Section 1. Public Availability of Budget Docs. “Section One: The Availability of Budget Documents” contains a series of four tables that allow the researcher to examine and map the public availability and dissemination of its country’s key budget documents (i.e., Pre-Budget Statement, Executive’s Budget Proposal (EBP) and Supporting EBP Documents, Citizens Budget, Enacted Budget, In-Year Reports, Mid-Year Review, Year-End Report, and Audit Report), as well as any national laws regulating budget processes and financial management. Once filled in, these tables will serve as a foundation for the completion of the rest of the questionnaire, as researchers will reference the specific documents cited in the tables to answer the questions contained in Sections 2-5 of the questionnaire.

Table 1. Key Budget Documents

<table>
<thead>
<tr>
<th>BUDGET DOCUMENT</th>
<th>Full Title</th>
<th>Fiscal Year the Budget Document Refers to</th>
<th>Date of Publication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Type</td>
<td>Title</td>
<td>Year</td>
<td>Date</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>------</td>
<td>------------</td>
</tr>
<tr>
<td></td>
<td>Cash Operations Report, as of December 2013: March 17, 2014 (date retrieved on BTr website) Customarily updated monthly three weeks from reference period, beginning March. Debt reports, as of December 2013:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Additional in-year report

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Year</th>
<th>Date Retrieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursement reports, as of November 2013: February 5, 2014 (date retrieved on DBM website) Customarily updated upon release of Treasury reports. Quarterly Fiscal Program of the National Government: April 2013 Monthly Statements of Allotment Releases and Utilization of Cash Allocation: Customarily uploaded within 30 days of reporting period.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Not applicable

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Year</th>
<th>Date Retrieved</th>
</tr>
</thead>
</table>

**Sources:** Legal provisions and guidelines pertaining to the publication of the Executive's Budget Proposal, Enacted Budget, In-Year Reports, and Audit Report in the Philippines are as follows: Executive's Budget Proposal The release date of the budget proposal is provided in Section 22, Article VII of the 1987 Constitution, which reads: "The President shall submit to the Congress, within thirty days from the opening of every regular session as the basis of the general appropriations bill, a budget of expenditures and sources of financing, including receipts from existing and proposed revenue measures." This provision may be read at: [http://www.lawphil.net/consti/cons1987.html](http://www.lawphil.net/consti/cons1987.html) As well, the Department of Budget and Management (DBM) publishes a budget calendar
which specifies, among others, the submission of the President's Budget to Congress. The 2014 Budget Calendar can be seen on the Internet at: http://www.dbm.gov.ph/wp-content/uploads/Issuances/2013/Joint%20Memorandum%20Circular/NBM115/2014%20CALENDAR.pdf Enacted Budget The 1987 Constitution suggests that the budget should be passed by end of the fiscal year. Section 25 (7), Article VI of the 1987 Constitution reads: “If, by the end of the fiscal year, the Congress shall have failed to pass the General Appropriations Bill for the ensuing fiscal year, the General Appropriations Law for the preceding fiscal year shall be deemed re-enacted and shall remain in force and effect until the General Appropriations Bill is passed by Congress.” This provision may be read at: http://www.lawphil.net/consti/cons1987.html In-Year Reports According to the Bureau of the Treasury's Advances Release Calendar dated January 16, 2014, National Government Cash Operations reports will be uploaded monthly, 12 working days from reference period. Debt reports, meanwhile, will be published six weeks from reference period. Corresponding reports from the DBM are based on and are released upon publication of the Treasury reports. Audit Report Section 43 of Presidential Decree No. 1445 or “The State Audit Code of the Philippines” states: “A report of audit for each calendar year shall be submitted on the last working day of February following the close of the year, by the head of each auditing unit through the Commission to the head or the governing body of the agency concerned, and copies thereof shall be furnished the government officials concerned or authorized to receive them.” In addition, the law sets the date of submission of the Consolidated Annual Financial Reports (AFR) and other COA reports not later than the last day of September of each year. According to the Commission's Public Information Office, the COA meets the deadline except for special circumstances such as an agency's non-compliance with accounting rules and regulations or delays in the management's comments to issues raised in the course of the audit. P.D. No. 1445 can be accessed here: http://www.coa.gov.ph/Rules/PD1445/PD1445.pdf

**Comments:** For this round of the Survey, the Philippine government has produced the Pre-Budget Statement, Mid-Year Review, Year-End Report, and Citizens Budget for the Executive's Budget Proposal, Enacted Budget, and Pre-Budget Statement. These documents were not publicly available in the 2012 round. Related document for In-Year Report: Quarterly Reports on Economic and Financial Developments, Bangko Sentral ng Pilipinas, January-December 2013 (Published on the fourth or last week of the subsequent quarter) Answers on Table 1 were guided by information requests sent to the heads of the Department of Budget and Management, Bureau of the Treasury, and the Commission on Audit. Formal letters were sent on April 8, 2014. Responses to queries were received by the researcher either by email or phone call.

**GOVERNMENT REVIEWER**

**Opinion:** Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

**Comments:** Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: We would like to add to the budget documents identified by the researcher: On the Executive's Budget Proposal (EBP): We note that the Details of the Budget (Annex A Vols. 1 and 2) “shall be considered an integral part of (the General Appropriations) Act” (per NEP General Provisions Sec. 3) We likewise note that the Development Budget Coordination Committee (DBCC) began publishing the Fiscal Risks Statement in 2013 (http://www.dbm.gov.ph/wp-content/uploads/DBCC_MATTERS/FiscalRiskStatement/FRS_2013.pdf), and published a subsequent edition in 2014 (http://www.dbm.gov.ph/wp-content/uploads/DBCC_MATTERS/FiscalRiskStatement/FRS_2014.pdf). On the Citizen's Budget (CB): For the CB on the EBP, audio-visual presentations (AVPs) produced by the DBM on the new Performance Informed Budget (see https://www.youtube.com/watch?v=Y3nJA-FBws0) and on the 2014 Proposed Budget (see https://drive.google.com/folderview?id=0B2Gf5sL6HedMfkdpLWZRWUQ0RlE4TUw1N3RwUzZFeDM5X1dwTDIkczdFcE9Pa3jrZEtzakE&usp=sharing) should be cited. These AVPs were also played in the committee hearings of the House and Senate as well as various fora with stakeholders and the Secretary's speaking engagements. Meanwhile, for the CB on the EB, while indeed the 2014 People's Budget was published late, a citizen-friendly summary infographic/flyer of the 2014 General Appropriations Act (see http://budgetngbayan.com/a-briefer-on-the-2014-national-budget-2843/) was published on December 20, 2013 (enactment day). Physical copies were distributed to participants of the enactment ceremony (including CSOs and media), and uploaded on DBM’s Facebook page (https://www.facebook.com/DBMphilippines/posts/3763650691616358:0) On In-Year Reports (IYRs): In addition, the DBM also publishes quarterly Statements of Allotments, Obligations, and Balances (see http://www.dbm.gov.ph/?page_id=1824), showing the obligations incurred by agencies against the appropriations already released to them. Furthermore, before the Priority Development Assistance Fund (PDAF) was abolished by the President in August 2013 and rendered unconstitutional by the Supreme Court in November 2013, the DBM has been publishing releases from such pork barrel funds in real time (see http://pdaf.dbm.gov.ph/index.php). This portal is still online for public record.

**PEER REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.
### Table 2a. Details about Availability

**Philippines**

<table>
<thead>
<tr>
<th>Budget Documents</th>
<th>Pre-Budget Statement</th>
<th>Executive's Budget Proposal</th>
<th>Enacted Budget</th>
<th>Citizens Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is it produced at all?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Is it produced for internal purposes only?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Is it published too late compared to the accepted timeframe?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Is it available to the public in hard copy, with charge?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Is it available to the public in hard copy, NO charge?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Is it available to the public in soft copy, with charge?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Is it available to the public in soft copy, NO charge?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Is it available to the public online?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

If available online, provide internet/URL address

- [http://www.dbm.gov.ph/?page_id=6690](http://www.dbm.gov.ph/?page_id=6690)
- [http://www.dbm.gov.ph/?page_id=3610](http://www.dbm.gov.ph/?page_id=3610)
- [http://www.dbm.gov.ph/?page_id=3692](http://www.dbm.gov.ph/?page_id=3692)
- [http://www.dbm.gov.ph/?page_id=7906](http://www.dbm.gov.ph/?page_id=7906)
- [http://www.dbm.gov.ph/?page_id=8002](http://www.dbm.gov.ph/?page_id=8002)

Citizens Budget for the 2014 Executive's Budget Proposal:
Sources: General note on documents produced by the Department of Budget and Management Print copies of the budget documents are mostly produced for national government agencies and legislators. Citizens, however, may request a hard copy of the document from the DBM free of charge. Requests may be coursed through the Civil Society Organization Desk (for CSOs and other partners) and the Public Information Unit (for media and the general public).

As of April 28, 2014, datasets in the 2014 Budget of Expenditures and Sources of Financing, National Expenditure Program, and General Appropriations Act are being collated and formatted for upload in data.gov.ph by the first week of May 2014. Citizens Budget for the 2014 Enacted Budget DBM produced the Citizens Budget for the 2014 Enacted Budget, but it was published beyond IBP’s accepted timeframe, which is three months from the date the budget was enacted. The 2014 Budget was enacted into law on December 20, 2013. The CB for the 2014 EB was published on March 25, 2014.

Comments: Answers on Table 2 were guided by information requests sent to the heads of the Department of Budget and Management, Bureau of the Treasury, and the Commission on Audit. Formal letters were sent on April 8, 2014. Responses to queries were received by the researcher either by email or phone call.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: On the availability of machine-readable files: We wish to note that DBM has started publishing open data files of the EBP (National Expenditure Program (NEP)) and EB (General Appropriations Act (GAA)) since 2012, with the 2012 GAA and 2013 NEP being the first open data sets published by DBM (on http://budgetngbayan.com/category/budget-documents/) The government launched Data.gov.ph on 16 January 2014 which, among others, features open data sets on the Budget as proposed and enacted. Upon its launch, the open data files of the NEP and/or GAA for 2014 and prior years have been uploaded in this portal; however, we discovered a technical glitch which effectively deleted the GAA 2014 file from the portal. We have re-uploaded it (http://data.gov.ph/catalogue/dataset/general-appropriations-act-fiscal-year-2014). We also note, in addition, that the PDAF (pork barrel) disclosure portal (cited in the government comment on Table 2 (IYRs) offers data on PDAF releases in open format (the CSV file of 2013 PDAF releases can be found in http://pdfa.dbm.gov.ph/index.php?r=Site/District_rep/fy/2013).

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
## Philippines

**Budget Documents**

Tick box if answer to the questions is "yes"

<table>
<thead>
<tr>
<th></th>
<th>In-Year Report</th>
<th>Mid-Year Review</th>
<th>Year-End Report</th>
<th>Audit Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Is it produced at all?</strong></td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
</tr>
<tr>
<td><strong>Is it produced for internal purposes only?</strong></td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
</tr>
<tr>
<td><strong>Is it published too late compared to the accepted timeframe?</strong></td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
</tr>
<tr>
<td><strong>Is it available to the public in hard copy, with charge?</strong></td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
</tr>
<tr>
<td><strong>Is it available to the public in hard copy, NO charge?</strong></td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
</tr>
<tr>
<td><strong>Is it available to the public in soft copy, with charge?</strong></td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
</tr>
<tr>
<td><strong>Is it available to the public in soft copy, NO charge?</strong></td>
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<td>☑ Yes</td>
<td>☑ Yes</td>
</tr>
<tr>
<td><strong>Is it available to the public online?</strong></td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
</tr>
</tbody>
</table>

If available online, provide internet/URL address:

Is it machine readable? [only for electronic copies]

- Yes
- No

Is there a “citizens version” of the budget document?

- Yes
- No

Sources: General note on documents produced by the Department of Budget and Management Print copies of the budget documents are mostly produced for national government agencies and legislators. Citizens, however, may request a hard copy of the document from the DBM free of charge. Requests may be coursed through the Civil Society Organization Desk (for CSOs and other partners) and the Public Information Unit (for media and the general public). DBM typically produces 1,000 to 1,500 copies of the documents composing the Pre-Budget Statement, Executive's Budget Proposal, and Enacted Budget. A total of 7,000 copies, meanwhile, was produced for the Citizens Budget for the EBP. As of April 28, 2014, datasets in the 2014 Budget of Expenditures and Sources of Financing, National Expenditure Program, and General Appropriations Act are being collated and formatted for upload in data.gov.ph by the first week of May 2014. Citizens Budget for the 2014 Enacted Budget DBM has produced a Citizens Budget for the 2014 Enacted Budget, but it was published beyond IBP’s accepted timeframe, which is three months from the date the budget was enacted. The 2014 budget was enacted into law on December 20, 2013. The Citizens Budget for the 2014 Enacted Budget was published on March 25, 2014. In-Year Reports Documents are uploaded on the Bureau of the Treasury and the Department of Budget and Management websites by established practice. The Treasury does not release separate monthly reports. The same file is updated monthly and is uploaded on the same web link. The Treasury may provide, upon request, either a hard or soft (PDF or Excel) copy of the reports to citizens, whichever format is convenient to the requesting party. Audit Reports Citizens who wish to obtain a hard copy of audit reports may file a request with the Commission on Audit, following COA Circular 2013-006. The requesting party must accomplish the request form and pay corresponding fees. COA Circular 2013-006 may be accessed at: http://www.coa.gov.ph/index.php/2013-06-19-13-06-41/1-circulars/category/4440-cy-2013 The COA started publishing the 2012 Annual Audit Reports on June 18, 2013.

Comments: Answers on Table 2 were guided by information requests sent to the heads of the Department of Budget and Management, Bureau of the Treasury, and the Commission on Audit. Formal letters were sent on April 8, 2014. Responses to queries were received by the researcher either by email or phone call.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: On the availability of machine-readable files: We wish to note that DBM has started publishing open data files of the EBP (National Expenditure Program (NEP)) and EB (General Appropriations Act (GAA)) since 2012, with the 2012 GAA and 2013 NEP being the first open data sets published by DBM (on http://budgetngbayan.com/category/budget-documents/) The government launched Data.gov.ph on 16
January 2014 which, among others, features open data sets on the Budget as proposed and enacted. Upon its launch, the open data files of the NEP and/or GAA for 2014 and prior years have been uploaded in this portal; however, we discovered a technical glitch which effectively deleted the GAA 2014 file from the portal. We have re-uploaded it (http://data.gov.ph/catalogue/dataset/general-appropriations-act-fiscal-year-2014). We also note, in addition, that the PDAF (pork barrel) disclosure portal (cited in the government comment on Table 2 (IYRs) offers data on PDAF releases in open format (the CSV file of 2013 PDAF releases can be found in http://pdaf.dbm.gov.ph/index.php?r=Site/District_rep/fy/2013).

**PEER REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

<table>
<thead>
<tr>
<th>Table 3. When Are the Key Budget Documents Made Available to the Public?</th>
</tr>
</thead>
</table>

### Philippines

**Pre-Budget Statement: When is the Pre-Budget Statement made available to the public?**

- 100. At least four months in advance of the budget year, and at least one month before the executive's budget proposal is introduced in the legislature
- 67. At least two months, but less than four months, in advance of the budget year, and at least one month before the executive's budget proposal is introduced in the legislature
- 33. Less than two months in advance of the budget year, but at least one month before the executive's budget proposal is introduced in the legislature
- 0. Does not release to the public, or is released less than one month before the executive's budget proposal is introduced to the legislature

**Executive Budget Proposal: When is the Executive Budget Proposal made available to the public?**

- 100. At least three months in advance of the budget year, and in advance of the budget being approved by the legislature
- 67. At least two months, but less than three months, in advance of the budget year, and in advance of the budget being approved by the legislature
- 33. Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature
- 0. Does not release to the public, or is released after the budget has been approved by the legislature

**Enacted Budget: When is the Enacted Budget made available to the public?**

- 100. Two weeks or less after the budget has been enacted
- 67. Between two weeks and six weeks after the budget has been enacted
- 33. More than six weeks, but less than three months, after the budget has been enacted
- 0. Does not release to the public, or is released more than three months after the budget has been enacted

**In-Year Report: When are In-Year Reports made available to the public?**

- 100. At least every month, and within one month of the period covered
- 67. At least every quarter, and within three months of the period covered
- 33. At least semi-annually, and within three months of the period covered
- 0. Does not release to the public

**Mid-Year Review: How long after the mid-point in the fiscal year (i.e., six months into the fiscal year) is the Mid-Year Review made available to the public?**

- 100. Six weeks or less after the mid-point
Year-End Report: How long after the end of the budget year is the Year-End Report made available to the public?

- 67. Nine weeks or less, but more than six weeks, after the mid-point
- 33. More than nine weeks, but less than three months, after the mid-point
- 0. Does not release to the public, or is released more than three months after the mid-point

Audit Report: How long after the end of the fiscal year are the final annual expenditures of national departments audited and released (except for secret programs)?

- 100. Six months or less after the end of the budget year
- 67. Nine months or less, but more than 6 months, after the end of the budget year
- 33. More than nine months, but within 12 months, after the end of the budget year
- 0. Does not release to the public, or is released more than 12 months after the end of the budget year

Sources: Legal provisions and guidelines pertaining to the publication of the Executive's Budget Proposal, Enacted Budget, In-Year Reports, and Audit Report in the Philippines are as follows:

Executive's Budget Proposal: The release date of the budget proposal is provided in Section 22, Article VII of the 1987 Constitution, which reads: "The President shall submit to the Congress, within thirty days from the opening of every regular session as the basis of the general appropriations bill, a budget of expenditures and sources of financing, including receipts from existing and proposed revenue measures." This provision may be read at: http://www.lawphil.net/consti/cons1987.html

Enacted Budget: The 1987 Constitution suggests that the budget should be passed by the end of the fiscal year. Section 25 (7), Article VI of the 1987 Constitution reads: "If, by the end of the fiscal year, the Congress shall have failed to pass the General Appropriations Bill for the ensuing fiscal year, the General Appropriations Law for the preceding fiscal year shall be deemed re-enacted and shall remain in force and effect until the General Appropriations Bill is passed by Congress." This provision may be read at: http://www.lawphil.net/consti/cons1987.html

In-Year Reports: According to the Bureau of the Treasury's Advances Release Calendar dated January 16, 2014, National Government Cash Operations reports will be uploaded monthly, 12 working days from reference period. Debt reports, meanwhile, will be published six weeks from reference period. Corresponding reports from the DBM are based on and are released upon publication of the Treasury reports. Audit Report: Section 43 of Presidential Decree No. 1445 or "The State Audit Code of the Philippines" states: "A report of audit for each calendar year shall be submitted on the last working day of February following the close of the year, by the head of each auditing unit through the Commission to the head or the governing body of the agency concerned, and copies thereof shall be furnished the government officials concerned or authorized to receive them." In addition, the law sets the date of submission of the Consolidated Annual Financial Reports (AFR) and other COA reports not later than the last day of September of each year. According to the Commission's Public Information Office, the COA meets the deadline except for special circumstances such as an agency's non-compliance with accounting rules and regulations or delays in the management's comments to issues raised in the course of the audit. P.D. No. 1445 can be accessed here: http://www.coa.gov.ph/Rules/PD1445/PD1445.pdf

Comments: No additional comment.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose "YES, I agree with the score and have no comments to add." Government Reviewer 2: Certain IYRs (e.g. BTr NG Cash Operations Reports) are released monthly and within a month after the period, while others (e.g. BTr NG Debt Indicators) are released quarterly (e.g. DBM SAOB) and/or are released more than a month after the period (e.g. BTr Debt Reports). It must be noted that the 2012 OBS methodology measures the timeliness of IYRs on expenditures, revenues, and borrowings separately; while the current methodology considers the latest publishing timeline.
**Opinion:** Yes, I agree with the score and have no comments to add.

### Table 4. General Questions

<table>
<thead>
<tr>
<th>Philippines</th>
<th>YES/NO</th>
<th>If yes, additional information; If no, please note N/A in the text box.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is there a website or web portal for government fiscal information?</td>
<td>Yes</td>
<td><a href="http://budgetngbayan.com">http://budgetngbayan.com</a></td>
</tr>
<tr>
<td>No</td>
<td><a href="http://dbm.gov.ph">http://dbm.gov.ph</a></td>
<td></td>
</tr>
<tr>
<td>Is there a law (or laws) guiding public financial management?</td>
<td>Yes</td>
<td>See source box below.</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are there additional laws regulating:</td>
<td>Yes</td>
<td>See source box below.</td>
</tr>
<tr>
<td>• Access to information?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>• Transparency?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Citizens participation?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section 2. Comprehensiveness of the Executive's Budget Proposal

001. Does the Executive's Budget Proposal 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. Yes, administrative units accounting for all expenditures are presented.
B. Yes, administrative units accounting for at least two-thirds of, but not all, expenditures are presented.

