



PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS
(National Headquarters Philippine Coast Guard)
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1018 Manila

NHQ-PCG/CG-6

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**REVISED GUIDELINES ON THE 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**

1. AUTHORITY

Republic Act No. 9993, otherwise known as the "Philippine Coast Guard (PCG) Law of 2009" and its Implementing Rules and Regulations

2. REFERENCES

- A. 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;
- B. Republic Act No. 9184 dated 22 July 2002, Subj: An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and for Other Purposes;
- C. Presidential Decree No. 1445 dated 11 June 1978, entitled "Government Auditing Code of the Philippines."

3. RATIONALE

Resource Management is one of the inherent responsibilities of the Commandant, Philippine Coast Guard (CPCG). With the degree of accountability of all the elements attached to it, the CPCG needs an advisory body necessary to assist in the systematic process of planning and allocating the limited resources among competing priorities across the wide range of Coast Guard requirements.

As the uniformed agency of the Department of Transportation (DOTr), the PCG must integrate all its programs to ensure a coherent and logically oriented framework for the strategic direction and resource planning, allocation of limited resources among competing priorities, and evaluating results achieved against established programmatic, financial and procurement management objectives.

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4. PURPOSE

The establishment of the Program and Budget Advisory Committee (PBAC) and PBAC Technical Working Groups (TWGs) for the PCG budgeting, procurement planning and budget execution systems and processes aims to strengthen the framework, define the concepts and principles, and identifies specific roles and responsibilities of PCG units and staff offices. Consistent with the overall purpose, this policy further seeks to achieve the following specific objectives.

- A. To strengthen the PCG's budgeting, procurement planning and budget execution systems and processes for a logically oriented framework for the strategic direction and resource planning, allocation of limited resources among competing priorities, and evaluating results achieved against established programmatic, financial and procurement management objectives.
- B. To prescribe and define the key deliverables of the PCG at every phase of budgeting, procurement planning and budget execution.
- C. To create an advisory body to assist the Commandant, PCG in the assessment, development and accomplishment of the various deliverables at every phase of the system; and
- D. To establish the composition, responsibilities, roles and functions of the PCG PBAC and the PCG PBAC TWGs.

5. CONCEPTS AND PRINCIPLES

The following concepts and principles shall guide the establishment of the PCG PBAC and PBAC TWGs:

- A. The head of any agency of the government is immediately and primarily responsible for all government funds and property pertaining to the agency.
- B. PCG resources shall be the means to provide the capability and services for the benefit of its primary stakeholders, the general public.
- C. There must be a systematic basis for allocating limited resources among competing priorities across the wide range of PCG requirements.
- D. There must be an integrated system and process that links planning, budgeting and procurement activities which aims to have expenditure programs that are driven by policy and strategic priorities and disciplined by budget realities.
- E. All spending units must use the same forms, operate according to the same timetable, and follow the same steps in implementing the budget and procurement activities.
- F. Budget totals should be the result of explicit, enforced decisions and are not mere accommodations for spending demands. These totals should be set before individual spending decisions are made and should be sustainable over the medium term and beyond, also defined as **“living within the means or resources available to the government” (Aggregate Fiscal Discipline)**.

- G. Expenditures should be based on government priorities and the effectiveness of public programs. The budget system should spur reallocation from lesser to higher priorities and from less to more effective programs, also defined as **“spending money on the right things or right priorities” (Allocative Efficiency)**.
- H. Agencies should produce goods and services at a cost that achieves ongoing efficiency gains and (to the extent appropriate) is competitive with market prices, also defined as **“obtaining the best value for the money or resources available” (Operational Efficiency)**.
- I. The management and administration of resources shall be made in the spirit of good governance, check and balance, transparency and accountability.
- J. Develop performance-informed budgeting and spending plans that are consistent with the centralized planning guidance provided and the decisions made during programming.
- K. Resources must support the agency’s efforts toward focused, integrated and synchronized resource programming, budgeting, execution and accounting.
- L. Budgetary decisions have to be based not only on the relative needs of today but most especially on the basic needs of the organization. Priorities should be properly evaluated and any deviation from the original scheme must be properly justified to conform to the needs of the organization.
- M. Programs, activities and projects shall be evaluated in relation to the desired objectives clearly stated qualitatively and quantitatively in consideration of the alternative ways and level of efforts and funding. Assess results achieved against established performance and financial management objectives.

