Philippine Government Thrusts on Public Financial Management (PFM)

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Focus on Social Contract

The setting of priorities to be funded under the national budget is guided by the priority areas set forth under the social contract of PNOY and the MTPDP. Among the priority areas are:

10. Anti-Corruption and Transparent, Accountable and Participatory Governance
10. Poverty Reduction and Empowerment of the Poor and Vulnerable
10. Rapid, Inclusive and Sustainable Economic Growth
10. Just and Lasting Peace and the Rule of Law
10. Integrity of the Environment and Climate Change Adaptation and Mitigation
Inclusion of Provisions on Transparency and Accountability

Posting in the Official Website of Departments/Agencies of the following:

1. Approved Budgets
2. Performance Measures and Targets
3. Annual Procurement Plan
4. Contracts Awarded
5. Name of Contractors/Suppliers/Consultants
6. Targeted and Actual Beneficiaries
7. Utilization of Funds
8. Status of Implementation
9. Program/Project Evaluation/Assessment Reports

Included some 30 special provisions under the agencies with key programs and projects to post in their websites for the information of the public:

- Details of program beneficiaries
- Locations of projects
Constructive Engagement with CSOs

- Participatory budgeting strengthened through the active participation of CSOs and private sector groups;
- NGAs are enjoined to solicit feedback from the CSOs and other stakeholders;
- Additional set of six departments and three government corporations are proposed to be covered.
The budget preparation process continue to employ the ZBB approach to evaluate key programs with significant funding provisions:

- Termination/cut of programs no longer delivering outcomes (e.g., Food for School Program, Agricultural Input Subsidies, Kalayaan Barangay Program);
- Need to hold funding for some programs pending removal of bottlenecks in project implementation and procurement (e.g., DepEd Critical Inputs, TESDA Scholarship);
- Expansion of well performing programs to alleviate/mitigate critical gaps (e.g., Conditional cash transfers);
- Need to pursue difficult state enterprise reforms;
- Tightening use of lump sum funds according to master plans and government priority needs (e.g. Pork barrel); and
- Possible deactivation of agencies and State enterprises.
1. To establish the continued relevance of program objectives given the current developments/directions;

2. To assess whether the program objectives/outcomes are being achieved;

3. To ascertain alternative or more effective and efficient ways of achieving the objectives, and ultimately;

4. To guide decision makers on whether the resources for the program/project should continue at its present level, or be increased, reduced or discontinued.
Bottom-up budgeting with Bias for the Poor and the Vulnerable

- Budgets provide a clear bias for the poor and vulnerable in the allocation of resources. This is a bold step to boil down to what really matters to the poor.

- Social services sector receive a significant share of the budget (around 32% in the 2012 Budget) due to substantial budget increases for critical social services – education, health and social protection

- 300 municipalities with seal of good housekeeping given a chance to identify their priorities and to be funded directly by the national government departments
PPP TO SPUR GROWTH

Some P12.5 billion and P7.5 billion in the 2011 and 2012 Budgets, respectively, have been allotted under the DOTC, DPWH and DA budgets as government counterpart for identified Public-Private Partnership Projects (PPPs).

The amount will cover the cost of Right-of-Way (ROW) and other related infrastructure activities which government may have to provide in connection with PPP arrangements to induce more investments from both domestic and foreign market, aside from government support.

PPPs are encouraged by creating a favorable environment through a more simplified process, shorter approval period and the renewed vigor in executing the projects.
DEVELOPMENT OF PFM-GIFMIS

- Results-based budgeting
- Cash Management via “Single Treasury Account” (STA) with Daily Sweeping of all non-STA bank accounts
- Government integrated financial management information system
- Better management of contingent liabilities
THANK YOU