This questionnaire was completed by:

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Section One: The Availability of Budget Documents .................................................. 4
  Table 1. Budget Year of Documents Used in Completing the Questionnaire .............. 5
  Table 2. Key Budget Documents Used: Full Titles and Internet Links.......................... 6
  Table 3. Distribution of Documents Related to the Executive’s Budget Proposal .......... 9
  Table 4. Distribution of the Enacted Budget and Other Reports .................................. 10

Section Two: The Executive’s Budget Proposal ......................................................... 11
  Estimates for the Budget Year and Beyond ................................................................. 12
  Estimates for Years Prior to the Budget Year .............................................................. 24
  Comprehensiveness ...................................................................................................... 37
  The Budget Narrative & Performance Monitoring ..................................................... 46
  Additional Key Information for Budget Analysis & Monitoring ................................. 53

Section Three: The Budget Process ............................................................................ 63
  Executive’s Formulation of the Budget ........................................................................ 64
  Legislative Approval of the Budget ............................................................................ 68
  Executive’s Implementation of the Budget ................................................................. 73
  Year-end Report and the Supreme Audit Institution .................................................. 90
Section One: The Availability of Budget Documents
Table 1. Budget Year of Documents Used in Completing the Questionnaire

Please indicate the budget year of the document used to complete the questionnaire. If the document is not available to the public, please state, “Not Available.”

<table>
<thead>
<tr>
<th>Budget Documents Used in Completing the Questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As explained in the guide to the questionnaire, documents from a variety of fiscal years are referred to throughout the questionnaire. Please indicate below for which fiscal year responses to questions relating to each report or experience were based on.</strong></td>
</tr>
<tr>
<td><strong>Budget Year Used</strong></td>
</tr>
<tr>
<td>Pre-Budget Statement</td>
</tr>
<tr>
<td>Budget Summary</td>
</tr>
<tr>
<td>Executive’s Budget Proposal</td>
</tr>
<tr>
<td>Supporting Budget Documents</td>
</tr>
<tr>
<td>Citizens Budget</td>
</tr>
<tr>
<td>Enacted Budget</td>
</tr>
<tr>
<td>In-Year Reports</td>
</tr>
<tr>
<td>Mid-Year Report</td>
</tr>
<tr>
<td>Year-End Report</td>
</tr>
<tr>
<td>Audit Report</td>
</tr>
</tbody>
</table>
Table 2. Key Budget Documents Used: Full Titles and Internet Links

Please provide the full title, date and Internet link for all documents to be cited in Sections 2 & 3.

If an Internet link is not available for the document, please indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, but Not on the Internet.”

<table>
<thead>
<tr>
<th>Budget Document</th>
<th>Full Title, Date, and Internet Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Budget Statement</td>
<td>Budget Strategy, FY 2007-2009; Produced but Not Available to the Public, for internal purposes only</td>
</tr>
<tr>
<td>Citizens Budget</td>
<td>Not Produced</td>
</tr>
<tr>
<td>In-Year Reports</td>
<td>NG Cash Budget Performance, January to June 2008 <a href="http://www.treasury.gov.ph/statdata/monthly/mo_cashbudgetperform.pdf">http://www.treasury.gov.ph/statdata/monthly/mo_cashbudgetperform.pdf</a></td>
</tr>
<tr>
<td>Category</td>
<td>Details</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Other Documents</td>
<td>Details of Selected Programs/Projects, FY 2007, Publicly Available, but Not on the Internet;&lt;br&gt;National Budget Call, FY 2007, Link missing</td>
</tr>
</tbody>
</table>
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal

<table>
<thead>
<tr>
<th>DISTRIBUTION OF BUDGET DOCUMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the following reports, place “Yes” in the appropriate row below to indicate if the report is:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Pre-budget</th>
<th>Executive’s Budget Proposal</th>
<th>Citizens budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Main document</td>
<td>Budget summary*</td>
</tr>
<tr>
<td>A. Not produced, even for internal purposes</td>
<td></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>B. Produced for internal purposes, but not available to the public</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Produced and available to the public, but only on request</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.

<table>
<thead>
<tr>
<th></th>
<th>Pre-budget</th>
<th>Executive’s Budget Proposal</th>
<th>Citizens budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Main document</td>
<td>Budget summary*</td>
</tr>
<tr>
<td>1. The release date is known at least one month in advance</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Advance notification of release is sent to users, media</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Released to public same day as official release to media</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Available on the Internet free of charge</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Free print copies available, limited distribution</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>6. Free print copies available, mass distribution</td>
<td>NA</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7. Readily available outside capital and/or big cities</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>8. Written in more than one language</td>
<td>NA</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>9. News conference is held to discuss release</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

*Mark “Yes” if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.
Table 4. Distribution of the Enacted Budget and Other Reports

<table>
<thead>
<tr>
<th>DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:</td>
</tr>
<tr>
<td>Enacted budget</td>
</tr>
<tr>
<td>A. Not produced, even for internal purposes</td>
</tr>
<tr>
<td>B. Produced for internal purposes, but not available to the public</td>
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<tr>
<td>C. Produced and available to the public, but only on request</td>
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</table>

For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them?

For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.

<table>
<thead>
<tr>
<th>Enacted budget</th>
<th>In-year reports</th>
<th>Mid-year review</th>
<th>Year-end report</th>
<th>Audit report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The release date is known at least one month in advance</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Advance notification of release sent to users, media</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Released to public same day as official release to media</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<td>Yes</td>
</tr>
</tbody>
</table>

Mark “Yes” if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.
Section Two: The Executive’s Budget Proposal

Notes on abbreviations:
BY = budget year (year for which the budget proposals are being made)
BY+1 = one year beyond the budget year
BY-1 = one year before the budget year

Please mark your answer by placing the appropriate letter in the box to the right of the question. For all answers marked “not applicable/other,” please provide a brief explanation indicating either why the answer choices provided are not applicable or why another response would be more appropriate.
The Executive’s Budget Proposal

Estimates for the Budget Year and Beyond

1. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?

   a. All expenditures are classified by administrative unit.
   b. Expenditures are classified by administrative unit, but some small units are not shown separately.
   c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately.
   d. No expenditures classified by administrative unit are presented.
   e. Not applicable/other (please comment).

Citation:
See the 2007 National Expenditure Program and the Budget of Expenditures and Sources of Financing.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “b.”

While the budgets for all administrative units are presented in the executive budget, not all expenditures are classified by administrative unit. A number of “lump-sum accounts” technically referred to as Special Purpose Funds (SPFs) are included in the budget proposal.

Some SPFs have known recipients, e.g., Agriculture and Fisheries Modernization Fund, which will be implemented by several administrative units including the Department of Agrarian Reform, Department of Agriculture, and specified state-owned enterprises, among others. Other SPFs, however, do not have known recipients, such as the Priority Development Assistance Fund, also known as the “pork barrel.”

In 2007, the magnitude of SPFs with no indicated recipients amounted to about 6% of the budget excluding interest on debt.

Researcher Response: I can agree with PR2’s comments. SPFs serve two reasons: One is to highlight expenditures in pursuance to a law like Agriculture and Fisheries Modernization Fund. These SPFs and its implementing agencies are listed in the BESF (see: http://www.dbm.gov.ph/bestf2007/table%20B/B.12.htm) But also in this table are funds whose use cannot be anticipated like the Contingent Fund and Calamity Fund.

Then there is the Priority Development Assistance Fund (or the pork barrel fund) whose use is identified during the budget implementation. This is why, as PR2 raised, PDAF has no known recipients. But once the legislator has identified his
priority programs, the DBM posts on its website the list of allocations, along with the projects’ implementing agencies. (See: http://www.dbm.gov.ph/index.php?pid=13)

**IBP Comment:** IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.

2. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?

   a. All expenditures are classified by functional classification, and the categorization is compatible with international standards.
   b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards.
   c. Some, but not all, expenditures are classified by function.
   d. No expenditures classified by function are presented.
   e. Not applicable/other (please comment).

**Citation:**

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “b.”

The functional classification is somewhat similar to the international standards but is not fully compatible with it. There are several categories, such as environment, infrastructure and general public services, that substantially deviate from the Classification of the Functions of Government (COFOG) and the IMF Government Financial Statistics (GFS) functional classification.

The fiscal authorities, however, have identified this as a major area of reform in the future.

**Researcher Response:** The citation may be added and PR’s comment may be added.

**IBP Comment:** IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?

   a. All expenditures are classified by economic classification, and the categorization is compatible with international standards.
   b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards.
   c. Some, but not all, expenditures are classified by economic classification.
   d. No expenditures classified by economic classification are presented.
   e. Not applicable/other (please comment).

Citation:

Comment:
The executive's budget and supporting documents has categories that slightly differ from the classification set by the IMF's Government Financing Statistics Manual.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “b.”

The economic classification is broadly similar to the IMF GFS classification but substantial deviations exist. For instance, ‘transfers,’ which are a major item in GFS, are not fully reflected in the executive’s budget. Pension payments to be paid out of the national budget are shown not as transfers but as personal services items.

**Researcher Response:** I chose to maintain my answer “a” because pension payments are not shown as personal services items. Under the Commission on Audit accounting system, pension payments are considered as transfers. This is why they are listed under the MOOE not under Personal Services. (For example, see: http://www.dbm.gov.ph/nep2007/VII/A.txt and http://www.dbm.gov.ph/bestf2007/table%2020B/b.2c.pdf)

**IBP Comment:** IBP editors chose answer, “a” to maintain the consistency of the assumptions used in selecting answers across the countries.
4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?

   a. Program-level data are presented for all expenditures.
   b. Program-level data are presented for at least two-thirds of, but not all, expenditures.
   c. Program-level data are presented, but for less than two-thirds of expenditures.
   d. No program-level data are presented.
   e. Not applicable/other (please comment).

Citation:
See the 2007 National Expenditure Program and the Budget of Expenditures and Sources of Financing. An example:

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

5. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?

   a. Yes, multi-year estimates of aggregate expenditure are presented.
   b. No, multi-year estimates of aggregate expenditure are not presented.
   c. Not applicable/other (please comment).

Citation:

Comment:
According to Department of Budget and Management Undersecretary Laura Pascua, the DBM is now trying to come up with a Medium Term Development Framework which will "infuse more policy orientation in budget-making by looking at the cost of ongoing programs for the next three years."

Peer Reviewer One Comment:

Peer Reviewer Two Comment:
6. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?

   a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
   b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
   c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
   d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.
   e. Not applicable/other (please comment).

Citation:
See the 2007 National Expenditure Program. An example:

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

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7. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?

   a. All sources of tax revenue are identified individually.
   b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually.
   c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually.
   d. No sources of tax revenue are identified individually.
   e. Not applicable/other (please comment).

Citation:
See the 2007 Budget of Expenditures and Sources of Financing. Check the link:

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
8. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?

   a. All sources of non-tax revenue are identified individually.
   b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually.
   c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually.
   d. No sources of non-tax revenues are identified individually.
   e. Not applicable/other (please comment).

   Citation:
   See the 2007 Budget of Expenditures and Sources of Financing. Check the link: http://www.dbm.gov.ph/dbm_publications/besf_2007/Table%20C/C.4.htm

   Comment:
   **Peer Reviewer One Comment:**
   **Peer Reviewer Two Comment:**

9. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?

   a. Yes, multi-year estimates of aggregate revenue are presented.
   b. No, multi-year estimates of aggregate revenue are not presented.
   c. Not applicable/other (please comment).

   Citation:

   Comment:
   **Peer Reviewer One Comment:**
   **Peer Reviewer Two Comment:**
10. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?

   a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).
   b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.
   c. Yes, multi-year estimates are presented, but only for some individual sources of revenue.
   d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all.
   e. Not applicable/other (please comment).

