

Good Morning!



IN THE PHILIPPINES, THERE ARE
4 KEY PRINCIPLES OF PUBLIC
EXPENDITURE MANAGEMENT



4 KEY PRINCIPLES



- 1. Spending within means**
 - 2. Spending on the right priorities**
 - 3. Spending with value for money**
 - 4. Spending for the empowerment of citizens**
- **Aggregate Fiscal Discipline**
 - **Allocative Efficiency**
 - **Operational Efficiency**
 - **Participatory Budgeting**

1. SPENDING WITHIN MEANS OR AGGREGATE FISCAL DISCIPLINE

**RESOURCES SHOULD BE USED IN A
PLANNED AND DELIBERATE MEDIUM-TERM
STRATEGY WITHIN THE AGGREGATE
RESOURCE CONSTRAINTS;**

2. SPENDING ON THE RIGHT PRIORITIES OR ALLOCATIVE EFFICIENCY

**SPENDING SHOULD BE ALIGNED WITH
SOCIO-ECONOMIC PRIORITIES, AS SPELLED
OUT IN THE PHILIPPINE DEVELOPMENT
PLAN (PDP);**

3.SPENDING WITH VALUE FOR MONEY OR OPERATIONAL EFFICIENCY

ALL PUBLIC GOODS AND SERVICES MUST BE PROVIDED AT THE MOST REASONABLE COST AND CONSIDERS THE ABSORPTIVE CAPACITY OF THE AGENCY GIVEN THE THRUST TO MAXIMIZE GOVERNMENT'S CONTRIBUTION TO ECONOMIC GROWTH;

4. SPENDING FOR THE EMPOWERMENT OF CITIZENS OR PARTICIPATORY BUDGETING

THROUGH CITIZENS PARTICIPATION IN GOVERNANCE BY ALLOWING CITIZENS TO PLAY A KEY ROLE IN IDENTIFYING, DISCUSSING AND PRIORITIZING PUBLIC SPENDING

- **THUS PARTICIPATORY BUDGETING BECOMES A VEHICLE THAT HELPS PROMOTE TRANSPARENCY, BETTER SERVICE DELIVERY AND HAS THE POTENTIAL TO REDUCE GOVERNMENT INEFFICIENCIES.**
- **THE CITIZEN PARTICIPATION WHICH IS A DEMOCRATIC PROCESS INVOLVING PEOPLE EMPOWERMENT, WHEREBY CONCERNED CITIZENS ORGANIZED AS CIVIL SOCIETY ORGANIZATIONS (CSO), PURSUE THEIR LEGITIMATE AND COLLECTIVE INTERESTS BY MONITORING EFFECTIVENESS OF EFFECTIVE PROGRAMS, PROJECTS AND ACTIVITIES, AND IN SO DOING BECOME PARTNERS OF THE GOVERNMENT IN THE FORMULATION , MONITORING, EVALUATION AND IMPROVEMENT IN THE NATIONAL BUDGET.**

HOW IS PUBLIC PARTICIPATION EXERCISED IN OUR COUNTRY?

- PHILIPPINES PROVIDES ADEQUATE OPPORTUNITIES FOR CITIZENS TO PARTICIPATE IN THE BUDGET PROCESS:

1. FIRST, IT DEVELOPED THE 8 PRINCIPLES OF CONSTRUCTIVE

ENGAGEMENT, AS FOLLOWS:

WHAT CONSISTS OF THE CIVIL SOCIETY ORGANIZATIONS?

INCLUDE:

- a. NON-GOVERNMENT ORGANIZATIONS (NGOS);
 - b. PEOPLES ORGANIZATIONS;
 - c. COOPERATIVES;
 - d. TRADE UNIONS;
 - e. PROFESSIONAL ASSOCIATIONS;
 - f. FAITH-BASED ORGANIZATIONS;
 - g. MEDIA GROUPS;
 - h. INDIGENOUS PEOPLES MOVEMENTS;
 - i. FOUNDATIONS;
- j. OTHER CITIZEN GROUPS FORMED PRIMARILY FOR SOCIAL AND ECONOMIC DEVELOPMENT;

WHICH MONITOR GOVERNMENT PROJECTS, ENGAGE IN POLICY DISCUSSIONS AND ACTIVELY PARTICIPATE IN COLLABORATIVE ACTIVITIES WITH GOVERNMENT.