C. Yes, administrative units accounting for less than two-thirds of expenditures are presented.

D. No, expenditures are not presented by administrative unit.

E. Not applicable/other (please comment).

Philippines

B.

Score: 67

Sources: The 2014 Executive's Budget Proposal presents expenditures by administrative unit and special purpose fund. This information can be found in Tables I to XXXV of the 2014 National Expenditure Program, which is available at http://www.dbm.gov.ph/?page_id=6697. A summary is also provided in Tables I-A and I-B of the same document. Similarly, Tables B.2.c, B.3.c, and B.4.c of the 2014 Budget of Expenditures and Sources of Financing show expenditures by administrative unit and special purpose fund. These tables can be seen on the Internet at http://www.dbm.gov.ph/?page_id=6690.

Comments: The practice is similar to that in the prior round, but the researcher's reassessment has led to a change in response. As in previous budget years and past rounds of the Survey, the 2014 Executive's Budget Proposal groups expenditures by agency and special purpose funds, in addition to automatic appropriations and unprogrammed funds. Agency budgets refer to the expenditures of the executive, legislative, and judicial branches of government; the constitutional commissions; and other agencies. Special Purpose Funds (SPF), on the other hand, are composed of lump-sum funds governed by special provisions or requirements that are released upon the approval of the president. SPFs comprise 14 percent or P310 billion of the proposed budget for 2014. Agencies that will receive and implement some of the SPFs, like the “Budgetary Support to Government Corporations,” are identified in the budget proposal. But due to the nature of other items like the Priority Development Assistance Fund (PDAF), Calamity Fund (later changed to National Disaster Risk Reduction and Management Fund in the 2014 Enacted Budget), and E-Government Fund, recipients are not provided. Lump-sum appropriations falling under SPFs have a history of being highly discretionary and difficult to track because the specific use and beneficiary of the fund will be identified or given more detail during budget execution. This was most evident in the PDAF or pork-barrel system, or the yearly amount assigned to legislators for their pet projects. The PDAF has since been declared as unconstitutional by the Supreme Court on November 19, 2013. It was later moved to the budget of six agencies in the 2014 Enacted Budget.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Indeed, less than 100 percent of the 2014 proposed Budget was attributed per department and agency because some SPFs were not disaggregated as such. We however note that in the 2012 OBS, while the same question had been modified, the score provided was "a" even with the presence of certain SPFs which have no listed recipient agencies, as these could only be identified during budget execution (such as in the case of the Calamity Fund). Measures have been implemented to reduce the discretionary nature of and improve transparency in the use of SPFs especially those which are lump sum in nature. Releases from the Calamity Fund and the erstwhile PDAF, for instance, are being disclosed online.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

002. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?

A. Yes, expenditures are presented by functional classification.
B. No, expenditures are not presented by functional classification.

C. Not applicable/other (please comment).

Philippines

A.

Score: 100

Sources: The 2014 Executive's Budget Proposal presents expenditures by function. This classification can be found in Table B.8 of the 2014 Budget of Expenditures and Sources of Financing. The table titled “Expenditure Program by Sector, FYs 2012-2014” can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/B8.pdf. The breakdown of sectoral allocations is also provided in Table. B.8.a of the same document, which can be accessed on the same weblink.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Indeed, the current categorization of the Budget by Sector is not yet compatible with the COFOG. Current efforts are being undertaken such that future BESFs will include a presentation of the Budget by Sector following COFOG standards.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

003. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the functional classification compatible with international standards?

A. Yes, the functional classification is compatible with international standards.

B. No, the functional classification is not compatible with international standards, or expenditures are not presented by functional classification.

C. Not applicable/other (please comment).

Philippines

B.

Score: 0

Sources: The 2014 Executive's Budget Proposal presents expenditures by function. This classification can be found in Table B.8 of the 2014 Budget of Expenditures and Sources of Financing. The table titled “Expenditure Program by Sector, FYs 2012-2014” can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/B8.pdf. The breakdown of sectoral allocations is also provided in Table. B.8.a of the same document, which can be read on the same weblink. Majority of the functions identified in the United Nation's Classification of the Functions of Government are presented in Table B.8 of the 2014 BESF. However, the categorization is not fully consistent with the standard that lists 10 major functions. As in previous budget years, the 2014 Executive's Budget Proposal classifies expenditures into six functions: economic services, social services, defense, general public services, net lending, and debt-service interest payments. Public order and safety, environmental protection, and housing and community amenities are subsumed in other functions. The category for recreation, culture, and religion is also not stated.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Work has started to implement COFOG and also to align to GFS standards. Government Reviewer 2: Indeed, the current categorization of the Budget by Sector is not yet compatible with the COFOG. Current efforts are being undertaken such that future BESFs will include a presentation of the Budget by Sector following COFOG standards.

PEER REVIEWER

RESEARCHER’S RESPONSE

The classification is compatible, but not fully consistent with international standards. We thus suggest retaining the “b” answer.

004. Does the Executive’s Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?

A. Yes, expenditures are presented by economic classification.

B. No, expenditures are not presented by economic classification.

C. Not applicable/other (please comment).

Philippines

A. Yes, expenditures are presented by economic classification.

Score: 100

Sources: The 2014 Executive’s Budget Proposal presents expenditures by economic purpose. This classification can be found in Table B.1.a of the 2014 Budget of Expenditures and Sources of Financing. The table titled “Expenditure Program, By Object, CY 2014” can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/B1.pdf.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Aside from BESF Table B.1.a, BESF Table B.10 also presents an economic classification of the proposed Budget: Budget by Expense Class (composed of Current Operating Expenditures and Capital Outlays and their components, and Net Lending).

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

005. If the Executive’s Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?

A. Yes, the economic classification is compatible with international standards.

B. No, the economic classification is not compatible with international standards, or expenditures are not presented by economic
classification.

C. Not applicable/other (please comment).

Philippines

B.

Score: 0

Sources: The 2014 Executive's Budget Proposal presents expenditures by economic purpose. This information can be found in Table B.1.a of the 2014 Budget of Expenditures and Sources of Financing. The table titled “Expenditure Program, By Object, CY 2014” can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/B1.pdf. The 2014 Executive's Budget Proposal categorizes expenditures by personnel expenses, maintenance and other operating expenses, financial expenses, and capital outlays. The classification is not fully consistent with the standards set in the International Monetary Fund's Government Finance Statistics manual, which lists eight main categories.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

RESEARCHER’S RESPONSE

The classification is compatible, but not fully consistent with international standards. We thus suggest retaining the “b” answer.

006. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?

A. Yes, programs accounting for all expenditures are presented.

B. Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented.

C. Yes, programs accounting for less than two-thirds of expenditures are presented.

D. No, expenditures are not presented by program.

E. Not applicable/other (please comment).

Philippines

B.

Score: 67

Sources: The 2014 National Expenditure Program and the 2014 Details of the Budget present program-level data but not for all expenditures. Appropriations under Special Purpose Funds are not all broken down into subgroups because they are lump-sum funds. For instance, refer to page 952 of the 2014 NEP and page 1,447 of the 2014 Details of the Budget (Annex A, Volume 1) for the section on Priority Development Assistance Fund. The two cited documents can be seen on the Internet at http://www.dbm.gov.ph/?page_id=664 and http://www.dbm.gov.ph/?page_id=802, respectively.
007. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

A. Yes, multi-year expenditure estimates are presented by all three expenditure classifications (by administrative, economic, and functional classification).

B. Yes, multi-year expenditure estimates are presented by two of the three expenditure classifications.

C. Yes, multi-year expenditure estimates are presented by only one of the three expenditure classifications.

D. No, multi-year expenditure estimates are not presented by any expenditure classification.

E. Not applicable/other (please comment).

Philippines

D.
Score: 0

Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents shows that expenditure estimates for years succeeding the budget year are not presented in any classification. Please refer to the 2014 Budget of Expenditures and Sources of Financing and the 2014 National Expenditure Program, which can be seen on the Internet at http://www.dbm.gov.ph/?page_id=6690 and http://www.dbm.gov.ph/?page_id=6697, respectively.

Comments: Table A.2 titled “Fiscal Parameters, FY 2012-2016” of the 2014 Budget of Expenditures and Sources of Financing only presents aggregate projections of disbursements for 2015 and 2016.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: C.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: BESF Table A.2. presents multi-year estimates of expenditures categorized by broad economic classifications (i.e. Current Operating Expenditures, Capital outlays, and Net Lending) for 2015 and 2016.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER'S RESPONSE

The researcher suggests to retain answer “d.” More disaggregation of information is required to qualify as an economic classification.
008. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?

A. Yes, multi-year estimates for programs accounting for all expenditures are presented.
B. Yes, multi-year estimates for programs accounting for at least two-thirds of, but not all, expenditures are presented.
C. Yes, multi-year estimates for programs accounting for less than two-thirds of expenditures are presented.
D. No, multi-year estimates for programs are not presented.
E. Not applicable/other (please comment).

Philippines

D.

Score: 0

Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents shows that expenditure estimates by program for years succeeding the budget year are not presented. Please refer to the 2014 Budget of Expenditures and Sources of Financing and the 2014 National Expenditure Program, which can be seen on the Internet at http://www.dbm.gov.ph/?page_id=6690 and http://www.dbm.gov.ph/?page_id=6697, respectively.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

009. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?

A. Yes, individual sources of tax revenue accounting for all tax revenue are presented.
B. Yes, individual sources of tax revenue accounting for at least two-thirds of, but not all, tax revenues are presented.
C. Yes, individual sources of tax revenue accounting for less than two-thirds of all tax revenues are presented.
D. No, individual sources of tax revenue are not presented.
E. Not applicable/other (please comment).

Philippines

A.

Score: 100

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

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010. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?

A. Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.

B. Yes, individual sources of non-tax revenue accounting for at least two-thirds of, but not all, non-tax revenues are presented.

C. Yes, individual sources of non-tax revenue accounting for less than two-thirds of all non-tax revenues are presented.

D. No, individual sources of non-tax revenue are not presented.

E. Not applicable/other (please comment).

Philippines

A. Score: 100


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Reviewer chose: “Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.” The researcher made an error in the citations for item #10 (EBP, non-tax revenues). The source should have been BESF Table C4 (not C2, which is for tax revenues). We note that in item #26 (prior BY's individual tax/nontax) the researcher cited both Tables C2 and C4. The score on item #10 (“a”) remains the same nonetheless.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

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011. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?
A. Yes, multi-year estimates of revenue are presented by category.
B. No, multi-year estimates of revenue are not presented by category.
C. Not applicable/other (please

Philippines

A.

Score: 100


Comments: The answer selected demonstrates an improvement in performance from the 2012 round of research.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

012. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?

A. Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.
B. Yes, multi-year estimates for individual sources of revenue accounting for at least two-thirds of, but not all, revenue are presented.
C. Yes, multi-year estimates for individual sources of revenue accounting for less than two-thirds of revenue are presented.
D. No, multi-year estimates for individual sources of revenue are not presented.
E. Not applicable/other (please comment).

Philippines

D.

Score: 0

Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents shows that multi-year estimates for tax and non-tax revenues by source are not covered in the documents. Table A.2 titled “Fiscal Parameters, FY 2012-2016” of the 2014 Budget of Expenditures and Sources of Financing provides aggregate estimates only.

Comments: As in previous budget years, the 2014 Executive's Budget Proposal presents information on revenues by source and department two years prior the budget year. For instance, see Tables C.1 and C.3 of the 2014 Budget of Expenditures and Sources of
Financing, which can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/C1.pdf and http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/C3.pdf, respectively. Director Rolando Toledo of the Department of Budget and Management's Fiscal Planning Bureau said that DBM is planning to include revenue projections by source in the 2015 budget proposal. Director Cita Mahinay of DBM's Budget Technical Service added that the information have not been included in the budget documents but agencies are required to submit the data to DBM. Toledo and Mahinay were interviewed on June 26, 2014 at the DBM office.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

013. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

A. Yes, all three estimates related to government borrowing and debt are presented.
B. Yes, two of the three estimates related to government borrowing and debt are presented.
C. Yes, one of the three estimates related to government borrowing and debt are presented.
D. No, none of the three estimates related to government borrowing and debt are not presented.
E. Not applicable/other (please comment).

Philippines

A

Score: 100


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
014. Does the Executive’s Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year? (The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

A. Yes, information beyond the core elements is presented for the composition of the total debt outstanding.
B. Yes, the core information is presented for the composition of the total debt outstanding.
C. Yes, information is presented, but it excludes some core elements.
D. No, information related to composition of total debt outstanding is not presented.
E. Not applicable/other (please comment).

Philippines

A.
Score: 100


Comments: The practice is similar to that in the 2012 round of research, but the researcher’s reassessment of available information and guidelines has led to a change in response.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

015. Does the Executive’s Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based? (The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

A. Yes, information beyond the core elements is presented for the macroeconomic forecast.
B. Yes, the core information is presented for the macroeconomic forecast.
C. Yes, information is presented, but it excludes some core elements.

D. No, information related to the macroeconomic forecast is not presented.

E. Not applicable/other (please comment).

**Philippines**

**Score:** 67

**Sources:** The macroeconomic assumptions used to formulate the budget are presented in the 2014 Executive's Budget Proposal. Information such as nominal Gross Domestic Product (GDP) level, inflation rate, real GDP growth, and interest rates are provided in Table A.1 of the 2014 Budget of Expenditures and Sources of Financing. In addition, rate of unemployment, price of oil, and exchange rate are included. The table titled “Macroeconomic Parameters, 2012-2016” can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/A1.pdf.

**Comments:** The researcher has chosen answer “b” because a discussion of the economic outlook is not provided in the 2014 Budget of Expenditures and Sources of Financing. The 2014 President’s Budget Message only makes a brief mention of macroeconomic assumptions on page 19 of the document.

**GOVERNMENT REVIEWER**

**Opinion:** No, I do not agree with the score.

**Suggested Answer:** a.

**Comments:** Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: The President's Budget Message provides a narrative discussion, although brief and non-technical, of the economic outlook for fiscal year 2014 in the context of year-to-date performance in 2013 and the government’s fiscal consolidation goals. Meanwhile, BESF Table A.1., as the researcher comments, provides more macroeconomic information in addition to the core data points. These alone already warrant a score of “a”. In addition to these, we note that the Philippines (through the DBCC) has been publishing the Fiscal Risks Statement (FRS): a document disclosing the macroeconomic and other risks to the country's fiscal health. The 2013 and 2014 FRS contains further discussions of the macroeconomic outlook and projected risks.

**PEER REVIEWER**

**Opinion:** No, I do not agree with the score.

**Suggested Answer:** a.

**Comments:** More information is provided on top of the core information. I disagree. I prefer (a). Information beyond the core elements is presented for the macroeconomic forecast, such as, for example, LIBOR rate, oil prices, exports' level and growth rate, imports' level and growth rate, and gross international reserves.

**RESEARCHER’S RESPONSE**

The researcher suggests to retain answer “b” following the original citation. A discussion of the economic outlook, apart from estimates, is not provided in the 2014 BESF. The 2014 President’s Budget Message only makes a very brief mention of macroeconomic assumptions. Note, too, that the latest Fiscal Risks Statement publicly available at the time of research was intended for the 2013 budget, not the 2014 budget, which is the focus of this section of the Survey.
Does the Executive’s Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget? (The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)

A. Yes, information beyond the core elements is presented to show the impact of different macroeconomic assumptions on the budget.

B. Yes, the core information is presented to show the impact of different macroeconomic assumptions on the budget.

C. Yes, information is presented, but it excludes some core elements.

D. No, information related to different macroeconomic assumptions is not presented.

E. Not applicable/other (please comment).

Philippines

Score: 100


Comments: The answer selected demonstrates an improvement in performance from the 2012 round of the Survey. The table does not include specific information on debt. Directors Rolando Toledo and Mercedes Navarro of the Department of Budget and Management (DBM), however, note that impact on budget balance, as provided in the last column of the table, also reflects on borrowing and debt. The researcher has chosen answer “b” because while the table does not include specific information on debt, it includes some information beyond the core requirements, such as assumptions for changes in the growth of imports. Toledo and Navarro were interviewed on June 26, 2014 at the DBM office.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: a.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: The “budget balance” column of the table represents the impact of macroeconomic assumptions on the fiscal deficit, and consequently on new borrowing requirements and outstanding debt. Moreover, reflected in the “expenditures” column is the impact of the interest rate on interest payments on national government’s outstanding debt. We also note that the 2013 and 2014 Fiscal Risks Statement contains further discussions of the macroeconomic outlook and projected risks.

PEER REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: a.

Comments: More information are provided. I disagree. The table on ‘Budget Sensitivity to Macroeconomic Parameter’ presents the impact of macroeconomic variables on the budget: expenditure, revenue, and deficit. It does not show how the budget might impact the overall economy.
RESEARCHER'S RESPONSE
The researcher suggests to retain answer “b” following the original citation. Note, too, that entries on Table A.6 are not all filled up. Also, the latest publicly available Fiscal Risks Statement at the time of research was for the 2013 budget, not the 2014 budget, which is the focus of this section of the Survey.

IBP COMMENT
For cross-country consistency purposes, IBP revised the response from "b" to "a".

017. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect expenditures?

A. Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.
B. Yes, estimates that show how all new policy proposals affect expenditures are presented, but a narrative discussion is not included.
C. Yes, information that shows how some but not all new policy proposals affect expenditure is presented.
D. No, information that shows how new policy proposals affect expenditure is not presented.
E. Not applicable/other (please comment).

Philippines
C.
Score: 33

Sources: A discussion of policy proposals can be found in the 2014 President’s Budget Message and the 2014 National Expenditure Program (NEP). These documents can be seen on the Internet at http://www.dbm.gov.ph/?page_id=6719 and http://www.dbm.gov.ph/?page_id=6697, respectively. The 2014 NEP, for instance, includes a narrative of the new budgetary approaches applied in the 2014 expenditure program as well as estimates of increases in expenditures by economic and functional classification. Please refer to the Introduction and Part II of the document.

Comments: The researcher has chosen answer "c" because while there is a discussion of new budgetary approaches, new policy proposals vis-a-vis proposed expenditures for FY 2014 are not clearly spelled out. The practice is similar to that in the previous round but the researcher’s reassessment of available information and guidelines has led to a change in response.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

018. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?
A. Yes, estimates that show how all new policy proposals affect revenues are presented, along with a narrative discussion.

B. Yes, estimates that show how all new policy proposals affect revenues are presented, but a narrative discussion is not included.

C. Yes, information that shows how some but not all new policy proposals affect revenues are presented.

D. No, information that shows how new policy proposals affect revenues is not presented.

E. Not applicable/other (please comment).

Philippines

Score: 0

Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents shows that a discussion of how policy proposals affect revenues are not covered in the documents. The 2014 President's Budget Message (the document referred to in the previous round of the Survey) only takes note increasing revenues by 15.6 percent to P2.02 trillion. The document can be seen on the Internet at http://www.dbm.gov.ph/?page_id=6776.

Comments: The answer selected demonstrates a deterioration in performance from the 2012 round of research. Republic Act No. 10351 or the Sin Tax Reform Law, a measure aimed at increasing tax collections from alcohol and tobacco products, was enacted in December 2012 and first implemented in 2013. In 2014, the Bureau of Internal Revenue (BIR) has announced that it will implement 21 priority programs to help reach the bureau's collection target of P1.46 trillion. BIR's plans include, among others, the adoption of an online system for transfer tax transactions, expansion of the use of electronic systems for the issuance of the Certificate Authorizing Registration, and the accreditation of importers and brokers. This development was reported in various news websites in the first three months of 2014. One report can be seen on http://www.philstar.com/business/2014/01/28/1283660/bir-implement-21-priority-programs.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: c.

Comments: I recommend c. Tax policy legislation approved and to be implemented in the budget year are presented in the budget documents as estimates, with a short narrative explanation of how the new policy will impact revenues. e.g. Sin tax reforms of 2012 took effect in 2013. Other new policies which may be administratively instituted may not be reported. What is always reported in budget documents are policy measures affecting revenues which are enacted via legislation. There were no new tax policy measures initially taking effect in 2014.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER'S RESPONSE

We suggest retaining answer “d” because the information provided in the “Financing the Expenditure Plan (or the Budget)” in the 2014 President's Budget Message differed from how it was presented in previous Budget Messages. In the 2013, 2012, 2011, and 2010 Budget Messages, for example, both tax policy legislation and administrative measures to be employed by the Bureau of Internal Revenue and Bureau of Customs, where applicable, were discussed. These documents can be seen on http://www.dbm.gov.ph/?page_id=3692, http://www.dbm.gov.ph/?page_id=779, http://www.dbm.gov.ph/?page_id=632, and http://www.dbm.gov.ph/?page_id=645.
019. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

A. Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification).
B. Yes, expenditure estimates for BY-1 are presented by two of the three expenditure classifications.
C. Yes, expenditure estimates for BY-1 are presented by only one of the three expenditure classifications.
D. No, expenditure estimates for BY-1 are not presented by any expenditure classification.
E. Not applicable/other (please comment).