   Citation:

   Comment:
   **Peer Reviewer One Comment:**
   **Peer Reviewer Two Comment:**

11. Does the executive’s budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?

   a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).
   b. Yes, the data reflect the outstanding debt at the end of the budget year.
   c. Yes, the data reflect the outstanding debt at the start of the budget year.
   d. No, data on the outstanding debt are not presented.
   e. Not applicable/other (please comment).

   Citation:

   Comment:
   **Peer Reviewer One Comment:**
   **Peer Reviewer Two Comment:**
12. Does the executive’s budget or any supporting budget documentation present interest payments on the debt for the budget year?
   
   a. Yes, interest payments on the debt are presented.
   b. No, interest payments on the debt are not presented.
   c. Not applicable/other (please comment).

   Citation:
   Also NEP, Summary Tables.

   Comment:

   **Peer Reviewer One Comment:**

   **Peer Reviewer Two Comment:**

13. Does the executive’s budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?

   a. Yes, extensive information related to the composition of government debt is presented.
   b. Yes, key additional information is presented, but some details are excluded.
   c. Yes, some additional information is presented, but it lacks important details.
   d. No, additional information related to the composition of government debt is not presented.
   e. Not applicable/other (please comment).

   Citation:

   Comment:

   **Peer Reviewer One Comment**

   **Peer Reviewer Two Comment:** No information on the maturity profile nor the repayment period is provided. Some borrowings are identified according to their maturity feature, such as the 2-year Treasury Note, but it does not provide information on when it was issued nor when it will expire. Since Treasury Bills and Notes are oftentimes rolled-over, the maturity profile or structure could not be determined.
14. Does the executive’s budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?

a. Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly.
b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.
c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.
d. No, information related to the macroeconomic forecast is not presented.
e. Not applicable/other (please comment).

Citation:

Comment:
The 2007-2009 Budget Strategy, a document (in PowerPoint format) that has never been made public before but was released to the PCIJ this year, contains macro outlook over the medium term (2006-2010), specifically: the GDP and GNP growth; inflation rate (target and forecast); T-bill rate; Exchange rate; Dubai oil price; Exports/growth rate; and Imports/growth rate. It also has details on revenues (tax and non-tax); Disbursements (interest payments, surplus/deficit etc.); and Financing account. Moreover, it lists Forward Estimates (FEs) by sector -- economic, social, defense, etc.
The Medium Term Philippine Development Plan for 2004-2010 also has figures for employment and unemployment rates, as well as projections for population growth, and more detailed framework for each sector.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “c.” The very first table shown in the BESF lists down the key macroeconomic assumptions used in preparing the budget proposal. These include GDP, GDP growth rates, GNP, GNP growth rates, inflation rate, interest rate on 91-day Treasury bills, peso to US dollar exchange rate, LIBOR rate, Dubai oil price, exports and imports, growth rates of exports and imports, the current account balance and gross international reserves. Furthermore, The President’s Budget Message (PBM) discusses the major macroeconomic parameters on which the budget was based. However, the narrative discussion in the PBM is not extensive and no discussion appears in the BESF.

Researcher Response: Actually, our answer in 2006 was “b.” When PCIJ got a copy of the strategy paper, which presents a more comprehensive coverage of the macro assumptions, the answer was upgraded to “a.” At that time, DBM was contemplating to make the Budget Strategy Paper available. However, the OBI team suggested downgrading it to “d” since the budget paper still remains a confidential document.
For purposes of consistency, I will be maintaining the “b” answer. PR2’s reference to the BESF and PBM may be added. Please maintain our reference to the Strategy Paper.

IBP Comment: IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
15. Does the executive’s budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?

a. Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates.

b. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded.

c. Yes, some information is presented, but it lacks important details.

d. No, information on the impact of different macroeconomic assumptions on the budget is not presented.

e. Not applicable/other (please comment).

Citation:
One can check the 2007 National Expenditure Program and the Budget of Expenditures and Sources of Financing.

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** Sensitivity analysis is normally presented as part of the materials used to prepare for budget deliberations in Congress and is, therefore, internally available. However, this is not part of the budget data submitted to Congress and, therefore, is not available to the public.
16. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?

   a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on the impact of policy proposals on expenditures is not presented.
   e. Not applicable/other (please comment).

**Citation:**

The 2007-2009 Budget Strategy, a document which has not been made public but a PowerPoint presentation was shown to PCIJ, includes Forward Estimates for both existing policies/programs and new policies which require policy decision in sectors such as infrastructure, education, health, and compensation. (This document, however, is in PowerPoint format. The DBM has yet to come up and make public a narrative report.)

**Peer Reviewer One Comment:** A more appropriate response to this question would be “d” because the document even in PowerPoint presentation was made available only to a limited public or certain individuals.

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “c.” The government does not produce nor submit a narrative analysis of the proposed budget. The 2007 President’s Budget Message (PBM), which is the only document submitted in narrative form, contains some information on the impact of policy proposals on expenditures. The PBM, however, is written as a speech of the President to introduce the proposed executive budget. It, therefore, lacks the necessary analytical analysis, nor of its impact. The BESF and other supporting documents show only tables, with no narrative discussion of the budget proposal.

**Researcher Response:** I chose “c” in order to be consistent with the 2006 answer and PR2’s comments. Also, PR2’s reference to the president’s budget message may be added, being also the basis of the answer in 2006. Please maintain our reference to the Strategy Paper.

**IBP Comment:** IBP editors chose answer, “c” to maintain the consistency of the assumptions used in selecting answers across the countries.
17. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?

   a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on the impact of policy proposals on revenues is not presented.
   e. Not applicable/other (please comment).

Citation:

**Comment:**
The 2007-2009 Budget Strategy unfortunately do not have information on how policy proposals in the budget will affect revenues. It only has broad estimates for tax and non-tax revenue from 2006 to 2010.

The only publicly available reference is the President’s Budget Message. Supporting documents like the BESF and NEP show only tables and thus fail to outline how policy proposals affect revenues.

**Peer Reviewer One Comment:** A more appropriate response to this question would be “d” because the document even in PowerPoint presentation was made available only to a limited public or certain individuals/organizations.

**Peer Reviewer Two Comment:** The same comments as those discussed in the Comments to Question 16 are applicable. The ratings of Questions 16 and 17 are now consistent.

**IBP Comment:** IBP editors chose answer, “d” to maintain consistency of assumptions across countries.
<table>
<thead>
<tr>
<th>Estimates for Years Prior to the Budget Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</td>
</tr>
<tr>
<td>a. All expenditures are classified by administrative unit for BY-1.</td>
</tr>
<tr>
<td>b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately.</td>
</tr>
<tr>
<td>c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately.</td>
</tr>
<tr>
<td>d. No expenditures classified by administrative unit are presented for BY-1.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**
See also BESF, Section B.

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “b.” The presentation and classification of expenditures in the budget year (BY) and in the immediately preceding year (BY-1) are the same. Thus, BY-1 likewise contains budget proposals for which the recipient administrative units are not indicated. This rating is consistent with that of Question 1.

**IBP Comment:** IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
19. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?

   a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.
   b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.
   c. Some, but not all, expenditures are classified by function for BY-1.
   d. No expenditures classified by function are presented for BY-1.
   e. Not applicable/other (please comment).

Citation:
See the 2007 National Expenditure Program. An example:
See also BESF, Section B

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
20. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?

   a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards.
   b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards.
   c. Some, but not all, expenditures are classified by economic classification for BY-1.
   d. No expenditures classified by economic classification are presented for BY-1.
   e. Not applicable/other (please comment).

Citation:

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “b.” As mentioned in the comments to Question 18, the classification is the same as that for the Budget Year. Thus, the economic classification is not consistent with international standards. The rating should, therefore, be consistent with that of Question 3.

IBP Comment: IBP editors chose answer, “a” to maintain the consistency of the data across the countries.
21. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Program-level expenditure data are presented for all expenditures for BY-1.</td>
</tr>
<tr>
<td>b.</td>
<td>Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1.</td>
</tr>
<tr>
<td>c.</td>
<td>Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1.</td>
</tr>
<tr>
<td>d.</td>
<td>No program-level expenditure data are presented for BY-1.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**
See the 2007 National Expenditure Program. An example:

**Comment:**
Expenditures by program are shown only for the current budget year. Program-level expenditures on a three-year basis (for the actual, current, and proposed) may be accessed upon request from the DBM. DBM generate such reports from its Budget Preparation Management System. This information is usually used for DBM’s own analysis only.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

22. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure.</td>
</tr>
<tr>
<td>b.</td>
<td>All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure.</td>
</tr>
<tr>
<td>c.</td>
<td>Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure.</td>
</tr>
<tr>
<td>d.</td>
<td>The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**
See the 2007 Budget of Expenditures and Sources of Financing:

**Comment:**

**Researcher’s Response to this Question was “b.”**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “d.” In the 2007 executive budget documents submitted to Congress, the
BY-1 or 2006 data reflected the budget proposal of the executive and not the legally approved budget. Fiscal authorities admitted that there was confusion in determining the appropriate amounts to be reflected for BY-1 due to the fact that Congress failed to pass a new budget for 2006. Under the Philippine Constitution, when Congress fails to pass a new budget, the approved budget for the preceding year (i.e., the 2005 approved budget) takes effect. Given this situation, budget authorities decided to reflect the proposed budget and not the “re-enacted budget.”

This confusion, however, has not happened before. In the past, when a budget is re-enacted, the re-enacted amounts are shown in the BY-1 columns. The fiscal authorities have learned from the experience and vows that this will not be repeated in the future. Without the confusion, the appropriate rating would have been “b.” However, the decision made in 2007 to reflect the proposed rather than the authorized budget for BY-1 was a serious mistake in budget presentation and should therefore be highlighted.

**Researcher Response:** Kindly check with PR2 where he got his information. Based on an interview with DBM Undersecretary for Planning Laura Pascua, it was a deliberate decision by the DBM and the Development and Budget Coordinating Committee (DBCC) to reflect in the 2007 budget the executive proposal and not the reenacted budget. This is in order to “abide by the pronounced fiscal position. 2006 was unique because that was the time the Revised Value Added Tax (RVAT) Law was implemented. There was a lot of money and we wanted to present a program that we were implementing for the year. If we had stuck with the reenacted budget, then we would not have utilized the VAT and other resources appropriately.” She adds they were being transparent.

**IBP Comment:** IBP editors chose answer, “b” to maintain consistency across countries.

In the document cited there are three columns: The 2005 (actual) is the obligated budget reflecting the actual expenditures for that year. The 2006 (adjusted) does not reflect the entire year's expenditures since at the time the budget is being prepared; we are still on the mid-year (meaning six months into the budget year). The 2007 proposed is, of course, the recommended budget. Therefore option “b” is retained.
<table>
<thead>
<tr>
<th>23. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Yes, such prior-year estimates of aggregate expenditure are presented.</td>
</tr>
<tr>
<td>b. No, such prior-year estimates of aggregate expenditure are not presented.</td>
</tr>
<tr>
<td>c. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**
See the 2007 National Expenditure Program and Budget of Expenditures and Sources of Financing. Check the links:

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
24. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?

   a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
   b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
   c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
   d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.
   e. Not applicable/other (please comment).

Citation:
See the 2007 National Expenditure Program. Check the link:
See also BESF, Section B

Comment:
The estimates in the National Expenditure Program cover only BY-2.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “b.” No program-level expenditures are presented for BY-2 (i.e., 2005). Only expenditure classifications by administrative units, by function and by economic classification are shown in the executive budget, in the same manner as BY-1.

IBP Comment: IBP editors chose answer, “b” to maintain the consistency of the data across the countries.
25. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

   a. Two years prior to the budget year (BY-2).
   b. Three years prior to the budget year (BY-3).
   c. Before BY-3.
   d. No actual data for all expenditures are presented in the budget or supporting budget documentation.
   e. Not applicable/other (please comment).