T – TRANSPARENCY

PROVIDE ALL PARTIES AS WELL AS THE GENERAL PUBLIC, TIMELY ACCESS TO RELEVANT AND A VERIFIED INFORMATION/DATA SUBJECT TO THE LIMITS SET BY LAW;

A - ACCOUNTABILITY

**ABIDE BY THE POLICIES; STANDARDS
AND GUIDELINES OF
ENGAGEMENT THAT MAY BE AGREED
UPON, AND FULFILL COMMITMENTS;**

I - INTEGRITY

**ADHERE TO MORAL AND
PROFESSIONAL STANDARDS IN
FUNDING COMMITMENTS;**

P- PARTNERSHIP

**COOPERATE AND SHARE
RESPONSIBILITIES TO ENSURE THE
OBJECTIVES OF THE ENGAGEMENT
ARE ACHIEVED;**

C – CONSULTATION AND MUTUAL EMPOWERMENT

**ENHANCE KNOWLEDGE SHARING AND
CONTINUING DIALOGUE;**

R - RESPECT FOR INTERNAL PROCESSES

UNDERSTAND AND ABIDE BY LIMITATIONS OF THE STAKEHOLDERS WITH RESPECT TO THE NATURE OF THE INFORMATION TO BE DISCLOSED AND THE EXTENT OF INVOLVEMENT BASED ON INSTITUTIONAL/LEGALLY IMPOSED LIMITATIONS;

S - SUSTAINABILITY

**ENSURE CONTINUING ENGAGEMENT
BY INSTITUTING PROGRESSIVE
POLICIES AND OPERATIONAL
MECHANISMS THAT WILL PROMOTE
AN ENVIRONMENT OF MUTUAL TRUST;**

