’s APB and APP;
- B. To provide a common ground of understanding on the definitions, principles and concepts related to the joint preparation of the PCG APB and APP;
- C. To ensure compliance with laws, rules and regulations, policies and procedures governing the formulation of the PCG APB and APP;
- D. To determine and comply with the key documents required in the formulation of the PCG APB and APP;
- E. To ensure the successful completion and timely publication of the PCG APB and APP; and
- F. To reinforce the responsibilities, roles and functions of PCG Staff and Offices in the formulation and preparation of the PCG APB and APP.

5. CONCEPTS AND PRINCIPLES

The following concepts and principles guide the joint preparation and formulation of the PCG APB and APP:

- A. The Head of any agency of the government is immediately and primarily responsible for all government funds and property of his/her agency.

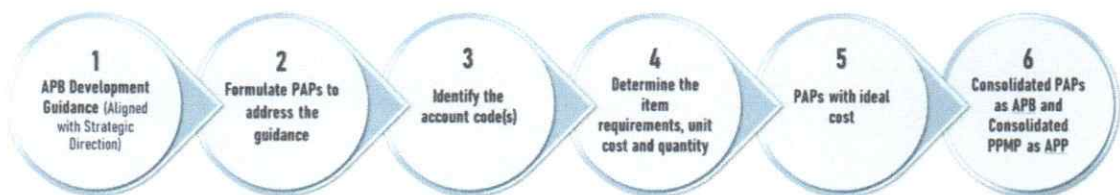
- B. The agency's resources shall be a means to provide the capability and services for the benefit of the general public.
- C. There must be a systematic basis for allocating limited resources among competing priorities across the wide range of Coast Guard activities.
- D. There must be an integrated policy, planning and budgeting system that aims to have expenditure programs that are driven by policy priorities and disciplined by budget realities.
- E. The six fundamental principles of the Planning, Programming and Budgeting System (PPBS) must be instituted as follows:
 - 1. Agency's decision-making should be based on explicit criteria of national interest, rather than on compromise among institutional interests;
 - 2. Needs and costs must be considered simultaneously because the nation's resources are limited, and major decisions are inevitably made in consideration of available resources;
 - 3. Major decisions should be made by choices among explicitly- stated, balanced and feasible alternatives;
 - 4. Active use of an independent analytical staff at the top policy-making levels is needed to provide decision-makers with balanced and relevant decision data and an unbiased perspective on the issues;
 - 5. A multi-year force and financial plan is required to project into the future the consequences of current decisions; and
 - 6. Open and explicit analysis, available to all the stakeholders, must form the basis for decisions.
- F. All government procurement shall be undertaken in the spirit of transparency, competitiveness, streamlining and use of technology in procurement, accountability and public monitoring.
- G. All procurements should be within the approved budget of the Procuring Entity and should be meticulously and judiciously planned by the Procuring Entity concerned.
- H. Logistics shall ensure the sustainment of Coast Guard operations by primarily addressing maritime search and rescue, maritime law enforcement, maritime safety, marine environmental protection and maritime security through the principles of responsiveness, simplicity, flexibility, economy, attainability and survivability.

- I. All resources of the government shall be managed, expended or utilized in accordance with law and regulations, safeguarded against loss and wastage through illegal or improper disposition, with a view of ensuring efficiency, economy and effectiveness in the operation of government.
- J. The management and administration of resources shall be made in the spirit of good governance, check and balance, transparency and accountability.
- K. Resources must support the agency's efforts toward focused, integrated and synchronized resource programming, budgeting, execution and accounting.

6. DEFINITION OF TERMS (See Annex A)

7. POLICIES

- A. The APB is a detailed translation of the PCG's budget based on the GAA for the year to achieve the organizational outcome stated therein. It contains the specific programs, activities and projects that will be implemented within a year and supported with appropriations.
- B. The APP is a plan that contains all logistical requirements of units or offices within their proposed or approved budget as reflected in the APB. These logistical requirements include, but are not limited to, supplies and materials, services and equipment. Moreover, this document contains the following information: (1) name of procurement program and project; (2) project management officer and end-user unit; (3) general description of the procurement; (4) procurement method to be adopted; (5) schedule for each procurement activity; (6) source of fund; and (7) Approved Budget for the Contract (ABC). It is also used as a supporting document during the implementation of the PAPs and utilization of its budget.
- C. The formulation process of the APB shall be primarily guided by the PCG's APB Development Guidance (APBDG) and shall be developed in parallel with the formulation of APP as follows:



**Processes 1, 2 and 5 are related to the formulation of the APB as processes 3 and 4 are related to the formulation of the APP. Thus, their processes are interdependent.*

- D. Direct participation of PCG Unit Commanders and Heads of National Headquarters (NHQ) Staff Offices must be ensured to promote accountability and establish close supervision of subordinate staff in the preparation of the APB as well as its corresponding APP.

JK

- E. The previous year's APB of PCG Units and NHQ Staff Offices shall serve as the benchmark or baseline in the formulation of their respective budget proposal, subject to other guidance issued by higher authorities.
- F. The initial draft of the PCG APB (Year -1) shall be completed every **30th day of January** which shall serve as the primary basis in the formulation of the PCG's Budget Proposal to the Department of Budget and Management (DBM), and shall be adjusted after the issuance of the National Expenditure Program (NEP) and the General Appropriations Act (GAA).

8. PROCEDURES

In order to ensure the uniformity of the budgetary process (*use the same forms, operate according to the same timetable and follow the same steps*) in the PCG, specifically in the preparation of the PCG's APB and APP, the following steps shall be adhered to:

A. Preparation Phase: *During the preparation phase, the unit outputs, targets and objectives are identified, and programs are developed to accomplish the goals expressed in the APBDG. At this phase, PCG Units and NHQ Staff Offices are required to submit their Performance Information, Objectives and PAPs.*

1. The PCG shall formulate the PCG APBDG through the PCG's PBAC for APBDG and its TWG. The PCG APBDG shall embody the Commandant's guidance on accomplishing primarily the mandate of the agency with its priority thrusts for the next budget cycle. The first year's objectives and targets shall be based and linked on the PCG's Long and Medium-Term Maritime Strategic Development Plan and the operational thrusts for the budgeting year. The Logistics Program as an annex of the PCG APBDG shall also provide the guidelines for the preparation of the Logistics Requirements of PCG Units and NHQ Staff Offices, particularly the Requirement Determination Form (RDF), Project Procurement Management Plan (PPMP) and APP.
2. The respective PCG Units and NHQ Staff Offices shall prepare their respective APB and Supplemental APB Proposals, as necessary, using the PCG's Integrated Budgeting and Procurement Planning Software (IBPPS) based on the guidelines and timelines as prescribed in the PCG APBDG. The Office of the Deputy Chief of Coast Guard Staff for Comptrollership, CG-6 and Office of the Deputy Chief of Coast Guard Staff for Logistics, CG-4 shall jointly oversee the preparation and submission of the APB and Supplemental APB Proposals, PPMP and APP of PCG Units and NHQ Staff Offices.
3. The PCG Units and NHQ Staff Offices shall formulate and submit to the Office of the Deputy Chief of Coast Guard Staff for Comptrollership, CG-6 not later than the prescribed date in the PCG APBDG their objectives, and identify the PAPs to address these objectives based on the budget categories.