6. PCG PROGRAM AND BUDGET ADVISORY COMMITTEE

The PCG PBAC is an advisory body of the Commandant, PCG that shall review the budgeting and procurement planning as well as the assessment of programs and budgets that affect the operations and development of the PCG. The PCG PBAC shall recommend disposition along with the aforesaid areas for approval of the Commandant, PCG as Resource Manager.

7. PCG PROGRAM AND BUDGET ADVISORY COMMITTEE TECHNICAL WORKING GROUP

The PCG PBAC TWG is a group that shall assist the PCG PBAC specifically in the formulation, review and deliberation of the technical aspects of the planning, programming, budgeting, procurement planning, and its execution, as well as the assessment of programs and budgets that affect the operations and future development of the PCG. It shall justify the initial outputs and recommend endorsement to the PCG PBAC for subsequent approval of the CPCG.

8. LINKING THE BUDGETING AND PROCUREMENT PLANNING AND BUDGET EXECUTION SYSTEM KEY PRODUCTS WITH THE PCG PROGRAM AND BUDGET ADVISORY COMMITTEE

As the PCG pursues current commitments prescribed under its constitutional mandates, there are major activities necessary to attain the PCG's strategic goals as embodied in the PCG's road map and long-term plans. These activities involve budgeting and procurement planning as well as budget execution which need to be revitalized and fully established. These activities must be linked to ensure a balanced and coherent allocation of resources. The proper and effective implementation of an immediate plan of action and programs must directly support the attainment of the aforesaid strategic goals and meet the current maritime search and rescue, safety and security, including marine environmental protection programs of the PCG.

At any given year, "strategic planning" refers to the broad courses of action to take in relation to the expected availability of resources to be allocated to attain future goals. "Budgeting", on the other hand, involves the identification of specific programs and courses of action to be undertaken to address the long-term and current requirements concerning the actual resource limits.

In reference to such, the dynamic and overlapping nature of the budgeting and procurement planning, as well as budget execution systems and processes, requires the PCG to simultaneously produce specific deliverables at every phase of the system to address the competing priorities across the spectrum of Coast Guard activities. The table below defines the overlapping nature of activities that are required and support these processes and deliverables, and the corresponding designated Office of Primary Responsibilities (OPRs) at the Headquarters PCG Staff level.

Table 1: Budgeting, Procurement Planning and Budget Execution Deliverables

Phases/Activities	Process and Deliverables	Office of Primary Responsibility (OPR)	Co-OPR
Budgeting	APBDG	CG-3	CG-6/CG-15
	APB	CG-6	CG-4
Procurement Planning	APP	CG-4	CG-6
Budget Execution	PPBER	CG-6	CG-3

9. COMPOSITION

In order to ensure cognizance of the PCG on all deliverables required, the PCG PBAC and its TWGs are hereby created/organized and shall perform the role as the advisory body to the Commandant, PCG on Budgeting, Procurement Planning and Budget Execution Systems and its deliverables:

A. PCG Program and Budget Advisory Committee:

i. PCG PBAC Core Group Composition

Deputy Commandant for Administration

Chairperson



Chief of Coast Guard Staff CO, NHQ-PCG Central Staff Deputy of a Central Staff (depending on the required deliverable)	Vice Chairperson Member Secretariat
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ii. PCG PBAC for APBDG Formulation

Deputy Chief of Coast Guard Staff for Operations, CG-3	Secretariat
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iii. PCG PBAC for APB Formulation

Deputy Chief of Coast Guard Staff for Comptrollership, CG-6	Secretariat
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iv. PCG PBAC for APP Formulation

Deputy Chief of Coast Guard Staff for Logistics, CG-4	Secretariat
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v. PCG PBAC for Budget Execution

