



Bottom-Up-Budgeting

Strengthening National-Local Relationships

24 July 2015

Crown Legacy, Baguio City

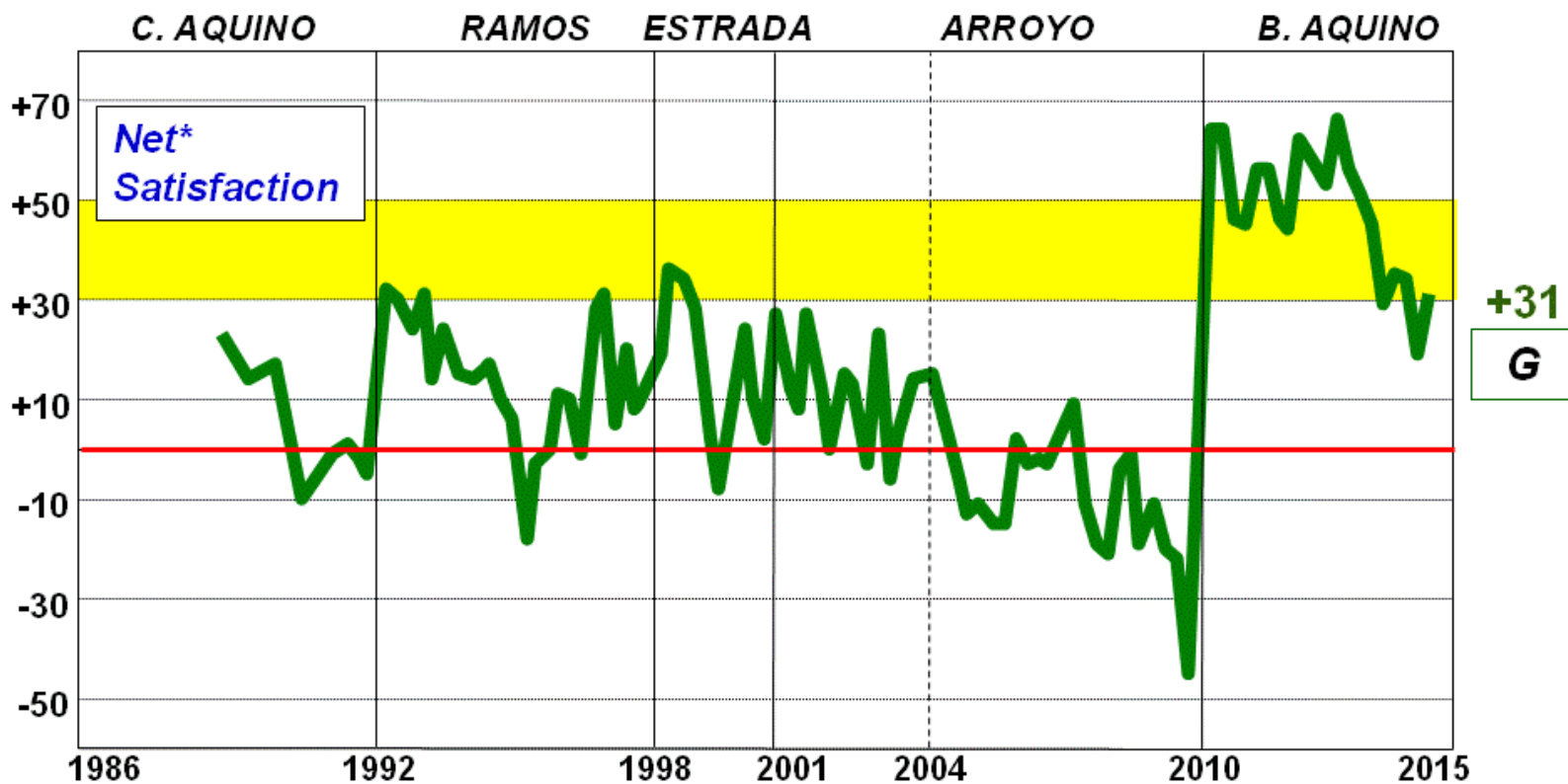
MAXINE TANYA M. HAMADA

Assistant Secretary

Department of Budget and Management



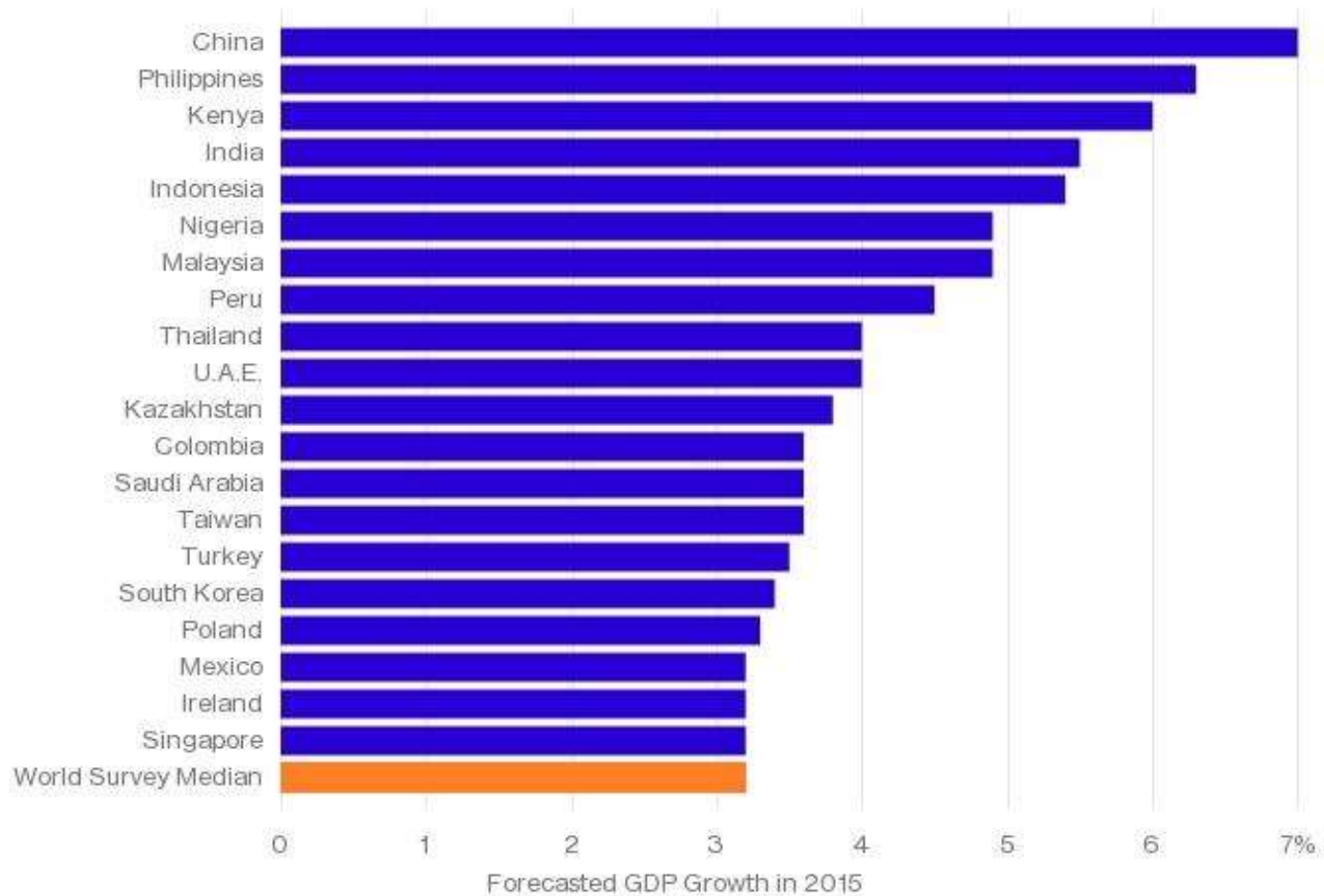
NET* SATISFACTION WITH GENERAL PERFORMANCE OF THE NATIONAL ADMINISTRATION, FEB 1989 – JUN 2015



* Net figures (% Satisfied minus % Dissatisfied) correctly rounded.

