CIRCULAR LETTER

TO: All Heads of Departments/Agencies/Heads of Finance Units; Budget Officers; Chief Accountants and All Others Concerned

SUBJECT: Modification of the Documentary Requirements for Issuance of a Multi-Year Obligational Authority (MYOA)

1.0 In contracting of multi-year projects, the existing policy provided under the General Provision (GP) of the annual General Appropriations Act (i.e., for FY 2010, GP No. 26 of RA No. 9970), states the following:

"In the implementation of multi-year projects where the total cost is not provided in this Act, agencies shall request the DBM for the issuance of a Multi-Year Obligational Authority (MYOA) following the guidelines under DBM Circular Letter (CL) No. 2004-12 dated October 27, 2004. Notwithstanding the issuance of a MYOA, the obligation to be incurred in any given calendar year, shall in no case exceed the allotment released for the purpose during said calendar year."

2.0 Section 4.2 of said CL No. 2004-12 prescribes the documentary requirements as basis for issuance by DBM of a MYOA. Specifically, item c of Section 4.2 requires the submission to DBM of the approval of the Investment Coordination Committee (ICC)/NEDA Board for Locally Funded Projects costing more than P300 million and for all foreign-assisted projects, for the purpose of issuing the MYOA.

3.0 In order to speed-up the implementation of priority projects and procurement activities of the government, the above-cited requirement under the Section 4.2.c of CL No. 2004-12 is modified. In lieu of the approval of the ICC/NEDA Board, the Project Evaluation Report of the ICC -Technical Board shall be used as another basis in the issuance of MYOA. Thus, Section 4.2.c of CL 2004-12 is hereby amended to read, as follows:

"Section 4.2 ....

C. Project Evaluation Report of the Investment Coordination Committee (ICC)
   - Technical Board for Locally Funded Projects costing more than P500 million and for all foreign-assisted projects. Upon approval of the project by the ICC - Cabinet Committee / NEDA Board, copy of said approval shall be forwarded by the agency concerned to DBM for reference."

4.0 Shown as Annex A is the modified format of the Request for MYOA.

5.0 This Circular shall take effect immediately.

FLORENCIO B. ABAD
Secretary
Annex A

REQUEST FOR MULTI-YEAR OBLIGATIONAL AUTHORITY

<table>
<thead>
<tr>
<th>Department:</th>
<th>Code:</th>
<th>Fund Code:</th>
<th>[ ] Locally Funded</th>
<th>[ ] Foreign Assisted</th>
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<tbody>
<tr>
<td>Agency:</td>
<td>Code:</td>
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<table>
<thead>
<tr>
<th>Project Type:*</th>
<th></th>
<th>B</th>
<th>C</th>
</tr>
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<tbody>
<tr>
<td>Project Name/Title:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Project Cost:</td>
<td></td>
<td>Project Duration: ________ Years</td>
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Note:

<table>
<thead>
<tr>
<th>Project Schedule (Year)</th>
<th>Particulars</th>
<th>Amount Requested</th>
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</table>

| Total                   |             |                  |

Checklist of Requirements/Submissions:

[ ] Funding Strategy and Medium Term Expenditure Program
[ ] Project Evaluation Report of the Investment Coordination Committee – Technical Board
[ ] Approved Loan Agreement (for FAPs)
[ ] Others, Specify __________________________

Certification:

As a prerequisite for the issuance of a Multi-Year Obligational Authority, we are confirming our commitment to give priority and include the annual budgetary requirements of the projects/activities specified above within our annual budgetary ceilings as may be prescribed by the DBM. Said project/activity has been approved by the _________ (cite competent authority/agency, when applicable).

_________________________  __________________________
Date                        Head of Department/Agency Designation

*Project Type refers to classification of projects as defined under paragraph 3.2 (b) and (c) of this Circular.