Deputy Chief of Coast Guard Staff for Comptrollership, CG-6	Secretariat
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B. The following **PCG Program and Budget Advisory Committee Technical Working Groups (PCG PBAC TWGs)** shall be organized to assist the PCG PBACs with their requirements for Budgeting, Procurement Planning and Budget Execution Systems and deliverables:

i. PCG PBAC TWG for PCG APBDG Formulation

Chief of Coast Guard Staff	Chairperson
Deputy Chief of Coast Guard Staff for Operations, CG-3	Vice-Chairperson
NHQ-PCG Central Staff	Member
Commander, Coast Guard Infrastructure and Development Service (CGIDS)	Member
Assistant Deputy Chief of Coast Guard Staff for Operations, CG-3	Secretariat

ii. PCG 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	Member
Chief, Coast Guard Accounting Service Office	Member
Commander, Coast Guard Procurement Service	Member
Assistant Deputy Chief of Coast Guard Staff for Comptrollership, CG-6	Secretariat

iii. PCG PBAC TWG for APP Formulation

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

iv. PCG PBAC TWG for Budget Execution

Chief of Coast Guard Staff	Chairperson
Deputy Chief of Coast Guard Staff for Comptrollership, CG-6	Vice Chairperson
NHQ-PCG Central Staff	Member
Commander, Coast Guard Procurement Service	Member
Chief, Coast Guard Accounting Service Office	Member
Commander, Coast Guard Infrastructure and Development Service (CGIDS)	Member
Assistant Deputy Chief of Coast Guard Staff for Comptrollership, CG-6	Secretariat

10. ROLES AND RESPONSIBILITIES

A. Deputy Commandant for Administration:

- i. Act as the Chairperson of the PCG PBAC;
- ii. Provide the overall staff supervision, integration and synchronization of budgeting, procurement planning and budget execution systems and processes;
- iii. Monitor the execution of all the activities to comply with all the deliverables and ensure their alignment with the Department of Budget and Management (DBM) and Department of Transportation (DOTr) timelines;
- iv. Designate permanent and interim as well as invited members of the PCG PBAC; and
- v. Create additional PCG PBAC as necessary to specifically address output not stated in this circular.

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

- i. Act as the Secretariat of the APBDG Formulation;
- ii. Prepare the overall calendar of activities for all the deliverables based on their alignment with the PCG, DOTr and DBM timelines; and
- iii. Identify, develop and formulate processes and additional guidelines pertaining to the development and enhancement of APBDG formulation.

- C. Deputy Chief of Coast Guard Staff for Comptrollership, CG-6**
- i. Act as Vice Chairperson of the PBAC TWGs for APB Formulation and Budget Execution;
 - ii. Prepare the overall calendar of activities for all the deliverables based on their alignment with the PCG, DOTr and DBM timelines; and
 - iii. Identify, develop and formulate processes and additional guidelines pertaining to the development and enhancement of APB Formulation and Budget Execution.
- D. Deputy Chief of Coast Guard Staff for Logistics, CG-4:**
- i. Act as Vice Chairperson of the PBAC TWGs for APP Formulation;
 - ii. Prepare the overall calendar of activities for all the deliverables based on their alignment with the PCG, Department of Transportation, DBM and Procurement timelines; and
 - iii. Identify, develop and formulate processes and additional guidelines pertaining to the development and enhancement of the APP formulation.
- E. PCG Program and Budget Advisory Committee:**
- i. Provide overall staff supervision, integration and synchronization of budgeting, procurement planning and budget execution systems and processes;
 - ii. Recommend policies, objectives and goals in accordance with current and future programs and priority guidance;
 - iii. Establish a rational balance between objectives and resources; and
 - iv. Review the results of operations and recommend revision in the APB to maintain an optimum balance between resources and objectives.
- F. PCG Program and Budget Advisory Committee Technical Working Group:**
- i. Assist the PCG PBAC by providing technical assistance in coordinating and integrating budgeting, procurement planning and budget execution systems and processes; and
 - ii. Present and justify the initial output based on the required deliverables to the PCG PBAC.
- G. PCG Program and Budget Advisory Committee and Program and Budget Advisory Committee Technical Working Group Secretariat:**
- i. Issue notice of conferences and meetings on behalf of the Chairperson;
 - ii. Prepare and provide necessary reference materials;



- iii. Prepare the Minutes of the meetings or Conference proceedings; and
- iv. Maintain records and files.