B. Deliberation Phase: The deliberation phase is composed of two passes (first and second pass) wherein unit outputs and objectives are approved, fiscal limits are set, PAPs are accorded with logistical requirements, account codes and mode of procurement. It is at this phase that the budget proposals are categorized into 'funded' and 'unfunded or supplementary'.

1. **First Pass:** During the First Pass, PCG Units and NHQ Staff Offices' submitted Outputs, Performance Information, Objectives and PAPs are deliberated and approved to ensure the attainment of the goals expressed in the APBDG. At this phase, PCG Units and Staff Offices are required to make adjustments/corrections to their proposal based on the recommendation of the Body.

a. The PCG Units and NHQ Staff Offices' Budget Officer shall present their respective performance information, objectives and PAPs tagged at addressing the following: (1) specific guidance in the PCG APBDG; (2) specific roadmap objectives; and (3) GAD-related or attributable program, before the PCG TWG for APB Formulation for initial deliberation.

b. All comments and recommendations as a result of the First Pass deliberation by the PCG TWG for APB Formulation shall be documented and communicated to every PCG Unit and NHQ Staff Office for their appropriate adjustments and corrections.

c. PCG Units and NHQ Staff Offices upon receipt of the result of the First Pass deliberation shall adjust/correct and/or act in response, if necessary, to the findings and recommendations. The adjusted/corrected output shall be resubmitted to the Office of the Deputy Chief of Coast Guard Staff for Comptrollership, CG-6.

d. The adjusted/corrected PAPs shall only be the PAPs that shall be accorded with the corresponding financial and logistical requirements during the second pass.

2. **Second Pass:** PCG Units and NHQ Staff Offices' PAPs are allocated with corresponding financial and logistical requirements (account code) based on the fiscal limits. At this phase, the budget proposal is categorized into 'funded' and 'unfunded or supplementary' and deliberated by the PCG TWG for APB Formulation to prioritize the attainment of APBDG objectives and ensure compliance to accounting and procurement laws. PCG Units and Staff Offices' are required to make adjustments/corrections to their APB and APP based on the recommendation of the Body.

a. Based on the corrected PAPs during the First Pass, the PCG Units and NHQ Staff Offices shall allocate the PAPs with corresponding

financial and logistical requirements to meet their objectives for the programming year. In coming up with the logistical requirements for every PAP, PCG Units and NHQ Staff Offices shall ensure adherence to the following:

- i. RDF/PPMP shall be in accordance with the cost factors published in the PCG APBDG for the year;
 - ii. The initial fiscal limits allocated to every PCG Unit and NHQ Staff Office per PCG APBDG for the year shall be determined by the Office of the Deputy Chief of Coast Guard Staff for Comptrollership, CG-6 based on the current operating expenditures for recurring PAPs and any other adjustments that can be initially provided due to inflations, reallocations and new PAPs that are already identified based on the APBDG;
 - iii. All PAPs that cannot be funded out of the given fiscal limit will be treated as Unfunded Requirements and will form part of the Supplemental Budget of PCG Units and NHQ Staff Offices; and
 - iv. The PAPs with corresponding financial and logistical requirements shall be submitted to the PCG TWG for APB Formulation in accordance with the PCG APB Formulation Calendar published per PCG APBDG for the year or any other publication by PCG Central Staff through the Office of the Deputy Chief of Coast Guard Staff for Comptrollership, CG-6.
- b. Conduct of Deliberation. The PCG Units and NHQ Staff Offices' Budget Officer along with their respective Logistics Officers shall present their respective RDFs/PPMPs corresponding to the PAPs before the PCG TWG for APP together with the representative from the Accounting Office. This shall ensure the achievement of the following:
- i. All procurement is within the approved budget as reflected in the APB, and those priorities and objectives for the budget period are embodied in the APP;
 - ii. Only procurement crucial or indispensable to the efficient discharge of PCG functions is included in the APP;
 - iii. A realistic procurement strategy is formulated for the PCG Units and NHQ Staff Offices;
 - iv. The identified item requirements shall be related and essential to achieving the output of the PAP;

- v. The appropriate mix of procurement methods as allowed by law is adopted to fulfill the procurement requirements and promote efficiency and effectiveness;
 - vi. Correctness of the identified entities to undertake and implement each mode of procurement;
 - vii. Common items/requirements of various PPMPs that may be procured together in one package for greater procurement efficiency and effectiveness is observed;
 - viii. Adherence in the preparation of PPMP/APP with the procedures prescribed in the logistics guidelines issued by the Office of the Deputy Chief of Coast Guard Staff for Logistics, CG-4; and
 - ix. APP shall include provisions for foreseeable emergencies based on historical records.
- c. All comments and recommendations as a result of the presentation of RDFs/PPMPs corresponding to the PAPs before the PCG TWG for APP shall be documented and communicated to every PCG Unit and Staff Office for their appropriate adjustments and corrections.
 - d. The amount and account code corresponding to PAPs in the proposed APB shall be adjusted based on the adjusted/corrected PPMPs. After said adjustment, the proposed APB and PPMP/APP shall be submitted to the Office of the Deputy Chief of Coast Guard Staff for Comptrollership, CG-6 and Office of the Deputy Chief of Coast Guard Staff for Logistics, CG-4 for the Validation Phase.

3. Provision for Combined First and Second Pass: In consideration of the projected availability of standard data libraries in the PCG IBPPS which make the preparation of the PCG Units and NHQ Staff Offices' Outputs, Performance Information, Objectives and PAPs easier in the future, a combined First and Second Pass can be adopted for a more rationalized process to take advantage of an economy of scale out of the growing data.

- a. PCG Units and NHQ Staff Offices shall prepare their respective APB Outputs, Performance Information, Objectives and PAPs that are identified based on the PCG APBDG with the corresponding financial and logistical requirements (account code) based on the fiscal limits. The "funded" and "unfunded" PAPs are also identified.
- b. PCG Units and NHQ Staff Offices' Budget Officer shall present the APB, while the Logistics Officer will present the PPMP and APP to the Joint APB and APP TWG for APB and APP Formulation.



- c. All comments and recommendations as a result of the combined First and Second Pass deliberation by the PCG TWGs for APB and APP Formulation shall be documented and communicated to every PCG Unit and NHQ Staff Office for their appropriate adjustments and corrections.
- d. The adjusted/corrected APB, PPMP and APP categorized into “funded” and “unfunded” shall only be the data that shall be endorsed to undergo the Validation Phase.

C. Validation Phase: The adjusted/corrected APB and PPMP/APP submitted to the Office of the Deputy Chief of Coast Guard Staff for Comptrollership, CG-6 and Office of the Deputy Chief of Coast Guard Staff for Logistics, CG-4 will undergo the validation process by the PBAC TWGs for APB and APP Formulation. This phase will ensure compliance of PCG Units and NHQ Staff Offices on the comments and suggestions as a result of the First and Second Pass deliberation and to other technical requirements of the APB and PPMP/APP.