Citation:

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
The actual expenditures presented for BY-2 are un-audited. The reported expenditures are not adjusted even when the audit reports have been issued. Nevertheless, the “a” rating can be retained since the latest available information on actual expenditures is reflected in the executive budget.
26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?

   a. Yes, prior-year data are always adjusted to be comparable to the budget year data.
   b. Yes, in most cases, prior-year data are adjusted to be comparable.
   c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist.
   d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented.
   e. Not applicable/other (please comment).

Citation:

Comment:

Peer Reviewer One Comment: 

Peer Reviewer Two Comment: A more appropriate response to this question would be “c.” Comparable budget data exists for expenditures classified by function and by economic classification only. Expenditure classification by administrative unit is only partly comparable. This is due to the fact that in BY-2, all expenditure accounts were effectively distributed, thus “lump-sum accounts” did not exist (See comments on Question 1). In contrast, BY-1 and BY include lump-sum accounts that are not yet allocated to administrative units.

Furthermore, no comparable data exists for program-level expenditures in BY-2.

IBP Comment: IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
27. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?

   a. All tax revenues are identified individually for BY-1.
   b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually.
   c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually.
   d. No tax revenues are identified individually for BY-1.
   e. Not applicable/other (please comment).

Citation:

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

28. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?

   a. All non-tax revenues are identified individually for BY-1.
   b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually.
   c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually.
   d. No non-tax revenues are identified individually for BY-1.
   e. Not applicable/other (please comment).

Citation:

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:
29. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?

   a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections.
   b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections.
   c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections.
   d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented.
   e. Not applicable/other (please comment).

Citation:
See the 2007 Budget of Expenditures and Sources of Financing. Check these links:
http://www.dbm.gov.ph/dbm_publications/besf_2007/Table%20C/C.2.htm;
http://www.dbm.gov.ph/dbm_publications/besf_2007/Table%20C/C.1.htm

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

30. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?

   a. Yes, such prior-year estimates of aggregate revenue are presented.
   b. No, such prior-year estimates of aggregate revenue are not presented.
   c. Not applicable/other (please comment).

Citation:
See the 2007 Budget of Expenditures and Sources of Financing. Check these links:
http://www.dbm.gov.ph/dbm_publications/besf_2007/Table%20C/C.2.htm;
http://www.dbm.gov.ph/dbm_publications/besf_2007/Table%20C/C.1.htm

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:
31. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?

a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).

b. Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.

c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue.

d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all.

e. Not applicable/other (please comment).

Citation:
See the 2007 Budget of Expenditures and Sources of Financing. Check these links:
http://www.dbm.gov.ph/dbm_publications/besf_2007/Table%20C/C.2.htm;
http://www.dbm.gov.ph/dbm_publications/besf_2007/Table%20C/C.1.htm;
http://www.dbm.gov.ph/dbm_publications/besf_2007/Table%20C/C.3.htm;

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

32. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

a. Two years prior to the budget year (BY-2).

b. Three years prior to the budget year (BY-3).

c. Before BY-3.

d. No actual data for all revenues are presented in the budget or supporting budget documentation.

e. Not applicable/other (please comment).

Citation:
See the 2007 Budget of Expenditures and Sources of Financing. Check these links:
http://www.dbm.gov.ph/dbm_publications/besf_2007/Table%20C/C.2.htm;
http://www.dbm.gov.ph/dbm_publications/besf_2007/Table%20C/C.1.htm

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
<table>
<thead>
<tr>
<th>Question</th>
<th>Option</th>
<th>Citation</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>c. Yes, but only information on the level of debt is presented.</td>
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</tr>
<tr>
<td></td>
<td>d. No, information related to the government debt for BY-1 is not presented.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>e. Not applicable/other (please comment).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Three years prior to the budget year (BY-3).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Before BY-3.</td>
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<td></td>
<td>d. No actual data for government debt are presented in the budget or supporting budget documentation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>e. Not applicable/other (please comment).</td>
<td></td>
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</tr>
</tbody>
</table>
### Comprehensiveness

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>35. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</td>
<td>d</td>
</tr>
<tr>
<td>a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</td>
<td></td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded.</td>
<td></td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
<td></td>
</tr>
<tr>
<td>d. No, information on extra-budgetary funds is not presented.</td>
<td></td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
<td></td>
</tr>
</tbody>
</table>

**Citation:**

**Comment:** While there is no information on extrabudgetary funds as of yet, the DBM plans to include in the 2009 BESF a list of off-budget items per department.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** No information on extra-budgetary funds is shown in the budget documents. For instance, aggregate revenues and expenditures of administrative units allowed by law to use part or all of their income from specific sources for specified purposes are not shown in the BESF. These expenditures are in addition to what has been proposed in the executive budget. Moreover, the large part of extra-budgetary funds (President’s Social Fund, Municipal Development Fund and the Judiciary Development Fund, among others) are not included.

**Researcher Response:** PR2’s comment should be noted.

Please also note that while there is no information on extra-budgetary funds as of yet, the DBM plans to include in the 2009 BESF a list of off-budget items per department.
36. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?

a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.
b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.
c. Yes, some information is presented, but it lacks important details.
d. No, information on intergovernmental transfers is not presented.
e. Not applicable/other (please comment).

Citation:
See the 2007 National Expenditure Program:
See also 2007 BESF, Sections B and F.

Comment:

Peer Reviewer One Comment: A more appropriate response to this question would be “a.” Extensive information on intergovernmental transfers is presented with narrative and quantitative estimates. Please check the following:

Peer Reviewer Two Comment: Statistical data showing intergovernmental transfers to local governments are detailed in the 2007 BESF. The 2007 PBM mentions intergovernmental transfers, but no adequate narrative discussion is included.

Researcher Response: I chose my answer “b” because as mentioned by PR2, there is no adequate narrative discussion available.

IBP Comment: IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
### Question 37

Does the executive’s budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?

- **a.** Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates.
- **b.** Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded.
- **c.** Yes, some information is presented, but it lacks important details.
- **d.** No, information on transfers to public corporations is not presented.
- **e.** Not applicable/other (please comment).

**Citation:**
See the 2007 National Expenditure Program:
2007 BESF, Sections B and F.

**Comment:**

**Researcher’s Response to this Question was “b.”**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** See Comments on Question 36. Similar comments, except that they pertain to state-owned enterprises or public corporations, apply.

**Researcher Response:** Same comment as in 36.

**IBP Comment:** IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.

### Question 38

Does the executive’s budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?

- **a.** Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates.
- **b.** Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded.
- **c.** Yes, some information is presented, but it lacks important details.
- **d.** No, information on quasi-fiscal activities is not presented.
- **e.** Not applicable/other (please comment).

**Citation:**

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</td>
<td>d</td>
</tr>
<tr>
<td>a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value.</td>
<td></td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting key information, but some details are excluded.</td>
<td></td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
<td></td>
</tr>
<tr>
<td>d. No, information on financial assets is not presented.</td>
<td></td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
<td></td>
</tr>
<tr>
<td>Citation:</td>
<td></td>
</tr>
<tr>
<td>Comment:</td>
<td></td>
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<tr>
<td><strong>Peer Reviewer One Comment:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Peer Reviewer Two Comment:</strong></td>
<td></td>
</tr>
</tbody>
</table>

| 40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government? | d      |
| a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value. |        |
| b. Yes, information is presented, highlighting key information, but some details are excluded. |        |
| c. Yes, some information is presented, but it lacks important details. |        |
| d. No, information on non-financial assets is not presented. |        |
| e. Not applicable/other (please comment). |        |
| Citation:                                                              |        |
| Comment:                                                               |        |
| **Peer Reviewer One Comment:**                                         |        |
| **Peer Reviewer Two Comment:**                                         |        |
41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?

   a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on expenditure arrears is not presented.
   e. Not applicable/other (please comment).

   **Citation:**

   **Comment:**

   **Peer Reviewer One Comment:**

   **Peer Reviewer Two Comment:**
42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?

a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates.
b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded.
c. Yes, some information is presented, but it lacks important details.
d. No, information on contingent liabilities is not presented.
e. Not applicable/other (please comment).

Citation:

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “d.”
The executive budget provides information on existing BOT and other PPP projects, as well as those that are in the pipeline. The financial data, however, only shows total project costs, with no indication of the extent of contingent liabilities that may be passed on to the government. Furthermore, there are no indications of contingent liabilities arising from guaranteed debt of state-owned enterprises, except for aggregate data on the deficit arising from the restructuring of the Bangko Sentral ng Pilipinas, the central monetary authority. Effectively, therefore, no information is available on contingent liabilities.

Researcher Response: I concur with Peer Reviewer Two. I had chosen my answer because the issues raised by PR2 are correct. The DOF, however, is now trying to establish a risk management system to measure the probability of contingent liabilities becoming real.

IBP Comment: IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries. While a significant amount of information is lacking, there is still some relevant information presented.
43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?

- a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key future liabilities, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on future liabilities is not presented.
- e. Not applicable/other (please comment).

Citation:

Comment:
The 2007 National Expenditure Program, Section XLIX or the Pension and Gratuity Fund lists only total amounts.

**Researcher’s Response to this Question was “c.”**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “d.” There is no information on future liabilities in the executive budget, except for an estimate of the separation and retirement benefits of employees payable in the Budget Year. Under existing law, employees may be separated or may retire with the benefits to be paid either by the national government or by the Government Service Insurance System (GSIS), the state-owned pension agency. The estimated claim of employees who will retire or be separated in the Budget Year and will opt to be paid by the national government is the only amount disclosed in the executive budget. Effectively, therefore, no comprehensive figures on the extent of future liabilities are available to the public.

**Researcher Response:** According to the DBM, such data can be generated from the GSIS’s Government Manpower Information System. The Budget Strategy Paper, which has yet to be made public, tries to measure the funds to be obligated on a multi-year basis.

**IBP Comment:** IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries.
<table>
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<tr>
<th></th>
<th>Question</th>
<th>Options</th>
<th>Citation</th>
<th>Comment</th>
<th>Peer Reviewer One Comment:</th>
<th>Peer Reviewer Two Comment:</th>
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<tr>
<td>44</td>
<td>Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</td>
<td>a. All sources of donor assistance are identified individually.</td>
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<td>b. At least two-thirds of, but not all, sources of donor assistance, are identified individually.</td>
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<td></td>
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<td>c. Less than two-thirds of sources of donor assistance are identified individually.</td>
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<td>d. No sources of donor assistance are identified individually.</td>
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<td></td>
<td></td>
<td>e. Not applicable/other (please comment).</td>
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<td></td>
<td>Citation:</td>
<td>BESF, Section B, specifically table entitled Foreign Assisted Projects. Also BESF, Section D.</td>
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<td>Comment:</td>
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<td></td>
<td>Comment:</td>
<td>The 2007 BESF provides information on all sources of financial donor assistance, identified by donor, project, and implementing agency. However, no information on assistance in-kind is given.</td>
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<td><strong>Peer Reviewer One Comment:</strong></td>
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<td>45</td>
<td>Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</td>
<td>a. Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates.</td>
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<td>b. Yes, information is presented, highlighting key tax expenditures, but some details are excluded.</td>
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<td>c. Yes, some information is presented, but it lacks important details.</td>
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<td></td>
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<td>d. No, information on tax expenditures is not presented.</td>
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<td></td>
<td>e. Not applicable/other (please comment).</td>
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<td><strong>Peer Reviewer Two Comment:</strong></td>
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<td><strong>Peer Reviewer Two Comment:</strong></td>
<td>Table B-24 of the BESF shows the aggregate level of tax expenditures. Apart from this, no other information is available. This data, however, is presented as a cash equivalent for cash purposes, but are not part of the budget submitted to Congress. Since this type of disclosure is hardly noticed by anyone, effectively no information is available.</td>
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46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?

a. All earmarked revenues are identified individually.
b. At least two-thirds of, but not all, earmarked revenues are identified individually.
c. Less than two-thirds of earmarked revenues are identified individually.
d. No earmarked revenues are identified individually.
e. Not applicable/other (please comment).

