



2023 GUIDELINES FOR CONDITIONAL AUGMENTATION FUND FOR MUNICIPAL INITIATED PROJECTS (CAFMIIP) PROGRAM

I. BACKGROUND

Acknowledging the financial limitations of Municipal Local Government Units (MLGUs) in performing their mandated tasks in providing basic services to the public, the Provincial Government of Occidental Mindoro launched the **Conditional Augmentation Fund for Municipal Initiated Projects (CAFMIIP) Program** in FY 2020. The provincial government earmarked an amount of Fifty-five Million Pesos (PhP55 Million) of the province's 20% Development Fund for the implementation of this program.

The CAFMIIP Program intends to provide motivation and sense of appreciation to the LGUs for their efforts in accomplishing their mandated tasks and activities through provision of additional resources for their priority projects. The program carried out a socialized sharing scheme that foster the *"those who have less should have more"* principle.

The Program served as an avenue for unity among and between the municipalities and the province by setting aside their differences to be co-participants in providing basic services to their constituents.

This year, the provincial government commits to continue this undertaking and is more than determined to ensure that all Mindoreños are provided with services and support that they need and deserve.

II. LEGAL BASES

The Section 16 of the Local Government Code of 1991 (RA No. 7160, October 10, 1991) mandates all local government units (LGUs) to "...ensure and support, among other things, the preservation and enrichment of culture, promote health and safety, enhance the right of the people to a balanced ecology, encourage and support the development of appropriate and self-reliant scientific and technological capabilities, improve public morals, enhance economic prosperity and social justice, promote full employment among their residents, maintain peace and order, and preserve the comfort and convenience of their inhabitants."

In Section 465(b1) of the same law defines the power, duties, and functions of the local chief executive, which includes among other "Exercise general supervision and control over all programs, projects, services, and activities of the provincial government ..."

While in Section 109 (a1 & a2), the Code explicitly defines the co-partnership of the province and municipal government through the Provincial Development Council, to wit:

"(a) The provincial, city, and municipal development councils shall exercise the following functions:

(1) Formulate long-term, medium-term, and annual socio-economic development plans and policies;

(2) Formulate the medium-term and annual public investment programs"

III. PURPOSE

The Conditional Augmentation Fund for Municipal Initiated Projects (CAFMIP) Program aims to provide a scheme to assist **Local Government Units (LGUs) with Good Financial Housekeeping standing** in the delivery of basic government services and facilities, and encourage them to comply with their mandated plans and activities.

IV. COVERAGE

This program is open to projects identified by all eleven municipalities of the province with good financial housekeeping standing and has complied with the submission of fund utilization reports of their 2020, and 2021* CAFMIP shares, subject to these general guidelines and other pertinent laws.

* For Municipality of Looc only

V. PROGRAM FUNDING

A total of **Fifty-five Million Pesos** from the 20% Development Fund of the province shall be earmarked for this program.

VI. ELIGIBLE PROJECTS

All programs, projects and activities qualified for investment under this program must conform to the allowable development projects enumerated in the **DBM-DOF-DILG Joint Memorandum Circular No. 1** dated November 4, 2020, highlighting the general guidelines listed hereunder:

General Guidelines

- 1) The 20% DF shall be utilized to finance the LGUs' priority development projects, as embodied in their respective duly approved local development plans, and medium-term and annual investment programs, which should be harmonized with the Regional Development Plan and the Philippine Development Plan.
- 2) The development projects that may be included under the 20% DF shall be those that are necessary, appropriate, or incidental to efficient and effective local governance, and those which are essential to the promotion of the general welfare of the people.
- 3) The LGUs shall ensure that the development projects to be funded out of the 20% DF are well-planned and procurement-and implementation-ready.
- 4) Technical assistance may be sought from National Government Agencies (NGAs), such as, but not limited to, the Department of Agriculture, DBM, Department of Education, Department of Environment and Natural Resources, DOF, Department of Health, DILG, Department of Public Works and Highways, Department of Social Welfare and Development, and National Economic and Development Authority, for the determination of the more relevant and responsive development projects that may be included under the 20% DF and to ensure compliance with the standards prescribed by the NGAs concerned.

In case of issuance of a new and/or supplemental memorandum circular for the utilization of 20% Development Fund, the latest JMC shall be in effect. The LGU proponent/s

of affected projects shall be informed immediately and shall be given sufficient time to submit new proposal/s.

Eligible Projects Menu

The following projects should be given priority by the recipient LGUs to ensure the implementation of devolved functions and services from the National Government Agencies (NGAs) to LGUs, and the implementation of GIDA & ELCAC-related PPAs:

- 1) Rural Health Unit Infrastructures – such as upgrading/construction of buildings, rooms/wards, patient transport vehicles or ambulance, sea ambulance, and other similar projects;
- 2) Small Economic Infrastructures – such as Irrigation projects rehabilitation and repair of communal irrigation systems and other irrigation projects turned-over by the National Irrigation Administration (NIA) (see Annex A-NIA DTP - List of CISs to be devolved to LGUs), public markets, transport terminals, and other similar projects;
- 3) GIDA and ELCAC-focused small infrastructures – such as construction/rehabilitation of roads and bridges, provision of solar street lights, and establishment of solar-powered water systems, and other similar projects;
- 4) Projects for environmental protection and disaster mitigation such as mangrove reforestation, flood control, seawalls, and other related projects assistance for the establishment/maintenance of sanitary landfills, equipment and facilities, and other similar projects;
- 5) Equipment for CBMS implementation (for second batch LGUs);
- 6) Purchase of lot for warehouse of National Food Authority (MOA with NFA required).