1. The Joint APB-APP Validation of the APB Proposals shall be conducted in accordance with the steps and checklist as prescribed by the PCG PBAC TWG for APB Formulation and shall also use the PCG IBPPS with its Analysis Tool.
2. The Joint APB-APP Validation will focus on the compliance of PCG Units and NHQ Staff Offices on the comments and suggestions as a result of the First and Second Pass deliberation, alignment of the requirements to the PAPs, the appropriate account code, mode of procurement, number of procurement activities, and adherence to procurement laws and policies.
3. All comments and recommendations as a result of the Joint APB-APP Validation shall be documented and communicated to every PCG unit and NHQ Staff Office for their appropriate adjustments and corrections.
4. PCG units and NHQ Staff Offices upon receipt of the official Joint APB-APP Validation Report shall adjust/correct and/or act in response, if necessary, on the findings and recommendations. The adjusted/corrected APB Proposal shall be resubmitted to the O/CG-6 and O/CG-4.

D. Approval Phase: During the approval phase, the PCG Units and NHQ Staff Offices' APB proposals are presented to the PCG PBAC for APB Formulation and its APP is presented to the PCG BAC, and approved by the Commandant, PCG. At this phase, PCG Units and NHQ Staff Offices are required to make adjustments/corrections to their APB and APP based on the recommendation of the Bodies.

1. Based on the validated and adjusted/corrected APB, the Chief of Staff of PCG Units and Deputies of NHQ Staff Offices shall present their APB proposals and the Supplemental APB proposals to the PCG PBAC for APB Formulation.
2. All comments and recommendations as a result of the presentation of the proposed APB before the PCG PBAC for APB Formulation shall be documented and communicated to every PCG Unit and Staff Office for their appropriate adjustments and corrections.
3. Upon approval of the PCG PBAC for APB Formulation after adjustments and corrections, if necessary, the PCG PBAC for APB Formulation shall issue a resolution for the approval of the APB and subsequently communicate for the approval of the Commandant, PCG. Further, the PPMPs/APP corresponding to the PCG PBAC-approved APB shall serve as the primary basis during the presentation before the PCG Bids and Awards Committee (BAC).

9. COMPOSITION

A. PCG PBAC for Annual Plan and Budget Formulation

Deputy Commandant for Administration	Chairperson
Chief of Coast Guard Staff	Vice-Chairperson
NHQ-PCG Central Staff	Members
Deputy Chief of Coast Guard Staff for Comptrollership, CG-6	Secretariat

B. PCG PBAC for Annual Procurement Plan Formulation

Deputy Commandant for Administration	Chairperson
Chief of Coast Guard Staff	Vice-Chairperson
NHQ-PCG Central Staff	Members
Deputy Chief of Coast Guard Staff for Logistics, CG-4	Secretariat

C. PBAC TWG for APB Formulation

Chief of Coast Guard Staff	Chairperson
Deputy Chief of Coast Guard Staff for Comptrollership, CG-6	Vice-Chairperson
NHQ-PCG Central Staff	Members
Chief Accountant, Coast Guard Accounting Service Office	
Commander, Coast Guard Procurement Service	
Assistant Deputy Chief of Coast Guard Staff for Comptrollership, CG-6	Secretariat

D. PBAC TWG for APP Formulation

Chief of Coast Guard Staff	Chairperson
Deputy Chief of Coast Guard Staff for Logistics, CG-4	Vice-Chairperson
NHQ-PCG Central Staff	Members
Chief Accountant, Coast Guard Accounting Service Office	
Commander, Coast Guard Procurement Service	
Assistant Deputy Chief of Coast Guard Staff for Logistics, CG-4	Secretariat

10. ROLES AND RESPONSIBILITIES

A. Chief of Coast Guard Staff

1. Provide overall staff supervision and integration during joint formulation and preparation of the PCG APB and APP.
2. Designated as the Chairperson of the PCG PBAC for APB and APP Formulation.
3. Monitor the joint formulation and preparation of the PCG APB and APP and ensure its alignment with the timelines of the Department of Transportation and Department of Budget and Management (DBM).
4. Assist the Commandant, PCG in ensuring that the provisions and procedures of this SOP are effectively implemented and institutionalized in the PCG.

B. NHQ-PCG Central Staff

1. Assume responsibility as a Member of the PCG PBAC for APB and APP Formulation.
2. Evaluate and validate the proposed PAPs included in the PCG APB under their cognizance in support of their overall objective and its compliance to the PCG APBDG.
3. Provide the PCG PBAC for APB Formulation with complete information regarding matters under their cognizance during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

C. Deputy Chief of Coast Guard Staff for Human Resource Management, CG-1

1. Assume responsibility as a Member of the PCG PBAC for APB and APP Formulation.

2. Critically review the personnel program in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to personnel that is included in the PCG APB.
4. Ensure the completeness of the personnel data and its supporting documents to be included in the APB proposal.
5. Provide the PCG PBAC for APB Formulation with complete information regarding personnel-related matters during the integration of programming and budgeting activities which includes, but is not limited to, the proper accounting of personnel, personnel services requirement (both mandatory and other authorized collateral entitlements) which are essential for a rational balance between objectives and resources.

D. Deputy Chief of Coast Guard Staff for Intelligence, CG-2

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.
2. Critically review the intelligence program in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to intelligence that are included in the PCG APB.
4. Ensure the completeness of the intelligence data and its supporting documents to be included in the APB proposal.
5. Provide the PCG PBAC for APB Formulation with complete information regarding intelligence-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

E. Deputy Chief of Coast Guard Staff for Operations, CG-3

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.
2. Critically review the operations program in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to operations that are included in the PCG APB.
4. Ensure the completeness of the operations data and its supporting documents to be included in the APB proposal.

5. Provide the PCG PBAC for APB Formulation with complete information regarding operations-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

F. Deputy Chief of Coast Guard Staff for Logistics, CG-4

1. Assume responsibility as the Vice-Chairperson of the PCG PBAC for APP Formulation, member of the PCG PBAC for APB Formulation and Chairperson of the PBAC TWG for APP Formulation.
2. Review, deliberate and validate the PPMP and APP of all PCG procurement plans to ensure compliance with the standards set forth by the Implementing Rules and Regulations of R.A. 9184.
3. Ensure the completeness of the logistics data and its supporting documents to be included in the APB proposal.
4. Ensure the alignment of the PPMPs/APP in accomplishing the PAPs in the APB.
5. Critically review the logistics program in support of the overall objective of the unit.
6. Evaluate and validate the proposed PAPs, PPMP and APP related to logistics that are included in the PCG APB.
7. Ensure the completeness of the logistics data and its supporting documents to be included in the APB proposal.
8. Provide the PCG PBAC for APB Formulation with complete information regarding logistics-related matters during the integration of programming and budgeting activities which includes, but is not limited to, the attainment of requirements based on the Table of Equipment (TE) and its standard maintenance which are essential for a rational balance between objectives and resources.
9. Consolidate all PPMPs/APP of the Agency and defend them before the BAC.

