

Attachment 1

Criteria for Inclusion in the Updated 2017-2022 PIP as Input to FY 2020 Budget Preparation

Tier 2 priority PAPs for inclusion in the Updated PIP should satisfy ALL of the following criteria:

1. Responsiveness

- a. Responsive to the current PDP-RM, and 0 to 10-Point Socioeconomic Agenda; and
- b. Included in ANY of the following:
 - i) National Expenditure Program (NEP);
 - ii) General Appropriations Act (GAA);
 - iii) Multi-Year Obligational Authority (MYOA);
 - iv) Existing masterplan/ sector studies/ procurement plan;
 - v) List of RDC- endorsed NG PAPs;
 - vi) Agreements (e.g. Peace Agreements);
 - vii) Existing laws, rules or regulations

2. Readiness

- a. To be implemented within 2018-2022; and
- b. With project preparation document as follows:

For CIPs

- Level 1- with NEDA Board and/or ICC project approval but not yet ongoing
- Level 2- with project preparation document completed¹, for ICC processing in 2018 or 2019, included in the NEP for FY 2019 or for inclusion in NEP for FY 2020
- Level 3- with project preparation document currently being prepared and to be completed in 2019, for ICC processing in 2020 and/or for inclusion in the NEP for FY 2021
- Level 4- with project preparation document for completion in 2020, for ICC processing in 2021 and/or for inclusion in the NEP for FY 2022

For Non-CIPs

- Level 1- with approval of appropriate approving body but not yet ongoing
- Level 2- with project preparation document completed, for approval of appropriate approving body in 2018 or 2019, included in the NEP for FY 2019 or for inclusion in NEP for FY 2020
- Level 3- with project preparation document currently being prepared and to be completed in 2019, for approval of the appropriate approving body in 2020 and/or for inclusion in the NEP for FY 2021
- Level 4- with project preparation document for completion in 2020, for approval of the appropriate approving body in 2021 and/or for inclusion in the NEP for FY 2022

¹ Refers to either feasibility study, business case, project proposal, concept note, etc., whichever is applicable.

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3. Typology of PAPs that can be included in the Updated PIP

- a. Capital investment projects to deliver public goods and services that contribute specifically to the country's productive capacity (e.g. infrastructure development projects, delivery of social services).

For ICT PAPs, these should refer to capital outlay components of the Information Systems Strategic Plan² (ISSP) of the agencies.

For culture PAPs, these should refer to capital outlay components required for conservation of cultural properties as defined by Republic Act (R.A.) 10066, s.2009 or the National Cultural Heritage Act of 2009³.

Consistent with the National Budget Memorandum No. 129, (dated January 3, 2018)⁴, infrastructure capital investments shall factor resiliency to withstand natural calamities.

The requirements for pre-investment activities [e.g. Master Plans, Feasibility Studies (F/S), etc.] that must be undertaken to develop the capital investment project for approval and implementation, as well as project implementation requirements for Right-of-Way (ROW) and Resettlement that may be needed, shall be included in the expected timelines and costs of the project.

- b. Technical assistance PAPs such as research and development, institutional development, human resource capacity building or system/ process improvement PAPs.
- c. Relending PAPs to LGUs or other target beneficiaries.
- d. Government buildings to be used as offices, housing (military and civilian), and for other technical purposes by NGAs, GOCCs, GFIs, other NG offices and instrumentalities and SUCs.

Tier 1 PAPs for inclusion in the Updated PIP should satisfy the criteria on responsiveness and typology of PAPs.

The Updated PIP **excludes** the following:

1. Recurrent cost on the general operations of the government (e.g. supplies and materials, personnel services, etc.) and/or guarantee-related activities to private institutions;
2. PAPs to be financed purely from LGU funds and independent projects of the private sector;
3. Administrative capital outlay, e.g. procurement of equipment;
4. Creation of an office and reorganization-related activities;
5. Roadmap, masterplan, ISSP of implementing agencies, including continuing or operating ICT expenses. However, priority projects mentioned in the

² As approved by the Medium-Term Information and Communications Technology Harmonization Initiative Steering Committee.

³ An Act Providing For The Protection And Conservation Of The National Cultural Heritage, Strengthening The National Commission For Culture And The Arts And Its Affiliated Cultural Agencies, And For Other Purposes.

⁴ Section 7.0 of the NBM No. 129 Annex B-Specific Guidelines on the Allocation for Objects of Expenditure indicates that 'Budget proposal for infrastructure outlay shall adopt the most recent standard cost from DPWH for infrastructure, i.e., factoring resiliency to withstand natural calamities'.

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roadmap/masterplan, etc., that are responsive to the PDP/RM should be included in the PIP;

6. Stand-alone preparatory activities for infrastructure PAPs such as resettlement action plan (RAP), ROW acquisition, pre-F/S, F/S and detailed engineering design (DED), among others. However, the priority projects requiring the preparatory activities that are responsive to the PDP and RM should be included in the PIP;
7. Funding facilities managed by implementing agencies as part of their regular program/mandate, which provide financing for project pre-investment activities;
8. Acquisition of lot;
9. Construction, improvement, rehabilitation, restoration or maintenance of a single unit of a building/ structure (e.g. office, room), *unless it shall be done for the protection and preservation of cultural properties as defined by R.A. 10066*; and
10. Landscaping, site development, installation of perimeter fence or similar non-infrastructure items which may not contribute specifically to country's productive capacity, *unless it shall be done for the protection and preservation of cultural properties as defined by R.A. 10066*.

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