N - NATIONAL INTEREST

**UPHOLD THE NATIONAL WELFARE
ABOVE THE INTEREST OF
ORGANIZATIONS OR INDIVIDUALS**

2. INTRODUCED THE BUDGET PARTNERSHIP AGREEMENT

(BPA) BETWEEN THE AGENCY AND A CSO. IT IS A FORMAL

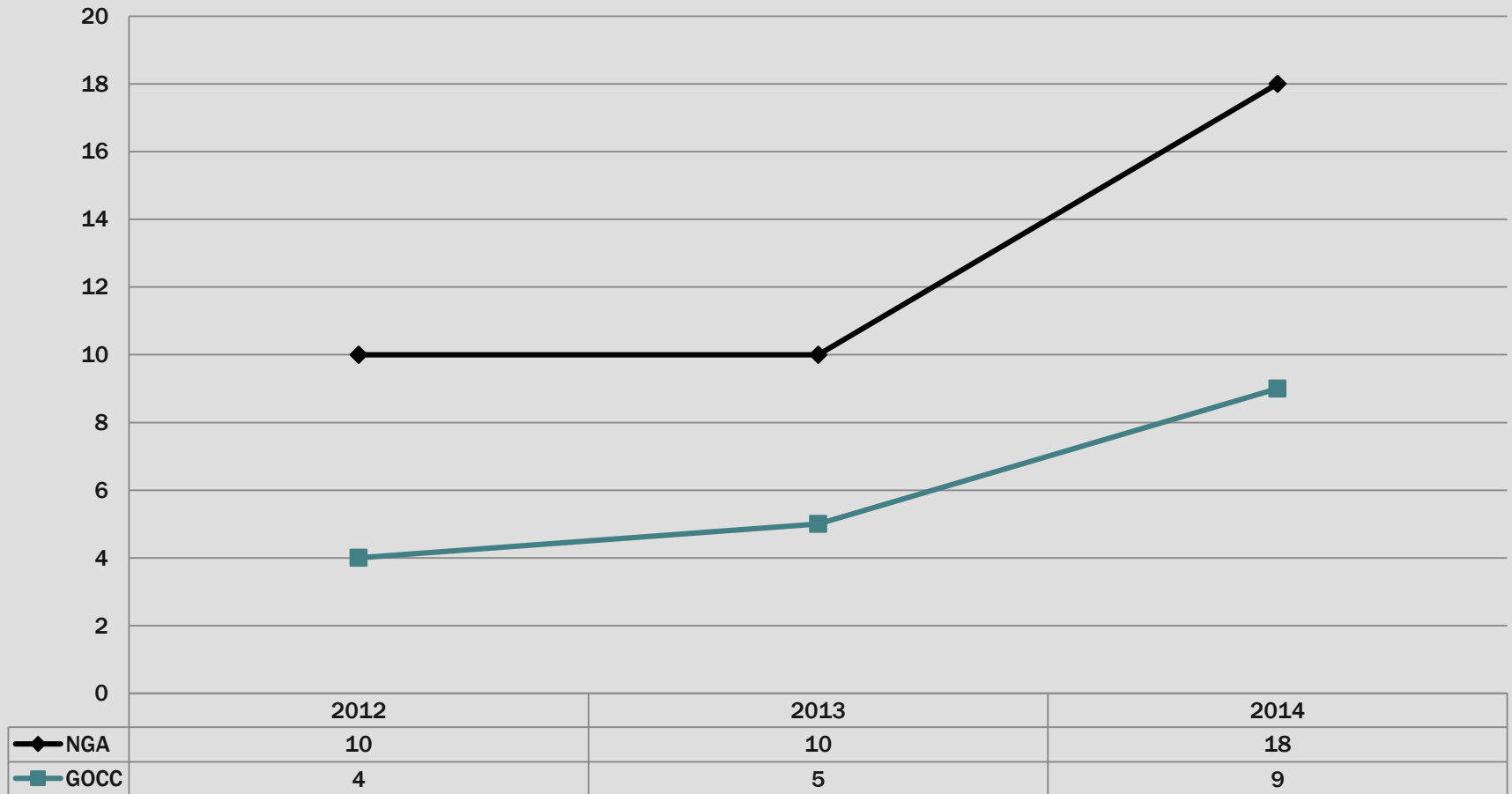
MECHANISM FOR THE CSO TO ENGAGE WITH THE AGENCY

IN ANY PHASE OF THE BUDGET CYCLE WHERE IT IS INTERESTED IN.

THE KEY ELEMENTS OF THE BPA ARE AS FOLLOWS

- 1. ROLES, DUTIES, RESPONSIBILITIES, EXPECTATIONS AND LIMITATIONS;**
- 2. SCHEDULES AND TIMELINES, INCLUDING THE DATES AND VENU OF CONSULTATIONS;**
- 3. COMMUNICATION PROTOCOLS AND IDENTIFICATION OF NGA/GOCC AND CSO COUNTERPARTS;**
- 4. OTHER QUALIFYING DETAILS AS MUTUALLY AGREED UPON BY THE NGA/GOCC AND CSO.**

NO. OF NGAS/GOCCS THAT FORGED BPAS WITH CSOS



- **HOWEVER, THE FORMAL BPA DOES NOT PRECLUDE NON-PARTNER CSOS FROM SUBMITTING INPUTS TO AGENCIES NOR ARE AGENCIES CONSTRAINED FROM CONDUCTING CONSULTATIONS AND OTHER PARTICIPATORY BUDGETING EXERCISES WITH CSO THAT MAY NOT MEET ELIGIBILITY REQUIREMENTS FOR A FORMAL BPA.**
- **EFFECTIVE BUDGET YEAR 2014 AND SUCCEEDING YEARS, FOR NGAS, ONE FORM WAS INTRODUCED IN THE PREPARATION OF THE BUDGET PROPOSAL TO OUTLINE FEEDBACK AND INPUTS OF CSOS ON THE AGENCIES MAJOR PROGRAMS AND PROJECTS AND ADJUSTMENTS TO THESE PROGRAMS OR PROJECTS OR OTHER FEEDBACK BY THE AGENCIES IN RESPONSE TO THE INPUTS OF THE CSO.**

HOW IS PUBLIC PARTICIPATION EXERCISED IN OUR COUNTRY?