11. SUPPLEMENTARY INSTRUCTION

All files shall be book-bounded at the end of every year and shall be chronologically filed at respective repositories.

12. RESCISSION

All other publications inconsistent with this circular are hereby rescinded.


13. EFFECTIVITY

This circular shall take effect upon approval and publication.

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

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ANNEX A – Key Definitions

ANNEX B – 1. Joint APB – APP Development Theoretical Calendar (CY-2)
2. Joint APB – APP Development Theoretical Calendar (CY-1)

ANNEX C – List of Acronyms Used in the Circular

ANNEX A – Key Definitions

PCG Annual Plan and Budget Development Guidance (APBDG) - Information issued by the Commandant, PCG as Resource Manager that outlines the different directives, guidance, and instructions for responsible defense resource management and budgeting.

This document intends to present a rational and coherent framework for all PAPs towards the accomplishment of missions under the priorities defined according to specific strategies and come up with a responsive APB.

Annual Plan and Budget (APB) - 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.

The APB prescribes the policies and guidelines for the allocation of resources for the calendar year. As the final product of the budget preparation phase, the APB can provide detailed plans, programs, and costs for purchasing resources for the calendar year. It depicts how the Resource Manager intends to spend the resources approved by the President. The APB also provides the traceability of the programs, activities, and projects, and supports performance reporting.

Annual Procurement Plan (APP) - The APP is a plan that contains all logistical requirements of units or offices within their proposed or approved budget. These logistical requirements include but are not limited to, supplies and materials, services, and equipment.

It is a required document that the agency must prepare to reflect the entire procurement that it plans to undertake within the calendar year. 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.

Implementing Annual Plan and Budget (IAPB) - The IAPB is a replication of the APB. IAPB will be compiled with within the same manner as the APB but will only contain the guidelines and policies applicable to a particular unit, including fund allocation of its sub-units.

This document reflects how the PCG units intend to implement their APB in accordance with the existing rules, regulations, policies, and guidelines.

Program Performance and Budget Execution Review (PPBER) - The PPBER is a performance report that displays results achieved against the established objectives. It integrates both programmatic and financial performance information so that the Resource Manager and key stakeholders can relate money spent to established objectives.