Citation:

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “b.” Not all earmarked revenues are listed in the executive budget. Some earmarked revenues, such as the income of State Universities and Colleges, as well as the income of hospitals, which revenues are earmarked to augment operating expenses of these units, are excluded in the budget.

**Researcher Response:** While I agree to PR2’s observation, allow me to qualify the comment. The income of SUCs is seen in Section G of the BESF. Only the retained income of hospitals is not presented. Income from SUCs amount to P6 billion; income from hospitals, according to Undersecretary Pascua, amount to P3 billion. The DBM plans to include in the budget information on the income of hospitals in 2009.

**IBP Comment:** IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?

   a. One percent or less of expenditure is dedicated to secret items.
   b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items.
   c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.
   d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.
   e. Not applicable/other (please comment).

Citation:

Comment:  
It is difficult to calculate how much of the expenditure is allotted for secret items. While the budget document lists some of the intelligence funds, there is no information on other secret items.

Peer Reviewer One Comment: Furthermore, the President is authorized by law to augment intelligence and confidential funds from savings in other appropriation items, resulting in an indeterminate budget for intelligence and related funds.

Peer Reviewer Two Comment:

The Budget Narrative & Performance Monitoring

48. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals, by administrative unit (or functional category), for the budget year?

   a. Yes, extensive information on the link between the budget and the government’s stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on the link between the budget and the government’s stated policy goals is not presented.
   e. Not applicable/other (please comment).

Citation:  
Organizational Performance Indicator Network (OPIF)

Comment:  
The 2007 Budget Message presents information on some of the major policy goals and the budget. Another document, the Organizational Performance Indicator Framework (OPIF), was published for the first time in 2007. OPIF initially covered 20 departments. It is an "approach to expenditure management that directs resources towards results and accounts for performance…it adopts an analytical approach based on a logical framework linking societal and sectoral goals, organizational outcomes, and major final outputs. Performance indicators are set to account for accomplishments based on pre-determined targets and measures."
For the Department of Education, for example, its OPIF covers the sectoral goal (poverty reduction and human development; enhanced knowledge, skills, attitudes, and values) organizational outcome, major final outputs (e.g. public pre-elementary and elementary education services, alternative learning system services etc.), performance measures and targets, and budget by MFO.

Read the 2007 OPIF:

**Peer Reviewer One Comment**: MFO- Major Final Outputs

**Peer Reviewer Two Comment**: A more appropriate response to this question would be “c.” The Organizational Performance Indicator Framework (OPIF), a document that aims to link agency performance with societal goals, was published for the first time in 2007. This document shows the logical framework that enables agencies to identify how individual programs and activities contribute to the attainment of societal goals. It likewise shows performance indicators and targets for 20 departments initially included in the document.

While the issuance of the OPIF marks the introduction of results-based budgeting, the OPIF is still in its raw form. In practice, while the indicators are identified, the agency budgets were mostly prepared independently of the OPIF. The link referred to in the question is, therefore, not yet in place. The OPIF document, for one, was submitted when the Congressional deliberations on the budget have been substantially completed.

The fiscal authorities intend to pursue the OPIF framework to ensure the actual link between outputs or results with budgets in 2008 and beyond.

**Researcher Response**: I believe the answer “b” should be retained. The mechanism for providing links has actually improved from 2006, especially with the OPIF. However, as PR2 raised, the data linking the budget and the stated policy goals cannot be gauged as of yet as the OPIF was implemented only in 2006.

**IBP Comment**: IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
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<tr>
<td>49. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals for a multi-year period (for at least two years beyond the budget year)?</td>
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<tr>
<td>a.</td>
<td>Yes, extensive information on the link between the budget and the government’s stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, information is presented, highlighting the major policy goals, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, information on the link between the budget and the government’s stated policy goals over a multi-year period is not presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
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</tbody>
</table>

**Citation:**
Organizational Performance Indicator Framework.(PR2 Suggestion)

**Comment:**
The 2007-2009 Budget Strategy PowerPoint presentation presents major programs by sector and the estimates from 2007 to 2009. According to DBM Undersecretary for Planning Laura Pascua, the Budget Strategy Paper has "substantial narrative discussion" of the policy goals for a multi-year period. This document, however, is not available to the public.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?

   a. Non-financial data are presented for all programs.
   b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.
   c. Non-financial data are presented for programs representing less than two-thirds of expenditure.
   d. No non-financial data are presented.
   e. Not applicable/other (please comment).

Citation:
Organizational Performance Indicator Framework. (OPIF). (PR2 Suggestion)

Comment:
As mentioned above, this data form part of the OPIF. In 2007, 20 departments were covered; around 204 attached agencies are now being covered. Only the constitutional offices, judiciary, and state colleges have yet to be included.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “c.” The OPIF presents preliminary data on estimated outputs or beneficiaries. The data, however, is not yet linked to the executive budget. See comments on Question 48 above.

Researcher Response: I chose my answer because to be consistent with question 48.

IBP Comment: IBP editors chose answer, “c” to maintain the consistency of the assumptions used in selecting answers across the countries.
51. Are the non-financial data presented useful for assessing how an expenditure program is performing?

a. The non-financial data are very useful for assessing program performance.
b. The non-financial data are mostly useful for assessing program performance.
c. The non-financial data are somewhat useful for assessing program performance.
d. No non-financial data are provided or they are not useful for assessing program performance.
e. Not applicable/other (please comment).

Citation:
Organizational Performance Indicator Framework (OPIF). (PR2 Suggestion)

Comment:
Because of the OPIF, existing programs can now be assessed based on the performance indicators, outputs, and targets. The executive is also now putting up a monitoring system with the different departments to assess the output of each agency. For example, according to Pascua, the Public Works and Highways department used to measure accomplishments based on quantity (e.g., kilometers of road). Now, quality assessments are being set up i.e., which roads are in poor or in good condition. Pascua said this has resulted in focusing on maintenance expenditure instead of building new roads. This strategy was based on a study that shows the benefits of maintaining existing roads are far greater than building new roads, she said.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “b.” While in practice, there is a weak link between the non-financial data and the budget, the submittal of indicators and targets and the publication thereof will create pressure on government agencies to eventually link targeted outputs and results to the budget. Furthermore, this will enable the public to assess expenditure performance of agencies. However, only 20 agencies are included in the pilot run of the OPIF.

**Researcher Response:** I chose my answer “b” to be consistent with the previous questions. As stated, the links will be presented in 2009.

**IBP Comment:** IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
<table>
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<tr>
<th>52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?</th>
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<tr>
<td>a. Performance indicators are presented for all programs.</td>
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<tr>
<td>b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures.</td>
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<tr>
<td>c. Performance indicators are presented for programs representing less than two-thirds of expenditures.</td>
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<tr>
<td>d. No performance indicators are presented.</td>
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<td>e. Not applicable/other (please comment).</td>
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</table>

**Citation:**
Organizational Performance Indicator Framework (OPIF).

**Comment:**
See comment on Item 50.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
See comments on Question 51.

<table>
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<tr>
<th>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</th>
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<tbody>
<tr>
<td>a. All performance indicators are well designed.</td>
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<tr>
<td>b. Most performance indicators are well designed.</td>
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<td>c. Some performance indicators are well designed, but most are not.</td>
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<tr>
<td>d. No programs have performance indicators, or they are not well designed.</td>
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<tr>
<td>e. Not applicable/other (please comment).</td>
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**Citation:**
Organizational Performance Indicator Framework (OPIF).

**Comment:**
According to Pascua, the executive is still in the process of improving the measurability of the performance indicators. She explained that there is no standardized monitoring system yet. For example, a comparison between the OPIF of the Department of Education and the Department of Foreign Affairs show different measurements of output (See the 2007 OPIF).

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?

   a. All performance indicators are used in conjunction with performance targets.
   b. Most performance indicators are used in conjunction with performance targets.
   c. Some performance indicators are used in conjunction with performance targets, but most are not.
   d. No performance indicators are used in conjunction with performance targets.
   e. Not applicable/other (please comment).

Citation:

Comment:
The OPIF details the programs and the output (MFOs) of each agency.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
55. Does the executive’s budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country’s most impoverished populations?

a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.
b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.
c. Yes, some information is presented, but it lacks important details.
d. No, information on policies intended to alleviate poverty is not presented.
e. Not applicable/other (please comment).

**Citation:**
President’s Budget Message.

**Comment:**
The Budget Message of the President presents information highlighting the main policies of the administration. This document is based on the 10-Point Pro-Poor, Pro-Growth and Pro-Peace Agenda.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “c.” As previously mentioned, however, the 2007 PBM is a speech rather than an analysis of the executive budget. It broadly provides information on how much of the expenditures, directly or indirectly, benefit the poor. Other than this broad pronouncements, there is no other document available to the public that specifically and adequately explains the budget policies directed at the poorest of the poor.

**IBP Comment:** IBP editors chose answer, “c” to maintain the consistency of the assumptions used in selecting answers across the countries.

### Additional Key Information for Budget Analysis & Monitoring

*Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive’s budget proposal or supporting documents, but may be found in other documents issued by the executive.*
56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?

   a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information is not presented.
   e. Not applicable/other (please comment).

   **Citation:**
   See the tax schedule on the Bureau of Internal Revenue website:
   http://www.bir.gov.ph/taxinfo/tax_income.htm

   **Comment:**

   **Peer Reviewer One Comment:**

   **Peer Reviewer Two Comment:** A more appropriate response to this question would be “b.” While information on tax rates and fees are available, a narrative description is not. When requested, however, tax authorities usually issue reports on an ad-hoc basis.

57. Does the executive make available to the public an analysis of the distribution of the tax burden?

   a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded.
   c. Yes, some analysis is presented, but it lacks important details.
   d. No analysis on the distribution of the tax burden is presented.
   e. Not applicable/other (please comment).

   **Citation:**

   **Comment:**

   **Peer Reviewer One Comment:**

   **Peer Reviewer Two Comment:**
58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?

   a. Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.
   b. Yes, information is presented, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on conditions associated with IFI assistance is not presented.
   e. Not applicable/other (please comment).

Citation:

Comment:
The executive budget does not show details of the conditions imposed by creditors, including IFIs, related to financial assistance. Some indications, however, exist in the case of program loans (See BESF, Section D, specifically Table D.2). More detailed information can be obtained from the website of the Department of Finance and the National Economic and Development Authority, but these are not included in the executive budget documents. Similarly, information can be obtained from the websites of IFIs.

While IFIs such as the World Bank and the Asian Development Bank have generally improved their policy on transparency, the government has imposed restrictions that further diminish transparency involving loan agreements. The National Development Authority, for example, has refused to allow access to project documents that would otherwise be available, following the controversy on a multimillion-dollar deal with the Chinese government last year. The Department of Finance also still refuses access to loan agreements, saying that such government-to-government agreements are confidential in nature and fall under the mantle of executive privilege. We're maintaining the answer "c" as in 2005, although there are clearly more restrictions now, since there are "some information" presented still on websites of the NEDA and the agencies involved in projects.


**Peer Reviewer Two Comment:**
59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?

- a. Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.
- b. Yes, information is presented, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on conditions associated with donor country assistance is not presented.
- e. Not applicable/other (please comment).

Citation:

Comment:
The Department of Budget and Management (DBM), National Economic and Development Authority (NEDA), and Department of Finance (DOF) present data on foreign-assisted projects, such as project amount, interest rate, commitment rate, grace period, repayment period etc.