This Year's All-Stars of the Global Economy

Emerging Asia and Africa seen dominating global growth in 2015, economists say



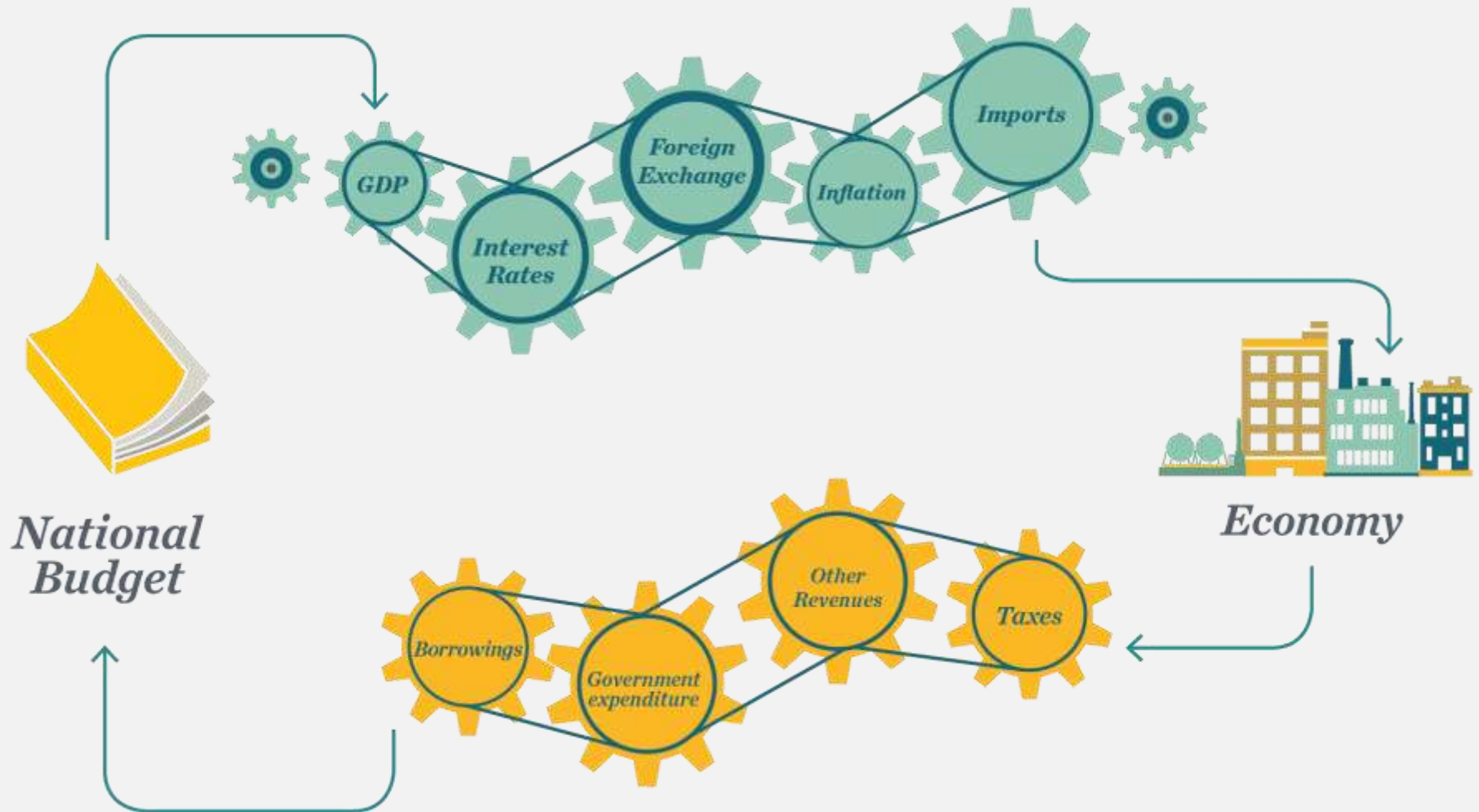
Bloomberg News Consensus Surveys

Bloomberg 

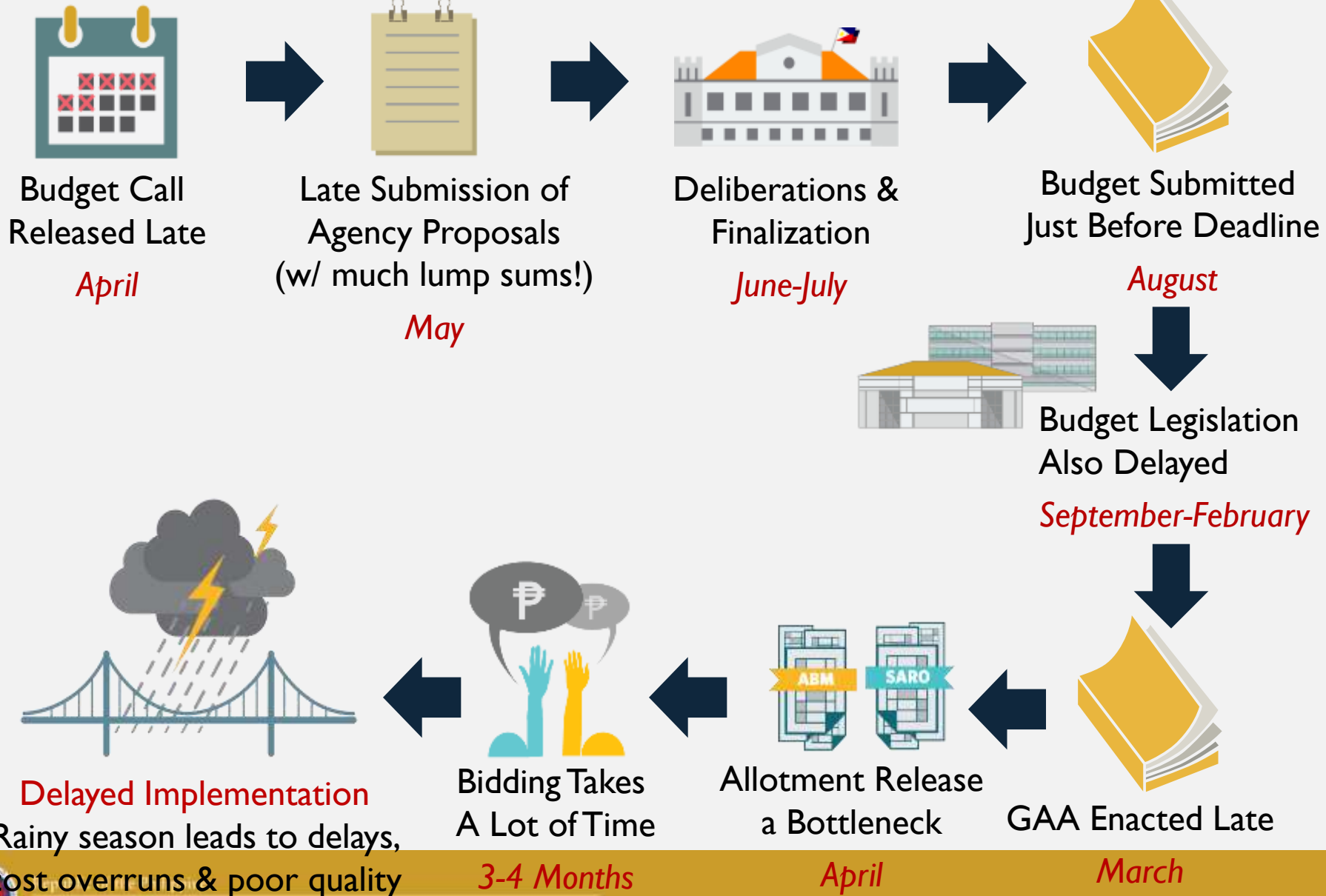
Source: <http://www.bloomberg.com/news/articles/2015-02-25/the-20-fastest-growing-economies-this-year>