G. Deputy Chief of Coast Guard Staff for International Affairs, CG-5

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.
2. Critically review the International Affairs program in support of the overall objective of the unit.

3. Evaluate and validate the proposed PAPs, PPMP and APP related to International Affairs that are included in the PCG APB.
4. Ensure the completeness of the International Affairs data and its supporting documents to be included in the APB proposal.
5. Provide the PCG PBAC for APB Formulation with complete information regarding international affairs-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

H. **Deputy Chief of Coast Guard Staff for Comptrollership, CG-6**

1. Assume responsibility as Vice-Chairperson of the PCG PBAC for APB Formulation, Chairperson of the TWG for APB Formulation, and Member of the TWG for APP Formulation.
2. Issue the Budget Preparation Instructions, as necessary, to amplify instructions for the preparation and submission of the APB proposals of PCG Units and Staff Offices.
3. Oversee the preparation and submission of the PCG Units' and Staff Offices' APB and Supplemental APB Proposals.
4. Lead the critical review of all programs concerning their compliance with existing policies, rules and regulations, and laws about financial management.
5. Ensure the adherence of APB to the concepts and principles of the PREXC-PIB and/or the latest budgeting approach of the DBM.
6. Lead the preparation of necessary resolution and communication for the approval of the APB and defend same before the PCG PBAC for APB Formulation.
7. Provide the Office of the Deputy Chief of Coast Guard Staff for Logistics, CG-4 the corresponding data for PPMP and APP Formulation.
8. Lead the development, implementation and upgrade of the PCG's Integrated Budgeting and Procurement Planning Software (IBPPS).

I. **Deputy Chief of Coast Guard Staff for Civil Relations Service, CG-7**

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.

2. Critically review the civil relations programs in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to civil relations that are included in the PCG APB.
4. Ensure the completeness of the civil relations data and its supporting documents to be included in the APB proposal.
5. Provide the PCG PBAC for APB Formulation with complete information regarding civil relations-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

J. Deputy Chief of Coast Guard Staff for Maritime Safety Service, CG-8

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.
2. Critically review the maritime safety programs in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to maritime safety that is included in the PCG APB.
4. Ensure the completeness of the maritime safety data and its supporting documents to be included in the APB proposal.
5. Provide the PCG PBAC for APB Formulation with complete information regarding maritime safety-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

K. Deputy Chief of Coast Guard Staff for Marine Environmental Protection, CG-9

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.
2. Critically review the marine environmental protection programs in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to marine environmental protection programs that are included in the PCG APB.

4. Ensure the completeness of the marine environmental protection program data and its supporting documents to be included in the APB proposal.
5. Provide the PCG PBAC for APB Formulation with complete information regarding marine environmental protection-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

L. Deputy Chief of Coast Guard Staff for Ships and Aircraft Engineering, CG-10

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.
2. Critically review the ships and aircraft engineering programs in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to ships and aircraft engineering programs that are included in the PCG APB.
4. Ensure the completeness of the ships and aircraft engineering programs data and its supporting documents to be included in the APB proposal.
5. Provide the PCG PBAC for APB Formulation with complete information regarding ships and aircraft engineering-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

M. Deputy Chief of Coast Guard Staff for Maritime Weapons, Communications, Electronics and Information Systems, CG-11

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.
2. Critically review the WCEIS program in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to WCEIS that are included in the PCG APB.
4. Ensure the completeness of the WCEIS data and its supporting documents to be included in the APB proposal.

5. Provide the PCG PBAC for APB Formulation with complete information regarding WCEIS-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

N. Deputy Chief of Coast Guard Staff for Education and Training, CG-12

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.
2. Critically review the education and training program in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to education and training that are included in the PCG APB.
4. Ensure the completeness of the education and training data and its supporting documents to be included in the APB proposal.
5. Provide the PCG PBAC for APB Formulation with complete information regarding education and training-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

O. Deputy Chief of Coast Guard Staff for Maritime Security Services, CG-14

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.
2. Critically review the maritime security services program in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to maritime security services that are included in the PCG APB.
4. Ensure the completeness of the maritime security services data and its supporting documents to be included in the APB proposal.
5. Provide the PCG PBAC for APB Formulation with complete information regarding maritime security services-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

P. Deputy Chief of Coast Guard Staff for Strategic Studies and Modernization, CG-15

1. Assume responsibility as a Member of the PCG PBAC for APB Formulation.
2. Critically review the strategic studies and modernization program in support of the overall objective of the unit.
3. Evaluate and validate the proposed PAPs, PPMP and APP related to strategic studies and modernization that are included in the PCG APB.
4. Ensure the completeness of the strategic studies and modernization data and its supporting documents to be included in the APB proposal.
5. Provide the PCG PBAC for APB Formulation with complete information regarding strategic studies and modernization-related matters during the integration of programming and budgeting activities which are essential for a rational balance between objectives and resources.

Q. Chief Accountant, Coast Guard Accounting Service Office

Provide government accounting management and technical expertise in the critical review and validation of all PAPs and the corresponding account codes in compliance with the generally accepted accounting rules and regulations.

R. Commander, Coast Guard Procurement Service

Provide government procurement management and technical expertise in the critical review and validation of all PAPs and the corresponding logistical requirements, modes of procurement, and procurement activities in accordance with the Government Procurement Reform Act (R.A. 9184).

S. PCG Unit Commanders

Ensure that their APB and APP development process shall be supported with a localized process in accordance with this SOP.

T. Resource Administrator/NHQ-PCG Staff

1. Ensure that the provisions and procedures of the SOP are effectively implemented and institutionalized within their Unit/Office.
2. Ensure that all the findings and recommendations resulting from the conduct of First and Second Passes, and Joint APB-APP Validations are considered and acted upon in preparing the adjusted/corrected APB Proposal.

U. PCG Program and Budget Advisory Committee for APB Formulation

1. Coordinate and integrate planning, programming, budgeting and execution activities.
2. Conduct further deliberations of the broad and specific objectives of the PCG Units/NHQ PCG Staff Offices and the corresponding PAPs based on the PCG Cost Structure.
3. Review and deliberate the APB proposals of the PCG Units/NHQ PCG Staff Offices and ensure their alignment with the policies and guidelines outlined in the PCG APBDG and other laws, rules and regulations.

V. PCG Program and Budget Advisory Committee for APP Formulation

1. Coordinate and integrate planning, programming, budgeting and execution activities.
2. Review and deliberate the PPMP and APP of all procurement plans to ensure compliance with the standards set forth by the Implementing Rules and Regulations of R.A. 9184 (Government Procurement Reform Act), other related laws, policies, rules and regulations, and other applicable issuances.
3. Conduct further deliberations of the PPMP and APP proposals of Resource Administrators and NHQ PCG Chiefs of Offices to ensure consistency set forth by the Higher Headquarters.

