



Republic of the Philippines
DEPARTMENT OF FINANCE
BUREAU OF LOCAL GOVERNMENT FINANCE
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REGIONAL MEMORANDUM CIRCULAR NO. 36-2021
September 2, 2021

TO : **All Provincial/City/Municipal Treasurers and Assessors
and Assistant Treasurers and Assessors
and All Others Concerned**

SUBJECT : **Guidelines on the Preparation of Devolution Transition Plans of
Local Government Units in Support of Full Devolution under
Executive Order No. 138, dated 01 June 2021**

For the information of all concerned, enclosed herewith is Joint Memorandum Circular (JMC) No. 2021-1 dated August 11, 2021 of the Department of Budget and Management (DBM) and Department of the Interior and Local Government (DILG), signed by the Secretaries of both Departments, concerning **Guidelines on the Preparation of Devolution Transition Plans of Local Government Units in Support of Full Devolution under Executive Order No. 138 dated June 1, 2021.**

Related thereto, quoted hereunder for emphasis are pertinent provisions of the said JMC:

“4. Preparation of the LGU Devolution Transition Plan. xxx.

4.5 All LGUs should be able to proactively address the projected decrease in their respective FYs 2023 and 2024 National Tax Allotment (NTA) shares due to the effects of the Coronavirus Disease 2019 (COVID-19) pandemic through the identification of possible revenue sources to address potential gaps.

Provinces, cities and municipalities shall formulate their Local Revenue Forecast and Resource Mobilization Strategy (FYs 2022-2024) and may seek guidance and assistance from the Department of Finance – Bureau of Local Government Finance (DOF-BLGF) for the purpose.

“5. Contents of the LGU Devolution Transition Plan. xxx...

5.5 Local Revenue Forecast and Resource Mobilization

This section communicates the intention and measures of the LGUs to take stock of and unlock potential local revenue sources to address possible fiscal gaps in FY 2023 and 2024 as a consequence of the following:

5.5.1 Increased expenditure requirements to support local economic recovery from the effects of the COVID-19 pandemic;

5.5.2 LGUs' full assumption of devolved responsibilities; and

5.5.3 Anticipated decrease in their national tax allocation in FYs 2023 and 2024.

*To provide guidance to their budgeting and expenditure decisions in the light of their increased responsibilities, LGUs should be able to project their future revenues by preparing a three-year forecast (FYs 2022-2024) for their key local revenue sources, i.e., taxes, fees and charges, and income from economic enterprises, and prepare a resource mobilization strategy to increase their local revenues using **Attachment 6: Local Revenue Forecast and Resource Mobilization Strategy (Annex J).**"*

In this connection, all Provincial Treasurers and Assessors are hereby requested to immediately disseminate the said Memorandum Circular to all Treasurers and Assessors of component cities and municipalities and all others concerned, within their respective jurisdiction.

For compliance.


GERIEBETH G. DELA TORRE
Regional Director

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