One may also access feasibility studies from implementing agencies; project evaluation and approval documents from NEDA; and in some instances, loan agreements from the DOF. Recently, the PCIJ was denied access of the loan agreement between the Export-Import Bank of China and the Philippine Government for the Non-Intrusive Inspection Container System Project. The DOF said our request will be referred to the Office of the Chief Presidential Legal Counsel "for appropriate guidance considering that the requested document may fall within the mantle of executive privilege and information." (Following the controversy over the broadband project with China, the executive has been invoking the principle of "executive privilege" in refusing to divulge information before Senate investigation hearings.)

As for multilateral institutions, the World Bank, for instance, posts the following documents online: Loan Agreement, Project Appraisal Document, Project Information Document, Integrated Safeguards Data Sheet, Environmental Assessment, Resettlement Plan, Indigenous Peoples Plan, Project Information Document, Integrated Safeguards Data Sheet, Implementation Completion and Results Report, and Board Report. These documents disclose the loan and grant amounts, the geographical location of the project, the implementing agency name, the interest rate, the maturity period, the grace period, and the commitment fees.

The Bank Information Center says that transparency policy is weak because it gives the WB discretionary power. PCIJ found that currently, the WB has the power to deny the release of documents because of “the public interest” and provide no clear reason for the nondisclosure. The WB also retains the right to edit out portions of documents before posting them, without indicating that the document has been modified. There is no appeal mechanism for applicants who are wrongly denied information. Since major reforms in the WB transparency policy were introduced only in 2002, the WB does not enforce these new rules to the disclosure of documents from projects approved before 2000. (See: www.bicusa.org/proxy/Document.9555.aspx)
To be consistent with question 58, we're choosing "b."

**Peer Reviewer One Comment:** A more appropriate response to this question would be “c” to be consistent with question 58

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “c.” See comments on Question 58. The same comments apply.

**Researcher Response:** Yes the answer should be “c” to be consistent with question 58. I suggest that the comment on IFIs remain. While the question is about the information the executive provides, the part on IFIs was mentioned to illustrate that reforms on promoting transparency within these organizations have helped provide information that could otherwise not be obtained from the government. This is important to highlight given the current political climate.

**IBP Comment:** IBP editors chose answer, “c” to maintain the consistency of the assumptions used in selecting answers across the countries.

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60. Does the executive make available to the public a summary that describes the budget and its proposals?

   a. Yes, it provides a summary that is very informative.
   b. Yes, it provides a summary that is somewhat informative.
   c. Yes, but the summary is not very informative.
   d. No, it does not provide a summary.
   e. Not applicable/other (please comment).

**Citation:**
The yearly president's budget message.

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** The executive does not publish a summary of the budget and its proposals. However, the President’s Budget Message, written as a speech, contains summary budget information in narrative form. The 2007 PBM effectively becomes the substitute for a summary of the proposed budget.
61. Does the executive publish a “citizens budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?

   a. Yes, it publishes a citizens budget that is very informative.
   b. Yes, it publishes a citizens budget that is somewhat informative.
   c. Yes, but the citizens budget is not very informative.
   d. No, it does not publish a citizens budget.
   e. Not applicable/other (please comment).

Citation:

Comment:
In August 2008, the DBM issued the 2008 Budget in Brief. It is a 15-page document that contains information like why the budget is important, where the money comes from, where the money goes, and the priority programs.

This document was said to be patterned after the South Korean version. We maintain, however, that this is not comprehensive enough and may actually raise more questions since the descriptions are very brief. As yet, it does not conform to standards set by countries like the U.S.

But the language is simple and understandable. DBM says it has yet to issue a version in Filipino. If it can publish a Tagalog version in 2009, it will be the first ever published by the DBM.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**IBP Comment:** IBP editors chose answer “d” since September 28, 2007 was the cut-off date used for all questionnaires. For consistency reasons, to obtain a snapshot of the situation of all countries at the same moment in time, IBP decided not to use any document released after the cut-off date, and therefore any changes/improvements that may have happened between then and the release of the OBI 2008, will be reflected in the following round of the OBI, in 2010.
62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?

a. Yes, thorough definitions of budget terms are provided.
b. Yes, definitions are provided, but some details are excluded.
c. Yes, some definitions are provided, but it lacks important details.
d. No, definitions are not provided.
e. Not applicable/other (please comment).

**Citation:**
The DBM issues a glossary of terms used in the budget documents.

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “b.” The executive’s budget contains a comprehensive glossary of budget terms. The definitions, however, are technical definitions. Even so, the terms can be generally understood by the average government employee, although not quite easy to understand by the average citizen.

**Researcher Response:** I chose “b” not only because the definitions might be too technical for the average citizen, as raised by PR2, but also because there are items in the budget that are not listed in the glossary, leading to a not so comprehensive list.

**IBP Comment:** IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
63. Do citizens have the right in law to access government information, including budget information?

   a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information.
   b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information.
   c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information.
   d. No, the right to access government information has not been codified into law, or this right does not include access to budget information.
   e. Not applicable/other (please comment).

Comment:

The Philippines still has no Access to Information Act. This bill has been pending in Congress since the restoration of democracy in 1986. The 1987 Constitution however guarantees the right to access information and the public’s right to know on matters of public interest. There is also a law, Republic Act 6713, that compels public officials and employees to make all public documents accessible to citizens within 15 days. It does not define, however, what public documents are. Other problems involve poor information and record-keeping infrastructure and the absence of a list of public records and instructions how they can be obtained.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Furthermore, in practice, it is difficult to obtain information, or if given, they are oftentimes delayed and no longer useful. This is due to the absence of an integrated management information system in the government.
<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>64.</strong> Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it (for example, from a ministry or agency)?</td>
<td></td>
</tr>
<tr>
<td>a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.</td>
<td></td>
</tr>
<tr>
<td>b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</td>
<td></td>
</tr>
<tr>
<td>c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.</td>
<td></td>
</tr>
<tr>
<td>d. In practice, no highly disaggregated expenditure information is available.</td>
<td></td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
<td></td>
</tr>
</tbody>
</table>

**Citation:**

**Comment:**

**The Researcher Response to this Question was “a.”**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “b.” As mentioned in Question 63 above, the information may be obtained but with great delay. Government staff usually do not enjoy discretion to provide expenditure information, except those that are already regularly available. The permission of the head of the agency must be obtained before additional information is released to the public.

**IBP Comment:** IBP editors chose answer, “b” consistent with peer reviewer observations.
65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it from a ministry or agency?

a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence.

b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures.

c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.

d. In practice, no highly disaggregated non-financial expenditure information is available.

e. Not applicable/other (please comment).

Citation: 

Comment: 

The Researcher Response to this Question “a.”


Peer Reviewer Two Comment: A more appropriate response to this question would be “b.” Comments are the same as Question 64 above. The same rating, therefore, applies.

IBP Comment: IBP editors chose answer, “b” consistent with peer reviewer observations.
Section Three: The Budget Process
The Budget Process

Executive’s Formulation of the Budget

66. How far in advance of the release of the budget is the day of its release known?

   a. The release date is set in permanent law.
   b. The executive announces the release date at least two months in advance.
   c. The executive announces the release date less than two months but more than two weeks in advance.
   d. The executive announces the release date two weeks or less before the release, or makes no announcement.
   e. Not applicable/other (please comment).

Citation:
Article VII, Section 22 of the 1987 Constitution mandates that the President shall submit to the Congress within 30 days from the opening of every regular session, as the basis of the general appropriations bill, a budget of expenditures and sources of financing.

Comment:
The DBM follows a budget calendar, which will inform the public when the budget will be transmitted to Congress. However, the dates in the calendar are not strictly followed, although the DBM ensures that they still submit within the 30-day constitutional requirement.

However, once the budget goes through Congress deliberations, there is no telling when it will actually be passed. The Constitution provides that Congress shall pass the budget law by the end of the fiscal year. But as in the past years, Congress has repeatedly failed to pass the budget law on time. In a PCIJ article on the performance of Congress, it reported: "The legislature has been remiss even in this basic function. For the past five years, the budget — the government’s lifeblood — has never been passed on time. Budgets have been re-enacted again and again. The 2000 budget was re-enacted for both the 2001 and 2002 fiscal years. The 2007 budget was finally passed three months behind schedule. And when the 2006 budget was re-enacted, it was actually the 2005 re-enacted budget for 2006."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “a.” The date of release is known to the public because it is provided by law. In previous years, the executive budget was released to the public even prior to the Constitutional deadline.

Researcher Response: I chose my answer because the reasons for choosing “d” has been properly qualified by the comments and citation. The executive adheres to the constitutional deadline but the exact date of its release to Congress is not identified.

IBP Comment: IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries.
67. Does the executive release to the public its timetable for preparation of the executive’s budget proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the ministry of finance or whatever central government agency is in charge of coordinating the budget’s formulation)?

   a. Yes, a detailed timetable is released to the public.
   b. Yes, a timetable is released, but some details are excluded.
   c. Yes, a timetable is released, but it lacks important details.
   d. No, a timetable is not issued to the public.
   e. Not applicable/other (please comment).

   Citation:
   The timetable can be found in the yearly National Budget Call and the Budget Preparation Calendar (See: http://www.dbm.gov.ph/calendar2007.htm).

   Comment:

   **Peer Reviewer One Comment:**

   **Peer Reviewer Two Comment:**

68. Does the executive adhere to its timetable for the preparation and release of the budget?

   a. The executive adheres to the dates in its timetable.
   b. The executive adheres to most of the key dates in its timetable.
   c. The executive has difficulty adhering to most of the dates in its timetable.
   d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable.
   e. Not applicable/other (please comment).

   Citation:
   See citation in Item 66.

   Comment:

   **Peer Reviewer One Comment:**

   **Peer Reviewer Two Comment:** A more appropriate response to this question would be “c.” In practice, it is difficult to adhere to the calendar due to intervening events. In 2007, while the date of submittal to Congress was met, practically all the other dates in the calendar were officially and unofficially extended upon the request of government agencies

   **Researcher Response:** I chose my answer “b” because even though it’s true that dates are usually extended what is important is the executive meets the constitutional deadline, which is 30 days from the opening of Congress.

   **IBP Comment:** IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?

a. Yes, the executive holds extensive consultations with a wide range of legislators.
b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded.
c. Yes, the executive holds very limited consultations, involving only a few members of the legislature.
d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process.
e. Not applicable/other (please comment).

Citation:
The presidential form of government ensures the separation of powers between the branches of government. The relationship, as Pascua said, is more "antagonistic" than consultative.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

70. Does the executive hold consultations with the public as part of its process of determining budget priorities?

a. Yes, the executive holds extensive consultations with a wide range of constituencies.
b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded.
c. Yes, the executive holds very limited consultations, involving only a few constituencies.
d. No, the executive does not typically consult with the public as part of the budget preparation process.
e. Not applicable/other (please comment).

Citation:
Pascua said the process is still not consultative. She said the departments used to have consultations with civil society organizations during the 90s but they discontinued it because it was too time consuming. Pascua said it is unlikely that the executive will engage in consultation/s with stakeholders anytime soon.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Some departments consult with civil society organizations (CSOs) on program thrusts but not specifically on the budget. CSOs sit in the National Anti-Poverty Commission and other government institutions pursuant to law. However, their influence on the budget is not very significant.
<table>
<thead>
<tr>
<th>71. When does the executive release a pre-budget statement to the public?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year.</td>
</tr>
<tr>
<td>b. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year.</td>
</tr>
<tr>
<td>c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year.</td>
</tr>
<tr>
<td>d. The executive does not release a pre-budget statement.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**
The equivalent of the pre-budget statement is the 2007-2009 Budget Strategy. This document is not made public. It is still an internal document. PCIJ got a copy of the PowerPoint presentation during the interview with Usec Pascua; it is a document that we would otherwise not have access to.