W. PCG Program and Budget Advisory Committee Technical Working Group for APB Formulation

1. In coordination with the PCG PBAC TWG for APP, assess and validate the APB and APP Proposals of the Resource Administrators and NHQ PCG Chiefs of Offices to ensure consistency with the PCG APBDG, Government Procurement Reform Act (R.A. 9184), laws, policies, rules and regulations, and other applicable issuances.
2. Review, deliberate and validate the technical aspects of all guidelines, objectives and PAPs to be included in the PCG Unit/NHQ PCG Staff Offices APB and ensure its alignment with the policies and guidelines outlined in the PCG APBDG for the year.
3. Document and communicate the results of the deliberation and validation of the APB Proposals of the PCG Units and NHQ PCG Staff Offices.

X. PCG Program and Budget Advisory Committee Technical Working Group for APP Formulation

1. In coordination with the PCG PBAC TWG for APB Formulation, assess and validate the APB and APP Proposals of the Resource Administrators and NHQ-PCG Chiefs of Offices to ensure consistency with the PCG APBDG, Government Procurement Reform Act (R.A. 9184), laws, policies, rules and regulations, and other applicable issuances.
2. Review, deliberate and validate the PPMP and APP of all procurement plans to ensure compliance with the standards set forth by the Implementing Rules and Regulations of R.A. 9184.
3. Ensure that the APP and PPMP were prepared by the standards set by Higher Headquarters as to Form and Substance.
4. Responsible for defending and presenting the PCG APP to the identified Bids and Awards Committee by Higher Headquarters for its validation.

Y. PCG Units Chief of Staff and NHQ-PCG Staff Office Deputies

1. Present respective broad and specific objectives and PAPs with corresponding financial and logistical requirements before the PCG PBAC for APB Formulation for deliberation.
2. Serve as Resource Persons of the PCG PBAC for APB Formulation in conducting the review and deliberation of the APB and APP proposals during the approval phase to ensure its alignment with the policies and guidelines set forth in the PCG APBDG and other laws, rules and regulations.

Z. APB and APP Secretariat

1. Issue notice for conferences and meetings in behalf of the Chairperson.
2. Prepare and provide necessary reference materials.
3. Prepare the minutes of meeting or conference proceedings.
4. Maintain records and file.

11. RESCISSION

All other publications inconsistent with this SOP are hereby rescinded.

12. EFFECTIVITY

This SOP shall take effect effective 02 July 2024.

BY COMMAND OF COAST GUARD ADMIRAL GAVAN:

OFFICIAL:

HOSTILLO ARTURO E CORNELIO
CG RADM
Chief of Coast Guard Staff


JAYSIEBELL B FERRER
CG CDR
Coast Guard Adjutant

DISTRIBUTION:
"A"

Annex A - Definition of Terms

Annex B - APB-APP Formulation Process Flow

Annex C - PCG APB-APP Theoretical Calendar

Annex D - PCG PBAC for APB Resolution



DEFINITION OF TERMS

Activity - is a recurring work process that contributes to the implementation of a program or sub-program.

Annual Plan and Budget Development Guidance (APBDG) – Information issued by the Commandant, Philippine Coast Guard as Resource Manager that provides detailed instructions for preparing and submitting the annual budget request to all PCG major units.

Annual Plan and Budget (APB) Proposal – PCG unit's formal submission to headquarters seeking resources to operate for the coming year and providing formal justification for the requested level of funding.

Budget – is the fiscally-constrained proposal that identifies the resources required to accomplish the annual program of PCG. The budget proposal includes General Appropriation Act funds and other non-appropriated funds.

Budgeting – is a process of measuring and converting plans into financial values to achieve organizational objectives.

Capability (General) – is an organization's ability to preplan and accomplish an objective and achieve the effects desired in a specified time period. Capability is generally a function of organizational structure, including personnel and equipment on hand, the readiness of personnel and equipment, training and sustainment.

Capital Outlay (CO) – refers to appropriations for the purchase of goods and services, the benefits of which extend beyond the fiscal year and which add to the assets of the Government, including investments in the capital stock of GOCCs and their subsidiaries.

Expense Class – a collective term referring to Personal Services (PS), Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO).

General Administration and Support - is a cost component of the agency budget which consists of the activities and projects dealing with the provision of overall administrative management and operational support to the entire agency operations.

Maintenance and Other Operating Expenses (MOOE) – refers to expenditures to support the operations of government agencies, such as expenses for supplies and materials; transportation and travel utilities (water, power, etc.), and necessary repairs, among others.

Management and Administration (MA) – are activities dealing with the provision of overall administrative management support to the entire agency operations.

Operations - is the cost structure which consists of programs and corresponding expenditures that relate to the main purpose for which an agency has been created. It involves direct production of goods or delivery of services or direct engagement in regulations.

Organizational Outcome (OO) - is a short to medium-term result produced by an agency that contributes to the achievement of its legislated mandate and is achieved through the delivery of its programs.

Organizational Performance Indicator Framework (OPIF) - is an approach to expenditure management that directs resources toward results and measures the whole-of-agency performance through output and outcome indicators. It is a defined strategic results framework that related agency mandates to overall government priorities, as well as intended outputs and outcomes.

Outcome - is any change, effect or result brought about by an agency's programs or strategies upon individuals, social structures or the physical environment.

Output - is any good or service that an agency delivers to a target population or client group external to the agency.

Performance Indicator - is a characteristic or evidence that measures and illustrates the standard of performance by which an agency delivers its programs or outputs. Performance Indicators can measure the quantity, quality or timeliness of outputs and outcomes of an agency or a program and provide evidence that describes results such as economy, efficiency and effectiveness. Output indicators are mostly within the control of an agency and are strongly linked to the budget. An outcome indicator measures how well a program has achieved its stated objective.

Performance-Informed Budgeting - is a form of budgeting that relates fund allocation to measurable results in the form of outputs and outcomes. Resources are related to results in an indirect non-formulaic manner since the results, together with other information, are used, actively and systematically, to inform budget decisions.

Personal Services (PS) – refers to provisions for the payment of salaries, wages, and other compensation (e.g., merit, salary increase, cost-of-living-allowances, honoraria and commutable allowances) for government employees. In general, the major cost of delivering government activities is the cost of staff.

Program - is a group of activities and projects that contribute to a common particular outcome. A program should have the following: (1) unique expected results or outcomes, (2) a clear target population or client group external to the agency, (3) a defined method of intervention to achieve the desired result, and (4) a clear management structure that defines accountabilities.

Program Expenditure Classification (PREXC) - is a form of structuring the budget into programs and outcomes. In comparison to the MFO-based budget, classifying expenditures by program has two benefits: (1) clarifying the objectives of government spending and the programs and strategies used by the agencies to accomplish them; and (2) allowing the monitoring of operational performance through performance indicators, which may relate to the inputs, outputs, or outcomes of a

particular program providing a way to assess the success of the program and make adjustments during implementation, if necessary. An expenditure classification by program will contribute to improved transparency and accountability and help better link inputs to objectives or outcomes.

Program / Activity / Project (PAP) - is any work process or group of work processes undertaken to realize the outputs and outcomes of an agency. This is represented by an item of appropriation in the national budget.