Philippines

A. Score: 100

Sources: The 2014 Budget of Expenditures and Sources of Financing presents information on expenditures by administrative unit, economic, and functional classification for 2013 or the year preceding the budget year. Expenditures by department and special purpose fund for 2013 can be seen on Table B.2.b, Table B.3.b, and Table B.5.b. Similar information is also available by function and economic purpose in Table B.8 and Table B.1, respectively. The 2014 BESF can be seen on the Internet at http://www.dbm.gov.ph/?page_id=6690.

Comments: See related comment in Question 1 regarding Special Purpose Funds.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

020. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

A. Yes, programs accounting for all expenditures are presented for BY-1.
B. Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented for BY-1.
C. Yes, programs accounting for less than two-thirds of expenditures are presented for BY-1.
D. No, expenditures are not presented by program for BY-1.
E. Not applicable/other (please comment).

Philippines
B. Score: 67

Sources: The 2014 National Expenditure Program and the 2014 Details of the Budget present program-level data for 2013 or the year preceding the budget year. Appropriations under Special Purpose Funds, however, are not all broken down into subgroups because they are lump-sum funds. For instance, refer to page 952 of the 2014 NEP and page 1,447 of the 2014 Details of the Budget (Annex A, Volume 1) for the section on Priority Development Assistance Fund. The two cited documents can be seen on the Internet at

Comments: The answer selected demonstrates an improvement in performance from the previous round of the Survey. Also, see related comment in Question 1 regarding Special Purpose Funds.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

A. Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

B. No, expenditure estimates for BY-1 have not been updated from the original enacted levels.

C. Not applicable/other (please comment).

Philippines

A. Score: 100

Sources: The 2014 Executive's Budget Proposal reflects adjusted expenditure levels for the year prior the budget year (2013). This information can be found in Table B.1 of the 2014 Budget of Expenditures and Sources of Financing, which can be accessed at

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
022. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

A. Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).

B. Yes, expenditure estimates for BY-2 and prior years are presented by two of the three expenditure classifications.

C. Yes, expenditure estimates for BY-2 and prior years are presented by only one of the three expenditure classifications.

D. No, expenditure estimates for BY-2 and prior years are not presented by any expenditure classification.

E. Not applicable/other (please comment).

Philippines

A. Score: 100


Comments: See related comment in Question 1 regarding Special Purpose Funds.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

023. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?

A. Yes, programs accounting for all expenditures are presented for BY-2 and prior years.

B. Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented for BY-2 and prior years.

C. Yes, programs accounting for less than two-thirds of expenditures are presented for BY-2 and prior years.

D. No, expenditures are not presented by program for BY-2 and prior years.
E. Not applicable/other (please comment).

Philippines

B.
Score: 67

Sources: The 2014 National Expenditure Program and the 2014 Details of the Budget present program-level data for 2012 or the second year preceding the budget year. Appropriations under Special Purpose Funds, however, are not all broken down into subgroups because they are lump-sum funds. For instance, refer to page 952 of the 2014 NEP and page 1,447 of the 2014 Details of the Budget (Annex A, Volume 1) for the section on Priority Development Assistance Fund. No information is provided beyond the level of the department or the implementing agency. The two cited documents can be seen on the Internet at http://www.dbm.gov.ph/?page_id=664 and http://www.dbm.gov.ph/?page_id=802, respectively.

Comments: See related comment in Question 1 regarding Special Purpose Funds.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

Q24. In the Executive’s Budget Proposal 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).

Philippines

A.
Score: 100


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
025. Does the Executive’s Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Yes, revenue estimates for BY-1 are presented by category.</td>
</tr>
<tr>
<td>B.</td>
<td>No, revenue estimates for BY-1 are not presented by category.</td>
</tr>
<tr>
<td>C.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Philippines**

**A.**

**Score:** 100


**GOVERNMENT REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

026. Does the Executive’s Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Yes, individual sources of revenue accounting for all revenue are presented for BY-1.</td>
</tr>
<tr>
<td>B.</td>
<td>Yes, individual sources of revenue accounting for at least two-thirds of, but not all, revenue for BY-1 are presented.</td>
</tr>
<tr>
<td>C.</td>
<td>Yes, individual sources of revenue accounting for less than two-thirds of all revenues for BY-1 are presented.</td>
</tr>
<tr>
<td>D.</td>
<td>No, individual sources of revenue are not presented for BY-1.</td>
</tr>
<tr>
<td>E.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Philippines**

**A.**

**Score:** 100


**GOVERNMENT REVIEWER**
027. In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

A. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

B. No, revenue estimates for BY-1 have not been updated from the original enacted levels.

C. Not applicable/other (please comment).

Philippines

A. Score: 100

Sources: Table C.1 titled "Revenue Program, By Source, FY 2012-2014" of the 2014 Budget of Expenditures and Sources of Financing shows revenue estimates for 2013 or the year preceding the budget year. The figures reflect adjusted levels. Table C.1 can be obtained at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/C1.pdf.

Comments: The answer selected demonstrates an improvement in performance from the previous round of the Survey.

028. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

A. Yes, revenue estimates for BY-2 and prior years are presented by category.

B. No, revenue estimates for BY-2 and prior years are not presented by category.

C. Not applicable/other (please comment).

Philippines

A. Score: 100
029. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?

A. Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.
B. Yes, individual sources of revenue accounting for at least two-thirds of, but not all, revenue are presented for BY-2 and prior years.
C. Yes, individual sources of revenue accounting for less than two-thirds of all revenues are presented for BY-2 and prior years.
D. No, individual sources of revenue are not presented for BY-2 and prior years.
E. Not applicable/other (please comment).

Philippines

**Score:** 100

**Sources:** Table C.2 and Table C.4 of the 2014 Budget of Expenditures and Sources of Financing list individual sources of tax and non-tax revenues for 2012 or the second year preceding the budget year. The two tables can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/C2.pdf and http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/C4.pdf, respectively.

**GOVERNMENT REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

030. In the Executive's Budget Proposal 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).

Philippines

A. Score: 100


GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

031. Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year proceeding the budget year (BY-1)? (The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

A. Yes, information beyond the core elements is presented for government debt.

B. Yes, the core information is presented for government debt.

C. Yes, information is presented, but it excludes some core elements.

D. No, information related to government debt is not presented.

E. Not applicable/other (please comment).

Philippines

A. Score: 100

Comments: The practice is similar to that in the 2012 round of research, but the researcher's reassessment of available information and guidelines has led to a change in response.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

032. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures 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 government debt are presented in the budget or supporting budget documentation.
E. Not applicable/other (please comment).

Philippines

A.

Score: 100


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

033. Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year? (The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)
**A.** Yes, information beyond the core elements is presented for all extra-budgetary funds.

**B.** Yes, the core information is presented for all extra-budgetary funds.

**C.** Yes, information is presented, but it excludes some core elements or some extra-budgetary funds.

**D.** No, information related to extra-budgetary funds is not presented.

**E.** Not applicable/other (please comment).

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**Philippines**

**B.**

**Score:** 67


**Comments:** The researcher has chosen answer “c” because a statement of purpose for the fund is not included in the 2014 Executive's Budget Proposal. The practice is similar to that in the 2012 round of research, but the researcher's reassessment of available information and guidelines has led to a change in response.

**GOVERNMENT REVIEWER**

**Opinion:** No, I do not agree with the score.

**Suggested Answer:** b.

**Comments:** Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: On the contrary, the purposes of such funds are described in the BESF as well as the relevant provisions of the NEP: - BESF Table B17 identifies the earmarked revenues (whether Use of Income or Special Accounts in the General Fund (SAGFs)) allocated per agency, their legal basis, and brief description of such earmarked revenues. In addition, the special provisions (SPs) of the NEP sections of the agencies receiving such earmarked revenues state the purpose of their use. For instance, the use of proceeds from the Motor Vehicle Users' Charge (an SAGF) allocated for the Department of Public Works and Highways (DPWH) is specified in SP nos 1, 2, and 3. - BESF Table B19 identifies the off-budget accounts lodged under the agencies, their legal basis, and brief description of the source (usually from retained income, revolving funds, or trust receipts). Like the case of earmarked revenues, the purposes of such off-budget accounts are further described in the SPs of the NEP sections of the agencies receiving such funds. For instance, the purposes for the use of retained income of hospitals under the Department of Health-Office of the Secretary (DOH-OSEC) are specified in SP No 2. of the DOH-OSEC budget. - BESF Table G presents the consolidated statement of receipts and expenditures of State Universities and Colleges (SUCs). In addition, under the sections of the NEP pertaining to SUCs, SPs describe the purposes of SUC off-budget accounts, such as tuition fees (SP No. 1). Off-budget accounts of SUCs are also presented in BESF Table B19. - BESF Table J.1 pertains to the budgetary impact of the restructuring of the Central Bank (now the Bangko Sentral ng Pilipinas or BSP) under the New Central Bank Act of 1994 (Republic Act No. 7653). BESF Table J.1 presents the financing transactions of the national government (Treasury) to service the debts of the Central Bank which were assumed by the national government under the restructuring program. It provides supporting information to the national government's borrowing program (BESF Table D.1) and the public sector's financial position (BESF Table A.3). Thus, BESF Table J.1 should not be considered in this question as it does not pertain to an extra-budgetary fund.

**PEER REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

**RESEARCHER'S RESPONSE**

The researcher can agree with the second Government Reviewer following the additional information provided in the 2014 National
Expenditure Program. However, it should be noted that citizens might find it difficult to match the information provided in the Budget of Expenditures and Sources of Financing with those included in the NEP.

034. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

A. Yes, central government finances are presented on a consolidated basis.
B. No, central government finances are not presented on a consolidated basis.
C. Not applicable/other (please comment).

Philippines

B. Score: 0

Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents shows that central government finances are not presented on a consolidated basis.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

035. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

A. Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.
B. Yes, estimates of all intergovernmental transfers are presented, but a narrative discussion is not included.
C. Yes, estimates of some but not all intergovernmental transfers are presented.
D. No, estimates of intergovernmental transfers are not presented.
E. Not applicable/other (please comment).

Philippines

A. Score: 100

Sources: Section F titled "Local Government Units" of the 2014 Budget of Expenditures and Sources of Financing (BESF) and Chapter XXXVI titled "Allocations to Local Government Units" of the 2014 National Expenditure Program (NEP) present information on intergovernmental
Transfers for the budget year. The two documents can be read on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/F.pdf and http://www.dbm.gov.ph/wp-content/uploads/NEP2014/XXXVI/B.pdf, respectively. Transfers to LGUs come in various forms such as Internal Revenue Allotment (IRA), Local Government Support Fund, and Special Financial Assistance to Local Government Units, among others. The IRA is the 40-percent share of national internal revenue taxes distributed among local government units – provinces, cities, municipalities, and barangays. Tables F.1 to F.4, Table F.7, Table F.10, Table F.13, and Table F.16 of the 2014 BESF show both a summary of allocations to LGUs as well as estimates by region, province, city, and municipality. Tables A to F of Chapter XXXVI of the 2014 NEP, meanwhile, provide the total proposed amount of transfers for the budget year including special provisions pertaining to the use, allocation, and release of the fund.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

036. Does the Executive’s Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of policies on different groups of citizens, for at least the budget year?

A. Yes, at least three alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.

B. Yes, two alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.

C. Yes, one alternative display of expenditures is presented to illustrate the financial impact of policies on different groups of citizens.

D. No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

E. Not applicable/other (please comment).

Philippines

B.

Score: 67

Sources: Table B.9 of the 2014 Budget of Expenditures and Sources of Financing shows expenditure estimates by region. The table can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/B.9%20Regional%20Allocation.pdf. Allocations per administrative unit and special purpose fund are broken down by region. Part II of the 2014 National Expenditure Program also identifies three geographical sites where many of the poor, unemployed, and underemployed reside, namely: the sites identified under the Coconut Industry and Poverty Reduction Roadmap; localities under the Pantawid Pamilya Pilipino Program (4Ps); and the ten gateway tourism destination clusters identified in the Tourism Development Plan. This information is available at http://www.dbm.gov.ph/wp-content/uploads/NEP2014/Part%20II.pdf.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
037. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

A. Yes, estimates of all transfers to public corporations are presented, along with a narrative discussion.

B. Yes, estimates of all transfers to public corporations are presented, but a narrative discussion is not included.

C. Yes, estimates of some but not all transfers to public corporations are presented.

D. No, estimates of transfers to public corporations are not presented.

E. Not applicable/other (please comment).

Philippines

B.

Score: 67


Comments: The researcher has chosen answer “b” because a narrative discussion is not included in the 2014 Executive's Budget Proposal and its supporting documents.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: c.

Comments: There are large deviations of actual transfers to public corporations from what was authorised in the budget. These are estimates but not all transfers to public corporations are presented. In practice, there are huge deviations between actual expenditures and authorized expenditures. See Table below.

RESEARCHER'S RESPONSE

The Peer Reviewer's comment should be noted. But we would like to suggest retaining answer “b” because the budget proposal refers to estimate and not actual amounts.

038. Does the Executive's Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year? (The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)
A. Yes, information beyond the core elements is presented for all quasi-fiscal activities.
B. Yes, the core information is presented for all quasi-fiscal activities.
C. Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.
D. No, information related to quasi-fiscal activities is not presented.
E. Not applicable/other (please comment).

Philippines

Score: 33

Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents indicates that core information on quasi-fiscal activities are not included in the documents.

Comments: The practice is similar to that in the 2012 round of research, but the researcher's reassessment of available information and guidelines has led to a change in response.

GOVERNMENT REVIEWER
Opinion: No, I do not agree with the score.
Suggested Answer: c.
Comments: Government Reviewer 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: On the contrary, information quasi-fiscal activities are presented in the BESF, even if less than the core elements: - Tables B.11 and B.12 present a) the tax expenditures of the national government, mostly for tax subsidies to GOCCs, and b) the net lending (or debt advances) of the national government to GOCCs - Table E.12 to E.14 present the sources and uses of funds of GOCCs, including tax subsidies from the national government, for 2012 to 2014 - Tables I.1 to I.4 present the public-private partnerships (PPPs) being entered into by the national government

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER'S RESPONSE
The researcher can agree with the second Government Reviewer following the tables cited.

039. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government? (The core information must include a listing of the assets, and an estimate of their value.)

A. Yes, information beyond the core elements is presented for all financial assets.
B. Yes, the core information is presented for all financial assets.
C. Yes, information is presented, but it excludes some core elements or some financial assets.
D. No, information related to financial assets is not presented.
E. Not applicable/other (please comment).
Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents indicates that information on financial assets is not included in the documents. This data can be found in the annual financial report produced by the Commission on Audit (COA).

Comments: Department of Budget and Management (DBM) officials raise a constitutional issue in this particular question since COA is mandated to conduct both audit and accounting of government finances. DBM, however, notes that the information can be included in future budget proposals with the adoption of the Unified Accounts Code Structure (UACS) and implementation of the Government Integrated Financial Management Information System (GIFMIS). The UACS is envisioned to facilitate the reporting and consolidation of all financial transactions through the use of a harmonized coding structure developed by the DBM, COA, Department of Finance, and the Bureau of the Treasury. Interview with DBM's Rolando Toledo, Cita Mahinay, Mercedes Navarro, and Francis Capistrano was held on June 26, 2014 at the DBM office.

GOVERNMENT REVIEWER
Opinion: No, I do not agree with the score.
Suggested Answer: e.
Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: This question should not be applicable to the case of the Philippines, where the Commission on Audit (COA) is vested by the Constitution and laws with the exclusive function of accounting for government's financial condition—including the accounting, consolidation, and disclosure of financial and non-financial assets—alongside its auditing function. Section 4 Article IX-D of the 1987 Constitution states that “The Commission shall submit to the President and the Congress, within the time fixed by law, an annual report covering the financial condition and operation of the Government, its subdivisions, agencies, and instrumentalities, including government-owned or controlled corporations...” By practice, this pertains to the Annual Financial Report published by COA.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

IBP COMMENT
Researcher recommended maintaining original response of "d".

040. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government? (The core information must include a listing of the assets by category.)

A. Yes, information beyond the core elements is presented for all nonfinancial assets.
B. Yes, the core information is presented for all nonfinancial assets.
C. Yes, information is presented, but it excludes some nonfinancial assets.
D. No, information related to nonfinancial assets is not presented.
E. Not applicable/other (please comment).
Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents indicates that information on non-financial assets is not included in the documents. This data can be found in the annual financial report produced by the Commission on Audit (COA).

Comments: Department of Budget and Management (DBM) officials raise a constitutional issue in this particular question since COA is mandated to conduct both audit and accounting of government finances. DBM, however, notes that the information can be included in future budget proposals with the adoption of the Unified Accounts Code Structure (UACS) and implementation of the Government Integrated Financial Management Information System (GIFMIS). The UACS is envisioned to facilitate the reporting and consolidation of all financial transactions through the use of a harmonized coding structure developed by the DBM, COA, Department of Finance, and the Bureau of the Treasury. Interview with DBM's Rolando Toledo, Cita Mahinay, Mercedes Navarro, and Francis Capistrano was held on June 26, 2014 at the DBM office.

GOVERNMENT REVIEWER
Opinion: No, I do not agree with the score.
Suggested Answer: e.
Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Given the Constitutional issue (see item #39), this question should not be applicable to the case of the Philippines.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

IBP COMMENT
Researcher recommended maintaining original response of “d”.

041. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

A. Yes, estimates of all expenditure arrears are presented, along with a narrative discussion.
B. Yes, estimates of all expenditure arrears are presented, but a narrative discussion is not included.
C. Yes, estimates of some but not all expenditure arrears are presented.
D. No, estimates of expenditure arrears are not presented.
E. Not applicable/other (please comment).

Philippines

D.

Score: 0

Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents indicates that information on expenditure arrears is not included in the documents. This data can be found in the annual financial report produced by the Commission on Audit (COA).

Comments: Department of Budget and Management (DBM) officials raise a constitutional issue in this particular question since COA is mandated to conduct both audit and accounting of government finances. DBM, however, notes that the information can be included in
future budget proposals with the adoption of the Unified Accounts Code Structure (UACS) and implementation of the Government Integrated Financial Management Information System (GIFMIS). The UACS is envisioned to facilitate the reporting and consolidation of all financial transactions through the use of a harmonized coding structure developed by the DBM, COA, Department of Finance, and the Bureau of the Treasury. Interview with DBM’s Rolando Toledo, Cita Mahinay, Mercedes Navarro, and Francis Capistrano was held on June 26, 2014 at the DBM office.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: e.

Comments: Government Reviewer 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: The exclusive authority of COA to account for the government’s financial condition (as discussed in item #39) also includes the accounting, consolidation, and reporting of estimates of expenditure arrears. The COA Annual Financial Report, for instance, presents government’s payable accounts. Thus, this question is not applicable to the Philippines. We nonetheless note that in the Details of the Budget, each agencies’ Continuing Appropriations (i.e. carry-over appropriations from the prior year) and Unused Appropriations (i.e. may become Continuing Appropriations in the following year) are reported. These Continuing and Unused Appropriations may be in the form of unreleased appropriations or those already released but not yet utilized by agencies. However, accounts payables are not reported in the EBP given the note above.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

IBP COMMENT

Researcher recommended maintaining original response of “d”.

042. Does the Executive’s Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs? (The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

A. Yes, information beyond the core elements is presented for all contingent liabilities.

B. Yes, the core information is presented for all contingent liabilities.

C. Yes, information is presented, but it excludes some core elements or some contingent liabilities.

D. No, information related to contingent liabilities is not presented.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents indicates that core information on contingent liabilities is not included in the documents. Section I of the 2014 Budget of Expenditures and Sources of Financing only provides a list and
estimated cost of projects that have been turned over or are operational, for construction, and to be constructed under the Public-Private Partnership program of the country.