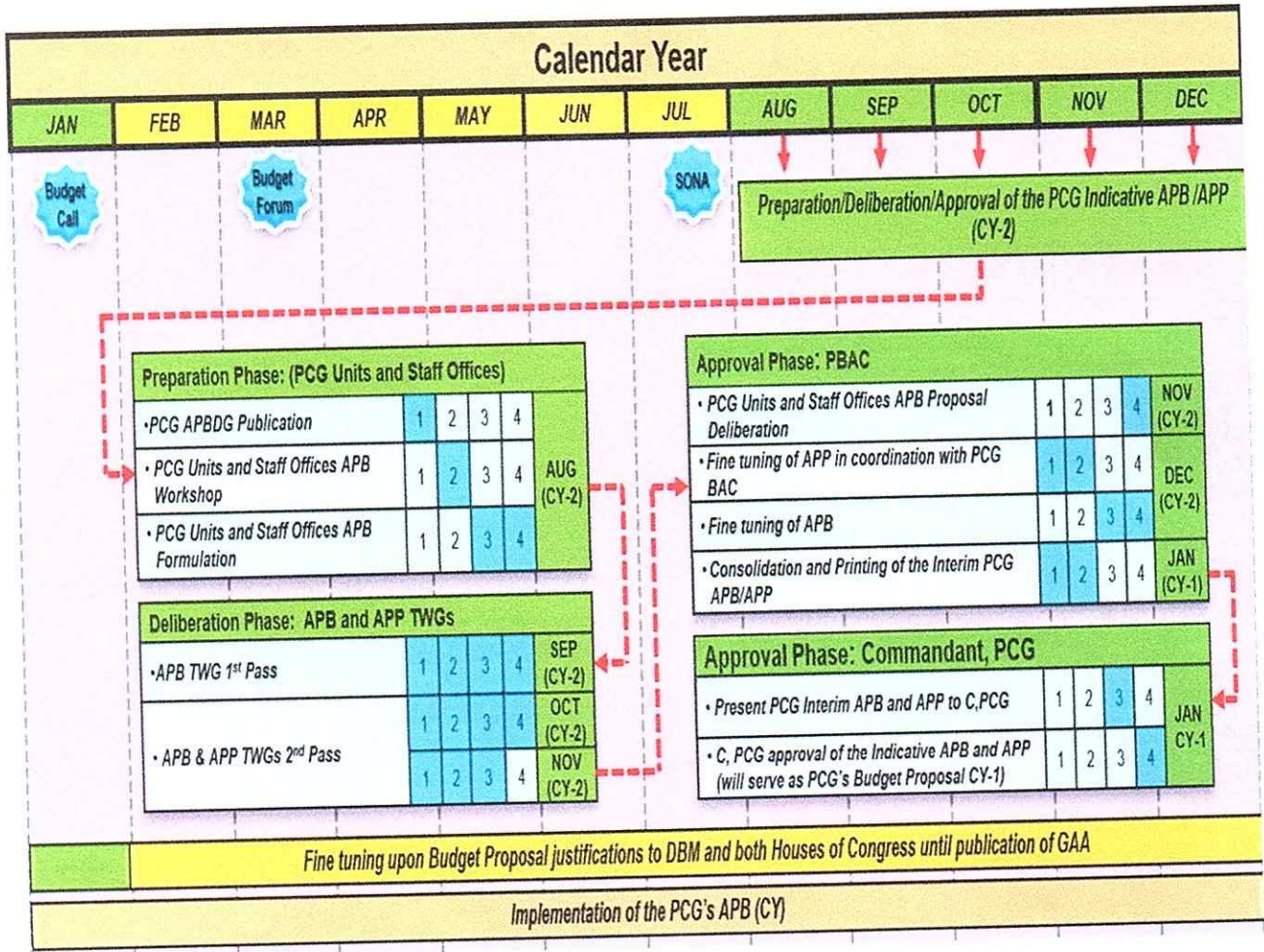
Further, it is a management tool of the Resource Manager and his staff for formal analysis of programmed goals and budget vis-à-vis the accomplished goals and incurred costs. The viewed and analyzed data will serve as inputs during the planning phase thus, closing the loop in the PPBS.

The results of the PPBER are assessed by CG-6, CG-3, and CG-15 as a vital input during the next cycle of the budgeting preparation process.



ANNEX B.1 JOINT APB – APP DEVELOPMENT THEORETICAL CALENDAR (CY-2)