Project - is a special undertaking carried out within a definite time frame and intended to result in some pre-determined measure of goods and services.

Program Expenditure Classification (PREXC) Structure - is a presentation of an agency's budget structured along PREXC. An agency's budget is arranged in a hierarchical manner to depict the logical relationship among programs, activities, and projects; and between programs and the agency's Organizational Outcomes.

Readiness – a collective term referring to the preparedness of a unit being the sum of personnel, training, materiel and maintenance readiness.

Resource Administrator (RA) – is a designated senior executive appointed by the Commandant, PCG who is directly accountable for developing financially realistic program, budget, and spending plan proposals that comply with the centralized policy and planning direction provided by the DOTr leadership; accomplishing established programmatic and financial management objectives established by the Commandant, PCG; and, reporting performance against the established objectives. In the PCG, the RAs are the **Unit Commanders**.

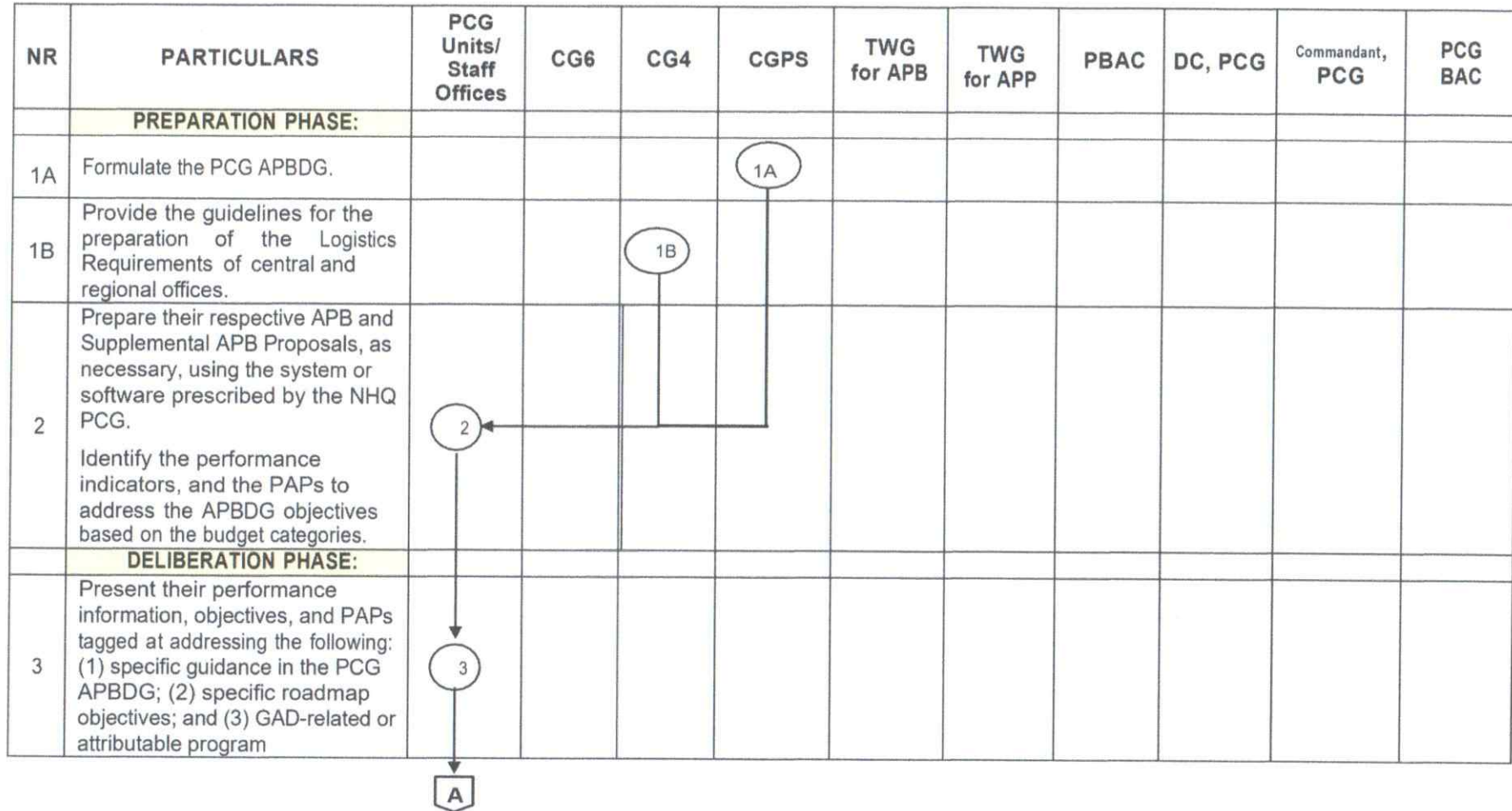
Resource Manager (RM) – is a designated senior executive appointed by the DOTr who is directly accountable to the Secretary, DOTr for developing a financially realistic program, budget, and spending plan proposals that comply with the centralized policy and planning direction provided by the Secretary, DOTr; accomplishing established programmatic and financial management objectives established by the Secretary, DOTr; and, reporting performance against the established objectives. In the PCG, there is only one RM and that is the **Commandant, PCG**.

Sub-program - is a program with either a more specific method of intervention or more defined target clients that is contained within a bigger program of an agency.

Support to Operations (STO) - is a cost component of an agency budget which consists of activities and projects which provide staff, technical, and/or substantial support to operations, but do not produce goods or deliver services directed at a target population or client group external to the agency. This also includes expenditures that are indivisible across programs. In this SOP however, STO are activities that provide technical and substantive support to achieve the objectives describe in the Unit Operations.

Annex B of SOP No. 14-24 dtd 02 July 2024 with subject: Guidelines in the PCG's Joint Annual Plan and Budget and Annual Procurement Plan Development Process