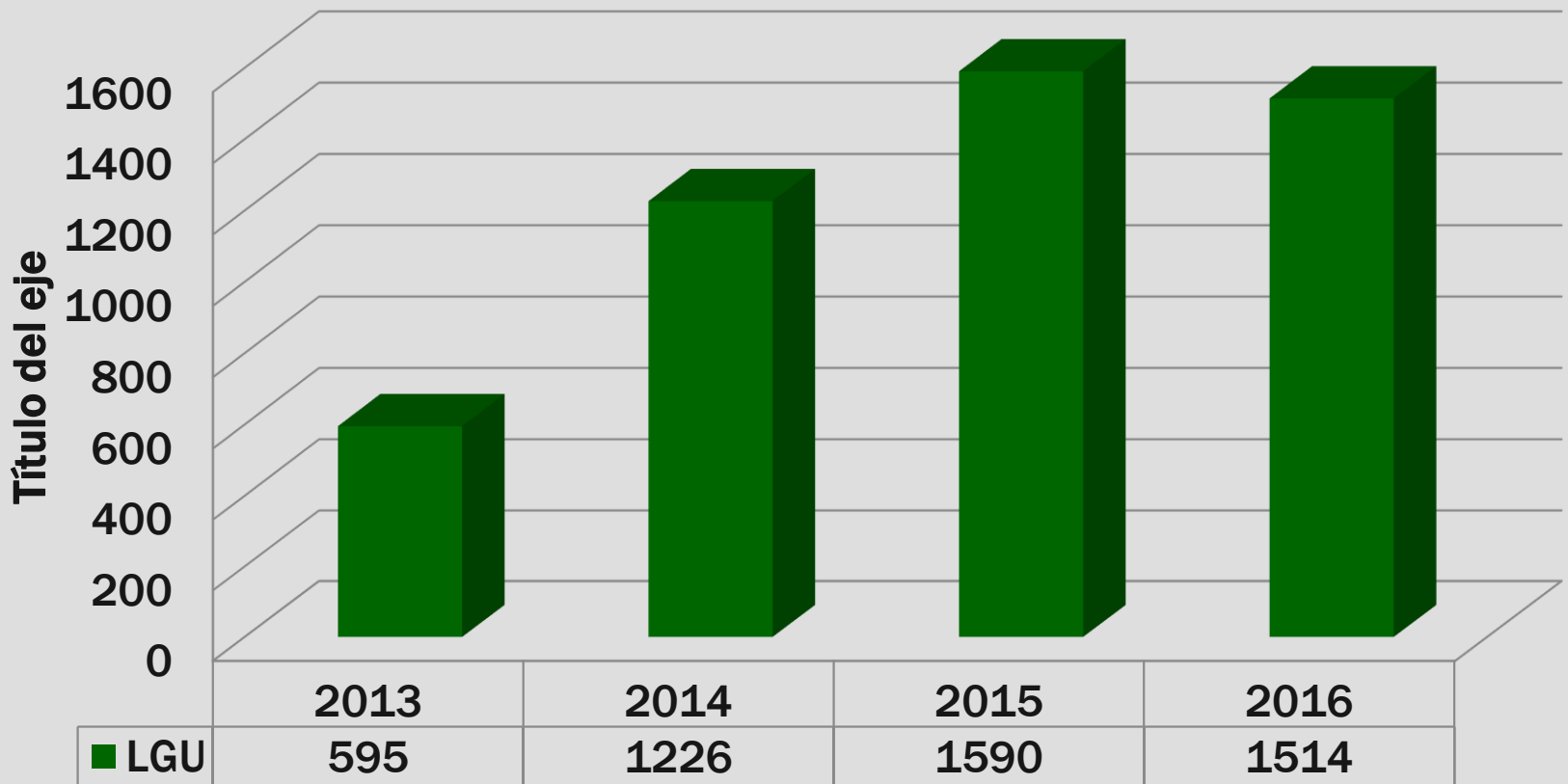
- 3. IMPLEMENTED THE BOTTOM-UP BUDGETING (BUB) TO EMPOWER CITIZENS IN IDENTIFYING AND IMPLEMENTING POVERTY REDUCTION PROJECTS WITH THEIR LOCAL GOVERNMENT UNITS;**

- **AT THE LOCAL LEVEL, THERE IS THE SO CALLED, LOCAL POVERTY REDUCTION ACTION TEAM (LPRAT) THAT CRAFTS THE LOCAL POVERTY REDUCTION PLAN THE COMPOSITION OF WHICH IS 50% FROM THE LGU AND THE OTHER 50% FROM THE CSOS.**
- **AT LEAST 40% OF THE LPRAT SHOULD BE WOMEN;**
- **THE CSOS SHOULD BE RESIDENTS OF THE CITIES/MUNICIPALITIES;**
- **THE CSO CO-CHAIR AND CSO SIGNATORIES TO THE LPRAP WERE TO BE ELECTED BY THE CSO ASSEMBLY FROM AMONG THE ELECTED CSO REPRESENTATIVES.**

