

[DBM BUDGET CIRCULAR NO. 2003-01, March 04, 2003]

RULES AND REGULATIONS TO IMPLEMENT EXECUTIVE ORDER NO. 125, AS AMENDED BY EXECUTIVE ORDER NO. 125-A

SECTION 1.0 Background

This Implementing Rules and Regulations is being issued pursuant to Section 4 of Executive Order (EO) No. 125-A dated November 29, 2002, issued to amend certain provisions of EO No. 125 dated September 16, 2002, mandating the Department of Budget and Management (DBM) to issue the necessary rules and regulations to effectively implement the provisions of said EOs. In brief, said EOs were issued for purposes as follows:

1. **EO No. 125**, entitled "**Further enhancing the devolution of powers and functions, programs and projects of the National Government Agencies (NGAs) to the Autonomous Regional Government (ARG) of the Autonomous Region in Muslim Mindanao (ARMM), and for other purposes**", provides for the devolution/transfer from national government agencies to the ARG of the ARMM of all Official Development Assistance (ODA) and locally funded programs and projects presently being undertaken and are programmed to be implemented within the ARMM.
2. **EO No. 125-A** was promulgated to amend certain provisions of said EO No. 125, providing for (i) exemptions from the devolution and/or transfer of ODA and locally funded programs and projects from national government agencies to ARG of the ARMM, (ii) the effectivity period of EO No. 125, (iii) the transfer of Section 2 of EO No. 125 as part of the "Whereas Clause" and (iv) the DBM issue the necessary rules and regulations to implement the subject EOs.

SECTION 2.0 Devolution of Official Development Assistance (ODA) and Locally Funded Programs and Projects to the ARMM, and the Release of Corresponding Funds Thereof

2.1 Exemptions. — All locally funded programs and projects that are being undertaken and programmed to be implemented within the ARMM are hereby devolved to and hereto to be implemented by the ARG of the ARMM except:

- 2.1.1 When the implementing government agency for such programs and projects was specified and/or identified by Congress in the annual General Appropriations Act (GAA) or special law, then such programs/projects are exempt from the devolution/transfer referred to herein. For this purpose, the corresponding funds shall be released to the designated government agency.