**Comments:** Information on the projects may be obtained from the Public-Private Partnership Center.

**GOVERNMENT REVIEWER**

**Opinion:** No, I do not agree with the score.

**Suggested Answer:** c.

**Comments:** Government Review 1: "Contingent liabilities" (CL) is a broad term, and while a comprehensive integrated database is not available, there are available reports that refer to CLs. BESF 2014 and 2015 contain tables that pertain to projects funded through public-private partnerships. (BESF, Section I, pages 993-998). The website of the Bureau of the Treasury provide yearly and monthly data on National Government guaranteed debt, but with no breakdown of creditor or borrower. Government Reviewer 2: We support the position of the Department of Finance on this question. In addition to Tables I.1 to I.4 on PPP Programs of the 2014 BESF, we note that Special Provision No. 3 under the Unprogrammed Fund (NEP page 960) discusses the coverage of the Risk Management Program, which is to cover commitments made by, and obligations of, the National Government in PPP concession agreements. Moreover, we note that the 2014 BESF Tables D.3, D.5 and D.7 present the government's outstanding domestic and foreign debt, respectively, from liabilities already assumed by the National Government. Totals and details of guaranteed accounts are presented therein. Moreover, BESF Table E.4 presents the balance sheet of select government corporations for 2014, including summaries of their current and long-term domestic and foreign liabilities. We likewise note that the Fiscal Risks Statement for 2013 and 2014 (see [http://www.dbm.gov.ph/wp-content/uploads/DBCC_MATTERS/FiscalRiskStatement/FRS_2013.pdf](http://www.dbm.gov.ph/wp-content/uploads/DBCC_MATTERS/FiscalRiskStatement/FRS_2013.pdf) and [http://www.dbm.gov.ph/wp-content/uploads/DBCC_MATTERS/FiscalRiskStatement/FRS_2014.pdf](http://www.dbm.gov.ph/wp-content/uploads/DBCC_MATTERS/FiscalRiskStatement/FRS_2014.pdf)) contain dedicated sections discussing contingent central government obligations and government steps to mitigate such contingent liabilities.

**PEER REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

**RESEARCHER'S RESPONSE**

The researcher can agree with the Government Reviewers following the information they cited. Note, however, that the latest Fiscal Risks Statement publicly available at the time of research was intended for the 2013 budget, not the 2014 budget, which is the focus of this section of the Survey.

043. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term? (The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

**A.** Yes, information beyond the core elements is presented to assess the government's future liabilities and the sustainability of its finances over the longer term.

**B.** Yes, the core information is presented to assess the government's future liabilities and the sustainability of its finances over the longer term.

**C.** Yes, information is presented, but it excludes some core elements.

**D.** No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

**E.** Not applicable/other (please comment).

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

044. Does the Executive’s Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind?

A. Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.

B. Yes, estimates of all sources of donor assistance are presented, but a narrative discussion is not included.

C. Yes, estimates of some but not all sources of donor assistance are presented.

D. No, estimates of the sources of donor assistance are not presented.

E. Not applicable/other (please comment).


Comments: According to Assistant Director Mercedes Navarro of the DBM’s Fiscal Planning Bureau, the RP-Japan Increased Food Production Program under the Department of Agriculture is the only remaining commodity loan before Typhoon Yolanda devastated parts of the country in November 2013. The loan is in the form of rice and fertilizer and has been monetized. The researcher has chosen answer “b” because the 2014 Executive’s Budget Proposal and its supporting documents do not include a narrative discussing the donor assistance.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
045. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year? (The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

A. Yes, information beyond the core elements is presented for all tax expenditures.
B. Yes, the core information is presented for all tax expenditures.
C. Yes, information is presented, but it excludes some core elements or some tax expenditures.
D. No, information related to tax expenditures is not presented.
E. Not applicable/other (please comment).

Philippines

C.
Score: 33

Sources: A review of the 2014 Executive's Budget Proposal and its supporting documents indicates that core information on tax expenditures are not included in the documents.

Comments: The practice is similar to that in the 2012 round of research, but the researcher's reassessment of available information and guidelines has led to a change in response.

GOVERNMENT REVIEWER
Opinion: No, I do not agree with the score.
Suggested Answer: c.
Comments: Government Review 1: Table B.21, page 324 of BESF 2015 provide information of tax expenditures by investment promotion agency and the data is from 2012 to 2015. Government Reviewer 2: BESF Table B.26 (National Government Cash Disbursements), which is of the same format as Table B.24 of the 2012 BESF (2012 OBI), contains information on tax expenditures, though less than the core requirement. Even with the methodology changes from the 2012 OBI, the mere presence of this information must be considered.

PEER REVIEWER
Opinion: No, I do not agree with the score.
Suggested Answer: b.
Comments: Information on tax expenditures is included. There are questions on its accuracy, however.

RESEARCHER'S RESPONSE
The researcher can agree with the second Government Reviewer following IBP's guidelines. The information cited by the first Government Reviewer in the 2015 Budget of Expenditures and Sources of Financing, meanwhile, is not provided in the 2014 version of the document. This round of the Survey covers the proposed budget for the budget year 2014.

046. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues?
A. Yes, estimates of all earmarked revenues are presented, along with a narrative discussion.

B. Yes, estimates of all earmarked revenues are presented, but a narrative discussion is not included.

C. Yes, estimates of some but not all earmarked revenues are presented.

D. No, estimates of earmarked revenues are not presented.

E. Not applicable/other (please comment).

Philippines

B.

Score: 67


Comments: The researcher has chosen answer “b” because a narrative discussion is not provided in the 2014 Executive's Budget Proposal and its supporting documents.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

A. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, along with a narrative discussion.

B. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, but a narrative discussion is not included.

C. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for the budget year is presented.

D. No, information on the link between the budget and the government's stated policy goals for the budget year is not presented.

E. Not applicable/other (please comment).

Philippines

A.

Score: 100
Sources: The 2014 National Expenditure Program (NEP) and the 2014 President's Budget Message provide estimates and a narrative on how the proposed budget is linked to the government's policy goals. These documents can be seen on the Internet at http://www.dbm.gov.ph/?page_id=6719 and http://www.dbm.gov.ph/?page_id=6697, respectively. The 2014 NEP, for instance, includes a narrative of the new budgetary approaches applied in the 2014 expenditure program as well as estimates of increases in expenditures by economic and functional classification. The document provides a list of key programs to be financed by the 2014 budget in line with the key result areas of the Philippine Development Plan. Please refer to the Introduction and Part II of the 2014 NEP.

Comments: The answer selected demonstrates an improvement in performance from the previous round of the Survey.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

048. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

A. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, along with a narrative discussion.

B. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, but a narrative discussion is not included.

C. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for a multi-year period is presented.

D. No, information on the link between the budget and the government's stated policy goals for a multi-year period is not presented.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Sources: Part II of the 2014 National Expenditure Program (NEP) and the 2014 President's Budget Message provide a general discussion of how the proposed budget is linked to the government's policy goals for a multi-year period or until 2016. The discussion pertains to the key result areas set in the Aquino administration's Philippine Development Plan 2011-2016 and the President's Social Contract with the Filipino People. The two documents can be seen on the Internet at http://www.dbm.gov.ph/?page_id=6776, respectively. Table A.2 titled “Fiscal Parameters, FY 2012-2016” of the 2014 Budget of Expenditures and Sources of Financing also provides revenue and disbursement projections for 2015 and 2016, but no narrative discussion is included. The table can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/A2.pdf.

Comments: The researcher has chosen answer “d” because while there is a general discussion of policy goals beyond 2014, these are not correlated with the aggregate projections shown in Table A.2 of the 2014 BESF. The question specifically asks for estimates as well as a discussion.
Government Reviewer

Opinion: No, I do not agree with the score.
Suggested Answer: c.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: The information presented in the documents cited warrant a "c". The President's Budget Message (PBM) provides some narrative discussions on some policy goals, which can be correlated with the information in BESF Table A.2. In particular: - The PBM discusses the government's goal to keep the fiscal deficit to 2 percent of GDP, which is reflected in BESF Table A.2 (2014-2016 projections on the deficit, nominal and as % of GDP) - The PBM discusses the goal of increasing government infrastructure spending to five percent of GDP by 2016, which is presented in the BESF Table A.2 (2014-2016 projections on infrastructure and other capital outlays spending, nominal and as % of GDP)

Peer Reviewer

Opinion: Yes, I agree with the score and have no comments to add.

Researcher's Response

The researcher suggests to retain the "d" answer following the original citation and comment.

IBP Comment

For cross-country consistency purposes, IBP revised the response from "d" to "c".

049. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

A. Yes, nonfinancial data on inputs to be acquired are provided for each program within all administrative units (or functions).
B. Yes, nonfinancial data on inputs to be acquired are presented for all administrative units (or functions) but not for all (or any) programs.
C. Yes, nonfinancial data on inputs to be acquired are presented for some programs and/or some administrative units (or functions).
D. No, nonfinancial data on inputs to be acquired are not presented.
E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Sources: The 2014 National Expenditure Program (NEP) and the 2014 Staffing Summary only provide a listing of the number of authorized and filled positions by administrative unit. The two documents can be seen on the Internet at http://www.dbm.gov.ph/?page_id=6719 and http://www.dbm.gov.ph/?page_id=3556, respectively.

Comments: The researcher has chosen answer “d” because non-financial data on inputs, as defined in the guidelines, are not fully incorporated in the expenditure program of each agency in the 2014 Executive's Budget Proposal. While there is noted improvement in the availability of information on performance monitoring, the 2014 NEP provides more details on output. The document does not specify how many persons each agency will hire in 2014; it only provides the number of authorized and filled positions.

Government Reviewer

Opinion: No, I do not agree with the score.
Suggested Answer: c.
050. Does the Executive’s Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

A. Yes, nonfinancial data on results are provided for each program within all administrative units (or functions).
B. Yes, nonfinancial data on results are presented for all administrative units (or functions) but not for all (or any) programs.
C. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).
D. No, nonfinancial data on results are not presented.
E. Not applicable/other (please comment).

Phippines

B.

Score: 67

Sources: The 2014 National Expenditure Program (NEP) presents non-financial data on outputs. For instance, see the major final outputs and performance indicators for the proposed expenditure program of the Department of Education on page 100 of the 2014 NEP. The document can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/NEP2014/VII/DEPED.pdf. Similar information is also available for other departments in the 2014 NEP. The availability of non-financial data on results was triggered by the Performance-Informed Budgeting (PIB) approach applied in the drafting of the 2014 Executive’s Budget Proposal. The PIB approach uses performance information to guide the allocation of funds. The contents of the Organizational Performance Indicator Framework, as referred to in the previous rounds of the Survey, have been updated and incorporated in the 2014 NEP.

Comments: The answer selected demonstrates an improvement in performance from the previous round of the Survey. The researcher has chosen answer “c” instead of “b” because not all departments submitted data on their respective outputs. A review of the 2014 NEP shows that the following agencies and offices have no or incomplete performance information: Senate, Senate Electoral Tribunal, Commission on Appointments, House of Representatives, House Electoral Tribunal, and the Department of Science and Technology. The document can be seen on the Internet at http://www.dbm.gov.ph/?page_id=6697. DBM officials said Congress was required to submit the information but failed to do so. Interview with DBM's Rolando Toledo, Cita Mahinay, Mercedes Navarro, and Francis Capistrano was held on June 26, 2014 at the DBM office.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.
Suggested Answer: b.
**Comments:** Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Even if the performance targets based on the Major Final Outputs (MFO) of the agencies cited by the researcher were not presented, the performance indicators are still presented (e.g. Senate: number of bills submitted for hearing or deliberation). The lack of performance targets assigned for the MFO performance indicators of these agencies is already considered in the researcher’s response in item # 51. In other words, all agencies have performance information in the NEP.

**PEER REVIEWER**

**IBP COMMENT**
The researcher preferred to retain the original response of “c” following their citation and as the “2014 Targets” for the major final outputs are not filled out with information. They bear a note that says: “No data submitted.” However, for cross-country consistency purposes, IBP would accept answer choice “b” for this question, and revised the response from “c” to “b.”

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**051. Are performance targets assigned to nonfinancial data on results in the Executive’s Budget Proposal or any supporting budget documentation?**

**A.** Yes, performance targets are assigned to all nonfinancial data on results.

**B.** Yes, performance targets are assigned to most nonfinancial data on results.

**C.** Yes, performance targets are assigned to some nonfinancial data on results.

**D.** No, performance targets are not assigned to nonfinancial data on results, or the budget does not present nonfinancial data on results.

**E.** Not applicable/other (please comment).

**Philippines**

**B.**

**Score:** 67

**Sources:** The 2014 National Expenditure Program (NEP) presents performance targets for non-financial data. For instance, see the targets provided in the proposed expenditure program of the Department of Education on page 100 of the 2014 NEP. The document can be seen on the Internet at [http://www.dbm.gov.ph/wp-content/uploads/NEP2014/VII/DEPED.pdf](http://www.dbm.gov.ph/wp-content/uploads/NEP2014/VII/DEPED.pdf). Similar information is also available for other departments in the 2014 NEP. The availability of non-financial data on results was triggered by the Performance-Informed Budgeting (PIB) approach applied in the drafting of the 2014 Executive's Budget Proposal. The PIB approach uses performance information to guide the allocation of funds. The contents of the Organizational Performance Indicator Framework, as referred to in the previous rounds of the Survey, have been updated and incorporated in the 2014 NEP.

**Comments:** The answer selected demonstrates an improvement in performance from the 2012 round of the Survey. The researcher has chosen answer “b” because performance targets were not fully incorporated in the 2014 NEP as cited in Question 49. Too, as indicated in Question 50, not all departments submitted data on their respective outputs and outcomes. A review of the 2014 NEP shows that the following agencies and offices have no or incomplete performance information: Senate, Senate Electoral Tribunal, Commission on Appointments, House of Representatives, House Electoral Tribunal, and the Department of Science and Technology. The document can be seen on the Internet at [http://www.dbm.gov.ph/?page_id=6697](http://www.dbm.gov.ph/?page_id=6697). DBM officials said that Congress was required to submit the information but failed to do so. Interview with DBM’s Rolando Toledo, Cita Mahinay, Mercedes Navarro, and Francis Capistrano was held on June 26, 2014 at the DBM office.

**GOVERNMENT REVIEWER**
Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Please note the comment on item # 50. We agree with this rating as performance targets were not assigned to the nonfinancial information of the departments cited by the researcher.

PEER REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: c.

Comments: Performance targets are assigned to some nonfinancial data on results. Some performance indicators are of dubious value. The Executive Department should put more efforts on improving the relevance and quality of the existing set of performance indicators.

RESEARCHER’S RESPONSE

We suggest retaining answer “b” because information on performance targets, while not available for all agencies, are included in the 2014 National Expenditure Program.

052. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

A. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, along with a narrative discussion.

B. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, but a narrative discussion is not included.

C. Yes, estimates of some but not all policies that are intended to benefit directly the country's most impoverished populations are presented.

D. No, estimates of policies that are intended to benefit directly the country's most impoverished populations are not presented.

E. Not applicable/other (please comment).

Philippines

B.

Score: 67

Sources: Information on policy estimates that are intended to benefit the country's most impoverished populations can be found in the 2014 President’s Budget Message and the 2014 National Expenditure Program. Part II of the 2014 NEP presents a list of key programs and a breakdown of estimates by participating agency. The 2014 Executive's Budget Proposal identifies three geographical sites where many of the poor, unemployed, and underemployed reside, namely: the sites identified under the Coconut Industry and Poverty Reduction Roadmap; localities under the Pantawid Pamilya Pilipino Program (4Ps); and the ten gateway tourism destination clusters identified in the Tourism Development Plan. This information is available at http://www.dbm.gov.ph/wp-content/uploads/NEP2014/Part%20II.pdf. The 2014 President’s Budget Message provides a narrative discussion but not for all policies.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: We support the researcher’s assessment of this question as “b” with the citations provided.
053. Does the executive release to the public its timetable for formulating 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).

Philippines

A. Yes, a detailed timetable is released to the public.

Score: 100

Sources: By practice, the Department of Budget and Management releases a budget calendar a year before the budget year. For the 2014 budget, the detailed timetable can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/Issuances/2013/joint%20Memorandum%20Circular/NBM115/2014%20CALENDAR.pdf.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.
054. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based? (The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

A. Yes, information beyond the core elements is presented for the macroeconomic forecast.
B. Yes, the core information is presented for the macroeconomic forecast.
C. Yes, information is presented, but it excludes some core elements.
D. No, information related to the macroeconomic forecast is not presented.
E. Not applicable/other (please comment).

Philippines

A. 

Score: 100


Comments: Documents composing the Pre-Budget Statement are uploaded on the DBM website under “Latest Issuances.” They are also compiled and printed in a book. The book contains two national budget memorandums (NBM No. 119, Budget Priorities Framework, and NBM No. 120, National Budget Call) and their respective annexes.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: a.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Part 3 of the Budget Priorities Framework (page 3) presents information in addition to the core elements: foreign exchange rates, oil prices, and merchandise exports and imports growth (presented in the table). Given this, the score should be "a"

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER’S RESPONSE

The researcher has changed the answer from “b” to “a” for consistency purposes cited by IBP.

055. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget? (The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)
056. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget? (The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

A. Yes, information beyond the core elements is presented for the government's revenue policies and priorities.

B. Yes, the core information is presented for the government's revenue policies and priorities.

C. Yes, information is presented, but it excludes some core elements.

D. No, information related to the government's revenue policies and priorities is not presented.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Comments: Documents composing the Pre-Budget Statement are uploaded on the DBM website under “Latest Issuances.” They are also compiled and printed in a book. The book contains two national budget memorandums (NBM No. 119, Budget Priorities Framework, and NBM No. 120, National Budget Call) and their respective annexes.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

057. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

A. Yes, all three estimates related to government borrowing and debt are presented.
B. Yes, two of the three estimates related to government borrowing and debt are presented.
C. Yes, one of the three estimates related to government borrowing and debt are presented.
D. No, none of the three estimates related to government borrowing and debt are not presented.
E. Not applicable/other (please comment).

Philippines

C.

Score: 33


GOVERNMENT REVIEWER
Opinion: No, I do not agree with the score.

Suggested Answer: c.

Comments: Government Review 1: Reviewer chose “Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.” Borrowing strategies by category are included and presented in the Budget of Expenditures and Sources of Financing (BESF), a companion document to the President’s Budget and National Expenditure Program, which are all submitted to Congress for review and scrutiny prior to budget approval. Government Reviewer 2: Reviewer chose “No, I do not agree with the score.” On the contrary, at least one of the three estimates is presented: Part 3 of the Framework (page 4) presents estimates of the budget deficit (nominal and as % of GDP), which represents the net new borrowings required for fiscal years 2014, 2015, and 2016 (presented in the table). In addition, the gross financing mix is presented (presented in the table). We further note that in projecting the fiscal space (i.e. uncommitted funds) for FY 2015 (in Part 3 pages 4-5), a projection of interest payments is included as part of the total Forward Estimates...
of ongoing programs, although indeed not explicitly stated.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER’S RESPONSE
The researcher has revised the answer from “d” to “c” following IBP’s explanation that deficit will be accepted as substitute for net borrowing.

058. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

A. Yes, multi-year expenditure estimates are presented.
B. No, multi-year expenditure estimates are not presented.
C. Not applicable/other (please comment).

Philippines

B. Score: 0


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

059. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

A. Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).
B. Yes, the Enacted Budget presents expenditure estimates by two of the three expenditure classifications.
C. Yes, the Enacted Budget presents expenditure estimates by only one of the three expenditure classifications.
D. No, the Enacted Budget does not present expenditure estimates by any expenditure classification.
E. Not applicable/other (please comment).
060. Does the Enacted Budget present expenditure estimates for individual programs?

A. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.
B. Yes, the Enacted Budget presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.
C. Yes, the Enacted Budget presents estimates for programs accounting for less than two-thirds of expenditures.
D. No, the Enacted Budget does not present expenditure estimates by program.
E. Not applicable/other (please comment).
061. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

A. Yes, the Enacted Budget presents revenue estimates by category.
B. No, the Enacted Budget does not present revenue estimates by category.
C. Not applicable/other (please comment).

Philippines

B.

Score: 0


GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Please see our comments in items #1 and #59. We further note that the Proposed and Enacted budgets now have greater level of detail (in terms of programs, activities, and projects) in 2014, compared to those measured in the 2012 OBS round: for one, the GAA for 2014 is composed of three volumes, from just one in the 2011 GAA.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER’S RESPONSE

The researcher suggests to retain the original answer because the Budget of Expenditures and Sources of Financing cannot be considered in this question. The BESF is one of the main documents that comprise the Executive's Budget Proposal, not the Enacted Budget, which is the subject of this section of the Survey.
062. Does the Enacted Budget present individual sources of revenue?

A. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

B. Yes, the Enacted Budget presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

C. Yes, the Enacted Budget presents individual sources of revenue accounting for less than two-thirds of all revenues.

D. No, the Enacted Budget does not present individual sources of revenue.

E. Not applicable/other (please comment).

Philippines

D. Score: 0


GOVERNMENT REVIEWER
Opinion: No, I do not agree with the score.
Suggested Answer: e.
Comments: Government Review 1: Reviewer chose “Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.” The Enacted Budget by practice, focuses on appropriations. Where revenue estimates by category are included and presented is in the Budget of Expenditures and Sources of Financing (BESF), a companion document to the President’s Budget and National Expenditure Program, which are all submitted to Congress for review and scrutiny prior to budget approval. Government Reviewer 2: Consistent with our comments in items #59 and #61, this question is not applicable given the legal framework for budget authorization in the Philippines, warranting a score of “e.” We nonetheless note that due to the adoption of Performance Informed Budgeting, the revenue collection targets of the Bureau of Internal Revenue (P1.46 trillion in taxes), Bureau of Customs (P408 billion in taxes and duties), and Bureau of the Treasury (P28.7 billion in interest income and P17.7 billion in remittances of NG income) are included in their respective performance information and targets on results. Their revenue targets total P1.91 trillion or more than 90 percent of the revenue program for 2014. Furthermore, similar to what was noted in item # 33, the amounts of earmarked revenues allocated to agencies and the purposes for their use are specified in the special provisions of the agencies under the GAA. Assuming that this question is not rated as "not applicable," then the presence of this information should warrant a score of "b"

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER’S RESPONSE
The researcher suggests to retain the original answer because the Budget of Expenditures and Sources of Financing cannot be considered in this question. The BESF is one of the main documents that comprise the Executive’s Budget Proposal, not the Enacted Budget, which is the subject of this section of the Survey.
063. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

A. Yes, all three estimates related to government borrowing and debt are presented.
B. Yes, two of the three estimates related to government borrowing and debt are presented.
C. Yes, one of the three estimates related to government borrowing and debt are presented.
D. No, none of the three estimates related to government borrowing and debt are not presented.
E. Not applicable/other (please comment).

Philippines

Score: 33


GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.
Suggested Answer: e.
Comments: Government Review 1: Reviewer chose "Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference." The Enacted Budget by practice, focuses on appropriations. Where revenue and debt estimates by category are included and presented is in the Budget of Expenditures and Sources of Financing (BESF), a companion document to the President's Budget and National Expenditure Program, which are all submitted to Congress for review and scrutiny prior to budget approval.
Government Reviewer 2: Consistent with our comments in items #59, #61, and #62, this question is not applicable given the legal framework for budget authorization in the Philippines, warranting a score of "e." As noted in #61, the BESF presents projected revenues, borrowings, and debt which serve as basis (financing source) for the proposed appropriations. New measures authorizing revenues and borrowings are enacted separately from the general appropriations bill. This warrants a score of "e." We nonetheless note that the GAA (pages 1125 and 1126) present estimates for debt servicing (interest payments and principal amortization). Also, consistent with our comment in item #61, the financing targets under the 2014 BESF (particularly Tables A.1, A.2, and D1 to D7) applies to the GAA. Assuming that this question is not rated as "not applicable," then the presence of the information cited should warrant an "a".

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER'S RESPONSE

The researcher suggests to change answer "d" to "c" following the information noted by the second Government Reviewer in the General Appropriations Act. Note, however, that the Budget of Expenditures and Sources of Financing cannot be considered in this question. The BESF is one of the main documents that comprise the Executive's Budget Proposal, not the Enacted Budget, which is the subject of this section of the Survey.
064. What information is provided in the Citizens Budget? (The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

A. The Citizens Budget provides information beyond the core elements.
B. The Citizens Budget provides the core information.
C. The Citizens Budget provides information, but it excludes some core elements.
D. The Citizens Budget is not published.
E. Not applicable/other (please comment).

Philippines

A.

Score: 100


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

065. How is the Citizens Budget disseminated to the public?

A. A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).
B. A Citizens Budget is published by using at least two, but less than three, means of dissemination, but no other dissemination efforts are undertaken by the executive.
C. A Citizens Budget is disseminated only by using one means of dissemination.
D. A Citizens Budget is not published.
Philippines

A. Score: 100


Comments: The answer selected demonstrates an improvement in performance from the 2012 round of research. The researcher has chosen answer “b” because the dissemination efforts essentially focused on two means of communication, i.e., posting on the Internet and distribution of copies.

GOVERNMENT REVIEWER
Opinion: No, I do not agree with the score.
Suggested Answer: a.
Comments: Government Reviewer 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Citizen-friendly audio-visual presentations (AVPs) accompanying the EBP were also produced: on the Performance Informed Budget and on the 2014 Proposed Budget. These AVPs were posted online and/or shown during public events with stakeholders. In fact, the latter was shown during the Senate committee deliberations on the 2014 Budget. These AVPs should be considered as a third media tool or dissemination means for the Citizen's Budget. In fact, events held (for instance, briefings with CSOs and other partners on the proposed budget) should be considered as a fourth means. Moreover, social media action should be considered as a separate means of dissemination from the simple posting of the People's Budget on the Internet, especially as the former entails the development of specialized promotional materials and infographics. We further note that the DBM engages the mainstream trimedia (through press conferences, interviews, station visits, press releases, etc.) to disseminate information on the Budget to the public. (DBM’s press releases are available on http://www.dbm.gov.ph/?cat=6).

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER’S RESPONSE
The researcher suggests to retain answer “b.” The infographics and AVPs cited by the second Government Reviewer are included in the original citation, but these were also disseminated the same way as the print copy of the Citizen's Budget – online and during public events. An “a” answer pertains to modes of dissemination that reach even those who would not normally have access to budget documents.

IBP COMMENT
For cross-country consistency purposes, IBP would accept the AVPs cited by the government reviewer as a third mean of dissemination and has accordingly revised the response from “b” to “c.”
066. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

A. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, and these mechanisms are accessible and widely used by the public.

B. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget; while these mechanisms are accessible they are not widely used by the public.

C. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, but these mechanisms are not accessible.

D. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Sources: The researcher has identified two publicly available Citizens Budgets in this round of the Survey: the Citizens Budget for the 2015 Pre-Budget Statement titled “2015 Budget Priorities Framework” and the Citizens Budget for the 2014 Executive's Budget Proposal titled “2014 Proposed Budget in Brief: A People's Budget Publication,” “The Performance Informed Budget, FY 2014,” and “The Proposed Php2.26 Trillion National Budget 2014: A Quick Glance.” These documents are available on the following weblinks: http://budgetngbayan.com/2015-budget-priorities-framework-2852/, http://budgetngbayan.com/wp-content/uploads/PNEP-2014.pdf, http://budgetngbayan.com/wp-content/uploads/PIB-Brochure.pdf, and http://www.gov.ph/2013/07/24/2014-national-budget-a-quick-glance/. According to Francis Capistrano, Strategic Communication Consultant at the Department of Budget and Management (DBM), direct readership surveys and stakeholder interviews were conducted to prepare for the production of the Citizens Budget. The first round of readership survey was conducted at a DBM-organized consultation with CSOs on Sept. 4, 2013. Participants were requested to fill out a survey form that asked what type of information they need from a Citizens Budget, what kind of presentation they find useful, among others. DBM only received 15 accomplished survey forms out of the several forms distributed. DBM also disseminated survey forms in other events but did not retrieve completed ones. To get more feedback, Capistrano said DBM also conducted one-on-one stakeholder interviews with 10 CSO and business leaders to get inputs on how to make the budget more accessible to citizens. The interviews were held between Oct. 30 and Nov. 19, 2013. The readership survey and stakeholder interviews were conducted after the publication of the Citizens Budget for the 2014 Executive's Budget Proposal. These were done in preparation for the publication of succeeding Citizens Budgets, i.e., Citizens Budget for 2014 Enacted Budget and 2015 Pre-Budget Statement. Capistrano was interviewed on June 26, 2014 at the DBM office.

Comments: The answer selected demonstrates an improvement in performance from the 2012 round of research. The researcher has also chosen answer “c” because the mechanisms employed were not widely accessible. Readership surveys were limited to attendees at DBM events. The stakeholder interviewees, meanwhile, were mainly identified by DBM.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.
A. A citizens version of budget documents is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit).

B. A citizens version of budget documents is published for at least two of the four stages of the budget process.

C. A citizens version of budget documents is published for at least one stage of the budget process.

D. No citizens version of budget documents is published.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33


Comments: DBM has also produced a Citizens Budget for the 2014 Enacted Budget, but it was published beyond IBP’s accepted timeframe, which is three months from the date the budget was enacted. The 2014 budget was signed into law on Dec. 20, 2013. The Citizens Budget for the 2014 Enacted Budget was published on March 25, 2014. Note that DBM also produced a Citizens Budget for 2013 Enacted Budget. The document titled, “2013 Empowerment Budget,” was published on March 18, 2013 on http://budgetngbayan.com/2013-budget-highlights/. The 2013 budget was signed into law on Dec. 19, 2012. The answer selected demonstrates an improvement in performance from the 2012 round of research.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: While indeed the 2014 People’s Budget was published a few days beyond the cutoff period, we note that the DBM published a concise citizen-friendly summary info graphic/flyer of the 2014 GAA (see http://budgetngbayan.com/a-briefer-on-the-2014-national-budget-2843/) on December 20, 2013 (on the day of the GAA’s enactment). Physical copies were distributed to participants of the enactment ceremony (including CSOs and media), and uploaded on DBM’s Facebook page (https://www.facebook.com/DBMphilippines/posts/376365069166358:0).

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

IBP COMMENT

Researcher chose to maintain the original response of “c” as the Citizens Budget for the Enacted Budget was published late. The infographic cited by the second government reviewer is not considered to qualify as a Citizens Budget for the Enacted Budget, as a separate document identified as such was produced but published late.
068. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

A. Yes, the In-Year Reports present actual expenditures by all three expenditure classifications (by administrative, economic, and functional classification).

B. Yes, the In-Year Reports present actual expenditures by two of the three expenditure classifications.

C. Yes, the In-Year Reports present actual expenditures by only one of the three expenditure classifications.

D. No, the In-Year Reports do not present actual expenditures by any expenditure classification.

E. Not applicable/other (please comment).

Philippines

B. Score: 67


GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: In addition to the Assessment of National Government Disbursements Performance, National Government Disbursement Performance, and the Monthly Reports on the Utilization of Cash Allocation, the DBM also publishes quarterly Statements of Allotments, Obligations, and Balances (SAOBs), which present expenditures (obligations incurred) by administrative unit and by allotment class (i.e. economic classification). Moreover, these SAOBs present the fund sources of agencies (whether their agency-specific budgets or releases to and obligations by the agencies from Special Purpose Funds for their current year’s budget, as well as continuing appropriations from prior years’ budgets).

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

069. Do the In-Year Reports present actual expenditures for individual programs?

A. Yes, the In-Year Reports present actual expenditures for programs accounting for all expenditures.
B. Yes, the In-Year Reports present actual expenditures for programs accounting for at least two-thirds of, but not all, expenditures.

C. Yes, the In-Year Reports present actual expenditures for programs accounting for less than two-thirds of expenditures.

D. No, the In-Year Reports do not present actual expenditures by program.

E. Not applicable/other (please comment).

Philippines

D.
Score: 0

Sources: A review of the monthly reports produced by the Department of Budget and Management and the Bureau of the Treasury indicates that data on expenditure by program do not appear in the documents. The researcher reviewed the following documents:


GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: We agree with the score, but we note that specific programs are discussed intermittently in DBM's monthly or quarterly Assessment of Disbursements in the process of describing the performance per expense class (economic classification). For instance, in the end-June 2013 Assessment of Disbursements, key programs under Maintenance Expenditures like the Conditional Cash Transfer program and Supplemental Feeding Program were mentioned. In various instances too, selected infrastructure projects (e.g. Farm-to-Market Programs) are at times mentioned in the discussion of Infrastructure and Other Capital Outlays.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

070. Do the In-Year Reports compare actual year-to-date expenditures 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 expenditures presented in the In-Year Reports.

B. No, comparisons are not made for expenditures presented in the In-Year Reports.

C. Not applicable/other (please comment).

Philippines
Score: 100


Comments: The Development Budget Coordination Committee (DBCC) also develops quarterly fiscal targets from which outcomes may be compared with. For the 2013 budget, DBM published a document titled “Quarterly Fiscal Program of the National Government,” which can be accessed at http://www.dbm.gov.ph/wp-content/uploads/DBCC_MATTERS/Fiscal_Program/FiscalProgramOfNGFy_2013.pdf.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

071. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

A. Yes, In-Year Reports present actual revenue by category.

B. No, In-Year Reports do not present actual revenue by category.

C. Not applicable/other (please comment).

Philippines

Score: 100


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
072. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

A. Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.
B. Yes, In-Year Reports present individual sources of actual revenue accounting for at least two-thirds of, but not all, revenue.
C. Yes, In-Year Reports present individual sources of actual revenue accounting for less than two-thirds of all revenue.
D. No, In-Year Reports do not present individual sources of actual revenue.
E. Not applicable/other (please comment).

Philippines

B.

Score: 67


Comments: The researcher chose answer "b" because the "Other" category under Non-Tax Revenues is 4.2 percent of total revenues collected as of April 2014 in the document cited. An answer "b" should be selected if there is an "other" or "miscellaneous" revenue category greater than 3 percent of total revenues, according to the Survey methodology.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

IBP COMMENT
As more than three percent of revenues are not shown by individual sources, the researcher has revised the response from "a" to answer choice "b".

073. Do the In-Year Reports compare actual year-to-date revenues 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 revenues presented in the In-Year Reports.
B. No, comparisons are not made for revenues presented in the In-Year Reports.
C. Not applicable/other (please comment).

Philippines
A. Score: 100


Comments: The Development Budget Coordination Committee (DBCC) also develops quarterly fiscal targets from which outcomes may be compared with. For the 2013 budget, DBM published a document titled “Quarterly Fiscal Program of the National Government,” which can be accessed at http://www.dbm.gov.ph/wp-content/uploads/DBCC_MATTERS/Fiscal_Program/FiscalProgramOfNGFy_2013.pdf.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

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074. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

A. Yes, all three estimates related to government borrowing and debt are presented.
B. Yes, two of the three estimates related to government borrowing and debt are presented.
C. Yes, one of the three estimates related to government borrowing and debt are presented.
D. No, none of the three estimates related to government borrowing and debt are not presented.
E. Not applicable/other (please comment).

Philippines

A. Score: 100


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
075. Do In-Year Reports present information related to the composition of the total actual debt outstanding? (The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external.)

A. Yes, information beyond the core elements is presented for the composition of the total actual debt outstanding.
B. Yes, the core information is presented for the composition of the total actual debt outstanding.
C. Yes, information is presented, but it excludes some core elements.
D. No, information related to composition of total actual debt outstanding is not presented.
E. Not applicable/other (please comment).

Philippines

B.

Score: 67

Sources: The Bureau of the Treasury's reports titled "Debt Indicators, CY 2014" and "National Government Outstanding Debt As of April 2014" provide information on maturity profile of the debt and whether the debt is domestic or external. Additional information beyond the core requirement such as a breakdown of external debt by type of creditor and security are also provided. These documents can be found on the Internet at http://www.treasury.gov.ph/wp-content/uploads/2014/06/mo_debtindicator.pdf and http://www.treasury.gov.ph/wp-content/uploads/2014/06/mo_ngoutstandingdebt.pdf.

Comments: The reports do not include information on interest rates but a breakdown of external debt by type of creditor and security are provided to merit a “b” answer.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

076. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

A. Yes, the estimates for the macroeconomic forecast have been updated, and an explanation of all of the differences between the original and updated forecasts is presented.
B. Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.
C. Yes, the estimates for macroeconomic forecast have been updated, but an explanation of the differences between the original and updated forecast is not presented.
D. No, the estimates for macroeconomic forecast have not been updated.
E. Not applicable/other (please comment).
Philippines

Score: 100


Comments: The report does not include information on nominal GDP level but information beyond the core requirement such as price of oil are provided to merit an "a" answer. The answer selected demonstrates an improvement in performance from the 2012 round of research.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

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077. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

A. Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

B. Yes, expenditure estimates have been updated, and an explanation of some of the differences between the original and updated expenditure estimates is presented.

C. Yes, expenditure estimates have been updated, but an explanation of the differences between the original and updated expenditure estimates is not presented.

D. No, expenditure estimates have not been updated.

E. Not applicable/other (please comment).

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Philippines

Score: 100

Sources: Estimates as well as a discussion of original vis-à-vis updated expenditures six months into the budget year can be found on pages 8 to 20 and 24 to 26 of the document titled “Mid-Year Report on the 2013 National Budget.” This document can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/DBCC/2013/Mid-Year%20Report.pdf.

Comments: The answer selected demonstrates an improvement in performance from the 2012 round of research.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
078. Does the Mid-Year Review of the budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

A. Yes, the Mid-Year Review presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

B. Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.

C. Yes, the Mid-Year Review presents expenditure estimates by only one of the three expenditure classifications.

D. No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Sources: The document titled "Mid-Year Report on the 2013 National Budget" presents expenditure estimates by economic classification. This information can be found on page 11 of the document, which is available at http://www.dbm.gov.ph/wp-content/uploads/DBCC/2013/Mid-Year%20Report.pdf. Pages 14 to 20 of the 2013 Mid-Year Report also provides a financial status and physical accomplishments of selected programs of 10 departments.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

079. Does the Mid-Year Review of the budget present expenditure estimates for individual programs?

A. Yes, the Mid-Year Review presents estimates for programs accounting for all expenditures.

B. Yes, the Mid-Year Review presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

C. Yes, the Mid-Year Review presents estimates for programs accounting for less than two-thirds of expenditures.

D. No, the Mid-Year Review does not present expenditure estimates by program.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: We agree with the researcher’s finding that the MYR presents actual financial and performance information of selected programs of 10 departments only.

PEER REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: d.

Comments: Individual agencies, yes; but individual programs, no. The Mid-Year Review (MYR) does not present expenditure estimates by program. It limits its analysis on broad economic categories – not agencies and programs.

RESEARCHER’S RESPONSE

We suggest retaining answer “c” because expenditure estimates are provided for some of the programs. For instance, the report states that the Health Facilities Enhancement Program of the Department of Health “marked an obligation rate of 17 percent or P882 million out of the P5.2 billion total allotment received.” The report also lists the amounts that had already been obligated for the Department of Agriculture’s rice, corn and fisheries programs, and Quick Response Fund. For the Department of Agrarian Reform, P6 million of the P210 million allotment for PAMANA was obligated in the first half of the year.

080. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

A. Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.

B. Yes, revenue estimates have been updated, and an explanation of some of the differences between the original and updated revenue estimates is presented.

C. Yes, revenue estimates have been updated, but an explanation of the differences between the original and updated revenue estimates is not presented.

D. No, revenue estimates have not been updated.

E. Not applicable/other (please comment).

Philippines

A.

Score: 100

Sources: Estimates as well as a discussion of the program vis-à-vis actual revenues can be found on pages 6 to 8 of the document titled “Mid-Year Report on the 2013 National Budget.” Revenue outlook is also provided on pages 24 to 26. The document can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/DBCC/2013/Mid-Year%20Report.pdf.

Comments: The answer selected demonstrates an improvement in performance from the 2012 round of research.

GOVERNMENT REVIEWER
081. Does the Mid-Year Review of the budget present revenue estimates by category (such as tax and non-tax)?

A. Yes, the Mid-Year Review presents revenue estimates by category.
B. No, the Mid-Year Review does not present revenue estimates by category.
C. Not applicable/other (please comment).

Philippines

A.

Score: 100


GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

082. Does the Mid-Year Review of the budget present individual sources of revenue?

A. Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.
B. Yes, the Mid-Year Review presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.
C. Yes, the Mid-Year Review presents individual sources of revenue accounting for less than two-thirds of all revenues.
D. No, the Mid-Year Review does not present individual sources of revenue.
E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Sources: The document titled "Mid-Year Report on the 2013 National Budget" does not present a breakdown of revenues by source. It provides information by collecting agency. This section can be found on pages 7 to 8 of the document, which is available at http://www.dbm.gov.ph/wp-content/uploads/DBCC/2013/Mid-Year%20Report.pdf.
083. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

A. Yes, estimates of government borrowing and debt have been updated, and information on all of the differences between the original and updated estimates is presented.

B. Yes, estimates of government borrowing and debt have been updated, and information on some of the differences between the original and updated estimates is presented.

C. Yes, estimates of government borrowing and debt have been updated, but information on the differences between the original and updated estimates is not presented.

D. No, estimates of government borrowing and debt have not been updated.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Sources: Information on borrowing, outstanding debt, and interest payments can be found on pages 20, 21, and 11 of the document titled “Mid-Year Report on the 2013 National Budget,” respectively. Average interest rates and maturity as well as classification of whether the debt is domestic or external are provided on page 21 of the report. The document is available at http://www.dbm.gov.ph/wp-content/uploads/DBCC/2013/Mid-Year%20Report.pdf.

Comments: The researcher has chosen answer “c” because there is no information and discussion on the updated amounts versus programmed estimates.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.
A. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

B. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, but a narrative discussion is not included.

C. Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all expenditures are presented.

D. No, estimates of the differences between the enacted levels and the actual outcome for expenditures are not presented.