The Budget and the Economy



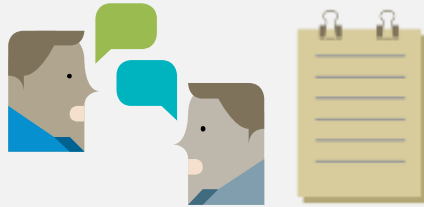
The Budget Process Before



The Budget Process Now



Early Budget Call
January



Agencies have more time
to flesh out proposals,
align with priorities &
engage stakeholders
January-April

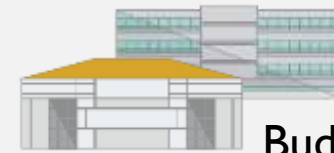


Deliberations &
Finalization
May-June



Budget Submitted
Right After SONA

July



Budget Legislation
On Schedule

August-December



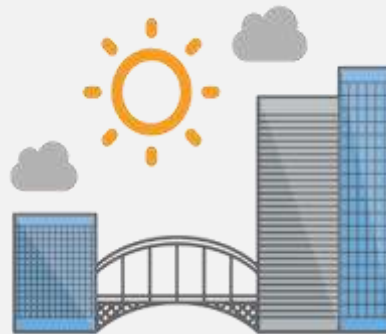
Early Bidding

October-December



GAA Enacted On Time
& Serves as Release Doc

Before End-December



Implementation as
Early as January



**Citizens are
more & more
empowered
throughout
the process**



BUT CAN WE ABSORB
FURTHER GROWTH?



AND WITH GROWTH,
CAN WE BUILD
GREATER TRUST?



Our task

It is institutions that determine the fate of nations - Why Nations Fail by Daron Acemoglu and James A. Robinson

- *Nations fail when institutions are “extractive,” protecting the political and economic power of only a small elite that takes income from everyone else.*
- *Success comes when political and economic institutions are inclusive and pluralistic, creating incentives for everyone to invest in the future.*

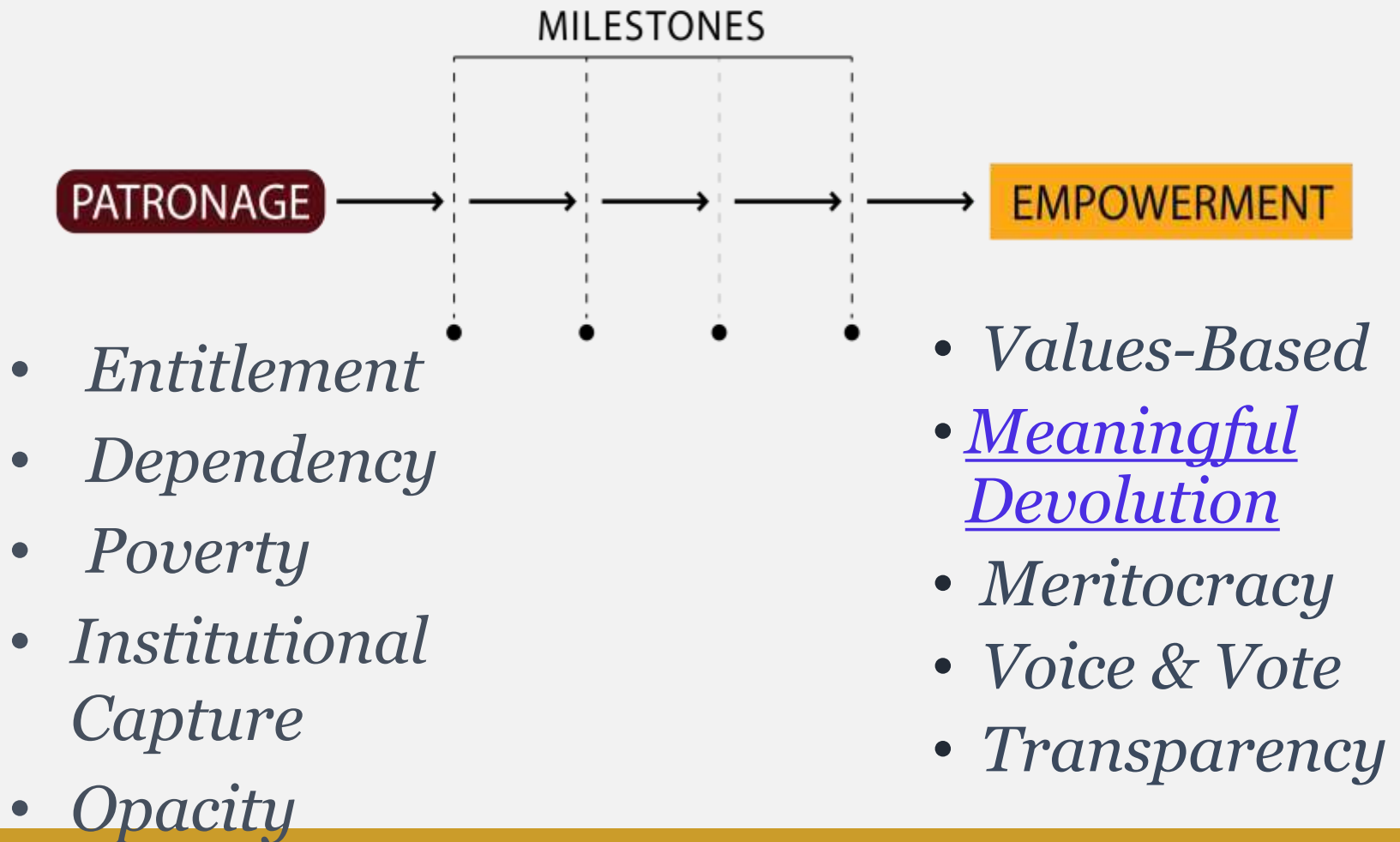


Our goal

*put the country onto a **new trajectory**, away from patronage politics and corruption, and towards good governance and inclusive growth*



Our Trajectory



Our pillars

*Transformation and setting a new trajectory does not only mean the creation of an effective and efficient state which can **deliver public services**.*

*It implies taking on a larger agenda for creating an **institutional framework** that delivers good governance.*