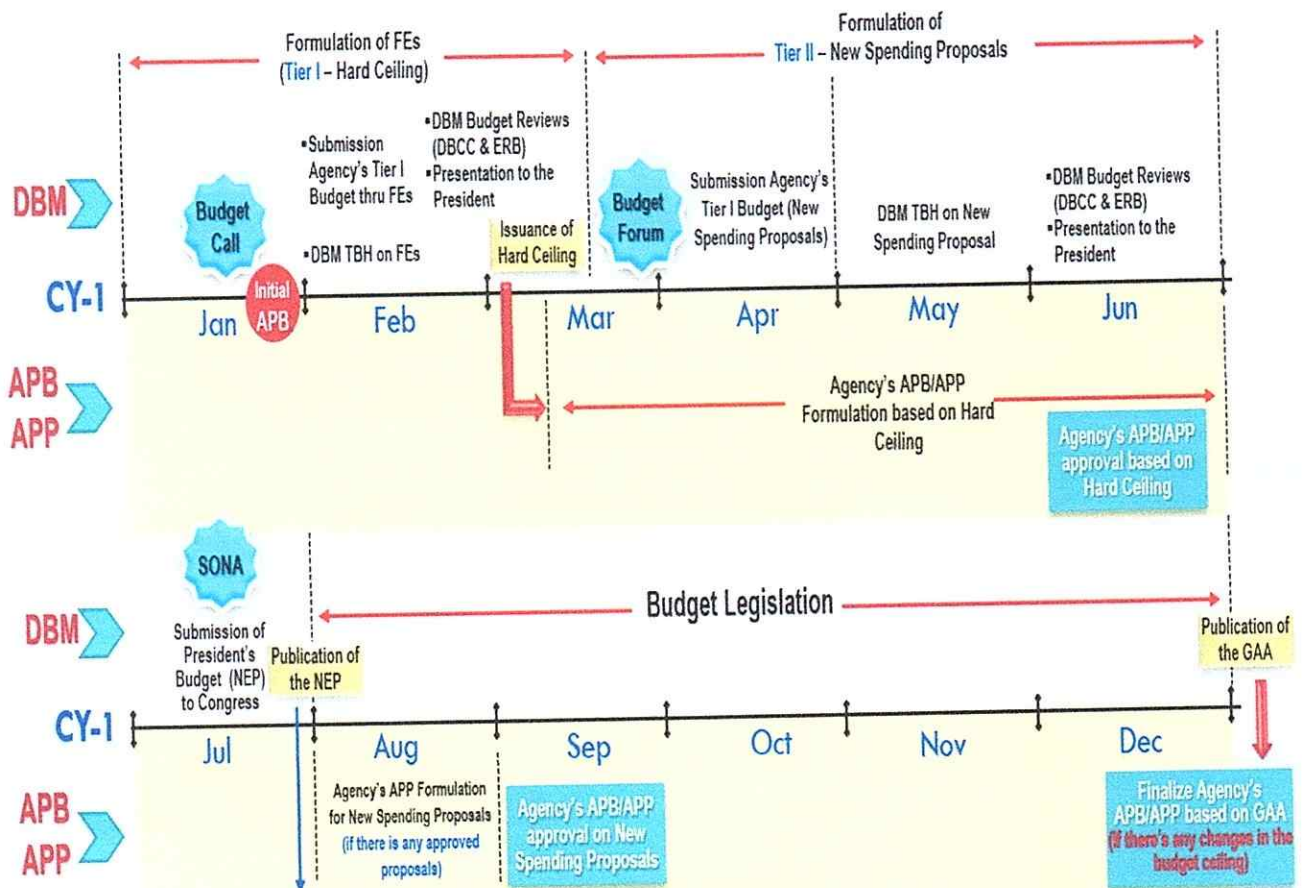
ALIGNMENT OF THE AGENCY'S APB-APP DEVELOPMENT NOTIONAL CALENDAR INTO THE DBM BUDGET CALENDAR



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ANNEX B.2 JOINT APB – APP DEVELOPMENT THEORETICAL CALENDAR (CY-1)

ALIGNMENT OF THE 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 their Procurement Activities

References: BUDGET CALL for Budget Preparation Calendar
Section 7.3.1 & 2 of the Revised IRR of RA.9184 for APP Calendar

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ANNEX C

LIST OF ACRONYMS USED IN THIS CIRCULAR

APB

APBDG	-	Annual Plan and Budget
APP	-	Philippine Coast Guard Annual Plan and Budget Development Guidance
BAC	-	Annual Procurement Plan
DBCC	-	Bids and Awards Committee
DBM	-	Development Budget Coordination Committee
DBM TBH	-	Department of Budget and Management
DOTr	-	Department of Budget and Management Technical Budget Hearing
ERB	-	Department of Transportation
FEs	-	Executive Review Board
GAA	-	Forward Estimates
NEP	-	General Appropriations Act
OPIF	-	National Expenditure Program
OPR	-	Organizational Performance Indicator Framework
PAP	-	Office Primary Responsible
PBAC	-	Program, Activity, and Project
PBAC TWG	-	Program and Budget Advisory Committee
PPBER	-	Program and Budget Advisory Committee Technical Working Group
PREXC-PIB	-	Program Performance and Budget Execution Review
SONA	-	Program Expenditure Classification-Based Performance-Informed Budgeting - State of the Nation Address