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

<table>
<thead>
<tr>
<th>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded.</td>
</tr>
<tr>
<td>c. Yes, some explanation is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**
See citation in Item 71. But based on the PowerPoint presentation of the 2007-2009 Budget Strategy, the macroeconomic and fiscal framework is presented, highlighting key aspects, but some details are excluded.

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
### Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?

- **a.** Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates.
- **b.** Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded.
- **c.** Yes, some explanation is presented, but it lacks important details.
- **d.** No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.
- **e.** Not applicable/other (please comment).

**Citation:**
The PCIJ only has a copy of the PowerPoint presentation of the Budget Strategy, which lacks important details. According to Pascua, the Budget Strategy Paper is the basis of the President's Budget Message, which outlines the policies and priorities of the administration. Also see citation in Item 71.

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

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### Legislative Approval of the Budget

#### How far in advance of the start of the budget year does the legislature receive the budget?

- **a.** The legislature receives the budget at least three months before the start of the budget year.
- **b.** The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year.
- **c.** The legislature receives the budget less than six weeks before the start of the budget year.
- **d.** The legislature does not receive the budget before the start of the budget year.
- **e.** Not applicable/other (please comment).

**Citation:**
See Article 7, Section 22 of the 1987 Constitution:
http://www.chanrobles.com/article7.htm
See Book VI, Chapter 3 of the Administrative Code:
http://www.chanrobles.com/administrativecodeofthephilippines6.htm

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?

a. Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies.
b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies.
c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard.
d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard.
e. Not applicable/other (please comment).

Citation:
Following the reply of Representative Rufino Biazon, member of the House Committee on Appropriations, we are changing the answer to “c.”

Comment:
Public hearings with CSOs are not held. In 2007, however, a group of civil society organizations launched an Alternative Budget Initiative (ABI) essentially aimed at advocating for higher social expenditures and addressing financing issues pertaining to the Millennium Development Goals. The group made some inroads into the budget deliberations in Congress, particularly in making their presence known. Because it was an initial attempt at influencing the budget deliberations, progress was not significant. This, however, is expected to expand in the succeeding budget year.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?

   a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.
   b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.
   c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard.
   d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.
   e. Not applicable/other (please comment).

Citation:

Comment:
These meetings are covered by the media.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

<table>
<thead>
<tr>
<th>77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.</td>
</tr>
<tr>
<td>b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.</td>
</tr>
<tr>
<td>c. Yes, a limited number of hearings are held in which testimony from the public is heard.</td>
</tr>
<tr>
<td>d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation:

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** See comments on Question 75.
78. Do the legislative committees that hold public hearings release reports to the public on these hearings?

- a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings.
- b. Yes, the committees release reports, but some details are excluded.
- c. Yes, the committees release reports, but they are not very informative.
- d. No, the committees do not release reports or do not hold public hearings.
- e. Not applicable/other (please comment).

Citation: 

Comment:
Committee Reports are issued at the end of all the hearings. These are released to the public on per request basis.

Peer Reviewer One Comment: 

Peer Reviewer Two Comment: 

79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?

- a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures.
- b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items.
- c. Not applicable/other (please comment).

Citation: 

Comment:
The legislature is provided information on spending on secret items such as military intelligence funds. Such secret items are under broad categories and therefore cannot be easily identified.

Peer Reviewer One Comment: 

Peer Reviewer Two Comment: Furthermore, the intelligence fund and related budget items can be augmented from savings during budget execution without Congressional approval.
80. Does the legislature have authority *in law* to amend the budget presented by the executive?

   a. Yes, the legislature has unlimited authority *in law* to amend the budget.
   b. Yes, the legislature has authority *in law* to amend the budget, with some limitations.
   c. Yes, the legislature has authority *in law* to amend the budget, but its authority is very limited.
   d. No, the legislature does not have any authority *in law* to amend the budget.
   e. Not applicable/other (please comment).

Citation:
Section 25, Article VI of the 1987 Constitution states that the legislature may not increase the appropriations recommended by the executive (See: http://www.chanrobles.com/article6.htm).

Comment:
Congress can adjust the allocations among agencies and programs. However, the legislature cannot go beyond the total appropriation provided by the executive.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?

   a. The approved budget includes program-level detail.
   b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs).
   c. The approved budget includes only departmental totals.
   d. The approved budget includes less information than departmental totals.
   e. Not applicable/other (please comment).

Citation:
General Appropriations Act (GAA).(PR2 Suggestion)

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** While program-level details are shown in the GAA, the approved budget, some lump-sum funds or SPF s do not show such details. See comments on Question 1.
### Executive’s Implementation of the Budget

82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?

   a. In-year reports on actual expenditure are released at least every month.
   b. In-year reports on actual expenditure are released at least every quarter.
   c. In-year reports on actual expenditure are released at least semi-annually.
   d. In-year reports on actual expenditure are not released.
   e. Not applicable/other (please comment).

**Citation:**
This answer was provided by the Investor Relations Office (IRO): Monthly preliminary reports on disbursement by economic classification is available at the Bureau of Treasury website within 22 days after the end of the subject period. The regular posting within at most a month after the reference month at the DBM website of the monthly breakdown of disbursements by economic classification is on the pipeline.

The DOF conducts a monthly press conference to inform the public of the monthly updates on fiscal performance, including the disbursement outturn. More detailed breakdown of disbursements by economic classification is available upon request pending regular website publication.

**Comment:**
While the IRO does say that the expenditure is by economic classification, the presentation does not conform to the standards set by the IMF in its Government Finance Statistics Manual 2001 (see p. 64 of http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf). The latest National Government Fiscal Position report of the DOF, for example, provides total numbers only (see: http://www.dof.gov.ph/stat/ECONUPDATENOV30.pdf). The IRO website likewise provides only totals for expenditures such as allotment to local government units, interest payments, and subsidy on a monthly basis (see: http://www.iro.ph/downloads/economic-financial-data/mo_cor_expenditures.pdf)

**Peer Reviewer One Comment:** Please check also:

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “d.” No in-year reports on actual expenditures based on the approved budget appropriations are reported by the DBM. What exists is a report by the Bureau of the Treasury, the country’s cash and fund custodian, summarizing actual cash transactions based on bank reports of agencies. In the executive’s budget, a highly aggregated estimate of cash disbursements is shown, which becomes the basis for comparison with actual disbursements. This estimate, however, is not approved by Congress and cannot substitute for the in-year expenditure report contemplated in the Question.

While agencies are required to submit in-year reports to DBM and other oversight agencies, there is no existing mechanism for consolidating agency reports on actual expenditures and for reporting the same.
**Researcher Response:** I retain my view on the answer “a.” Please refer to the following reports:

NG Cash Budget Performance, January to June 2008  
NG Expenditures, CY 2008  
Disbursement Performance, January to March 2008  
Assessment of National Government Disbursement Performance, March 31, 2008  

The reports above reflect the actual money spent by the national government, based on reports from the banks. What the IBP mentions as “transfers” are what the DBM calls “allotments” given to agencies; the statement of allotments allows agencies to enter into obligations.

While these reports are based on cash operations, as raised by PR2, the definition provided by the IBP of in-year reports (as quoted above) matches the data reflected on the above-stated reports.

**IBP Comment:** IBP editors chose answer, “a” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the Guide to the Open Budget Questionnaire.

---

83. **What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?**

   a. Yes, in-year reports cover all expenditures.
   b. Yes, in-year reports cover at least two-thirds, but not all, of expenditures.
   c. Yes, in-year reports cover less than two-thirds of expenditures.
   d. No in-year reports are released to the public.
   e. Not applicable/other (please comment).

**Citation:**  
According to the IRO, breakdown by administrative unit may be available and may be generated upon request.

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “d.” See comments on Question 82

**Researcher Response:** See response to Question 82.

**IBP Comment:** IBP editors chose answer, “a” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the Guide to the Open Budget Questionnaire.
84. What is the most detail provided in the in-year reports on actual expenditures organized by administrative unit?

a. The in-year reports on actual expenditures organized by administrative unit contain program-level detail.
b. The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs).
c. The in-year reports on actual expenditures organized by administrative unit contain only departmental totals.
d. The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals.
e. Not applicable/other (please comment).

Citation:
This answer was provided by the IRO: In-year reports on actual disbursements or expenditures are available by economic classification for the whole of the national government. These are made available to the public through press conferences/releases or through the government websites concerned. However, disbursements by administrative unit are not as readily available and may only be made available through a request.

Comment:


Peer Reviewer Two Comment: A more appropriate response to this question would be “d.” See comments on Question 82

Researcher Response: See response to Questions 82. Further, the DBM explains that when governments report on expenditures, it is usually on a cash basis. “For comparability purposes, it should be under the cash concept of funds. Therefore, revenues must be matched with cash disbursements.” There are, however, no reports of these disbursements by administrative unit. The disbursements are reported by economic classification.

IBP Comment: IBP editors chose answer, “d” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the Guide to the Open Budget Questionnaire.
<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>85.</td>
<td>Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</td>
</tr>
<tr>
<td>a.</td>
<td>Yes, comparisons are made for all expenditures.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, comparisons are made for at least two-thirds, but not all, of expenditures.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, but comparisons are made for less than two-thirds of expenditures.</td>
</tr>
<tr>
<td>d.</td>
<td>No, comparisons are not made, or no in-year reports are released to the public.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
<tr>
<td>Citation:</td>
<td>For purposes of consistency, the answer for this question will be “d.” Comparison with the original estimate for end-of-quarter reports and with the corresponding level in the previous year for monthly reports are available, although press releases are usually limited to significant highlights of deviations or increases/decreases, the comparisons by economic classification is available upon request, according to the IRO.</td>
</tr>
</tbody>
</table>
| Comment: | **Peer Reviewer One Comment:**  
**Peer Reviewer Two Comment:** See comments on Question 82 |
| 86. | How often does the executive release to the public in-year reports on actual revenue collections by source of revenue? |
| a. | In-year reports on actual revenue collections by source of revenue are released at least every month. |
| b. | In-year reports on actual revenue collections are released at least every quarter. |
| c. | In-year reports on actual revenue collections are released at least semi-annually. |
| d. | In-year reports on actual revenue collections by source of revenue are not released. |
| e. | Not applicable/other (please comment). |
| Citation and/or comment: | **Peer Reviewer One Comment:** Please check for examples:  
http://www.treasury.gov.ph/statdata/monthly/mo_cor_revenues.pdf,”  
**Peer Reviewer Two Comment:** The revenue reported by the Bureau of the Treasury is based on bank reports. The accounting system for revenue is cash basis. The rating is, therefore, appropriate. The accounting system for expenditures, however, is modified obligation basis. Thus, the contrast in the responses for Questions 82 to 85 vis-à-vis responses to Questions 86 to 88. |
<table>
<thead>
<tr>
<th>87. What share of revenue is covered by the in-year reports on actual revenue collections?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. In-year reports cover the actual revenue collections of all sources of revenue.</td>
</tr>
<tr>
<td>b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.</td>
</tr>
<tr>
<td>c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources.</td>
</tr>
<tr>
<td>d. In-year reports on actual revenue collections are not released to the public.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** The revenue reported by the Bureau of the Treasury are based on bank reports. The accounting system for revenue is cash basis. The rating is, therefore, appropriate. The accounting system for expenditures, however, is modified obligation basis. Thus, the contrast in the responses for Questions 82 to 85 vis-à-vis responses to Questions 86 to 88.
88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

- a. Yes, comparisons are made for all revenue sources.
- b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources.
- c. Yes, but comparisons are made for less than two-thirds of revenue sources.
- d. No, comparisons are not made, or no in-year reports are released to the public.
- e. Not applicable/other (please comment).

