

Republic of the Philippines  
Bangsamoro Autonomous Region in Muslim Mindanao  
BANGSAMORO TRANSITION AUTHORITY  
Cotabato City

**Second Parliament**  
*Second Regular Session*

**Parliament Bill No. 179**  
**(Cabinet Bill)**

Bangsamoro Autonomous Region in Muslim Mindanao  
Parliament  
BILLS AND INDEX DIVISION

**RECEIVED**

Name: SAMA PANGUNIMAN Signature:   
Date: MAY 24 2023 Time: 8:30 AM

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Introduced by:

**THE GOVERNMENT OF THE DAY**

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**AN ACT AUTHORIZING THE CONTINUED USE OF FUNDS FOR THE  
SETTLEMENT OF UNPAID OBLIGATIONS OF FY 2020 AND 2021 AND  
EXTENDING THE VALIDITY OF FY 2022 AND 2023 APPROPRIATIONS**

EXPLANATORY NOTE

By virtue of Executive Order No. 91, s. 2019, then President Rodrigo Roa Duterte mandated the nationwide shift from obligation-based budgeting to the Cash-Based Budgeting System (CBBS) in order to improve the fiscal planning of government agencies, speed up the implementation of programs, and promptly deliver goods and services to the people<sup>1</sup>. However, in the process of implementing the CBBS, a global pandemic ensued leading to interruption in the performance of functions of all government agencies, including the efficient and judicious utilization of their respective budgets.

As a result, the Philippine Congress enacted Republic Act (R.A.) No. 11464 or an Act Extending the Availability of the 2019 Appropriations to December 31, 2020, R.A. No. 11520 or an Act Extending the Availability of the FY 2020 Appropriations to December 31, 2021, and R.A. No. 11640 or An Act Extending the Availability of the 2021 Appropriations to December 31, 2022. On the other hand, in R.A. No. 11639 or the General Appropriations Act for FY 2022, the availability of funds, except for personnel services, was generally set for two years or until December 31, 2023, and similarly in R. A. No. 11936 or the General Appropriations Act for FY 2023, the availability of funds, except for personnel services, was generally set for two years or until December 31, 2024.

The Bangsamoro Transition Authority (BTA), in its own effort to implement the CBBS likewise originally enacted its appropriation acts with a one-year period of availability of funds. However, experiencing the same delays felt by the national government in its own utilization of regional funds, it extended the availability thereof, the latest of which is through Bangsamoro Autonomy Act (BAA) No. 24 where the funds for FY 2020 were made available for obligation and disbursement until December 31, 2022 in the case of continuing programs

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<sup>1</sup> Executive Order No. 91, Adopting the Cash Budgeting System Beginning Fiscal Year 2019, and for Other Purposes

under maintenance and other operating expenses (MOOE), and for obligation until December 31, 2022 and delivery, inspection, and payment until June 30, 2023 for infrastructure and capital outlays. Similarly, the funds for FY 2021 were made available for obligation and disbursement until December 31, 2022 for appropriations under MOOE, and for obligation until December 31, 2022 and delivery, inspection, and payment until June 30, 2023 for infrastructure and capital outlays.

In the same vein, the BTA enacted BAA No. 33 where funds for FY 2022, except for Personnel Services and General Administration and Support under MOOE, were made available for obligation until December 31, 2023 and for delivery, inspection, and payment until March 31, 2024 in the case of MOOE and other capital outlay items, and for obligation until December 31, 2023 and for completion of construction, inspection, and payment until June 30, 2024 in the case of infrastructure capital outlays.

On the other hand, BAA No. 32 or the General Appropriations Act for the Bangsamoro for FY 2023 provided for availability of funds for obligation until December 31, 2023, and for completion of construction, inspection, and payment of infrastructure capital outlays until June 30, 2024, and for delivery, inspection, and payment of MOOE and other capital outlays until March 31, 2024.

Amid all these, it bears stressing that while the objectives of the shift to CBBS are noble, in a note issued by the Philippine Institute for Development Studies, it observed that the CBBS could pose major problems to developing countries and transition economies, as developing countries “may not have the administrative capacity or other pre-requisites needed for the effective introduction” of such budget reforms<sup>2</sup>.

Along this line, as a government in transition, in an area undergoing major reforms in its entire government system as it emerges from decades-long of violent conflict, and in view of the multiple anticipated causes for delay (including natural calamities, right of way problems,<sup>3</sup> and prohibitions during electoral exercises) resulting in slower utilization of funds, the Bangsamoro Government has a far greater need than the national government to have its funds available for a longer period of time to ensure full delivery of goods and services intended to benefit its constituents.

Thus, the enactment of this essential piece of legislation is sought.