VII. CRITERIA AND SHARING SCHEME

The fund earmarked for this program will be shared by the eleven (11) municipalities based on the following criteria and scheme:

CRITERIA	Total Allotment	Sharing scheme
1. Equal base share	PhP11,000,000.00	Divided equally among 11 municipalities
2. Socialized Share	PhP11,000,000.00	Socialized sharing based on latest National Tax Allocation (NTA) share
3. Active Co-Partnership: a) Full-Council Meeting	PhP5,500,000.00	Based on LGU attendance in PDC: Physical (Mayor) – PhP250,000.00 Physical (Rep.) – PhP150,000.00 Virtual (Mayor) – PhP150,000.00 Virtual (Rep.) – PhP100,000.00
b) Sectoral Committee Meeting	PhP6,050,000.00	Physical (MPDC's) – PhP183,333.33 Virtual (MPDC's) – PhP50,000.00

CRITERIA	Total Allotment	Sharing scheme
4. Performance Incentives		
a. Organized People's Council	PhP2,750,000.00	Organized – PhP250,000.00, otherwise no share
b. DRRMH-Plan	PhP3,300,000.00	LGUs with SB-Approved – PhP300,000.00 Draft – PhP100,000.00
c. GAD Database	PhP5,500,000.00	Submitted to province – PhP500,000.00, otherwise no share
d. Integrated Coastal Resources Management Plan	PhP3,300,000.00	LGUs with SB-Approved – PhP300,000.00 Final Draft – PhP100,000.00
e. Route Plan	PhP3,300,000.00	LGUs with SB-Approved – PhP300,000.00 Final Draft – PhP100,000.00
f. Local Shelter Plan	PhP3,300,000.00	LGUs with SB-Approved – PhP300,000.00 Final Draft – PhP100,000.00

The computed LGU shares based on the sharing criteria and scheme shall be presented to the PDC members during the 1st Full Council Provincial Development Council (PDC) Meeting of FY2023 to give LGUs a chance to verify its correctness. Ten (10) days thereafter, the sharing shall be deemed approved with finality.

All remaining funds earmarked for this program after the sharing, shall be treated as savings, and shall be disbursed as the governor sees fit, in accordance with existing laws and guidelines.

VIII. IMPLEMENTATION ARRANGEMENTS

Provided that the LGU has a Good Financial Housekeeping Standing in FY 2021, they are required to submit to the PDC Secretariat at least two (2) sets of proposals **on or before the 1st week of April 2023**. Each set may include one or several projects, and each set **must not exceed the CAFMIP share of the proponent LGU**.

In addition, each set of proposal must have **Letter of Intent** and the following requirements:

- 1) Certification from the Sangguniang Bayan, attested by the Municipal Vice Mayor, that the proposed project/s is/are included in the Local Development Investment Program and Annual Investment Program FY2023 duly approved by the Sangguniang Bayan;**

- 2) Duly accomplished Comprehensive Project Proposal (Annex C);
- 3) For infrastructure projects, Approved Detailed Engineering Design and Program of Work (POW);
- 4) For motorized vehicle/equipment such as patient transport or ambulance, sea ambulance, etc., duly accomplished Annex E

Failure to submit proposal by June 30, 2023 shall mean forfeiture of LGU CAFMIP share.

Proposals of compliant LGUs will be forwarded to the appropriate sectoral committee for evaluation. Within five (5) working days upon the receipt of the documents, the head of the sectoral committee will issue a recommendation to the governor.

The governor has the final approval on the proposed project/s, and shall notify the proponent which of the proposed projects has been approved. The manner of assistance shall be the sole discretion of the provincial government.

IX. MODIFICATION OF PROJECTS

The proponent may modify or change proposal/s provided that the modifications or changes are subject to the prescribed submission, evaluation and approval process stated in this general guidelines. The deadline for modification or change of project/s is May 31, 2023.

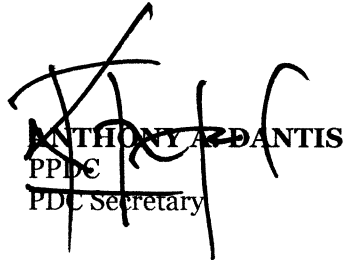
The provincial government reserves the right to make modifications to the proposed projects, provided that the proponent-LGUs were formally notified in advance.

X. SPECIAL PROVISIONS


1. The final output of the project funded under CAFMIP shall remain owned by the appropriate LGU in accordance with the existing laws and the provincial government of Occidental Mindoro shall have no liability in case legal question may arise thereto.
2. All subsequent repairs and maintenance of project funded under CAFMIP shall be borne by the LGU recipients.
3. All permits required by law in the implementation of the approved project shall be the responsibility of the proponent LGU.

4. In case a competent authority declared CAFMIP illegal or contrary to existing law, regulations, and other lawful instructions, the province has no legal obligation to finance the proposed projects under CAFMIP from other sources.

Certified correct:


ANTHONY AZDANTIS
PPDC
PDC Secretary

Approved:


EDUARDO B. GADIANO
Governor
Provincial Development Council (PDC) Chairman