E. Not applicable/other (please comment).

**Philippines**

**Score:** 100

**Sources:** Estimates as well as a discussion of the program vis-à-vis actual expenditures for the 2012 budget year can be found on pages 12 to 15 and 17 to 28 of the document titled “Year-End Report on the 2012 National Budget.” This document can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/DBCC/2012/2012%20Year-End%20Report_Consolidated_V7.pdf. Pages 12 to 15 provide information on disbursements, which refer to the settlement of government obligations. To implement programs, activities, and projects, allotments are required for agencies to be able to enter into an obligation or incur liabilities, i.e., when it hires employees or enters into a contract with an entity for the supply of goods or services. Information on allotments and obligations are provided on pages 17 to 28. More information on the budget execution phase of the Philippine budget system can also be found on http://budgetngbayan.com/budget-101/budget-execution/.

**Comments:** The answer selected demonstrates an improvement in performance from the 2012 round of research. To speed up budgetary releases, the Department of Budget and Management has adopted the General Appropriations Act (GAA) as release document in 2014. Agency budgets, excluding lump-sum funds, special purpose funds, and automatic appropriations, are considered released as allotments when the GAA takes into effect.

**GOVERNMENT REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

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**085. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?**

A. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

B. Yes, the Year-End Report presents expenditure estimates by two of the three expenditure classifications.

C. Yes, the Year-End Report presents expenditure estimates by only one of the three expenditure classifications.

D. No, the Year-End Report does not present expenditure estimates by any expenditure classification.

E. Not applicable/other (please comment).

**Philippines**
B.

Score: 67

Sources: The document titled “Year-End Report on the 2012 National Budget” presents expenditure estimates by economic classification. This information can be found on pages 12 to 15 of the document, which is available at http://www.dbm.gov.ph/wp-content/uploads/DBCC/2012/2012%20Year-End%20Report_Consolidated_V7.pdf. Pages 17 to 19 of the 2012 Year-End Report also provide information by function, but these are on obligation basis. Pages 19 to 28 of the same document, meanwhile, include data by administrative unit, but they likewise cover obligations and selected programs of 10 departments only.

Comments: See related citation in Question 84.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: a.

Comments: Government Reviewer 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: The researcher cited the presence of expenditures classified by function, but did not consider the same in the scoring as it is based on obligations. In the Philippines’ budgeting system, obligations incurred by agencies against their appropriations are considered as expenditures. We likewise note that the presentation of expenditures by functional classification in the EBP (BESF Table B8 and B8a) is based on obligations. Thus, consistent with the researcher’s findings in #2, then the presentation of expenditures by sector (function) must be considered. In addition, the as-of-December Statement of Allotment, Obligation, and Balances (SAOB) and Report on the Utilization of Cash Allocations are presented according to administrative unit. With all these, we hope a score of “a” is considered.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER’S RESPONSE

The researcher has changed the answer from “c” to “b” following second Government Reviewer’s explanation that obligations are expenditures.

086. Does the Year-End Report present expenditure estimates for individual programs?

A. Yes, the Year-End Report presents estimates for programs accounting for all expenditures.
B. Yes, the Year-End Report presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.
C. Yes, the Year-End Report presents estimates for programs accounting for less than two-thirds of expenditures.
D. No, the Year-End Report does not present expenditure estimates by program.
E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Comments: See related citation in Question 84.

GOVERNMENT REVIEWER
Opinion: No, I do not agree with the score.
Suggested Answer: c.
Comments: Government Reviewer 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: The researcher cited the presence of discussions and information on the financial and physical performance of selected programs of 10 departments, but did not consider the same in the scoring as the expenditure estimates were obligation-based. Please note the response in item #85 on the Philippines’ obligation-based system. Moreover, the researcher considered the program-level information in the MYR (see item #79), even as the financial performance presented therein are likewise obligation-based. Thus, the YER’s presentation of financial performance (obligation-based) at the program level, albeit selective, must be considered.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER’S RESPONSE
The researcher has changed the answer from “d” to “c” following GR2’s explanation that obligations are expenditures.

087. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

A. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.
B. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, but a narrative discussion is not included.
C. Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all revenues are presented.
D. No, estimates of the differences between the enacted levels and the actual outcome for revenues are not presented.
E. Not applicable/other (please comment).

Philippines

A.

Score: 100


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
088. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

A. Yes, the Year-End Report presents revenue estimates by category.
B. No, the Year-End Report does not present revenue estimates by category.
C. Not applicable/other (please comment).

Philippines

A.
Score: 100


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

089. Does the Year-End Report present individual sources of revenue?

A. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.
B. Yes, the Year-End Report presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.
C. Yes, the Year-End Report presents individual sources of revenue accounting for less than two-thirds of all revenues.
D. No, the Year-End Report does not present individual sources of revenue.
E. Not applicable/other (please comment).

Philippines

B.
Score: 67


Opinion: No, I do not agree with the score.

Suggested Answer: a.

Comments: Government Reviewer 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: We take note of the researcher's comment on consistency of the categorization of revenues between the EBP (BESF) and YER, and improve future iterations of the YER. Just the same, the presence in the YER of a breakdown of all revenues by source must be considered in the scoring.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

IBP COMMENT
Answer choice "b" was maintained for cross-country consistency purposes, as the "other" revenue category accounted for greater than 3 percent of revenues.

090. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

A. Yes, estimates of the differences between all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

B. Yes, estimates of the differences between all the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

C. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

D. No, estimates of the differences between the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year is not presented.

E. Not applicable/other (please comment).

Philippines

A.

Score: 100


GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
A. Yes, estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

B. Yes, estimates of the differences between all the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

C. Yes, estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented.

D. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

E. Not applicable/other (please comment).

Philippines

Score: 100


Comments: Information beyond the core elements are included to merit an “a” answer even though information on nominal GDP level is not provided. The answer selected demonstrates an improvement in performance from the 2012 round of research.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

A. Yes, estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, along with a narrative discussion.

B. Yes, estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, but a narrative discussion is not included.

C. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented.

D. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.
Philippines

**Score:** 33


**GOVERNMENT REVIEWER**
Opinion: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**
Opinion: Yes, I agree with the score and have no comments to add.

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093. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

A. Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, along with a narrative discussion.

B. Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, but a narrative discussion is not included.

C. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented.

D. No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.

E. Not applicable/other (please comment).

Philippines

**Score:** 33


**GOVERNMENT REVIEWER**
Opinion: Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**
Opinion: Yes, I agree with the score and have no comments to add.
Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

A. Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, along with a narrative discussion.

B. Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, but a narrative discussion is not included.

C. Yes, estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented.

D. No, estimates of the differences between the enacted level for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are not presented.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33


GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: c.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: On the contrary, such information is presented in the YER, although to a limited extent. Pages 21 to 22, for instance, discusses anti-poverty programs such as the Universal Health Care Program, the Pantawid Pamilyang Pilipino Program (4Ps), Social Pensions for Senior Citizens, the Kapit Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (KALAHICIDDS).

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER'S RESPONSE

The researcher has changed the answer from “d” to “c” citing the information provided for anti-poverty programs listed by the second Government Reviewer.

Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

A. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented,
along with a narrative discussion.

B. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, but a narrative discussion is not included.

C. Yes, estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented.

D. No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

E. Not applicable/other (please comment).

Philippines

D.

Score: 0


GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

096. Is a financial statement included as part of the Year-End Report or released as a separate report?

A. Yes, a financial statement is part of the Year-End Report or is released as a separate report.

B. No, a financial statement is neither part of the Year-End Report nor released as a separate report.

C. Not applicable/other (please comment).

Philippines

A.

Score: 100


GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: As we commented in items #39-41, the COA in the present system is vested with the mandate of accounting for government’s financial condition, including the preparation of the government’s financial statement.
097. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

A. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.
B. The SAI has conducted two of the three types of audits, and made them available to the public.
C. The SAI has conducted one of the three types of audits, and made them available to the public.
D. The SAI has not conducted any of the three types of audits, or has not made them available to the public.
E. Not applicable/other (please comment).

Philippines

A.

Score: 100

Sources: The Commission on Audit (COA) conducts all three types of audits. In a reply to PCIJ's request for information, the Public Information Office of the COA said that financial audits are carried out to evaluate the fairness of the presentation of agencies' financial statements as well as check whether the financial reporting framework complies with the Philippine Public Sector Accounting Standards or international financial reporting standards. Compliance or regularity audits, meanwhile, are undertaken to determine agency compliance with applicable laws, rules, and regulations, and with agency policies. Financial and compliance audits are conducted annually by an audit team either on a residency or visitorial basis. COA also conducts value-for-money or performance audits to ascertain the economy, efficiency, and effectiveness in the implementation of agency programs, activities, and projects. Audit results are likewise incorporated in the annual audit reports of agencies. “Financial and Compliance” audit findings as well as those referring to “Value-for-Money” or performance can be found in the 2012 annual audit reports. For instance, refer to the pages iv to xix of the Executive Summary of the annual audit report of the Department of Education for 2012. The report can be downloaded on http://coa.gov.ph/index.php/national-government-agencies/2012/category/74-department-of-education. The rest of the audit reports are available on the Internet at http://coa.gov.ph/index.php/national-government-agencies/2012.

Comments: In addition, COA conducts fraud and variable-scope audits and audits of foreign-assisted projects when such is required in foreign loan agreements and grants. The citation is guided by a phone interview with COA Director Sabiniano Cabatuan and the COA PIO's response to PCIJ's information request. Cabatuan was interviewed on June 27, 2014.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

098. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

A. All expenditures within the SAI's mandate have been audited.
B. Expenditures representing at least two-thirds of, but not all, expenditures within the SAI's mandate have been audited.

C. Expenditures representing less than two-thirds of expenditures within the SAI's mandate have been audited.

D. No expenditures have been audited.

E. Not applicable/other (please comment).

Philippines

B.

Score: 67

Sources: The 1987 Constitution grants the Commission on Audit (COA) exclusive authority to define the scope of audit and to establish the methods and techniques required to perform its duty. COA has thus prescribed statistical sampling methodologies through the issuance of COA Memorandum Nos. 84-316-A, 85-316-C, and 93-316D, as amended by COA Resolution No. 95-505, in view of the volume and complexity of transactions in government. Some of these sampling techniques include the simplified sampling scheme, test audit month scheme, test audit day scheme, among others. According to COA’s Public Information Office, audit results of the sample taken are considered representative of all the transactions/accounts relative to it. COA, upon its adoption of the Integrated Results and Risk Based Audit (IRRBA) in 2011, no longer audits 100 percent of expenditures as it has become physically impossible. It audits only transactions covered by identified critical accounts and areas of operations. COA’s PIO also noted that this is because of the inadequacy in manpower resources vis-à-vis the increasing scope of government audit.

Comments: The citation is guided by the COA PIO’s response to PCIJ’s information request. The answer selected demonstrates a deterioration in performance from the previous round of the survey.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

099. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

A. All extra-budgetary funds within the SAI's mandate have been audited.

B. Extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.

C. Extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.

D. No extra-budgetary funds have been audited.

E. Not applicable/other (please comment).

Philippines

B.

Score: 67
Sources: The Commission on Audit (COA) does not customarily conduct a separate audit of extra-budgetary funds. Audits of extra-budgetary funds form part of the regular audit of agencies. COA's Public Information Office noted that auditors may likewise apply sampling procedures, as in regular audits, since the volume of transactions make it physically impossible to audit everything. The results of the audit of the sample taken are also considered representative of all the transactions/accounts relative to it. See related citation in Question 98.

Comments: The citation is guided by the COA PIO's response to PCIJ's information request.

GOVERNMENT REVIEWER
Opinion: No, I do not agree with the score.
Suggested Answer: b.
Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: The researcher stated that the audit of extra-budgetary funds normally form part of the regular audit of agencies. Indeed, agency-level audits cover all the fund sources of such agencies (subject to sampling as noted in item #98). We also note that the OBS guidelines do not require that extra-budgetary funds be audited separately from regular accounts. Thus, we find that the researcher's basis for scoring "c" is insufficient. We likewise note that the Annual Financial Reports produced by COA contains a section dedicated to Special Accounts in the General Fund. Moreover, COA conducts separate agency-level audits of the financial operations of government corporations and state universities and colleges.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER'S RESPONSE
The researcher has changed the answer from "c" to "b" following the explanations of the second Government Reviewer and IBP.

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

A. Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.
B. No, the annual Audit Report(s) does not include an executive summary.
C. Not applicable/other (please comment).

Philippines

A.
Score: 100

Sources: The 2012 Annual Audit Reports each include an executive summary. These reports can be seen on the Internet at http://coa.gov.ph/index.php/national-government-agencies/2012.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.
101. 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?

A. Yes, the executive reports publicly on what steps it has taken to address audit findings.
B. Yes, the executive reports publicly on most audit findings.
C. Yes, the executive reports publicly on some audit findings.
D. No, the executive does not report on steps it has taken to address audit findings.
E. Not applicable/other (please comment).

Philippines

D.

Score: 0

Sources: The executive does not publish a report on steps it has taken to address audit findings.

Comments: Department of Budget and Management (DBM) officials said that the reporting is mainly the function of the Commission on Audit (COA). But they note that DBM and COA are already in talks on how to publish such report. Interview with DBM's Rolando Toledo and Francis Capistrano was held on June 26, 2014 at the DBM office.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

A. Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.
B. Yes, the SAI or legislature reports publicly on most audit recommendations.
C. Yes, the SAI or legislature reports publicly on some audit recommendations.
D. No, neither the SAI nor legislature reports on steps the executive has taken to address audit recommendations.
E. Not applicable/other (please comment).

Philippines

B.

Score: 67

Sources: The Commission on Audit (COA), the House of Representatives, and the Senate do not publish a separate report indicating the
steps taken by agencies to address audit findings. But the COA, in its subsequent audit reports, provides a status of implementation of the previous years' audit recommendations along with the auditor's validation. This is presented in Part III of the annual audit report. The 2012 Annual Audit Reports can be seen on the COA website at [http://coa.gov.ph/index.php/national-government-agencies/2012](http://coa.gov.ph/index.php/national-government-agencies/2012).

**Comments:** While there is no report coming from Congress, lawmakers usually check the latest audit report of agencies, if available, during budget deliberation. For the 2013 audit, COA has released a memorandum requiring agencies to identify the period needed – 30 or 60 days – to address its audit recommendations. The memorandum was issued as a way for COA to track agency compliance with its audit recommendations. The citation is guided by the COA PIO's response to PCIJ's information request. The researcher has chosen answer “b” because not all audit reports are publicly available during budget preparation or legislation.

**GOVERNMENT REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

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**Section 4. Strength of Oversight Institutions**

103. Does the legislature have internal capacity to conduct budget analyses or use independent research capacity for such analyses?

A. Yes, there is a specialized budget research office/unit attached to the legislature, and it has sufficient staffing, resources, and analytical capacity to carry out its tasks.

B. Yes, there is a specialized budget research office, but its staffing and other resources, including adequate funding, are insufficient to carry out its tasks.

C. Yes, there are independent researchers outside the legislature that can perform budget analyses and the legislature takes advantage of this capacity, but there is no specialized office attached to the legislature.

D. No, the legislature has neither internal capacity nor access to independent research capacity for budget analyses.

E. Not applicable/other (please comment).

**Philippines**

B. Score: 67

**Sources:** Both houses of the Philippine legislature have research offices for budget analyses: the Congressional Planning and Budget Research Department (CPBRD) for the House of Representatives, and the Legislative Budget Research and Monitoring Office (LBRMO) for the Senate. The CPBRD and LBRMO provide technical assistance to legislators during budget preparation by producing agency budget notes and other studies related to the proposed budget. The directors of both offices said that they usually have to make the most out of their limited resources. CPBRD Director Romulo Emmanuel M. Miral Jr. said that while his office can provide support in the study of the proposed budget, they miss out on doing research for other phases of the budget due to insufficiency of staff and resources. LBRMO Director Yolanda Doblon, meanwhile, said that during budget season, their staff are not sufficient and often had to work overtime. For budget preparation, the office has to review the budget over 300 agencies with the help of only 25 staff. Miral was interviewed on May 27, 2014; Doblon on June 4, 2014.
104. Does the legislature debate budget policy prior to the tabling of the Executive's Budget Proposal?

A. Yes, the legislature both debates budget policy prior to the tabling of the Executive's Budget Proposal and approves recommendations for the budget, and the executive is obliged to reflect the legislature's recommendations in the budget.

B. Yes, the legislature both debates budget policy prior to the tabling of the Executive's Budget Proposal and approves recommendations for the budget, but the executive is not obliged to reflect the legislature's recommendations in the budget.

C. Yes, the legislature debates budget policy prior to the tabling of the Executive's Budget Proposal, but the legislature does not approve recommendations for the budget.

D. No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

E. Not applicable/other (please comment).

Philippines

D. Score: 0

Sources: Neither the House of Representatives nor the Senate holds pre-budget debates. Debates on budget policy are conducted after the Congress receives the Executive's Budget Proposal. The first committee hearing is devoted to this discussion, according to Gabriela Women's Party-List Rep. Luzviminda C. Ilagan. Ilagan is a member for the minority in the House Committee on Appropriations. She was interviewed on June 2, 2014.

105. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?

A. Yes, the executive holds 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 consultations with only a limited number of legislators.

D. No, the executive does not consult with members of the legislature as part of the budget preparation process.
Philippines

Score: 0

Sources: Gabriela Women’s Party-List Rep. Luzviminda C. Ilagan said that the executive does not consult members of the legislature during budget preparation. Ilagan is a member for the minority in the House Committee on Appropriations. She was interviewed on June 2, 2014.

Comments: Government agencies are mandated to consult with Regional Development Councils (RDC) in the preparation of their budget proposal. The Department of Budget and Management said that RDCs often invite district representatives to attend such consultations. The body, however, is not legally obliged to invite legislators to its meetings. RDCs are institutions in charge of setting the direction of economic and social development of the regions. They are composed of local government officials as well as regional directors of selected agencies.

GOVERNMENT REVIEWER
Opinion: No, I do not agree with the score.
Suggested Answer: c.
Comments: Government Reviewer 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Under the system of government of the Philippines, the Executive and Legislature are independent from each other to provide ample checks and balances. In the budget process, the Executive has the sole authority to prepare the budget to be defended before Congress for its approval. The role of legislators is to review, amend, and approve the proposed budget. Nonetheless, as the researcher cited, some legislators participate in consultations with Regional Development Councils (RDCs) during budget preparation. For background, RDCs are composed of local government executives and regional offices of key national government agencies. In recent times, the Executive has formalized a mechanism where RDC inputs are considered in the process of formulating the Executive’s Proposed Budget (see the Budget Call for 2013 and its annexes, http://www.dbm.gov.ph/?page_id=8082). While RDCs have no legal obligation to involve legislators in their discussions or consultations on the proposed budget, the fact that some legislators participate in such meetings should be acknowledged.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER’S RESPONSE

The second Government Reviewer’s comment on the roles of the Executive and the Legislature in the budget under the Philippine Constitution should be noted. However, the researcher recommends keeping answer “d” for this question. The executive does not purposively consult or seek input from legislators during budget preparation; it falls on the legislators to heed the occasional Regional Development Council invitations to be able to participate.

106. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

A. The legislature receives the Executive's Budget Proposal at least three months before the start of the budget year.
B. The legislature receives the Executive's Budget Proposal at least six weeks, but less than three months, before the start of the budget year.
C. The legislature receives the Executive's Budget Proposal less than six weeks before the start of the budget year.
D. The legislature does not receive the Executive's Budget Proposal before the start of the budget year.
E. Not applicable/other (please comment).
Philippines

A. Score: 100

Sources: Submission of the budget proposal to Congress was scheduled on July 23, 2013, according to the 2014 Budget Preparation Calendar. Congress received the 2014 Budget Proposal on said date, more than five months before the start of the budget year. The 2014 Budget Preparation Calendar is available at http://www.dbm.gov.ph/wp-content/uploads/Issuances/2013/Joint%20Memorandum%20Circular/NBM115/2014%20CALENDAR.pdf.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

107. When does the legislature approve the Executive’s Budget Proposal?

A. The legislature approves the budget at least one month in advance of the start of the budget year.

B. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

C. The legislature approves the budget less than one month after the start of the budget year.

D. The legislature approves the budget more than one month after the start of the budget year, or does not approve the budget.

E. Not applicable/other (please comment).

Philippines

B. Score: 67

Sources: The Bicameral Conference Committee approved the 2014 President’s Budget on Dec. 10, 2013, less than one month at the start of the budget year. The Senate ratified it on Dec. 11 and the House of Representatives on Dec. 16. The appropriations bill was passed into law, with the signing of the president on Dec. 20.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

108. Does the legislature have the authority in law to amend the Executive’s Budget Proposal?

A. Yes, the legislature has unlimited authority in law to amend the Executive’s Budget Proposal.
B. Yes, the legislature has authority in law to amend the Executive's Budget Proposal, with some limitations.

C. Yes, the legislature has authority in law to amend the Executive's Budget Proposal, but its authority is very limited.