FLOWCHART ON THE JOINT APB – APP DEVELOPMENT PROCESS



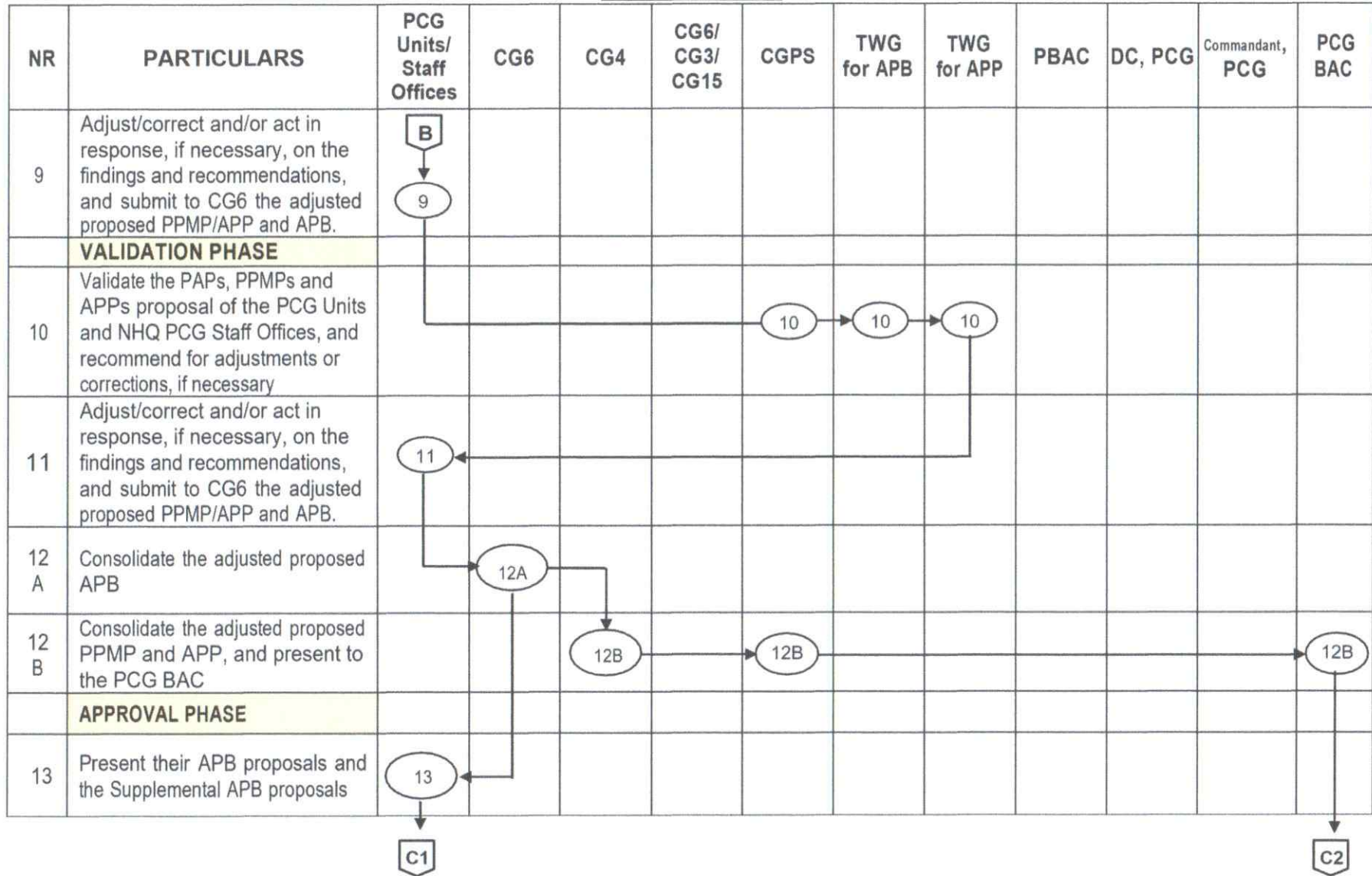
RESTRICTED

NR	PARTICULARS	PCG Units/ Staff Offices	CG6	CG4	CG6/ CG3/ CG15	CGPS	TWG for APB	TWG for APP	PBAC	DC, PCG	Commandant, PCG	PCG BAC
4	Evaluate and deliberate the proposal of the PCG Units and NHQ PCG Staff Offices, and recommend for adjustments or corrections, if necessary.						<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">A</div> <div style="text-align: center; margin-top: 5px;">↓</div> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">4</div>					
5	Adjust/correct and/or act in response, if necessary, on the findings and recommendations, and submit to CG6 the adjusted proposed APB.	<div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">5</div>					<div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">4</div>					
6	Consolidate the adjusted proposed APB		<div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">6</div>									
7	Based on the corrected PAPs during the First Pass, allocate the PAPs with corresponding financial and logistical requirements to meet their objectives for the programming year. Present their respective RDFs/PPMPs corresponding the PAPs.	<div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">7</div>										
8	Evaluate and deliberate the PPMP and APP proposal of the PCG Units and staff offices, and recommend for adjustments or corrections, if necessary					<div style="border: 2px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">8</div>		<div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">8</div>				

↓

B

RESTRICTED



RESTRICTED

RESTRICTED

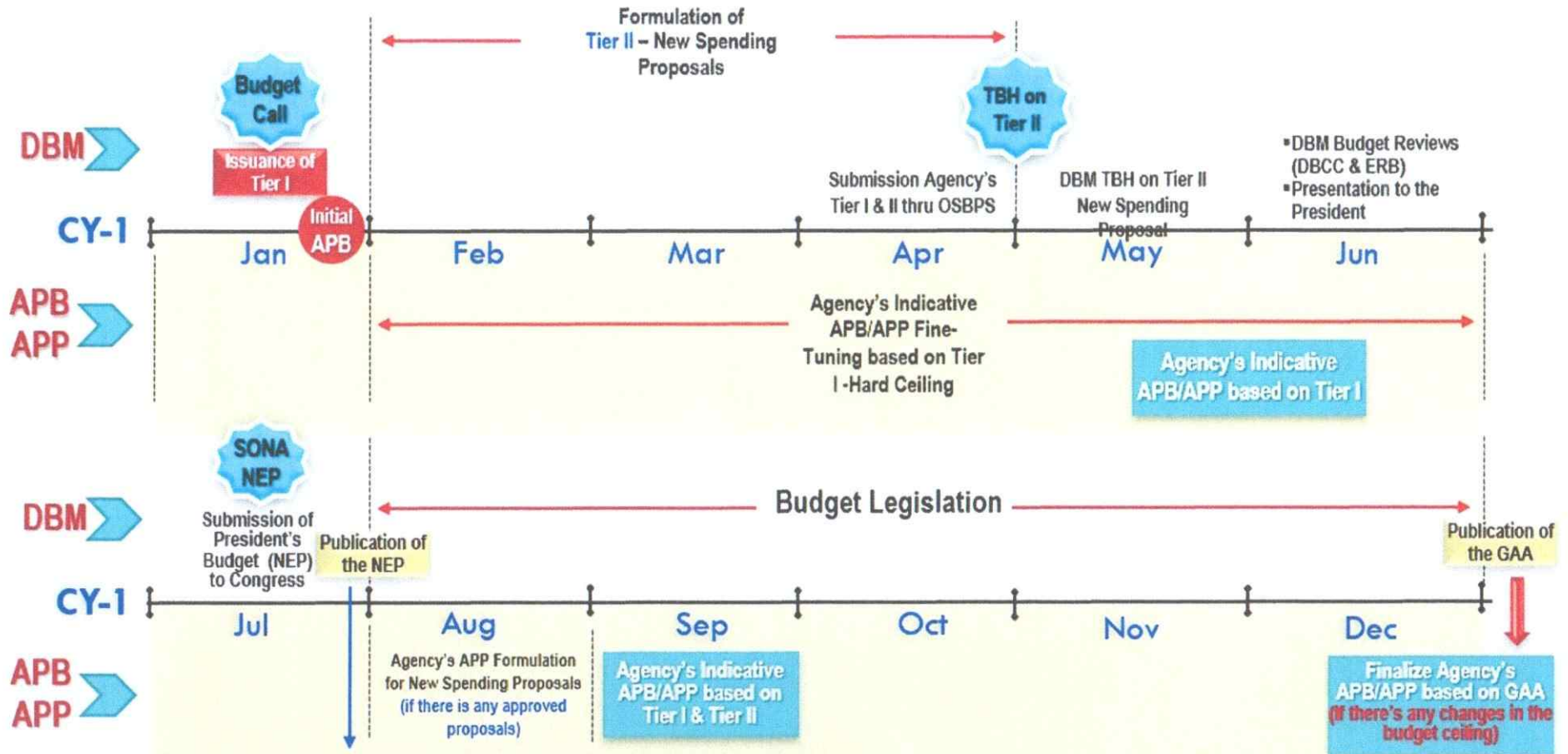
NR	PARTICULARS	PCG Units/ Staff Offices	CG6	CG4	CG6/ CG3/ CG15	CGPS	TWG for APB	TWG for APP	PBAC	DC,PCG	Commandant, PCG	PCG BAC
14	Deliberate and approved the APB/APP proposal of the PCG Units and Staff Offices, and recommend for adjustments or corrections, if necessary								C1 ↓ 14			
15	Prepare the resolution and communication for the approval of the APB		15									
16	Approve the APB									16	16	
17	Prepare the resolution and communication for the approval of the APP			17								C2 ↓ 17
18	Approved the APP									18	18	