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<sup>2</sup> Cuenca, J. *A Note on the 2019 President's Budget*, Philippine Institute for Development Studies (Quezon City: 2019), p. 2

<sup>3</sup> *Ibid*, p. 1



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Name: SAMA BANGSAMORO Signature:   
Date: MAY 24 2023 Time: 8:36 AM

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**AN ACT AUTHORIZING THE CONTINUED USE OF FUNDS FOR THE  
SETTLEMENT OF UNPAID OBLIGATIONS OF FY 2020 AND 2021 AND  
EXTENDING THE VALIDITY OF FY 2022 AND 2023 APPROPRIATIONS**

**Section 1.** For year 2020, Section 47 of the Bangsamoro Appropriations Act or Bangsamoro Autonomy Act No. 3, as amended is hereby further amended to read as follows:

*"Sec. 47. Cash Budgeting System. All appropriations authorized in this Act shall be available for release and disbursement for the purpose specified, and under the same general and special provisions applicable thereto, until December 31, 2022, **except as hereunder provided.***

*For Fiscal Year 2020, the appropriations for infrastructure and capital outlays shall be valid for obligation until December 31, 2022 while the delivery, inspection, and payment shall be made **until the obligation is fully settled or the cash allocation is fully disbursed for the purpose.** On the other hand, appropriations for the continuing programs under MOOE shall likewise be valid for obligation until December 31, 2022 while the delivery, inspection, and payment shall be made **until December 31, 2024.***

*The appropriations for Personnel Services authorized in this Act shall be valid for obligation and disbursement only until December 31, 2020.*

*The MFBM is authorized to issue the necessary guidelines for the effective implementation of this Act."*

**Section 2.** For year 2021, Section 47 of the Bangsamoro Autonomy Act No. 15, as amended is hereby further amended to read as follows:

*"Sec. 47. Cash Budgeting System. All appropriations authorized in this Act shall be available for obligation for the purpose specified, and under the same general and*

special provisions applicable thereto, until December 31, 2022, **except as hereunder provided.**

For Fiscal Year 2021, the appropriations for infrastructure and capital outlays shall be valid for obligation until December 31, 2022 while the delivery, inspection, and payment shall be made **until the obligation is fully settled or the cash allocation is fully disbursed for the purpose.** On the other hand, appropriations under MOOE shall be valid for obligation until December 31, 2022 while the delivery, inspection, and payment shall be made **until December 31, 2024.**

The appropriations for Personnel Services authorized in this Act shall be valid for obligation and disbursement until December 31, 2021.

The MFBM is authorized to issue the necessary guidelines for the effective implementation of this Act."

**Section 3.** For year 2022, Section 48 of the Bangsamoro Autonomy Act No. 23 as amended is hereby further amended to read as follows:

"Sec. 48. Cash Budgeting System. All appropriations in this Act, except Personnel Services and General Administration and Support under Maintenance and Other Operating Expenses, shall be available for release and disbursement for the purpose specified, and under the same general and special provisions applicable thereto, **until the periods hereunder specified.** While the amount appropriated herein, as share of the constituent LGUs on the income taxes collected within the BARMM shall be available until **fully expended or disbursed for the purpose.**

For FY 2022, the appropriations for infrastructure **and** capital outlays shall be valid for obligation until December 31, 2023, while the completion of construction, inspection, and payment shall be made until **the obligation is fully settled or the cash allocation is fully disbursed for the purpose.** On the other hand, appropriations for **Support to Operations and Operations under** MOOE shall be likewise valid for obligation until December 31, 2023, while delivery, inspection, and payment shall be made not later than **December 31, 2024.**

The appropriations for Personnel Services authorized in this Act shall be valid for obligation and disbursement only until December 31, 2022.

The MFBM is authorized to issue the necessary guidelines for the effective implementation of this Act."

**Section 4.** For year 2023, Section 50 of the Bangsamoro Autonomy Act No. 32 is amended to read as follows:

" Sec. 50. Cash Budgeting System. All appropriations authorized in this Act shall be available for release for the purpose specified, and under the same general and special provisions applicable thereto, until **December 31, 2024, except as hereunder provided.** While the amount appropriated herein, as local government support fund released and obligated during the fiscal year shall be available **until fully expended or disbursed for the purpose.**

**Released appropriation shall be obligated until December 31, 2024.** However, the completion of construction, inspection, and payment of infrastructure **and** capital



outlays shall be made until the obligation is fully settled or cash allocation is fully disbursed for the purpose. On the other hand, the delivery, inspection and payment of MOOE under Support to Operations and Operations shall be made not later than December 31, 2025.

After the end of validity period, all unreleased appropriations shall lapse, while unexpended or undisbursed funds shall revert to the Bangsamoro Treasury under a Special Fund for reappropriation in accordance with Section 19, Article XII, of R.A. 11054. Ministries and Offices shall strictly observe the validity of appropriations and the reversion of funds.

All funds transferred between Organizational Units within a Ministry/Office, between Ministries and/or Offices, or by Ministries and/or Offices to LGUs shall not be considered disbursed under this Section until the transferred amounts have been actually utilized to pay for completed construction, goods delivered and services rendered, inspected and accepted within the validity period. It is understood that transfer of funds shall strictly be in accordance with pertinent budgeting, accounting, auditing, and procurement laws, rules, and regulations.

The MFBM is authorized to issue the necessary guidelines for the effective implementation of the cash budgeting system.”

- Section 5.** *Repealing Clause.* - All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.
- Section 6.** *Separability Clause.* - If for any reason, any section or provision of this Act is declared unconstitutional or invalid, other sections or provisions which are not affected thereby shall continue to be in full force and effect.
- Section 7.** *Effectivity.* - This Act shall take effect immediately after its publication in a newspaper of regional circulation in the Bangsamoro Autonomous Region.

Approved,

  
**HON. AHOD BALAWAG EBRAHIM**  
Chief Minister