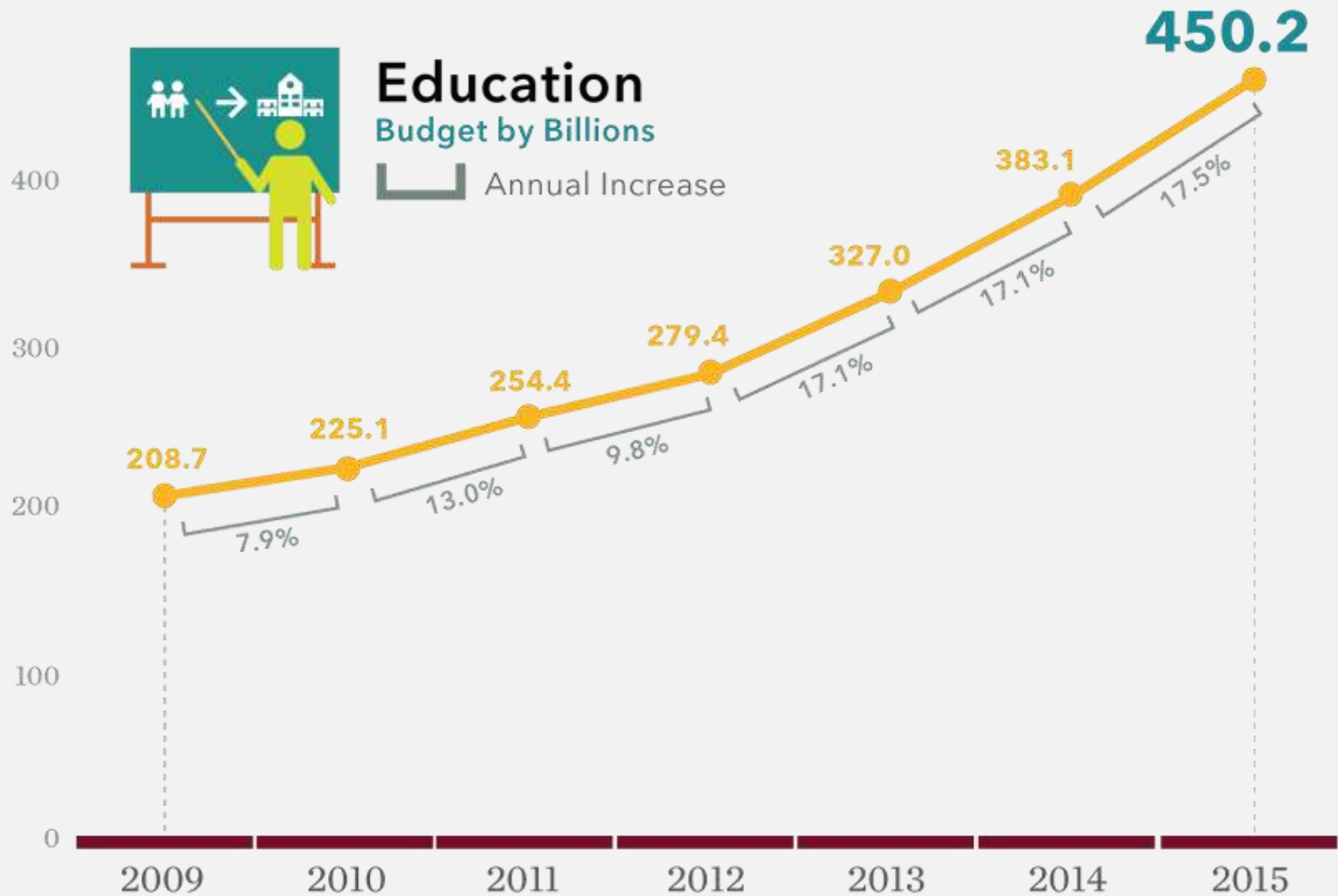
Transforming the Budget

- ✓ Spending **within means**
- ✓ Spending on the **right priorities**
- ✓ Spending with **measurable results**

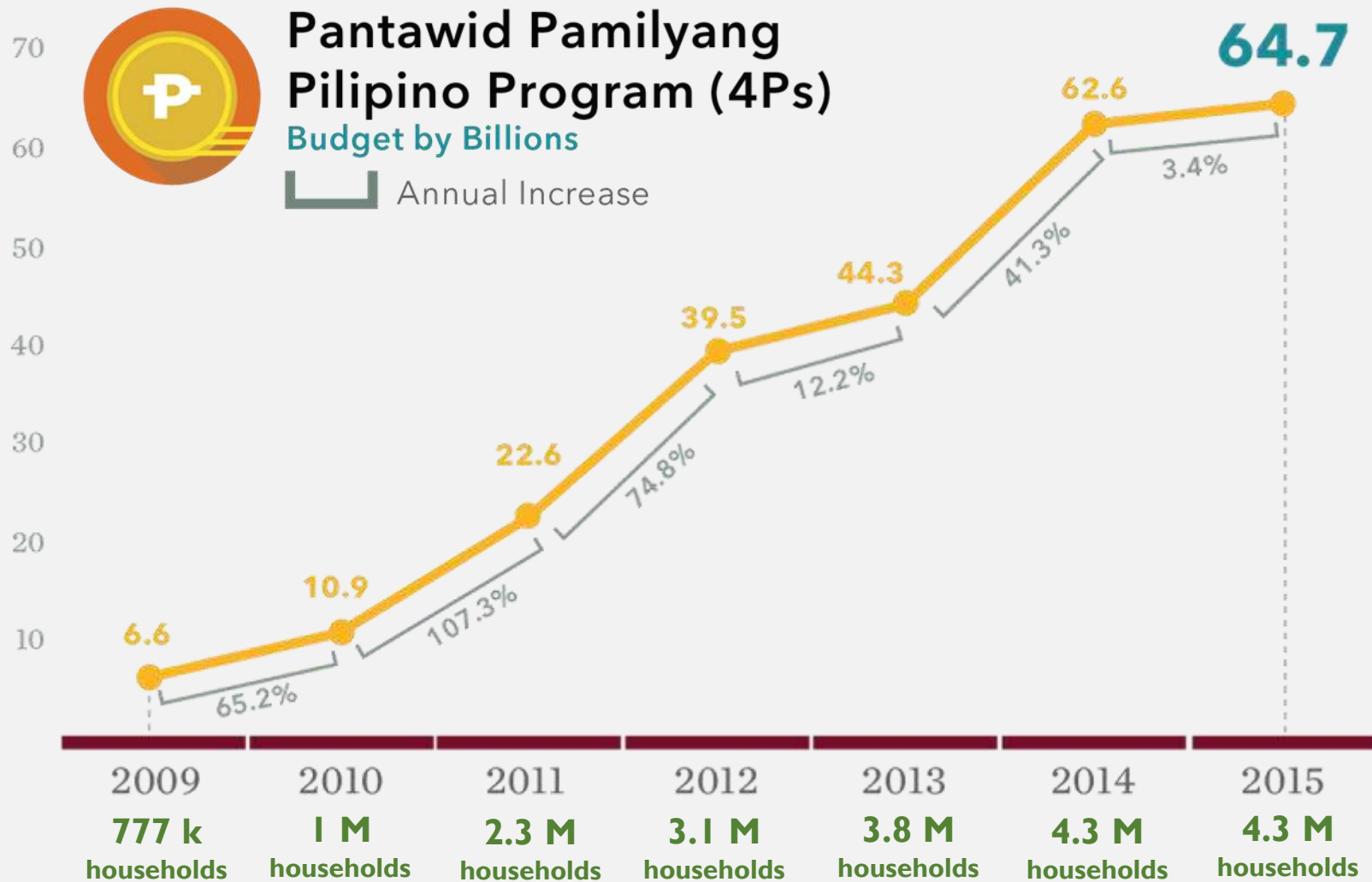


In an empowering regime of **transparency, accountability & citizen's engagement**