D. No, the legislature does not have any authority in law to amend the Executive's Budget Proposal.

E. Not applicable/other (please comment).

**Philippines**

**B.**

**Score:** 67

**Sources:** Congress can decrease appropriations and reallocate expenditures as long as it keeps within the overall ceiling set in the Executive's Budget Proposal. Section 25 (1), Article VI of the 1987 Constitution provides: “The Congress may not increase the appropriations recommended by the president for the operation of the government as specified in the budget. The form, content, and manner of preparation of the budget shall be prescribed by law.” The Constitution can be accessed at http://www.gov.ph/constitutions/the-1987-constitution-of-the-republic-of-the-philippines/the-1987-constitution-of-the-republic-of-the-philippines-article-vi/. This limitation is likewise stated in Section 24 of the Administrative Code: “The Congress shall in no case increase the appropriation of any project or program of any department, bureau, agency or office of the Government over the amount submitted by the President in his budget proposal.” http://www.gov.ph/1987/07/25/executive-order-no-292-book-vi/chapter-4-budget-authorization/

**GOVERNMENT REVIEWER**

**Opinion:** No, I do not agree with the score.

**Suggested Answer:** b.

**Comments:** Government Reviewer 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: The 1987 Constitution cited has been commonly understood as a prohibition from increasing the total budget program. In other words, Congress has unlimited power to amend the contents of the Budget--to increase or decrease the allocations for departments or programs, or even to insert or delete programs and projects in the Budget--so long as the budget ceiling is not breached. This view has been upheld in discussions of the 1986 Constitutional Commission which crafted the 1987 Constitution. The full section of the Administrative Code cited by the researcher reads as follows: “The Congress shall in no case increase the appropriation of any project or program of any department, bureau, agency or office of the Government over the amount submitted by the President in his budget proposal. In case of any reduction in the proposed appropriation for a project or program, a corresponding reduction shall be made in the total appropriation of the department, office or agency concerned and in the total of the General Appropriations Bill.” If interpreted against the Constitution, this provision means that any increase in any item may not be made if it will increase the total budget ceiling. This has been the prevailing practice. We note, for instance, that the total proposed budget for 2014 of the Department of Public Works and Highways is about P213 billion, which was increased to P219 billion after Congress' amendments, while other agencies' budgets were reduced to accommodate this.

**PEER REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

**RESEARCHER’S RESPONSE**

The researcher recommends changing the answer from “c” to “b” as suggested by the second Government Reviewer. The authority in law given to Congress can be more properly described as having “some limitations” as opposed to being “very limited.”

**IBP COMMENT**

For cross-country consistency purposes, answer choice “c” is selected as Congress cannot increase funding levels.
109. Does the executive seek input from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

A. The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds between administrative units, and it does so in practice.

B. The executive obtains approval or input from the legislature prior to shifting funds between administrative units, but is not required to do so by law or regulation.

C. The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds between administrative units, but in practice the executive shifts funds without seeking prior approval or input from the legislature.

D. The executive shifts funds between administrative units without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.

E. Not applicable/other (please comment).

Philippines

D.

Score: 0

Sources: Shifting of funds between administrative units is allowed, without the need for legislative input, under the Constitution as well as Sections 39 and 49 of the Administrative Code of the Philippines (http://www.gov.ph/1987/07/25/executive-order-no-292-book-vichapter-5-budget-execution/). However, the authority to realign is limited to the use of savings to augment any item in the General Appropriations Act (GAA). Section 25(5) of Article VI of the Constitution provides that: “No law shall be passed authorizing any transfer of appropriations; however, the President, the President of the Senate, the Speaker of the House of Representatives, the Chief Justice of the Supreme Court, and the heads of Constitutional Commissions may, by law, be authorized to augment any item in the general appropriations law for their respective offices from savings in other items of their respective appropriations.” (http://www.gov.ph/constitutions/the-1987-constitution-of-the-republic-of-the-philippines/the-1987-constitution-of-the-republic-of-the-philippines-article-vi/) The requirement “by law” in the quoted provision is deemed satisfied with the authorization on the use of savings contained in the GAA. For the 2014 budget, this is found under Sections 67 to 71 of the law's General Provisions. (http://www.dbm.gov.ph/wp-content/uploads/GAA/GAA2014/Provision.pdf)

Comments: The president does not consult the legislature when shifting funds between administrative units in practice. Nonetheless, in 2013, a senator and, later, the budget department disclosed the use of realigned funds from the executive to support lawmaker-endorsed projects, among others, covering the years 2011 and 2012. Nine petitions were filed before the Supreme Court questioning the validity of the program that facilitated such releases. On July 1, 2014 the Supreme Court declared said program (called the Disbursement Acceleration Program) unconstitutional, providing clarifications on: (1) the meaning of savings, (2) prohibition on transfer of savings from one branch to another (e.g., Executive to the Legislative); and (3) prohibition on funding of projects, activities and programs that were not covered in the appropriations act. For a copy of the Supreme Court decision, please refer to http://sc.judiciary.gov.ph/microsite/dap/.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: c.

Comments: Government Reviewer 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: It must be pointed out that the general rule is that the transfer of appropriations is prohibited. The use of savings to augment deficient items of appropriation (within an agency or across agencies) is the exception, which may only be done after meeting stringent conditions set by the Constitution, the Administrative Code, and the genera provisions of the annual GAA. We further note that the extent of the use of savings for augmentation is very limited, historically, amounting to only about 1-3 percent of the total annual Budget. Considering as well the peer reviewer’s position, this item should be scored at least “c”. We likewise wish to correct the researcher’s assertion that the
Supreme Court declared the totality of the Disbursement Acceleration Program unconstitutional. Rather, it declared three practices under DAP as unconstitutional or void: the withdrawal of unobligated allotments and the declaration of such as savings; the "cross-border" transfer of savings between branches of government (i.e. from Executive to Legislature); and the use of unprogrammed funds without a Treasurer’s certification that revenue collections exceeded targets. We must emphasize that the Court itself recognized that "the implementation of the DAP yielded undeniably positive results that enhanced the economic welfare of the country."

**PEER REVIEWER**

**RESEARCHER'S RESPONSE**

The researcher accepts the Government Reviewer's correction on the Supreme Court decision on the constitutionality of the Disbursement Acceleration Program (i.e., not the entire program was declared unconstitutional but only certain practices under it). However, as with our response to the Peer Reviewer, we suggest keeping the answer “d”. While the general rule is that transfer of appropriation is prohibited, the exception allows for the realignment of funds classified as savings (subject to limitations, see Comment paragraph 2). This does not require legislative input. The “by law” requisite in the quoted Constitutional provision is deemed satisfied by the general authorization on the use of savings contained in the General Appropriations Act of every fiscal year. To illustrate, in the case of DAP, the act of pooling of savings from various departments and the identification of program, activities, and projects to be funded using the pooled savings did not need input/approval from the legislature. It was considered part of the discretion given to the Executive during execution of the budget.

**IBP COMMENT**

The researcher requested to modify the original citation for clarity as follows: Transfer of appropriations is prohibited under Section 25(5) of Article VI of the Constitution. However, the same provision permits the augmentation of any item in the enacted budget through savings (subject to certain limitations). This essentially allows shifting of funds, without legislative input, which is what the President does in practice.

110. Does the executive seek input from the legislature prior to shifting funds within administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

A. The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds within administrative units, and it does so in practice.

B. The executive obtains approval or input from the legislature prior to shifting funds within administrative units, but is not required to do so by law or regulation.

C. The executive is required by law or regulation to obtain approval or input from the legislature prior to shifting funds within administrative units, but in practice the executive shifts funds without seeking prior approval or input from the legislature.

D. The executive shifts funds within administrative units without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.

E. Not applicable/other (please comment).

**Philippines**

D.

**Score:** 0

**Sources:** Shifting of funds between line items in the enacted budget is also done without legislative input or approval and allowed under Section 25(5) of Article VI of the Constitution as well as Sections 39 and 49 of the Administrative Code of the Philippines.
GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: c.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: Consistent with our response in item #109, the general rule is that funds may not be shifted between appropriation items (within or across agencies), and the authority to use savings is a limited flexibility.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER'S RESPONSE

The researcher suggests to keep the "d" answer, consistent with our response to the second Government Reviewer in Q109.

IBP COMMENT

The researcher offered the following modification to the original citation for clarity: Shifting of funds between line items in the enacted budget is also done without legislative input or approval and allowed, as an exception to the general rule, under Section 25(5) of Article VI of the Constitution as well as Sections 39 and 49 of the Administrative Code of the Philippines. See related citation for Question 109.

111. Does the executive seek input from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

A. The executive is required by law or regulation to obtain approval or input from the legislature prior to spending excess revenues, and it does so in practice.

B. The executive obtains approval or input from the legislature prior to spending excess revenue, but is not required to do so by law or regulation.

C. The executive is required by law or regulation to obtain approval or input from the legislature prior to spending excess revenue, but in practice the executive spends these funds without seeking prior approval or input from the legislature.

D. The executive spends excess revenues without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.

E. Not applicable/other (please comment).

Philippines

D.

Score: 0


Comments: The practice is similar to that in the 2012 round of research, but the researcher's reassessment of available information and
guidelines has led to a change in response.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.
Suggested Answer: a.
Comments: Government Review 1: Reviewer chose “Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.” Among the changes in public financial management being done is to secure supplemental budget approval (2014) for the use of excess revenues, as well as defining more explicitly the definition of savings. Government Reviewer 2: The Constitution states that “(n)o money shall be paid out of the Treasury except in pursuance of an appropriation made by law (Section 29 (1), Article VI).” Included in the annual GAA are allocations for the Unprogrammed Fund, or standby appropriations approved by Congress for the use of windfall revenues (revenues in excess of targets, new revenue measures, or new loan agreements) for the purposes identified. In other words, through the Unprogrammed Fund, Congress has already given the Executive prior approval for the use of excess revenues. We likewise note that, by practice, the Unprogrammed Fund is a limited flexibility, as it is equivalent to roughly only 4-6 percent of the total Budget.

PEER REVIEWER

RESEARCHER’S RESPONSE
Since no law specifically requires the executive to seek legislative input or approval before spending excess revenues, the government needs only to follow the general constitutional requirement that all money paid out from the treasury needs an appropriation law. The inclusion of Unprogrammed Funds (UF) in the Enacted Budget serves to satisfy such requirement, in effect removing the need for the executive to seek legislative authorization once excess revenues actually become available during budget execution. However, these conditional allocations take the form of lump-sum, one-line item in the enacted budget. As such, discretion is given to the executive during execution to decide what projects under the broad UF categories the excess revenues will be spent on (see citation, paragraph 2). The researcher thus suggests keeping the answer “d”.

112. When was the most recent supplemental budget approved?

A. The most recent supplemental budget was approved before the funds were expended.
B. The most recent supplemental budget was approved after the funds were expended, or the executive implemented the supplemental budget without ever receiving approval from the legislature (please specify).
C. Not applicable/other (please comment).

Philippines

A.

Score: 100

Sources: The most recent supplemental budget was approved on December 26, 2013. Funds from the budget were expended after the passage of the supplemental appropriations law. Supplemental appropriations require legislative approval, pursuant to Section 27, Chapter 4, Book VI of Executive Order No. 292 (http://www.gov.ph/1987/07/25/executive-order-no-292-book-vi/chapter-4-budget-authorization/).

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.
Comments: A supplemental budget was also proposed and approved in December 2014.
RESEARCHER'S RESPONSE

We agree with the Peer Reviewer's comment that the government's public engagement mechanism is a tiny amount in relation to the total budget but suggest keeping the "a" answer. Sufficient notice is given prior to the engagement through the national briefings and local assemblies. Note also that the policy guidelines and procedures for engagement were released in advance: for the 2015 budget preparation, it was issued in November 2013. Moreover, the briefings do not constitute the actual consultation process but are only a part of the engagement's preparatory activities.

113. Does the executive seek input from the legislature prior to spending contingency funds or other funds for which no specific purpose was identified in the Enacted Budget, and is it legally required to do so?

A. The executive is required by law or regulation to obtain approval or input from the legislature prior to spending contingency funds, and it does so in practice.

B. The executive obtains approval or input from the legislature prior to spending contingency funds, but is not required to do so by law or regulation.

C. The executive is required by law or regulation to obtain approval or input from the legislature prior to spending contingency funds, but in practice the executive spends these funds without seeking prior approval or input from the legislature.

D. The executive spends contingency funds without seeking prior approval or input from the legislature, and there is no law or regulation requiring it to obtain such prior approval or input from the legislature.

E. Not applicable/other (please comment).

Philippines

D.

Score: 0

Sources: Contingent fund, under the General Appropriations Act (GAA), is administered by the Office of the President. Its release and disbursement require the president's approval. (See Special Provisions for Contingent Fund, http://www.dbm.gov.ph/wp-content/uploads/GAA/GAA2014/Funds%20and%20Programs/Contingent%20Fund.pdf) Aside from the contingent fund, there are other budgetary allocations in the GAA that do not have detailed programs and expenditures. These are called Special Purpose Funds, which include contingent and calamity funds among others. While the purpose for these funds are indicated in the GAA, the government units and/or the specific projects or programs where these will be spent have not yet been identified during legislation, hence the lump-sum appropriation. Expenditures from lump-sum appropriations require a special budget that needs only the President's approval, as stated in Section 35, Chapter 5, Book VI of Executive Order No. 292 (http://www.gov.ph/1987/07/25/executive-order-no-292-book-vi-chapter-5-budget-execution/) and Section 63 of the General Provisions of the General Appropriations Act of 2014 (http://www.dbm.gov.ph/wp-content/uploads/GAA/GAA2014/Provision.pdf).

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.
114. Does a committee of the legislature hold public hearings to review and scrutinize Audit Reports?

A. Yes, a committee holds public hearings to review and scrutinize a wide range of Audit Reports.
B. Yes, a committee holds public hearings to review and scrutinize the main Audit Reports.
C. Yes, a committee holds public hearings to review and scrutinize a small number of Audit Reports.
D. No, a committee does not hold public hearings to review and scrutinize Audit Reports.
E. Not applicable/other (please comment).

Philippines

D.

Score: 0

Sources: The Philippine legislature does not hold public hearings for the review and scrutiny of audit reports. Gabriela Women's Party-List Rep. Luzviminda C. Ilagan said that some legislators do their own review of audit reports to prepare for budget legislation. The same is done by the Congressional Planning and Budget Research Department, and the Senate Legislative Budget Research and Monitoring Office on their own initiative. Ilagan is a member for the minority in the House Committee on Appropriations. She was interviewed on June 2, 2014.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

115. 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).

Philippines

A.

Score: 100

Sources: Under the Philippine Constitution, the Commission on Audit has the exclusive authority to determine the scope, technique and methods, and rules and regulations of its audit. Furthermore, no government entity or subsidiary may be exempted from the commission's jurisdiction. (See Sections 2[2] and 3 of Article IX-D of the Constitution at http://www.gov.ph/constitutions/the-1987-
116. Has the Supreme Audit Institution (SAI) established a monitoring system to provide on-going, independent evaluations of its audit processes (a quality assurance system)?

A. Yes, the SAI has established a quality assurance system, and both a sample of completed audits are reviewed annually and the findings of these reviews are made available to the public.

B. Yes, the SAI has established a quality assurance system, but either a sample of completed audits are not reviewed annually or the findings of these reviews are not made available to the public.

C. Yes, the SAI has established a quality assurance system, but neither a sample of completed audits are reviewed annually nor are the findings of these reviews made available to the public.

D. No, the SAI has not established a quality assurance system.

E. Not applicable/other (please comment).

Philippines

B.

Score: 67

Sources: The Commission on Audit (COA) has a quality assurance office under its Professional and Institutional Development Sector. Its members are COA officials and are not part of the audit teams, whose work are under review. The office regularly reviews a sample of audit reports but their findings are not available to the public.

117. 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?

A. 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 he or she is removed.

B. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.
Philippines

A. Score: 100

Sources: The head of the Commission on Audit may only be removed through impeachment, pursuant to Section 2, Article XI of the Constitution. Impeachment is a power lodged under the legislature. The Constitution may be accessed at http://www.gov.ph/constitutions/the-1987-constitution-of-the-republic-of-the-philippines/the-1987-constitution-of-the-republic-of-the-philippines-article-xi/.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

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118. Who determines the budget of the Supreme Audit Institution (SAI)?

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, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate.

E. Not applicable/other (please comment).

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Philippines

A. Score: 100

Sources: The Commission on Audit (COA) enjoys fiscal autonomy. It submits its budget to the executive and to Congress. While in most instances the commission's budget is reduced after budget deliberations by Congress, COA Director Sabiniano Cabatuan said that resources remain adequate to perform their mandate. Cabatuan was interviewed over the phone on June 27, 2014.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
119. Does the executive make available to the public clear (accessible, nontechnical) definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?

A. Yes, clear definitions of all key budget terms are provided.
B. Yes, definitions are provided for all key budget terms, but they are not always clear.
C. Yes, definitions are provided for some but not all key budget terms.
D. No, definitions are not provided.
E. Not applicable/other (please comment).

Philippines

A. Score: 100

Sources: A 20-page glossary of budget terms is provided in the 2014 Budget of Expenditures and Sources of Financing, which can be seen on the Internet at http://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2014/GLOSSARY.pdf.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

120. Is the executive formally required to engage with the public during the formulation and execution phases of the budget process?

A. A law, a regulation, or a formal procedural obligation requires the executive to engage with the public during both the formulation and execution phases of the budget process.
B. A law, a regulation, or a formal procedural obligation requires the executive to engage with the public during either the formulation or the execution phase of the budget process but not both.
C. There is no formal requirement for the executive to engage with the public during either the formulation or the execution phase of the budget process, but informal procedures exist to enable the public to engage with the executive during the formulation or execution phase of the budget process or during both phases.
D. There is no formal requirement and the executive does not engage with the public during the budget process.
E. Not applicable/other (please comment).
Philippines

A.
Score: 100


Comments: The legislature is yet to pass a law formally requiring the executive to engage with the public during the budget process. Through the mentioned administrative issuances, the executive is, in effect, requiring itself and selected agencies under it to conduct such activities.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

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121. When the executive engages with the public during the budget formulation process, does it articulate what it hopes to achieve from the engagement and provide other information far enough in advance so that the public can participate in an informed manner?

A. The executive provides sufficient information (including what it hopes to achieve from its engagement with the public) in advance of the engagement.

B. The executive provides information to the public, but it is either insufficient or is not provided in advance of the engagement.

C. The executive provides information to the public, but it is neither sufficient nor provided in advance of the engagement.

D. The executive does not provide information, or does not engage with the public during the budget process.

E. Not applicable/other (please comment).

Philippines

A.
Score: 100
Sources: For this year's budget, the Department of Budget and Management (DBM) held a People's Budget Forum and a Civil Society Organization (CSO) Briefing to inform the public and CSOs of opportunities for participation in the budget process. According to Marian Ferreras of the DBM CSO Desk, the department intends to do said activities annually to reach more organizations. Joint Memorandum Circular No. 4 (JMC No. 4) or the Policy Guidelines and Procedures in the Implementation of the Grassroots Participatory Budgeting Process likewise prescribes the convening of a general assembly of CSOs at the city/municipal level, wherein an orientation should be given prior to the engagement. During the 2014 budget preparation, Patrick Lim of the DBM CSO Desk said that the assembly and orientation was organized by municipal officials of the Department of Interior and Local Government (DILG) with the assistance of provincial representatives of basic sectors in the National Anti-Poverty Commission. Grassroots Participatory Budgeting (GPB) for that year covered 1,233 cities and municipalities. All cities and municipalities are mandated to implement GPB for 2015 budget preparation. Based on JMC No. 4, assembly and orientation should have been done by the units in October 2013. The DBM is yet to receive data and check for compliance to this guideline for the period mentioned. Also, the Budget Partnership Agreement that agencies and CSOs signed onto pursuant to National Budget Circular No. 536 (Guidelines on Partnership with Civil Society Organizations and other Stakeholders in the Preparation of Agency Budget Proposals) outlines the objectives, coverage, and roles and responsibilities of the agency and CSO, prior to the actual consultations. Ferreras and Lim were interviewed on June 23, 2014.

GOVERNMENT REVIEWER
Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

RESEARCHER'S RESPONSE
We agree with the Peer Reviewer's comment that the government's public engagement mechanism is a tiny amount in relation to the total budget but suggest keeping the “a” answer. Sufficient notice is given prior to the engagement through the national briefings and local assemblies. Note also that the policy guidelines and procedures for engagement was released in advance: for the 2015 budget preparation, it was issued in November 2013. Moreover, the briefings do not constitute the actual consultation process but are only a part of the engagement's preparatory activities.

122. When the executive engages with the public during the budget execution process, does it articulate what it hopes to achieve from the engagement and provide other information far enough in advance so that the public can participate in an informed manner?

A. The executive provides sufficient information (including what it hopes to achieve from its engagement with the public) in advance of the engagement.

B. The executive provides information to the public, but it is either insufficient or is not provided in advance of the engagement.