**Citation:**
The 2006 Fourth Quarter Report of the Central Bank of the Philippines presents actual year-to-date revenue collections with the same period in the previous year (See: http://www.bsp.gov.ph/downloads/Publications/2006/LTP_4qtr2006.pdf). Citation of PR1 may be added.

**Comment:**

**Peer Reviewer One Comment:** A more appropriate response to this question would be “c.” Comparison of actual year-to-date revenue collection is being done but not to the level of specific revenue sources. Please check: http://www.dof.gov.ph/stat/SEPTEMBER%202007.pdf, http://www.dof.gov.ph/stat/Jan-June%202007.pdf for reference.

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “b.” The Department of Finance announces actual revenue collection for the month through a regular press release as well as during the Quarterly Economic and Financial Briefing by economic, fiscal, monetary, trade and industry and energy managers. The press releases as well as the presentations are posted on the website of the Investor Relation Office (IRO) of the monetary authority. These contain information comparing actual revenues with that of the preceding year and with the target for the Budget Year. The information, however, does not show comparisons for all revenues but only for major revenue items.

**IBP Comment:** IBP editors chose answer, “c” to maintain the consistency of the assumptions used in selecting answers across the countries.
<table>
<thead>
<tr>
<th>89.</th>
<th>Does the executive release to the public in-year reports on actual borrowing?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a. Yes, in-year reports on actual borrowing are released at least every month.</td>
</tr>
<tr>
<td></td>
<td>b. Yes, in-year reports on actual borrowing are released at least every quarter.</td>
</tr>
<tr>
<td></td>
<td>c. Yes, in-year reports on actual borrowing are released at least semi-annually.</td>
</tr>
<tr>
<td></td>
<td>d. No, in-year reports on actual borrowing are not released.</td>
</tr>
<tr>
<td></td>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**

**Comment:**

**Peer Reviewer One Comment:** Please check: [http://www.treasury.gov.ph/statdata/monthly/mo_ngoutstandingdebt.pdf](http://www.treasury.gov.ph/statdata/monthly/mo_ngoutstandingdebt.pdf)

**Peer Reviewer Two Comment:** Since borrowings are accounted for on a cash basis, the cash operations report of the Bureau of the Treasury is an adequate basis for responding to Questions pertaining to borrowings.
90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?

a. Yes, extensive information related to the composition of government debt is presented.
b. Yes, key additional information is presented, but some details are excluded.
c. Yes, some additional information is presented, but it lacks important details.
d. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.
e. Not applicable/other (please comment).

Citation:

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “c.” Information essentially consists of borrowing flows (i.e., new borrowings and repayments), broken down by source (i.e., domestic or foreign) and some other details on the creditor. No information is given on the average maturity profile.

**Researcher Response:** I chose my answer “b” because the details presented in the reports cover the requirements needed to satisfy the standards. The comment of PR2 may be added to qualify the answer, as s/he points out the lack of maturity profile.

**IBP Comment:** IBP editors chose answer, “b” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.
91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?

   a. Reports are released 1 month or less after the end of the period.
   b. Reports are released 2 months or less (but more than 1 month) after the end of the period.
   c. Reports are released more than 2 months after the end of the period.
   d. In-year reports are not released.
   e. Not applicable/other (please comment).

Citation:
See citation in Item 82.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “d.” See comments on Question 82.

Researcher Response: I retain my view on the answer “a.” The posting is within 15 days, at the latest 22 days. For example, the treasury now has data only up to July, therefore the August data will be posted on mid-September.

The delay happens on the first three months of the year, as seen in the 2006 link in the previous questionnaire. This is because the year-end reporting in December takes up to two months. Therefore, the data for December, January and February will be posted only in March.

On a monthly basis, however, the prescribed period is followed. I realize that we should have answered “a” in 2006, to refer to the regular practice, not the unusual practice when the year-end reporting takes place.

IBP Comment: IBP editors chose answer, “a” to maintain the consistency of the assumptions used in selecting answers across the countries.
92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?

   a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.
   b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details.
   c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details.
   d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.
   e. Not applicable/other (please comment).

Citation:
This answer was provided by the IRO: Yes, the mid-year review includes a discussion of the economy but it lacks important details. The mid-year performance of the fiscal sector as well as the real sector are both presented during the IRO-sponsored press conferences and mid-year economic briefing and this information is also included in the annual presentation of the Development Budget Coordination Committee to Congress relative to the submission of the proposed budget for the succeeding year.

Comment:

Peer Reviewer One Comment: Please check also:
http://www.neda.gov.ph/econreports_dbs.asp, and

Peer Reviewer Two Comment: A more appropriate response to this question would be “d.” The executive releases information on changes in economic outlook quarterly during press releases by the Economic Planning Secretary as well as during the Midyear Economic and Financial Briefing. The press releases and presentations are posted on the website.

The mid-year briefing, however, is very similar in format and content to the quarterly briefing. Based on the Guide to the Open Budget Questionnaire, the Mid-Year Briefing does not qualify as the Mid-Year Review since it does not provide an analysis more significant than those provided during the second leg of the quarterly briefing. There is no thorough analysis of the economy half way through the year under review.

Researcher Response: I retain my view on answer “b.” The documents provided in Table 2 make up the Mid-year review. As yet, like the in-year reports, the reports do not meet the standards set by the OECD. However, these reports do provide an explanation of the state of the budget six months into the budget year, identify emerging problems and their impact on the budget, and updated projections of revenues and expenditures.

IBP Comment: IBP editors chose answer, “b” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the Guide to the Open Budget Questionnaire.
93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>a.</td>
<td>Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided.</td>
</tr>
<tr>
<td>d.</td>
<td>No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**
This answer was provided by the IRO: Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided.

**Comment:**

**Peer Reviewer One Comment:** Please check also [http://www.treasury.gov.ph/statdata/monthly/mo_corsum.pdf](http://www.treasury.gov.ph/statdata/monthly/mo_corsum.pdf)

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “d.” The executive does not issue a mid-year budget report showing actual expenditures. Only actual cash disbursements are reported. See comments on Questions 82 and 92.

**Researcher Response:** See response to Question 92.

**IBP Comment:** IBP editors chose answer, “c” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*. 
94. What is the most detail provided in the mid-year review for expenditures?

   a. The mid-year review includes program-level detail for expenditures.
   b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs).
   c. The mid-year review includes only departmental totals (or functional totals).
   d. The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget.
   e. Not applicable/other (please comment).

   Citation:
   This answer was provided by the IRO: The mid-year review is limited to economic classification and does not give the department totals.

   Comment:
   **Peer Reviewer One Comment:**

   **Peer Reviewer Two Comment:**

   d
95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?

a. Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.
b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided.
c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided.
d. No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget.
e. Not applicable/other (please comment).

Citation:

Comment: Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: The executive does not issue a Mid-Year budget report (See comments on Question 92). However, a report on updated revenue estimates for the remainder of the year is available during press briefings and the Midyear Economic and Financial Briefing. This, however, does not qualify as a Mid-Year Review since no extensive analysis nor significant new additional information to the quarterly report is provided.

Researcher Response: See response to Question 92.

IBP Comment: IBP editors chose answer, “c” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the Guide to the Open Budget Questionnaire.
96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain minimal level specified in law or regulation)?

   a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units.
   b. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment.
   c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented.
   d. No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below).
   e. Not applicable/other (please comment).

**Citation:**

- **Comment:**
  Only the DBM has the power to reallocate, delay, withhold, and suspend expenditures, depending on the availability of funds.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** The President has the power to use savings from unused items of expenditures to augment other items of expenditures provide in the budget. This power is granted by law and by the Constitution. The President, therefore, theoretically enjoys a wide degree of latitude in implementing the budget. In practice, the power can be subject to abuse depending on the political atmosphere.
97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?

   a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.
   b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities.
   c. The procurement of goods and services followed an open and competitive process in many instances, but there were significant reported examples of irregularities.
   d. No, the procurement process was not open and competitive in practice.
   e. Not applicable/other (please comment).

Citation:

Comment:
Yes, there have been reports, specifically those from the Commission on Audit (COA). In the previous reports on the use of Official Development Assistance funds, for example, the COA reported instances of overpricing, deficiencies/errors in the preparation of procurement documents, and even non-compliance with procurement laws, rules, and regulations. In 2006, COA also found that the Presidential Management Staff under the Office of the President has no Annual Procurement Program; COA said procurement of supplies and materials were not done through competitive bidding (See: http://www.coa.gov.ph/2006_AAR/NGAs/ES/PMS_ES06.pdf). There are other more examples in the COA website.

The DBM in its 2007 mid-year review reported that there are ongoing reforms in the procurement process. They're now developing the Online Monitoring and Evaluation System. As of September 2007, the participation rate in national government agencies is 85.9 percent; in state universities and colleges, 95.3 percent; in government-owned and -controlled corporations, 55.8 percent; and in local government units, a mere 6.8 percent (See: http://www.iro.ph/downloads/Presentations/Sept%202007%20MYEB07/DBM-MYEB07%20FINAL.pdf).

Peer Reviewer One Comment:

Peer Reviewer Two Comment: The Government Procurement Reform Act has instituted open and competitive bidding as the primary method of procurement for goods and services, civil works, and consulting work. There are, however, exceptions to the law, the most controversial of which involve ‘G-to-G’ transactions where the government supplier also provides financing. One such major issue erupted in 2007 involving high-level cabinet officials. Several other big projects are currently under Senate investigation for allegations of bribery and overpricing, among others. In addition, audit reports of the Commission on Audit, the country’s supreme audit unit, show many instances of violating the open bid rule.
98. When does the legislature typically approve supplemental budgets?

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<table>
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<tbody>
<tr>
<td>a.</td>
<td>Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify).</td>
</tr>
<tr>
<td>b.</td>
<td>Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify).</td>
</tr>
<tr>
<td>c.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** The executive rarely proposes a supplemental budget to Congress. It usually happens only in cases of huge disasters (the Mount Pinatubo volcanic eruption) or when the budget is re-enacted during which time the effective budget is severely hampered by the non-approval of new programs.

99. In most years, how large are supplemental budget requests relative to the size of the original budget?

<p>| | |</p>
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<tbody>
<tr>
<td>a.</td>
<td>Supplemental budgets are generally equal to 2 percent or less of the original budget.</td>
</tr>
<tr>
<td>b.</td>
<td>Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget.</td>
</tr>
<tr>
<td>c.</td>
<td>Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget.</td>
</tr>
<tr>
<td>d.</td>
<td>Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**

**Comment:**

**Researcher’s Response to this Question was “a.”**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “c.” The last supplemental budget submitted by the Executive to Congress was in 2006 as a result of the re-enactment of the 2005 budget in 2006. The amount represented almost 10% of the re-enacted budget since it covered budgetary items that Congress failed to enact during the regular budget season.

**Researcher Response:**

According to PR2, the supplemental budget in 2006 amounted to 10 percent of the total budget. As figures above show, the supplemental budget was slightly above 5 percent of the total in 2006. Prior to 2006, another supplemental budget was issued...
for the Mt. Pinatubo victims, amounting to P10 billion or again, slightly above 5 percent of the total budget at the time.

**Supplemental budgets, 2006 and 1992**

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total 2006</td>
<td>907,589,726,000</td>
</tr>
<tr>
<td>Supplemental 2006 (RA 9358)</td>
<td>46,426,524,000</td>
</tr>
<tr>
<td>% of total</td>
<td>5.11</td>
</tr>
<tr>
<td>Total 1992</td>
<td>194,778,147,000</td>
</tr>
<tr>
<td>Supplemental 1992 (RA 7637)</td>
<td>10,000,000,000</td>
</tr>
<tr>
<td>% of total</td>
<td>5.13</td>
</tr>
</tbody>
</table>

Usec Pascua reiterates that supplemental budgets are not usually resorted to.

Nevertheless, Peer Reviewer Two is right in saying that “c” should be the proper answer.