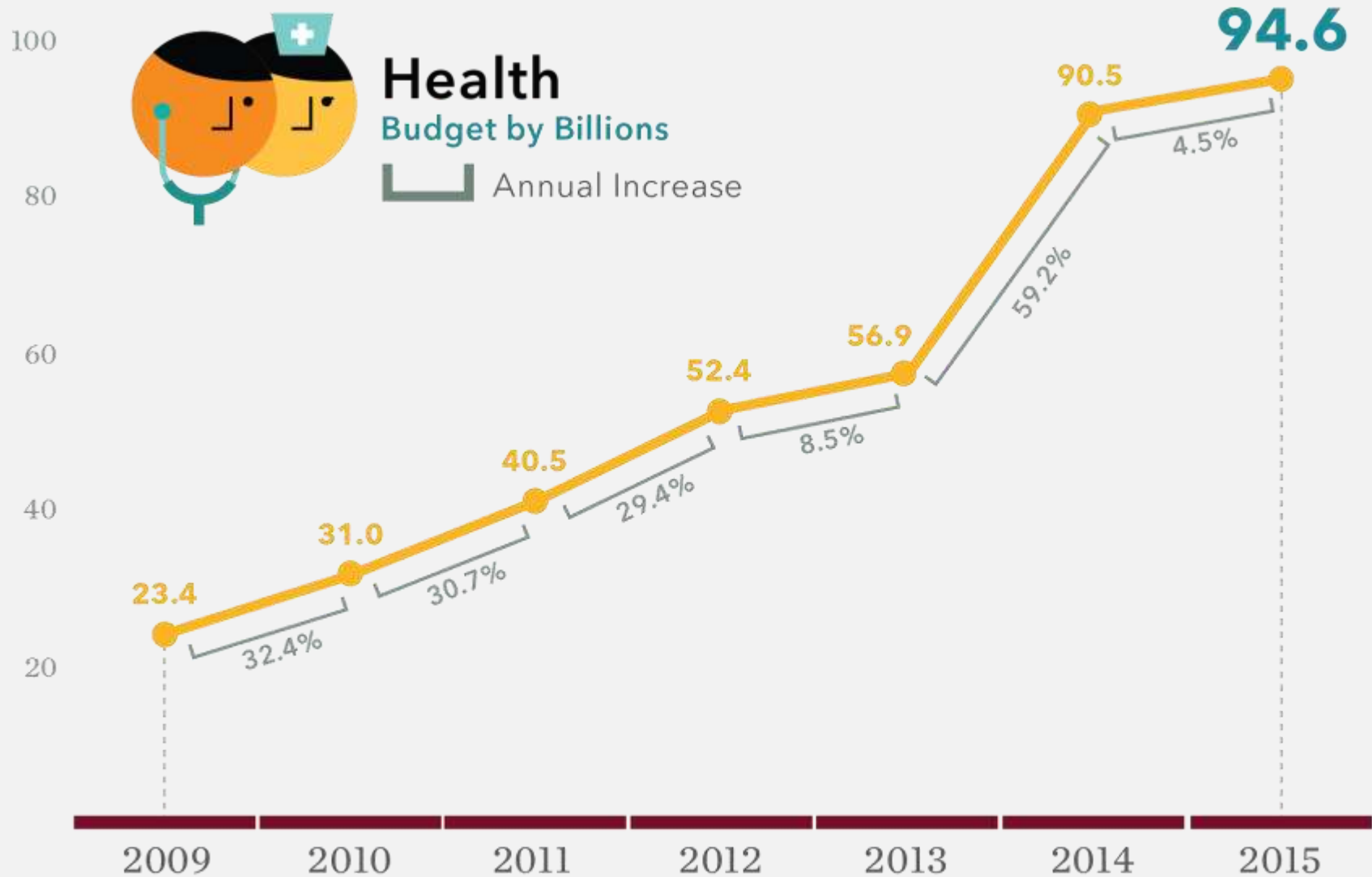
RESHAPING BUDGET PRIORITIES



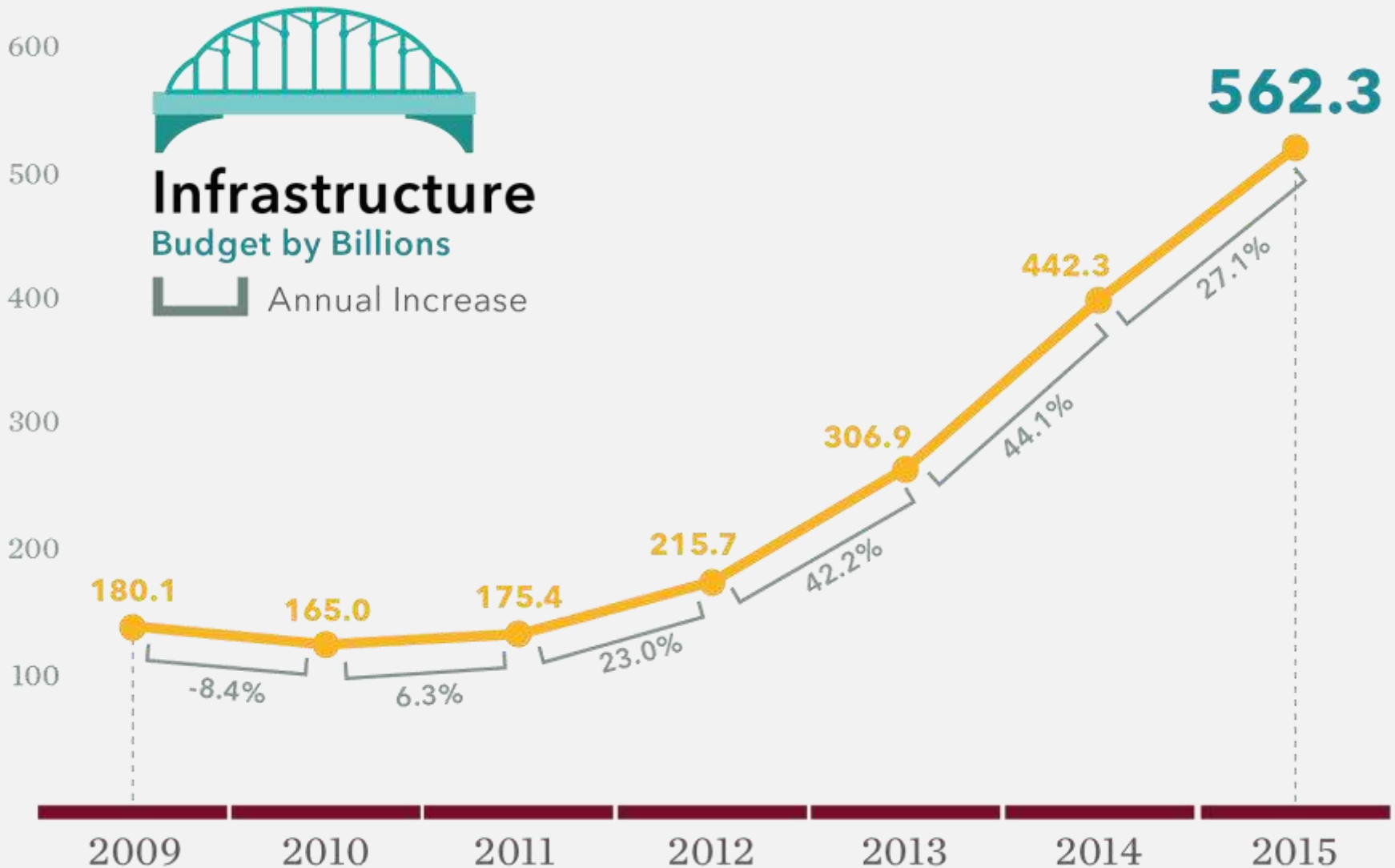
Reshaping Budget Priorities



RESHAPING BUDGET PRIORITIES

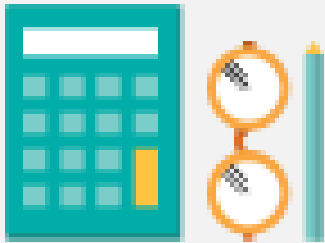


RESHAPING BUDGET PRIORITIES

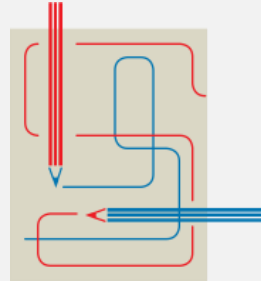


The “Technical Deficit”

FUNDAMENTAL REASONS:



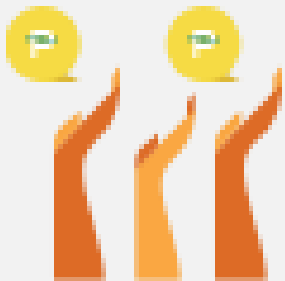
Poor planning
and linkage with
budgeting



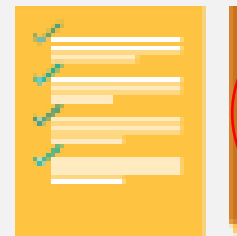
Poor capacity
for program &
project design