C. The executive provides information to the public, but it is neither sufficient nor provided in advance of the engagement.

D. The executive does not provide information, or does not engage with the public during the budget process.

E. Not applicable/other (please comment).

Philippines

A.
Score: 100

Sources: The executive's purpose and other relevant information in engagement during budget execution are included in the National
Budget Circular No. 539 (NBC No. 539) or the Guidelines on Partnership with Civil Society Organizations and Other Stakeholders in the Execution of the Agency Budget. Furthermore, the Budget Partnership Agreement that agencies and CSOs sign onto pursuant to NBC No. 539 contains the objectives, coverage, and roles and responsibilities of the parties prior to the engagement.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: We support the researcher’s assessment on this question.

PEER REVIEWER

RESEARCHER’S RESPONSE

We suggest retaining the “a” answer. The information provided for CSO engagement during budget execution is sufficient and is given prior to the consultation. Government agencies send invitations to partner CSOs and other organizations prior to these activities. They enter into an agreement, which ensures that organizations as well as government agencies are aware of the objectives, roles and responsibilities before the engagement process begins. Moreover, the guidelines for engagement through the Budget Partnership Agreement (BPA) have been in place since 2012 and are publicly available. We agree, nonetheless, that the guidelines could appreciate further popularization. The information provided in the guidelines indeed presupposes some knowledge of the budget process, in part due to the nature of engagement during budget execution (i.e., monitoring and evaluation), which is why orientations and capacity-building are done by government agencies in such partnerships. For BPAs, furthermore, some national government agencies (NGA) already maintain a list of CSO partners or organizations whose advocacies fall into the programs, activities, or projects implemented by the NGA.

123. Has the executive established mechanisms to identify the public's perspective on budget priorities?

A. Yes, the executive has established mechanisms to identify the public's perspective on budget priorities, and these mechanisms are accessible and widely used by the public.

B. Yes, the executive has established mechanisms to identify the public's perspective on budget priorities; while these mechanisms are accessible they are not widely used by the public.

C. Yes, the executive has established mechanisms to identify the public's perspective on budget priorities, but these mechanisms are not accessible.

D. No, the executive has not established any mechanisms to identify the public's perspective on budget priorities.

E. Not applicable/other (please comment).

Philippines

A.

Score: 100

Sources: The executive has established two mechanisms to identify the public's perspective in the budget process: through the Grassroots Participatory Budgeting (GPB) and the execution of a Budget Partnership Agreement (BPA). GPB (formerly called BUB or Bottom-Up Budgeting) requires the creation of local poverty reduction action teams in order to identify priority projects in their localities, which will then be integrated to the budget of the participating national agencies and government corporations. The teams are composed of equal number of government representatives and non-government representatives. A Civil Society Organization (CSO) representative sits as co-chair while others serve as members. For the 2014 budget preparation, GPB covered 1,233 cities and municipalities and 12 national
government agencies and one government corporation. The Department of Budget and Management (DBM) CSO Desk is yet to compute the total number of CSOs to participate in the process but notes that at least three CSOs per city/municipality took part in the created teams since that was the requirement before their identified projects could receive support from the agencies. For 2015, all local government units are mandated to participate in the GPB. Through the BPA, meanwhile, agencies invite CSOs to participate in the preparation of their budget proposals. Participation is done through consultations and the entry into a partnership agreement. As of April 2014, 15 agencies have already entered into a BPA with CSOs while three agencies have done consultation without a formal partnership. Professor Leonor Briones, lead convenor of Social Watch Philippines, said that CSOs often choose not to participate through the BPA due to the eligibility requirements such as registration with the Securities and Exchange Commission and other documentations. Briones was interviewed on June 19, 2014.

GOVERNMENT REVIEWER

**Opinion:** No, I do not agree with the score.

**Suggested Answer:** a.

**Comments:** Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: The Budget Partnership Agreement is just one modality through which the public could engage the budget process. By design, this process is more rigorous and requires a degree of technical knowledge for meaningful engagement. The process that is designed for broad public engagement is the Grassroots Participatory Budgeting (GPB) process, which was successful in organizing civil society assemblies and participatory planning workshops across all but one cities and municipalities for the preparation of the FY2015 National Budget, which happened in the fourth quarter of 2013 to the first quarter of 2014. An average of around 30 civil society or community representatives participated in the CSO assemblies held in each of the over 1,500 towns in the Philippines (total of over 45,000 participants). Each of these assemblies elected at least 10 representatives to represent them in the Local Poverty Reduction Action Team, which would decide on the priority projects for each town. It is important to note that civil society representatives elected by their peers are not merely consulted but actually have a vote (they compose 50% of the members of the planning committee) in identifying priority projects that are included in the proposed budget.

PEER REVIEWER

**RESEARCHER’S RESPONSE**

The researcher agrees with the distinction between Grassroots Participatory Budgeting and Budget Partnership Agreement provided by the second Government Reviewer but suggest keeping the answer “b” for this question. Extent of use by the public was based on research covering the 2014 budget preparation. The figures the reviewer gave need to be verified as those were for the 2015 budget preparation, which was still ongoing at the time the questionnaire was accomplished.

IBP COMMENT

For cross-country consistency purposes, IBP would accept answer choice "a" for this question and has revised the response from "b".

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124. Has the executive established mechanisms to identify the public’s perspective on budget execution?

**A.** Yes, the executive has established mechanisms to identify the public’s perspective on budget execution, and these mechanisms are accessible and widely used by the public.

**B.** Yes, the executive has established mechanisms to identify the public’s perspective on budget execution; while these mechanisms are accessible they are not widely used by the public.

**C.** Yes, the executive has established mechanisms to identify the public’s perspective on budget execution, but these mechanisms are not accessible.

**D.** No, the executive has not established any mechanisms to identify the public’s perspective on budget execution.

**E.** Not applicable/other (please comment).
Philippines

Score: 67

Sources: The executive has established two mechanisms to identify the public’s perspective in the budget process: through the Grassroots Participatory Budgeting (GPB) and the execution of a Budget Partnership Agreement (BPA). Under GPB, during budget execution, CSOs partake in the monitoring and review of the implementation of the projects identified and integrated in the budget of the agencies through the local poverty reduction action team. The teams are supposed to meet quarterly but some are unable to do so in practice, according to Patrick Lim of the DBM CSO Desk. Agencies also invite CSOs to participate in the execution phase of the budget by consultation and through BPA. See related citation on Question 123. Lim was interviewed on June 23, 2014.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score but wish to add a comment, clarification, or suggest another reference.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: We support the researcher’s assessment of this question.

PEER REVIEWER

RESEARCHER’S RESPONSE

We suggest retaining the “b” answer. The mechanism allows for broad-based engagement. See related researcher’s response on Question 123.

125. Does the executive provide formal, detailed feedback to the public on how its inputs have been used to develop budget plans and improve budget execution?

A. Yes, the executive issues reports on the inputs it received from the public and provides detailed feedback on how these inputs have been used.

B. Yes, the executive issues reports on the inputs it received from the public, but provides only limited feedback on how these inputs have been used.

C. Yes, the executive issues reports on the inputs it received from the public, but provides no feedback on how these inputs have been used.

D. No, the executive does not issue reports on the inputs it received from the public or provide feedback on how these inputs have been used.

E. Not applicable/other (please comment).

Philippines

Score: 33

Sources: The lists of approved projects, identified with the help of Civil Society Organizations (CSOs) under GPB are published. However, communicating such information to the CSOs remains a “weak point” of the engagement process, according to Patrick Lim of the DBM CSO Desk. CSOs with no national networks may not receive feedback from the agency. The local poverty reduction action teams are also
Supposed to meet quarterly for updates but some are unable to do so in practice. Social Watch Philippines, a network of citizen organizations, engages with agencies in their preparation of their budget proposals. Its lead convenor, Professor Leonor Briones, said that they do not receive reports on how their inputs have been used. She added that, based on their observation, only a few of their recommendations are included in the budget proposal of most agencies. Briones was interviewed on June 19, 2014.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: a.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: From among the proposed priority projects submitted by Local Poverty Reduction Action Teams (LPRATs) through the Grassroots Participatory Budgeting (GPB) process, those that are approved and funded in the national budget are published as an annex in the budget law itself: a very extensive reporting on feedback on how proposed projects were included or not in the Budget. In the FY2015 budget, a total of 14,300 individual GPB projects for 1,590 cities and towns are listed in the budget law. In addition, the list of projects for FY2013, FY2014 and FY2015, including their status, can also be viewed through www.openbub.gov.ph. These projects are also supposed to be discussed during quarterly LPRAT meetings or at the very least, in the next civil society assembly. Furthermore, during the preparation of the FY2015 budget, the national government wrote to each LPRAT to inform them that because of insufficient fiscal space, they each had to reduce the value of their submitted priority projects by P2.5M. The decision on which projects to remove was given to the LPRATs, even if it would have been more expedient for national government to make this decision instead. Patrick Lim also wishes to clarify that the context of his response on weak feedback mechanisms is not related to the budget formulation process, but rather to the actual implementation of projects. Given that the GPB process was new, many local offices of national agencies were not yet properly oriented on the GPB process. Thus, they went about their regular routine of implementing projects without informing LPRATs. To date, most local offices now comply with instructions to coordinate with the LPRATs before implementing any GPB project. Furthermore, it was feedback from civil society and local governments that resulted in the explicit requirement in Joint Memo Circular 6 that national government agencies should coordinate with LPRATs first before implementing any project.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

RESEARCHER’S RESPONSE

The researcher suggests keeping the “c” answer. The publication of projects to be funded under the Grassroots Participatory Budgeting in the Enacted Budget cannot be considered a “very extensive reporting” or feedback since it is only a list of projects, location, cost, and implementing agency. It cannot explain how the input of civil society organizations affected the final budget decisions. As with the more rigorous engagement mechanism (the Budget Partnership Agreement), the CSOs are left to determine for themselves how their inputs were used by the agencies and its effect on their budget plan. The researcher also accepts Patrick Lim’s clarification of his statement on the weakness of feedback mechanisms in relation to project implementation. Improvements and other progresses mentioned by the second Government Reviewer, however, occurred after the questionnaire was accomplished and will need further verification.

126. 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, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and some constituencies.

C. Yes, public hearings are held on the macroeconomic and fiscal framework 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
E. Not applicable/other (please comment).

Philippines

B.

Score: 67

Sources: Discussions on the macroeconomic and fiscal framework of the budget are usually done on the first days of Congress's series of hearings wherein principals of the Development Budget Coordination Committee are invited to testify. Civil society organizations can attend these hearings, but they are not allowed to raise a point or a question.

Comments: The researcher answered “b” in the 2012 Survey since there was a separate hearing for CSOs then, which is no longer done in the years that followed. The answer selected demonstrates a deterioration in performance from the 2012 round of research.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: b.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: On the contrary, a hearing of the House Committee on Appropriations on the 2014 Budget held on September 12, 2013 specifically heard the testimony of civil society organizations, including Social Watch Philippines/Alternative Budget Initiative led by Prof. Leonor Briones (one of the sources interviewed by PCIJ for this Survey). As the Daily Committee Bulletin for that day as published by the House of Representatives bears out, Prof. Briones was present in the said hearing to present SWP/ABI's analysis of the 2014 proposed Budget and its proposed alternative budget, asserting that the 2014 Budget must “address the gaps and distributional issues of the GDP to ensure that economic growth is enjoyed by all by focusing on sectors where the poorest are and where unemployment is highest.” See House Daily Committee Bulletin (http://www.congress.gov.ph/download/commdaily/CDB%20Vol%201%20No%2020%20(09.12.2013).pdf), and a news report on the said hearing (http://newsinfo.inquirer.net/486651/president-has-power-of-purse).

PEER REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: d.

Comments: No public hearings are conducted on the macroeconomic parameters and at the fiscal framework. Discussions are limited to the Development Budget Coordination Committee, not even the full Cabinet.

RESEARCHER'S RESPONSE

The researcher accepts the second Government Reviewer's comment and suggests changing the answer from “c” to “b”. The hearing where members of two CSOs were allowed to present should be recognized. It should be noted, however, that the congressional hearing specific to macroeconomic assumptions, growth targets, and economic and fiscal performance does not include testimonies from the public or members of civil society organizations. This occurs a week after the receipt of the President's budget proposal and is attended by members of the executive. The hearing, where the CSOs were allowed to testify for the 2014 budget year, occurred almost a month after that, when hearings on the budgets of agencies are already ongoing.

127. Do legislative committees hold public hearings on the individual budgets of central government administrative units (i.e., ministries, departments, and agencies) in which testimony from the executive branch is heard?

A. Yes, public hearings in which testimony from the executive branch is heard are held on the budgets of a wide range of administrative units.
Do legislative committees hold public hearings on the individual budgets of central government administrative units (i.e., ministries, departments, and agencies) in which testimony from the public is heard?

A. Yes, public hearings in which testimony from the public is heard are held on the budgets of a wide range of administrative units.

B. Yes, public hearings in which testimony from the public is heard are held on the budgets of some administrative units.

C. Yes, public hearings in which testimony from the public is heard are held on the budgets of a small number of administrative units.

D. No, public hearings in which testimony from the public is heard are not held on the budgets of administrative units.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Sources: Members of the public are not allowed to give testimonies in public hearings on the budget of administrative units. Civil society organizations often just communicate their concerns to legislators who will voice out the observations for them.

Comments: Gabriela Women's Party-List Rep. Luzviminda C. Ilagan noted that in the past three years, the quality of committee hearings on individual agency budgets have declined and became mere pro forma. Legislators are given very limited time to question the agencies; some, particularly those who are members of the majority, are even discouraged to ask questions. Ilagan is a member for the minority in the House Committee on Appropriations. She was interviewed on June 2, 2014.
129. Do the legislative committees that hold public hearings on the budget release reports to the public on these hearings?

A. Yes, the committees release reports, which include all written and spoken testimony presented at the hearings.

B. Yes, the committees release reports, which include most testimony presented at the hearings.

C. Yes, the committees release reports, but they include only some testimony presented at the hearings.

D. No, the committees do not release reports, or do not hold public hearings.

E. Not applicable/other (please comment).

Philippines

C.

Score: 33

Sources: Committees do not produce reports covering written and spoken testimonies presented in budget hearings. What the House Appropriations Committee and the Senate Finance Committee typically produce is each committee's version of the General Appropriations Bill, which reflects the result of the budget deliberations.

GOVERNMENT REVIEWER

Opinion: No, I do not agree with the score.

Suggested Answer: b.

Comments: Government Review 1: Reviewer chose “YES, I agree with the score and have no comments to add.” Government Reviewer 2: On the contrary, reports are being published by Congress on the proceedings of budget hearings, and for all other Committee hearings for that matter. An example is the Committee Daily Bulletin cited in our comment in item #126 above. By practice as well, the chairmen of committees hearing the proposed Budget usually conduct press conferences or media interviews on the proceedings of hearings they conducted. See the transcript of some post-hearing press conferences or interviews with Senator Francis Escudero, Senate Finance Committee Chairman, as an example (http://senate.gov.ph/press_release/2013/1023_escudero1.asp, and http://senate.gov.ph/press_release/2013/0911_escudero1.asp; other interview/press conference transcripts could be accessed on http://senate.gov.ph/news.asp?year=2013) Moreover, additional documentation on the proceedings of these hearings, such as committee reports, journals or official transcripts, may be accessed by citizens from the Senate or House upon request.

PEER REVIEWER
RESEARCHER’S RESPONSE

The researcher suggests changing the answer from “d” to “c” on account of the Committee Daily Bulletin. Please refer to http://www.congress.gov.ph/download/index.php?d=commdaily_results. The bulletins contain brief accounts and some highlights of what was said on the hearings. Transcripts may indeed be requested but, according to Dr. Romulo Emmanuel M. Miral Jr. of the House of Representatives Congressional Policy and Budget Research Department, the response to such requests will most likely be “very late” because of the amount of work it would impose on the limited number of stenographers in Congress.

130. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can assist in formulating its audit program (by identifying the agencies, programs, or projects that should be audited)?

A. Yes, the SAI maintains formal mechanisms through which the public can assist in formulating its audit program, and these mechanisms are accessible and widely used by the public.

B. Yes, the SAI maintains formal mechanisms through which the public can assist in formulating its audit program; while these mechanisms are accessible, they are not widely used by the public.

C. Yes, the SAI maintains formal mechanisms through which the public can assist in formulating its audit program, but these mechanisms are not accessible.

D. No, the SAI does not have formal mechanisms through which the public can assist in formulating its audit program.

E. Not applicable/other (please comment).

Philippines

130. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can participate in audit investigations (as respondents, witnesses, etc.)?

B. Yes, the SAI maintains formal mechanisms through which the public can participate in audit investigations; while these mechanisms are accessible, they are not widely used by the public.

Score: 67

Sources: The Commission on Audit (COA) has a program called the Citizen’s Participatory Audit (CPA), which allows the public to be involved in the audit process. Under this program, COA partners with civil society organizations to form special audit teams and conduct value-for-money audits of selected government projects. Three participatory audits have been conducted under this program since 2012. Through its Fraud Audit Office, COA likewise accepts complaints from any concerned citizens. Request for Fraud Audits may be submitted personally or through the COA citizens’desk, accessible through its website. The citizens’ desk link directs the user to a Public Information System, where a ticket may be created for audit and non-audit related concerns. http://pis.coa.gov.ph/pis/view.php According to COA Public Information Officer Edgardo Ramos, complaints and other inputs from the public are evaluated or investigated by auditors and are included in the audit scope.

GOVERNMENT REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.
A. Yes, the SAI maintains formal mechanisms through which the public can participate in audit investigations, and these mechanisms are accessible and widely used by the public.

B. Yes, the SAI maintains formal mechanisms through which the public can participate in audit investigations; while these mechanisms are accessible, they are not widely used by the public.

C. Yes, the SAI maintains formal mechanisms through which the public can participate in audit investigations, but these mechanisms are not accessible.

D. No, the SAI does not have formal mechanisms through which the public can participate in audit investigations.

E. Not applicable/other (please comment).

Philippines

B.

Score: 67

Sources: Through a program called the Citizen’s Participatory Audit (CPA), the Commission on Audit enables citizens to take part in the conduct of audit investigations by making them a part of audit teams for selected government projects. Three audits have been conducted under this program since 2012. One such project, audited under CPA, is a Flood Control Project in the National Capital Region. Three civil society organizations participated in the audit by partnering with COA in the conduct of citizen surveys, interviews, focus group discussions, and site inspections. For the audit reports under CPA, please see http://www.i-kwenta.com/pilot-audits/kamanava/#.U9r6iuOSyKI and related citation in Question 130.

GOVERNMENT REVIEWER

Opinion: I am not qualified to judge this indicator.

PEER REVIEWER

Opinion: Yes, I agree with the score and have no comments to add.

132. Does the Supreme Audit Institution (SAI) maintain any communication with the public regarding its Audit Reports beyond simply making these reports publicly available?

A. Yes, in addition to publishing Audit Reports, the SAI maintains other mechanisms of communication to make the public aware of audit findings (such as maintaining an office that regularly conducts outreach activities to publicize previously released audit findings).

B. No, the SAI does not maintain any formal mechanisms of communication with the public beyond publishing Audit Reports.

C. Not applicable/other (please comment).

Philippines

A.

Score: 100

Sources: The Commission on Audit has a Public Information Office but maintains no formal mechanism of reaching the public beyond the published reports. On a rare occasion in 2013, however, the commission held a press briefing to discuss a Special Audits Report on anomalous transactions in the use of pork barrel funds amounting to billions of pesos.
133. Does the Supreme Audit Institution (SAI) provide formal, detailed feedback to the public on how their inputs have been used to determine its audit program or in Audit Reports?

**A.** Yes, the SAI issues reports on the inputs it received from the public and provides detailed feedback on how these inputs have been used.

**B.** Yes, the SAI issues reports on the inputs it received from the public but provides only limited feedback on how these inputs have been used.

**C.** Yes, the SAI issues reports on the inputs it received from the public but provides no feedback on how these inputs have been used.

**D.** No, the SAI does not issue reports on the inputs it received from the public through public consultations.

**E.** Not applicable/other (please comment).

**Philippines**

**Score:** 0

**Sources:** The Commission on Audit (COA) website previously features a “Fraud Alert” section wherein citizens can report allegations of fraud, waste, abuse, or mismanagement of funds. In this section, the COA also publishes a summary of the fraud complaints it has received by year, indicating the agency involved, subject of allegation, date of receipt of the complaint, and the action taken by the Commission. This year, however, the commission replaced its website and that section was replaced with a Public Information System, where a ticket may be created for audit and non-audit related concerns (http://pis.coa.gov.ph/pis/view.php). Only those who have created a ticket may access or view the status of their concern or complaint to the commission.

**GOVERNMENT REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.

**PEER REVIEWER**

**Opinion:** Yes, I agree with the score and have no comments to add.