The disparity with the previous questionnaire could be explained by difference in sources. The 2006 version was based on an interview with a top DBM Official. The 2008 version is based on documents, corroborated by at least three officials of DBM.

100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?

   a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget.
   b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.
   c. Expenditures are approved after the end of the fiscal year, for example in the next budget.
   d. Such expenditure takes place without legislative approval.
   e. Not applicable/other (please comment).

Citation:

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
### Executive’s Year-end Report and the Supreme Audit Institution

101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget’s actual outcome for the year?

   a. The report is released six months or less after the end of the fiscal year.
   b. The report is released 12 months or less (but more than six months) after the end of the fiscal year.
   c. The report is released more than 12 months after the end of the fiscal year.
   d. The executive does not release a year-end report.
   e. Not applicable/other (please comment).

   **Citation:**

   **Comment:**

   **Peer Reviewer One Comment:**

   **Peer Reviewer Two Comment:**

102. In the year-end report have the data on the actual outcomes been audited?

   a. Yes, all data on actual outcomes have been audited.
   b. At least two-thirds, but not all, of the data on actual outcomes have been audited.
   c. Less than two-thirds of the data on actual outcomes have been audited.
   d. None of the data on actual outcomes has been audited, or a year-end report is not released.
   e. Not applicable/other (please comment).

   **Citation:**

   **Comment:**

   None of the data on actual outcomes have been audited.

   **Peer Reviewer One Comment:**

   **Peer Reviewer Two Comment:** The consolidated annual financial report is based on pre-closing trial balances and, therefore, does not reflect audited amounts.

---

90
103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

   Citation:
The annual report of the Central Bank of the Philippines includes a narrative discussion and quantitative estimates. Still, some important details are lacking (See:http://www.bsp.gov.ph/downloads/publications/2006/annrep2006.pdf)

Comment:  
**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

<table>
<thead>
<tr>
<th>104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.</td>
</tr>
<tr>
<td>b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).</td>
</tr>
<tr>
<td>c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).</td>
</tr>
<tr>
<td>d. No explanation of the differences is provided, or such a report is not released.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation:  
Comment:  

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
c. Yes, some explanation is presented, but it lacks important details.
d. No, an explanation is not presented, or such a report is not released.
e. Not applicable/other (please comment).

Citation:
See citation on Item 103.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
c. Yes, some explanation is presented, but it lacks important details.
d. No, an explanation is not presented, or such a report is not released.
e. Not applicable/other (please comment).

Citation:

Comment:
While the BSP has a year-end narrative report, it does not explain the difference in the outcome. The IRO files do show the difference but it does not include a narrative discussion.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:
<table>
<thead>
<tr>
<th>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</td>
</tr>
<tr>
<td>c. Yes, some explanation is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d. No, an explanation is not presented, or such a report is not released.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
<tr>
<td><strong>Citation:</strong></td>
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<tr>
<td><strong>Comment:</strong></td>
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<tr>
<td><strong>Peer Reviewer One Comment:</strong></td>
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<tr>
<td><strong>Peer Reviewer Two Comment:</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</th>
</tr>
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<tbody>
<tr>
<td>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</td>
</tr>
<tr>
<td>c. Yes, some explanation is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d. No, an explanation is not presented, or such a report is not released.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
<tr>
<td><strong>Citation:</strong> The executive is however implementing a results-based budgeting framework where performance indicators and accomplishments of agencies will be the basis of the budget the following fiscal year (See: <a href="http://www.iro.ph/downloads/Presentations/DBM%20LONG-%20Feb20.pdf">http://www.iro.ph/downloads/Presentations/DBM%20LONG-%20Feb20.pdf</a>).</td>
</tr>
<tr>
<td><strong>Comment:</strong></td>
</tr>
<tr>
<td><strong>Peer Reviewer One Comment:</strong></td>
</tr>
<tr>
<td><strong>Peer Reviewer Two Comment:</strong></td>
</tr>
</tbody>
</table>
109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country’s most impoverished populations and the actual outcome?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:
See citation in Item 108.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

110. Does the year-end report present the actual outcome for extra-budgetary funds?

- a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key issues, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information is not presented on extra-budgetary funds, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

Comment:
An explanation is not presented.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose answer, “d” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the Guide to the Open Budget Questionnaire.
111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?

   a. Final audited accounts are released to the public six months or less after the end of the fiscal year.
   b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year.
   c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year.
   d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public.
   e. Not applicable/other (please comment).

Citation:

Comment:
Although the Commission on Audit tries to release the documents within six months from the end of the fiscal year, the submission is delayed, sometimes running up to eight to nine months.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?

   a. All expenditures have been audited and the reports released to the public.
   b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited.
   c. Expenditure representing less than two-thirds of expenditure have been audited.
   d. No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year.
   e. Not applicable/other (please comment).

Citation:

Comment:
The so-called Risk-Based Financial Audit has been adopted by the national government agencies only in 2006.
I checked with COA and the audit prior to the 2006 method was on a sampling basis, covering at least half (or six months) of the full year. The answer “a” in 2006 therefore does not reflect the actual practice.
The inconsistency with the 2006 questionnaire can only be explained by the differences in answers provided by the COA. The answer in the 2008 version is based on documents, corroborated by at least two COA auditing officials.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: The audit of some agencies or funds is sometimes delayed for various reasons. The un-audited amounts are, however, not significant.
113. Does the annual audit report(s) that is released to the public include an executive summary?

- The annual audit report(s) includes one or more executive summaries summarizing the report’s content.
- No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year.
- Not applicable/other (please comment).

Citation: Audit Reports for individual agencies.

Comment:

**Peer Reviewer One Comment**: Please check also:
[http://www.coa.gov.ph/Audit/AAR.htm](http://www.coa.gov.ph/Audit/AAR.htm)

**Peer Reviewer Two Comment**

114. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

- Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before they are removed.
- No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.
- Not applicable/other (please comment).

Citation: The head of the COA is appointed by the President. Under Article VI, Section II of the 1987 Constitution, s/he may only be removed through impeachment, which is initiated by Congress.

Comment:

**Peer Reviewer One Comment**: 

**Peer Reviewer Two Comment**
115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?

   a. Yes, the SAI releases to the public audits of all extra-budgetary funds.
   b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.
   c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.
   d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year.
   e. Not applicable/other (please comment).

Citation:
Audit Reports. Also, Audit Report for the Judiciary Development Fund.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “c.” Except for the audit of the Judiciary Development Fund, audits of specific extra-budgetary funds are not released to the public. COA posts in its website only the audit reports of agencies but not of specific items of extra-budgetary funds.

116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

   a. The SAI has full discretion to decide which audits it wishes to undertake.
   b. The SAI has significant discretion, but faces some limitations.
   c. The SAI has some discretion, but faces considerable limitations.
   d. The SAI has no discretion to decide which audits it wishes to undertake.
   e. Not applicable/other (please comment).

Citation:
See: Article IX-D of the 1987 Constitution.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:
117. Who determines the budget of the Supreme Audit Institution?

a. The budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

c. The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.

d. The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.

e. Not applicable/other (please comment).

Citation:

Comment:

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “a.” The budget of COA is approved by Congress just like all Constitutional Offices. COA enjoys fiscal autonomy by law. As such, its head has wide latitude to use savings and to realign its budget.

**Researcher Response:** To illustrate why we chose the “b” answer, the COA proposed a budget of P4.58 billion in 2007. Their final budget, however, was only around P4.05 billion. In 2006, while COA proposed a budget of P4.3 billion, their approved budget was only P3.95 billion.

This is to show that while COA -- just like any agency -- has fiscal autonomy, it still does not have the necessary funds to fulfill its mandate in the manner it deems fit.

**IBP Comment:** IBP editors chose answer, “c” to maintain the consistency of the assumptions used in selecting answers across the countries.
118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?

   a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate.
   b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate.
   c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate.
   d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector.
   e. Not applicable/other (please comment).

**Citation:**

**Comment:**
Intelligence funds, according to COA chair Guillermo Carague, are not audited. Under COA circulars, the audit and liquidation of intelligence and confidential funds only require liquidation vouchers and a certification of the agency head for the utilization of the intelligence and confidential expense.

Under COA Circular 2003-002, “Any disbursement from the intelligence/confidential funds shall be accounted for solely on the certification of the Head of Agency responsible for the intelligence, confidential, national security mission project or undertaking.”

The liquidation report will then be cours ed through the agency auditor, to be submitted in a sealed envelope with a visible label “Confidential – For COA Chairman Only.”

**Peer Reviewer One Comment:** Please check also: [http://www.coa.gov.ph/Rules.htm](http://www.coa.gov.ph/Rules.htm)

**Peer Reviewer Two Comment:** While designated personnel are employed to undertake an audit of the national security sector, intelligence and confidential funds appropriated are not audited. Only a simple certification by the authorized official that the amounts were used for intended purposes is required to liquidate expenditures used for intelligence or confidential purposes.
119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?

a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year.

b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year.

c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit.

d. No, the SAI does not maintain any formal mechanisms of communication with the public.

e. Not applicable.

Citation:

Comment:
The COA lists on its website an email address and a hot line. It also has a public information office where complaints are received.

**Peer Reviewer One Comment:** Please check also: http://www.coa.gov.ph/Fraud.htm

**Peer Reviewer Two Comment:**
120. Does a committee of the legislature view and scrutinize the audit reports?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, all audit reports are scrutinized.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, most audit reports are scrutinized.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some audit reports are scrutinized.</td>
</tr>
<tr>
<td>d.</td>
<td>No, audit reports are not scrutinized.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**
According to Representative Rufino Biazon, member of the House Committee on Appropriations, audit reports are submitted yearly to the Committee. Some of these reports, depending on the initiative of committee members, are scrutinized during the budget deliberations of the Commission on Audit. Also, congressmen may conduct further inquiries into the findings of the Audit Commission.

**Comment:**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be “c.” In practice, audit reports are only partly scrutinized by members of the legislature. Congress does not have a designated Committee that regularly scrutinizes audit reports. Scrutiny of audit reports usually happens during Congressional budget deliberations.

**Researcher Response:** The answer is qualified by the comment. PR2’s comment may however be noted.

**IBP Comment:** IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.

121. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, the executive reports publicly on what steps it has taken to address audit findings.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, the executive reports publicly on most audit findings.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, the executive reports publicly on some audit findings.</td>
</tr>
<tr>
<td>d.</td>
<td>No, the executive does not report on steps it has taken to address audit findings.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation:**

**Comment:**
There is no formal body to ensure the implementation the COA’s recommendations.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**
122. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

- a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations.
- b. Yes, a report is released, covering key audit recommendations, but some details are excluded.
- c. Yes, a report is released, but it lacks important details.
- d. No, a report is not produced or it is prepared for internal purposes only (please specify).
- e. Not applicable/other (please comment).

**Citation:**

**Comment:**
Agencies report to COA on the steps they have taken to address the recommendations. These findings are reflected in the succeeding annual report.

**Peer Reviewer One Comment:** Please check also: [http://www.coa.gov.ph/Audit/AAR.htm](http://www.coa.gov.ph/Audit/AAR.htm)” for sample of audit report with status of implementation of prior year’s recommendations.

**Peer Reviewer Two Comment:**

123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?

- a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs.
- b. Yes, legislators are provided audit reports on secret items, but some details are excluded.
- c. Yes, legislators are provided audit reports on secret items, but they lack important details.
- d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).
- e. Not applicable/other (please comment).

**Citation:**
The COA Chairman, in an interview, admitted that intelligence and similar funds are not audited.

**Comment:**
Copies of detailed reports of intelligence and confidential funds, the Committee on Appropriations said these reports are not submitted to them.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** The regular budgets of the national security agencies are audited. The intelligence and confidential accounts, however, are not. Thus, no audit report on the latter items is provided to legislators.