Complicated
budget release
process



Long & tedious
procurement
process



Poor delivery,
monitoring &
evaluation

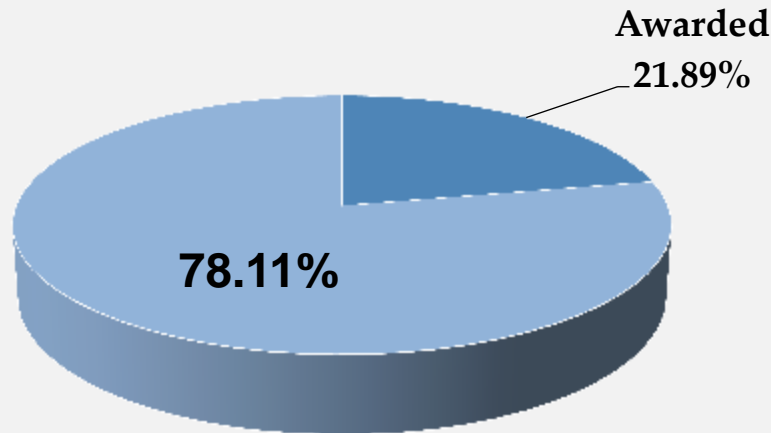
Poor Procurement

Total APP vs. Awarded Contract

(in terms of amount, NGAs)

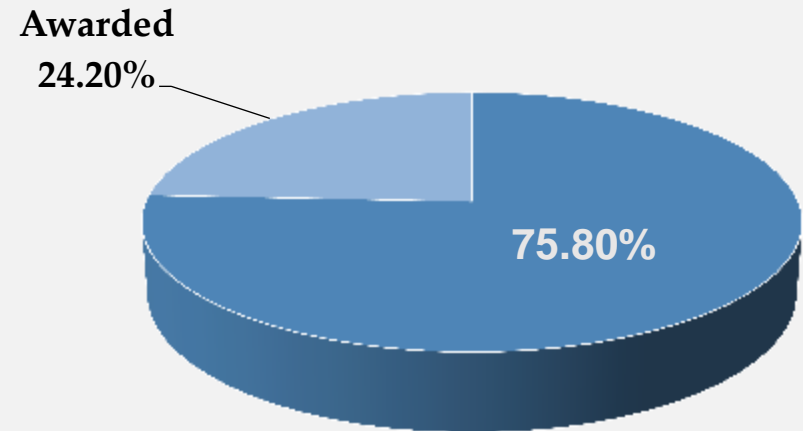
2011

APP = PhP 137.91 B
Awarded = PhP 30.19 B



2012

APP = PhP 131.17 B
Awarded = PhP 31.74 B



Poor Execution

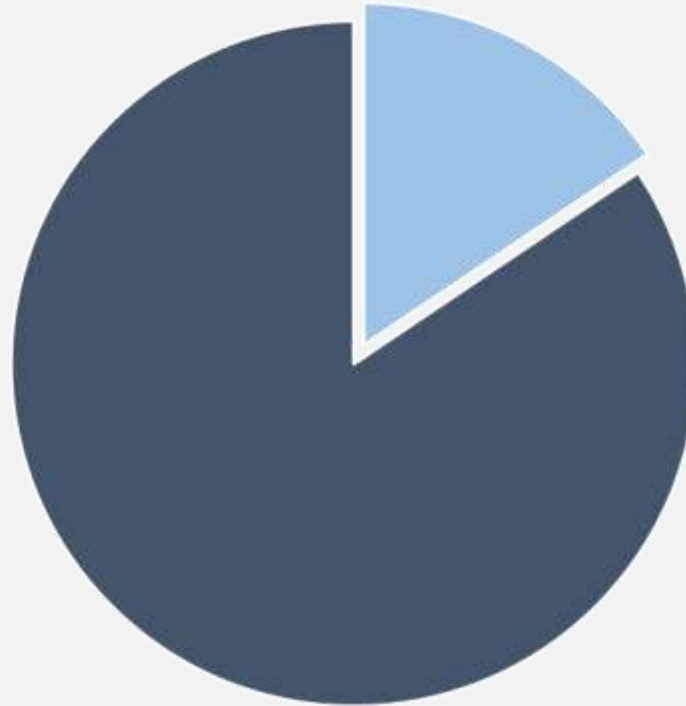
NG Disbursements Performance, 2014
(in PhP billion)

	Prior Year's Actual	Current Year Performance				Increase/ (Decrease)	
		Program	Actual	Deviation		Amount	%
				Amount	%		
2014	1,880.2	2,284.3	1,981.6	(302.7)	(13.3)	101.5	5.4
Jan-Nov	1,677.3	2,096.4	1,762.3	(334.1)	(15.9)	85.0	5.1
Dec	202.8	187.9	219.3	31.4	16.7	16.5	8.1
2013	1,777.8	1,983.9	1,880.2	(103.7)	(5.2)	102.4	5.8
2012	1,557.7	1,839.7	1,777.8	(61.9)	(3.4)	220.1	14.1
2011	1,552.4	1,711.3	1,557.7	(153.6)	(9.0)	5.3	0.3



Php468 Billion

carry-over budget



15.57% of the 2016 estimated disbursements



Meaningful Devolution



Inclusive Development and Meaningful Devolution

INCLUSIVE DEVELOPMENT IS HINGED ON:



Ability of LGUs
to implement
programs &
projects



Greater LGU
accountability for
the results of use of
public funds



Increased voice &
vote of grassroots
communities & local
civil society



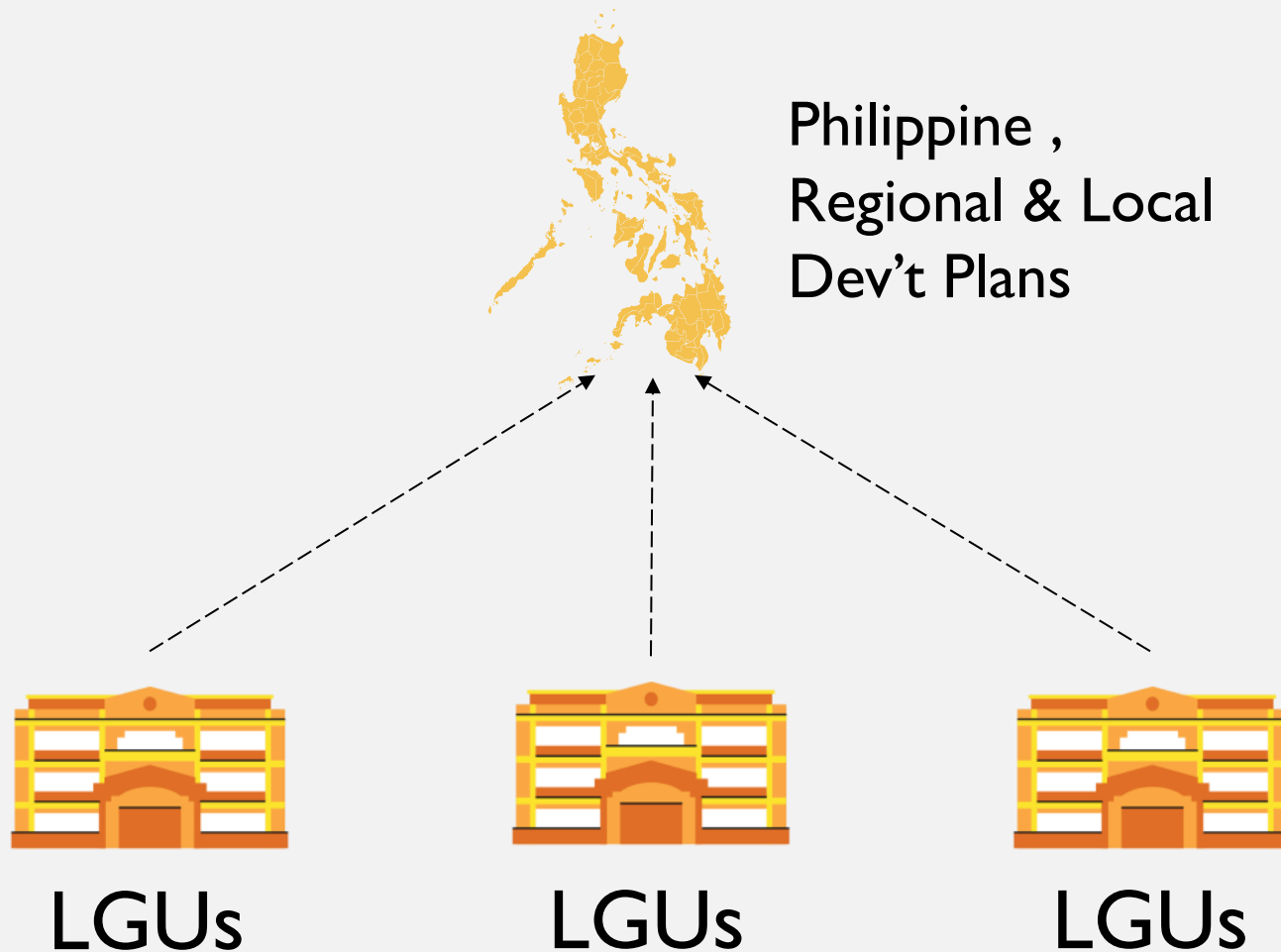
Public Financial Management Assessment Tool for Local Government Units (PFMAT for LGUs)

