

Overview



Transparency:

76 /100

(Open Budget Index score)



Public
Participation:

31 /100



Budget Oversight:

74 /100

About the survey

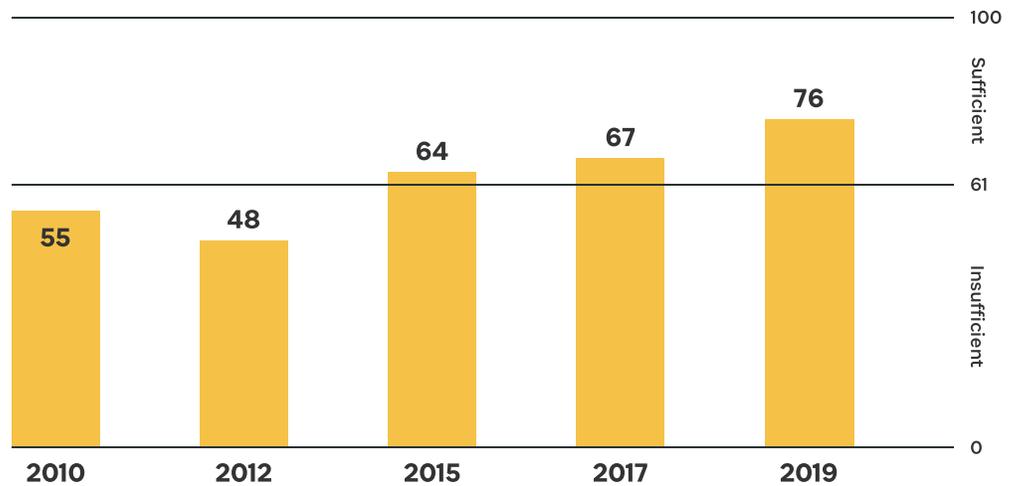
Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – affect how equal a society is and the well-being of its people, including whether the most disadvantaged will have real opportunities for a better life. It is critical that governments inform and engage the public on these vital decisions that impact their lives.

The Open Budget Survey (OBS) is the world's only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions such as the legislature and auditor in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 7th edition of the OBS covers 117 countries.

Visit www.internationalbudget.org/open-budget-survey for more information, including the full OBS methodology, the 2019 Global Report, findings for all surveyed countries, and the Data Explorer.

How has the transparency score for Philippines changed over time?

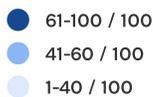


Public availability of budget documents in Philippines

- Available to the Public
- Published Late, or Not Published Online, or Produced for Internal Use Only
- ⊘ Not Produced

Document	2010	2012	2015	2017	2019
Pre-Budget Statement	●	●	●	●	●
Executive's Budget Proposal	●	●	●	●	●
Enacted Budget	●	●	●	●	●
Citizens Budget	⊘	⊘	●	●	●
In-Year Reports	●	●	●	●	●
Mid-Year Review	●	⊘	●	●	●
Year-End Report	●	⊘	●	●	●
Audit Report	●	●	●	●	●

How comprehensive is the content of the key budget documents that Philippines makes available to the public?



Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2019	95
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2019	79
Enacted Budget	The budget that has been approved by the legislature.	2018	78
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2017-2018	92
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2018	85
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2018	48
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2017	62
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2017	76

The Philippines' transparency score of 76 in the 2019 OBS is moderately higher than its score in 2017.

What changed in 2019?

The Philippines has increased the availability of budget information by:

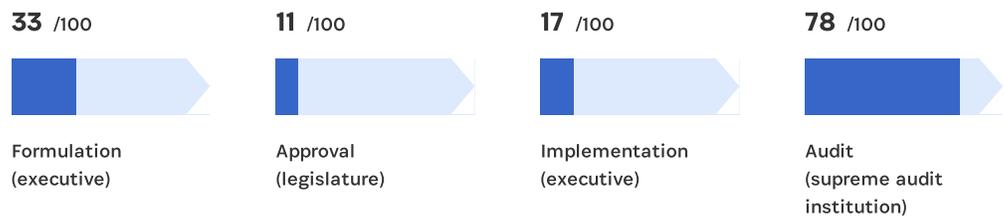
- Publishing the Mid-Year Review online in a timely manner.
- Increasing the information provided in the Enacted Budget and adding an executive summary to the Audit Report.

Recommendations

The Philippines should prioritize the following actions to improve budget transparency:

- Include in the Executive's Budget Proposal additional information on fiscal risks, such as the balance sheet of the government, quasi-fiscal activities of public corporations, and the long-term sustainability of the government's finances.
- Include in the Year-End Report additional information on the outcomes of performance indicators and detailed comparisons on actual debt and borrowing during the budget year as compared to the original estimates.
- Increase the information in the Mid-Year Review by including details on the updated fiscal projections for the remainder of the budget year by showing expected changes in expenditure classifications and individual programs.

Extent of opportunities for public participation in the budget process



few: 0 - 40; limited: 41 - 60; adequate: 61 - 100

Recommendations

The Philippines' Department of Budget and Management has established a mechanism to receive input from a council during budget formulation and a mechanism to receive input from a council during budget implementation but, to further strengthen public participation in the budget process, should also prioritize the following actions:

- Expand mechanisms during budget formulation and implementation that engage any civil society organization or member of the public who wishes to participate.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

The Philippines' Congress has established public hearings related to the approval of the annual budget, but should also prioritize the following actions:

- Allow any member of the public or any civil society organization to testify during its hearings on the budget proposal prior to its approval.
- Allow members of the public or civil society organizations to testify during its hearings on the Audit Report.



Budget Oversight

The OBS also examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in the Philippines, together, provide adequate oversight during the budget process, with a composite oversight score of **74** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



weak: 0 - 40; limited: 41 - 60; adequate: 61 - 100

Recommendations

The Philippines' Congress provides adequate oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage. To make its oversight even more effective, it should prioritize the following actions:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.
- A legislative committee should examine in-year budget implementation and publish reports with their findings online.
- A legislative committee should examine the Audit Report and publish a report with their findings online.

To strengthen its independence and improve audit oversight, the Philippines' Commission on Audit should:

- Ensure audit processes are reviewed by an independent agency.

The emerging practice of establishing independent fiscal institutions

The Philippines has independent fiscal institutions (IFIs) that report to both the House of Representatives and the Senate. In the House of Representatives there is the Congressional Planning and Budget Research Department and in the Senate there are the Senate Economic Planning Office and the Legislative Budget Research and Monitoring Office. The independence of these bodies is not set in law. The Congressional Planning and Budget Research Department publishes an assessment of the official macroeconomic and fiscal forecasts produced by the executive and its own cost estimates of some new policy proposals.

**The indicators for IFIs are *not* scored*

Methodology

- Only documents published and events, activities, or developments that took place through 31 December 2018 were assessed in the OBS 2019.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
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- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in the Philippines by a representative of the Department of Budget and Management.