- **THE PROJECTS ARE FUNDED OUT OF THE NGAS/GOCCS BUDGETARY CEILING EARMARKED PURPOSELY FOR BUB PROJECTS.**
- **THE PROJECT STARTED IN 2012 WITH 26 PROGRAMS FROM 8 DEPARTMENTS AND 2 GOCCS. THE MENU WAS LATER EXPANDED TO 38 PROGRAMS AND PROJECTS IMPLEMENTED BY 10 DEPARTMENTS, 2 GOCCS AND 3 ATTACHED AGENCIES.**
- **OpenBuB.gov.ph IS A PORTAL WHERE BUB PROJECTS ARE GEOTAGGED AND THEIR STATUS UPDATED REGULARLY. IT SERVES AS TRANSPARENCY, MONITORING AND EVALUATION PORTAL.**

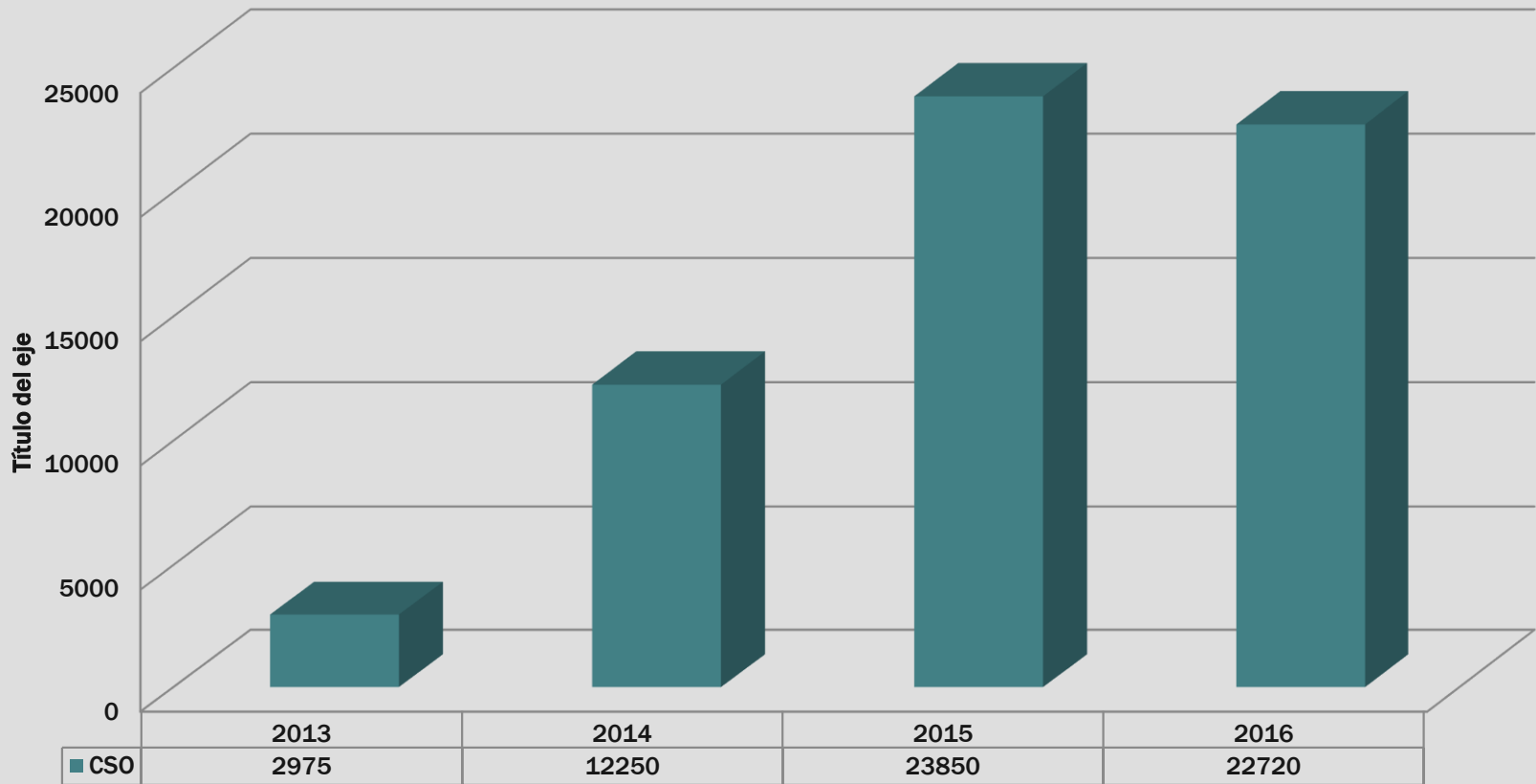
BUB IN NUMBERS

LGUs Covered



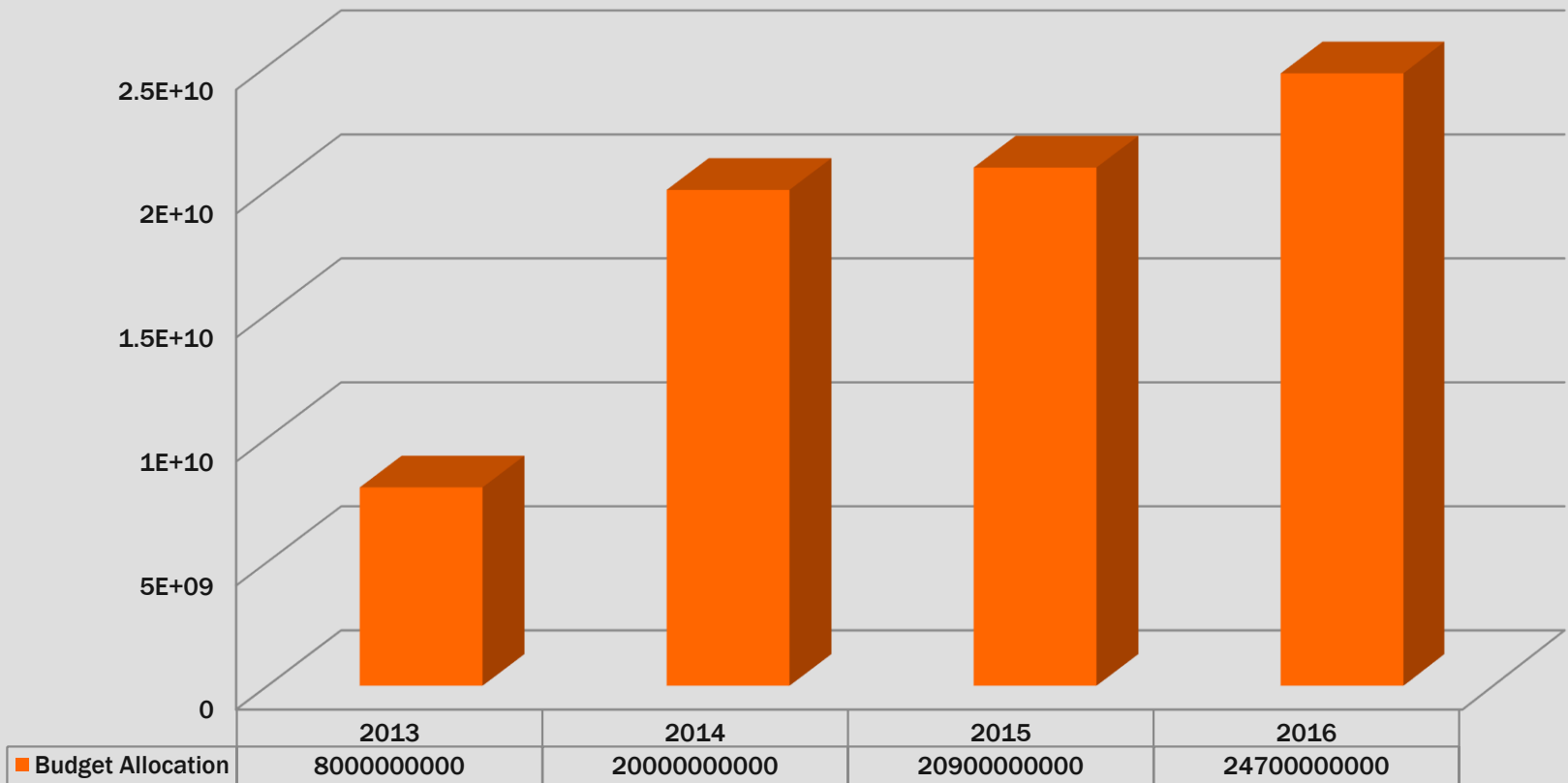
BUB IN NUMBERS

CSOs Engaged



BUB IN NUMBERS

Budget Allocation



4. THE COMMISSION ON AUDIT INTRODUCED THE CITIZENS

**PARTICIPATORY AUDIT (CPA), A MECHANISM BY
WHICH CSOS WORKED WITH COA**


- **THE FIRST PHASE OF CPA COVERED THE AUDIT OF SELECTED INFRASTRUCTURE PROJECTS. THE TEAMS WERE COMPOSED OF COA AUDITORS AND CSO-NOMINATED AND COA-AUTHORIZED OR DEPUTIZED INDIVIDUALS WHO WERE CAPACITATED ON HOW TO CONDUCT PERFORMANCE AUDITS.**