 Department of Budget and Management

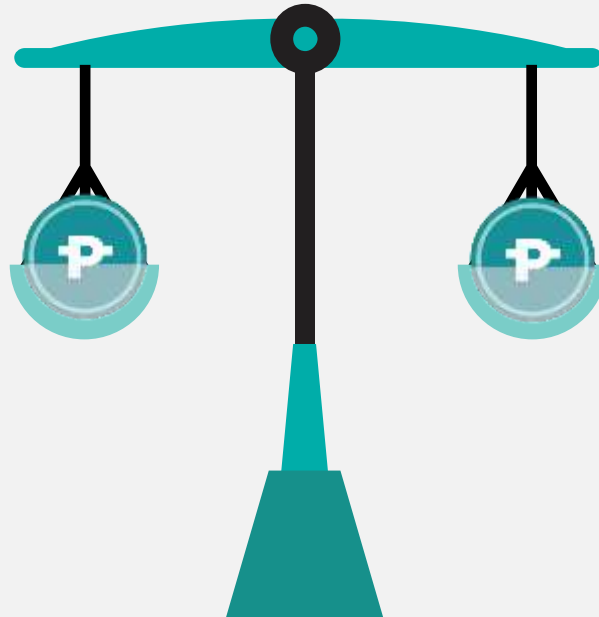
 European Union



Budgeting not linked to Planning



Revenues lower than target,
Actual spending higher



Budget accountability, reporting, and controls need to be strengthened



Dependence on IRA:




Indication of weak fund stewardship in LGUs





LGU-Public Financial Management (PFM)



A photograph of President Benigno Aquino III speaking at a podium. He is wearing a white shirt and glasses, and is looking to the right. The background is dark with many out-of-focus, warm-toned lights, creating a bokeh effect. A microphone is visible on the podium in front of him.

“We have only remained true to what we promised our Bosses: no one will be left behind, as we tread the straight path to progress.”

President Aquino's speech on the signing of the FY 2015 GAA

December 23, 2014
Rizal Hall, Malacañan Palace

BUB

BOTTOM-UP BUDGETING

Budget ng bayan sa kamay ng taumbayan.



PROJECTS

14,326 projects

1,514 cities and municipalities (ARMM not included)

P24.714 B budget

18% increase from 2015 budget of P20.905B

ADMINISTRATIVE COST AND M&E

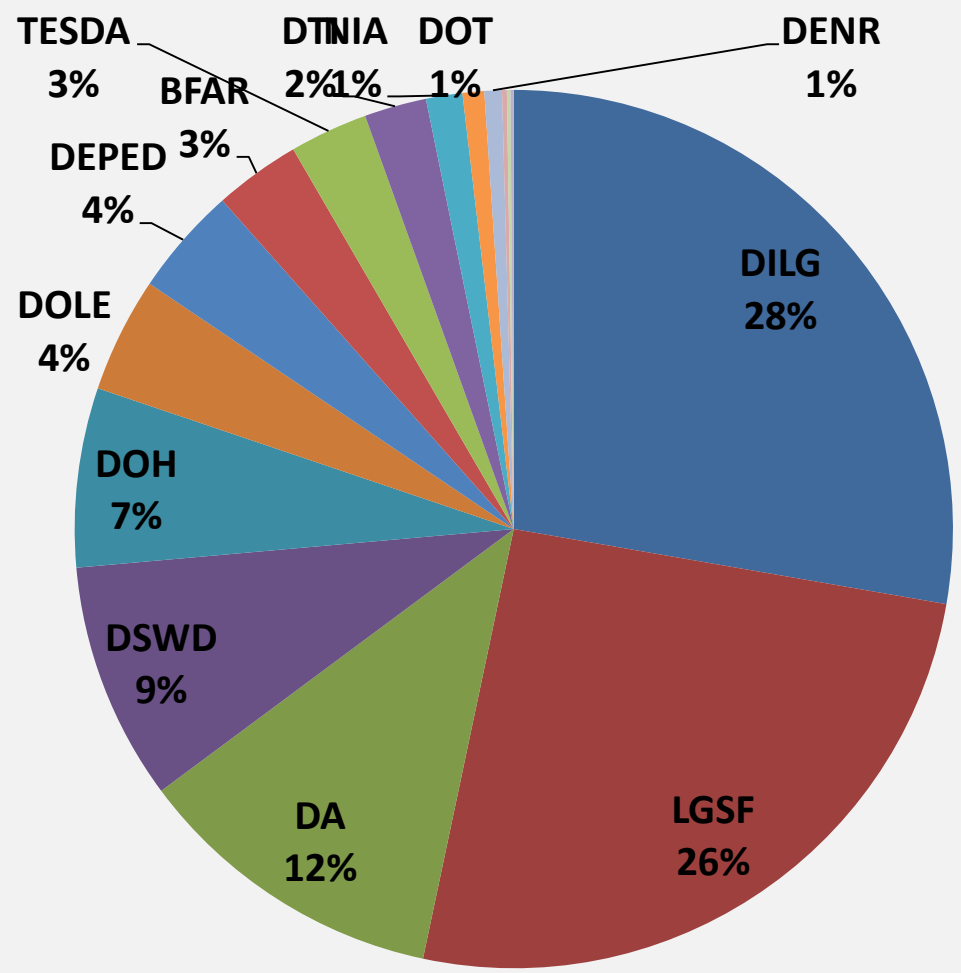
3% M&E: **P741 M**

PMO Budget (DILG): **P350 M**

*Two LGUs did not submit their LPRAP:
Pagadian City and Pantar, Lanao del Sur



DISTRIBUTION BY AGENCY



Less than 1%
DOE
NEA
NCIP



Bottom-up-Budgeting



Budget Year

2013 Budget

(Enacted)

6062 projects

2014 Budget

(Enacted)

17398 projects

2015 Budget

(Enacted)

14300 projects



Amount of Locally-Developed Projects

P8 B

P20 B

P20.9 B



Participating Local Govts

595

Cities & Municipalities

1,225

Cities & Municipalities

1,599

Cities & Municipalities



The Many but Small

Be faithful in
small things
because it is in
them that your
strength lies.

Mother Teresa

You've got to think
about big things
while you're doing
small things, so
that all the small
things go in the
right direction.

Alvin Toffler



Huge NG Budget for Social Services

Should this be LGUs' in the first place?



