



Republic of the Philippines
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
1100 Quezon City

MEMORANDUM CIRCULAR

No. 02

Series of 2023

SUBJECT: IMPLEMENTATION GUIDELINES ON THE UTILIZATION OF THE ENGINEERING AND ADMINISTRATIVE OVERHEAD (EAO) EXPENSES OF AGRICULTURAL INFRASTRUCTURE ENUMERATED IN THE GENERAL APPROPRIATION ACT OF FY 2023 UNDER THE DEPARTMENT OF AGRICULTURE (DA)

Whereas, the Department of Agriculture is tasked to efficiently carry out important infrastructure projects that will benefit the agricultural industry as we move toward the "Golden Age of Infrastructure.";

Whereas, Special Provision Number 12 under the Department of Agriculture – Office of the Secretary of the General Appropriation Act of 2021 (GAA 2021) authorizes the DA to deduct engineering and administrative overhead (EAO) expenses not exceeding one percent (1%) of the project funds for small-scale irrigation projects and other infrastructure projects costing more than One Million Pesos (Php 1,000,000.00);

Whereas, the DA-DBM Joint Memorandum Circular No. 4 Series of 2021 known as "Guidelines on the Utilization of Engineering and Administrative Overhead (EAO) Expenses for the Implementation of Agricultural and Fisheries Infrastructure Projects in the Department of Agriculture", provides general guidance on the allowable deductions, usage, and accounting of the engineering and administrative overhead (EAO) expenses authorized under the FY 2021 GAA;

Whereas, Special Provision Number 13 of the GAA 2023 authorizes the DA to deduct engineering and administrative overhead (EAO) expenses not exceeding one percent (1%) of the project funds for small-scale irrigation projects and other infrastructure projects costing more than One Million Pesos (Php 1,000,000.00);

Further, Special Provision Number 13 of the GAA 2023 mandates that this provision shall be subject to DA-DBM JMC No. 4, dated May 27, 2021;

Wherefore; in view of the foregoing, all the provisions under the DA-DBM JMC No. 4, S. 2021 shall remain in force and shall serve as the implementing guidelines on the utilization of engineering and administrative expenses (EAO) of agricultural infrastructures until revised or amended, by the parties concerned.

Issued this 13th day of January 2023.

DOMINGO F. PANGANIBAN
Senior Undersecretary



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