- **THEN COA INSTITUTIONALIZED AND MAINSTREAMED THE CPA, COA ESTABLISHED THE PROJECT MANAGEMENT OFFICE (PMO) AND EXPANDED THE COVERAGE OF CPA.**

5. THRU THE GOVERNMENT POLICY
PROCUREMENT BOARD -TECHNICAL
SERVICE OFFICE (GPPB-TSO), ISSUED
THE PROCUREMENT OBSERVERS GUIDE
(POG) THAT SERVES AS AN
INSTRUMENT FOR CSOS WHO ACT AS
OBSERVER IN ALL STAGES OF
PROCUREMENT IN GOVERNMENT
INSTRUMENTALITIES

6. THE PROPOSED PHILIPPINE PUBLIC FINANCIAL ACCOUNTABILITY ACT (PPFAA) WAS FILED IN THE 16TH CONGRESS BUT WAS OVERTAKEN BY EVENTS. THE PRESENT ADMINISTRATION WILL PURSUE THAT BILL WITH MODIFICATION



**7. ISSUANCE OF HANDBOOK IN THE PARTICIPATION BY
THE
CSOS IN THE LOCAL BUDGET PROCESS.**



**AS THERE ARE 5 PHASES OF BUDGETING
IN THE LOCAL GOVERNMENT, THE CSOS
CAN AND MAY PARTICIPATE IN ONE OR
MORE THAN ONE OR ALL PHASES IN
LOCAL GOVERNMENT BUDGETING
DEPENDING UPON THE LEVEL OF THEIR
CAPACITY AND STRENGTHS OF INTEREST.**

CHALLENGES