National Government Budget for
SOCIAL SERVICES, 2015



Internal Revenue
Allotment (IRA), 2015

Online Reporting, Monitoring and Evaluation on openbub.gov.ph

The screenshot shows a web browser window with the URL `openbub2.gov.ph/project_articles?pagesize=20&page=1`. The website has a navigation menu with items like Home, About, News, Projects, Map, Dashboard, Data, Contact, and Calendar. A yellow banner at the top features the OpenBUB.gov.ph logo and a LOG IN button. Below the banner are social media icons for Facebook, Twitter, and a share icon.

BUB PROGRAMS AND PROJECTS

REFINE BY

- AGENCY +
- YEAR OF PROJECT +
- PROJECT STATUS +
- PROJECT TYPE +
- BUDGET +
- LOCATION +

SEARCH **CLEAR**

FIND BUB PROJECTS AND PROGRAMS

Use OpenBUB.gov.ph to explore projects and programs implemented by LGUs across the Philippines.
Disclaimer: All projects have been categorized in accordance with the 2013 Philippine Standard Geographic Code (PSGC).

Search Projects Display: 20 at a time

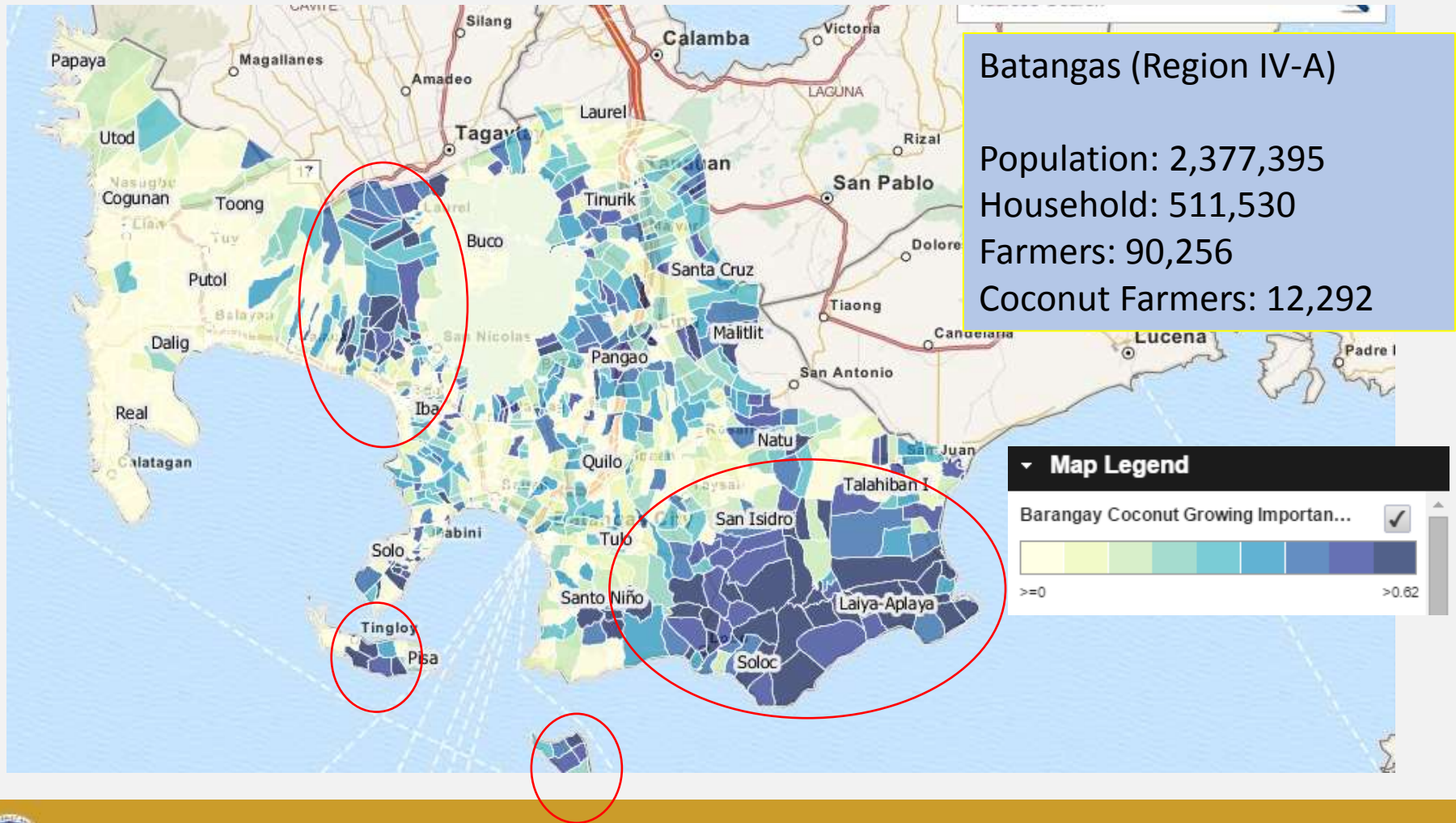
PROJECT YEAR	PROGRAM	PROJECT ID	IMPLEMENTING AGENCY	PROJECT TYPE	ALLOCATED BUDGET	PROJECT STATUS
2014	PROTECTIVE SERVICES	6	DSWD	SOCIAL WELFARE	₱50,000	ONGOING

SENIOR CITIZENWOMEN: RAG MAKING RECYCLING
Date Updated Jul 16, 2015
Location: BANGUED (CAPITAL), ABRA, CAR



Better Target Planning using the RSBSA

Coconut farmers (% of crop farmers)
on middle, lower east side of Batangas
(Specific Trend)



Better Monitoring and Reporting with Open Roads platform

OpenRoads-
Beta Version Philippines

Home Overview Map Project List Contact Us

TRIP Projects TRIP Sub-projects FMR Regular access FMR Regular Sub-project FMR PHDP access FMR PHDP Sub-projects

OVERVIEW MAP

TRIP Projects TRIP Sub-projects FMR Regular access FMR Regular Sub-project FMR PHDP access FMR PHDP Sub-projects

National Roads Provincial Roads Municipal Roads Barangay Roads Regions Provinces Municipalities

Legend

SYMBOL	LAYER	DESCRIPTION	SYMBOL	LAYER	DESCRIPTION
	TRIP Projects	Desc		National Roads	Desc
	TRIP Sub-projects	Desc		Provincial Roads	Desc
	FMR Regular access	Desc		Municipal Roads	Desc
	FMR Regular Sub-project	Desc		Barangay Roads	Desc
	FMR PHDP access	Desc		Regions	Desc
	FMR PHDP Sub-project	Desc		Provinces	Desc
				Municipalities	Desc
				Barangays	Desc

TRIP Projects TRIP Sub-projects FMR Regular access FMR Regular Sub-project FMR PHDP access FMR PHDP Sub-projects

Overview

Imagery Imagery with Labels Streets
Topographic Dark Gray Canvas Light Gray Canvas
National Geographic Oceans Terrain with Labels

National Roads Provincial Roads Municipal Roads Barangay Roads Regions Provinces Municipalities Barangays

Legend

SYMBOL	LAYER	DESCRIPTION	SYMBOL	LAYER	DESCRIPTION
	TRIP Projects	Desc		National Roads	Desc
	TRIP Sub-projects	Desc		Provincial Roads	Desc
	FMR Regular access	Desc		Municipal Roads	Desc



More Work?



**We are perfecting the reforms.
We must perform as we reform.**



AWARDED 3rd Place (Gold)

OPEN GOVERNMENT
AWARDS

Open Government Partnership
September 24, 2014
New York City



NOMINATED as Philippine Entry

OPEN GOVERNMENT
AWARDS 2015

Local Governments

Seal of Good Housekeeping and
Performance Challenge Fund







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Strengthening National-Local Relationships

24 July 2015

Crown Legacy, Baguio City

MAXINE TANYA M. HAMADA

Assistant Secretary

Department of Budget and Management