RESTRICTED

Annex C of SOP No. 14-24 dtd 02 July 2024 with subject: Guidelines in the PCG's Joint Annual Plan and Budget and Annual Procurement Plan Development Process

JOINT APB – APP DEVELOPMENT THEORETICAL CALENDAR

ALIGNMENT OF AGENCY'S APB-APP DEVELOPMENT NOTIONAL CALENDAR INTO THE DBM BUDGET CALENDAR



* Upon publication of the NEP, conduct of bidding process can be undertaken short of NOA per Circular Letter on Guidelines Directing Agencies to Expedite the Implementation of

RESTRICTED

Annex D of SOP No. 14-24 dtd 02 July 2024_with subject: Guidelines in the PCG's Joint Annual Plan and Budget and Annual Procurement Plan Development Process



Department of Transportation
Philippine Coast Guard
139 25th Street, South Harbor,
Port Area, 1018 Manila

**PCG PBAC FOR ANNUAL PLAN AND BUDGET
RESOLUTION NO. _____**

**APPROVING THE PHILIPPINE COAST GUARD ANNUAL PLAN AND
BUDGET FOR FISCAL YEAR _____**

WHEREAS, PCG SOP NR. _____ dated _____, otherwise known as "Guidelines in the Philippine Coast Guard's Joint Annual Plan and Budget and Annual Procurement Plan Development Process" took effect on _____;

WHEREAS, the PCG PBAC under paragraph ___ of PCG SOP NR. _____ dated _____ is mandated to advise the Commandant, PCG on matters pertaining to the planning, programming, and budgeting as well as the assessment of programs and budgets that affect the operations and development of the PCG;

WHEREAS, the PCG TWG FOR APB FORMULATION under paragraph _____ of PCG SOP NR. _____ dated _____ is mandated to assist the PCG PBAC FOR APB formulation specifically in the formulation, review and deliberation of the technical aspects in the planning, programming, budgeting and execution, as well as the assessment of programs and budgets that affect the operations and future development of the PCG;

WHEREAS, the Annual Plan and Budget shall be the annual budget document and translation of the PCG's appropriations in terms of programs, activities and projects (PAPs) in accordance with the DBM PREXC-PIB budget approach;

WHEREAS, there is a need to ensure the implementability, adherence to pertinent laws, rules and regulations, and expeditious implementation of PAPs to achieve PCG priorities, objectives and targets which shall embody a comprehensive, precise, interdependent and integrated process of execution;

WHEREAS, the PCG is instituting a process in the formulation of the Annual Plan and Budget for the approval by the Commandant, Philippine Coast Guard; **WHEREAS**, the APB proposals of the PCG Units and PCG Staff Offices as presented last (date) at the (venue) based on their financial limits totaling to amount in words (amount in figures) were approved.

RESTRICTED

WHEREAS, the available fiscal space amounting to amount in words (amount in figures) shall support the PAPs as attached hereto as Annex "A."

WHEREAS, the amount in words (amount in figures) allocation for the Maintenance and Other Operating Expenses (MOOE) faithfully reflects the priorities of the PCG in promoting, enhancing, and improving the delivery of PCG-mandated functions;

WHEREAS, during the presentation held on (date) at (venue), the members of the PCG PBAC for Annual Plan and Budget Formulation discussed and unanimously approved the PAPs to be funded out of amount in words (amount in figures) inclusive of the amount in words (amount in figures) fiscal space, copies of which are attached hereto as Annex "A";

NOW, THEREFORE, for and in consideration of the foregoing, **WE**, the Members of the **PHILIPPINE COAST GUARD PROGRAM AND BUDGET ADVISORY COMMITTEE FOR ANNUAL PLAN AND BUDGET FORMULATION**, by virtue of the powers vested on **US** by the PCG rules and regulations, hereby **RESOLVE** to confirm, adopt and approve the FY ____ Annual Plan and Budget.

This resolution shall take effect immediately.

APPROVED this (day) day of (month), (year) at the Headquarters, Philippine Coast Guard, 139 25th Street, South Harbor, Port Area, 1018 Manila, Philippines.

_____ Chairperson	_____ Vice-Chairperson
_____ Member	_____ Member
_____ Member	_____ Member
_____ Member	_____ Member
_____ Member	_____ Member

Attested by:

Secretary

RESTRICTED

WHEREAS, the available fiscal space amounting to amount in words (amount in figures) shall support the PAPs as attached hereto as Annex "A."

WHEREAS, the amount in words (amount in figures) allocation for the Maintenance and Other Operating Expenses (MOOE) faithfully reflects the priorities of the PCG in promoting, enhancing, and improving the delivery of PCG-mandated functions;

WHEREAS, during the presentation held on (date) at (venue), the members of the PCG PBAC for Annual Plan and Budget Formulation discussed and unanimously approved the PAPs to be funded out of amount in words (amount in figures) inclusive of the amount in words (amount in figures) fiscal space, copies of which are attached hereto as Annex "A";

NOW, THEREFORE, for and in consideration of the foregoing, **WE**, the Members of the **PHILIPPINE COAST GUARD PROGRAM AND BUDGET ADVISORY COMMITTEE FOR ANNUAL PLAN AND BUDGET FORMULATION**, by virtue of the powers vested on **US** by the PCG rules and regulations, hereby **RESOLVE** to confirm, adopt and approve the FY ____Annual Plan and Budget.

This resolution shall take effect immediately.

APPROVED this (day) day of (month), (year) at the Headquarters, Philippine Coast Guard, 139 25th Street, South Harbor, Port Area, 1018 Manila, Philippines.

_____	_____
Chairperson	Vice-Chairperson
_____	_____
Member	Member
_____	_____
Member	Member
_____	_____
Member	Member
_____	_____
Member	Member

Attested by:

Secretary