- **THE OPERATIONALIZATION OF REFORMS FOCUSED ON CITIZEN PARTICIPATION, BEGINS IN PLANNING, PRE-BUDGET PREPARATION, AND ENDS IN ACCOUNTABILITY OR PRACTICALLY IN THE WHOLE BUDGET CYCLE. IT EARNED GAINS & WINS BUT THERE REMAINS A CONSTANT CHALLENGE ON HOW TO SUSTAIN THE PROGRAMS ON PUBLIC PARTICIPATION WHICH NEEDS MORE OPENNESS ON THE PART OF THE GOVERNMENT AND CSOS WILLINGNESS TO CONSTRUCTIVELY ENGAGE. THUS, FORWARD LOOKING, THE FOLLOWING SHOULD BE ADDRESSED FOR A DEEPER AND MEANINGFUL PUBLIC PARTICIPATION.**

- 1. CONTINUOUS CAPACITY BUILDING PROGRAM FOR CSOS IN THE FIELD OF PUBLIC FINANCIAL MANAGEMENT SPECIALLY AT THE LOCAL LEVEL;**
- 2. DEATH OF CSOS THAT COULD MEET THE REGISTRATION, ACCREDITATION AND OTHER REQUIREMENTS TO QUALIFY AS A BPA-PARTNER;**
- 3. CAPACITY OF THE CSOS TO UNDERTAKE EVIDENCED-BASED EVALUATION;**
- 4. INABILITY OF THE AGENCIES TO READILY OR PROMPTLY PROVIDE FEEDBACK TO CSOS ON HOW THEIR INPUTS WERE CONSIDERED, AMONG OTHERS.**

THANK YOU

