

**[ DBM CIRCULAR LETTER NO. 2003-9, September  
29, 2003 ]**

**SUPPLEMENTAL GUIDELINES ON THE AVAILMENT OF FOREIGN  
LOAN PROCEEDS IN KIND**

1. This Circular is being issued to reiterate the need to comply with the budgetary procedures embodied under Joint Order No. 2-97 and to limit the total disbursements of government agencies for any govern year including those foreign-assisted projects within the programmed levels consistent with the government's policy of fiscal discipline.
2. Availments of foreign loan proceeds in-kind are treated as disbursements during the year of availments and should be accommodated within the government's cash budget disbursement program. Such availments should not exceed released allotments in accordance with existing budgetary rules and regulations.
3. To ensure that such availments in-kind is supported by the necessary appropriations and budget releases and do not exceed the overall quarterly disbursement limits of government, all department/s agencies are hereby instructed to clear first with the Department of Budget and Management (DBM) all requests for availments of foreign loan proceeds in-kind for FY 2003, prior to submission of the requests to the foreign creditors.
4. All Heads of Departments are instructed to designate a point-person in their respective departments (preferably the Undersecretary/Assistant Secretary of Finance) to be held responsible for seeking clearance relative to requests for availments in-kind chargeable to loan proceeds and coordinating the actions of individual Project Management Offices under the department.
5. All foreign loan availments in-kind in excess of the agencies obligated releases shall be offset against the current year programmed budget of concerned agencies, subject to existing budgetary/accounting/auditing rules and regulations.
6. All requests for foreign loan availments in-kind in excess of the overall cash disbursement program shall be offset against programmed NCA releases for the quarter.
7. This Circular takes effect immediately.

Adopted: 29 Sept. 2003

(SGD.) EMILIA T. BONCODIN  
*Secretary*

---