



THE DBM BULLETIN

The Official Newsletter of the Department of Budget and Management



Passing on the Baton

THE DBM REFORM STORY: THE NEXT CHAPTER



Our PFM Reform Story: The Next Chapter

Taking off from the previous issue of the DBM Bulletin—Our Reform Story—which tackled how innovative leadership, dutiful employees, right policies, processes, and technology have shaped the success of our reforms, this issue focuses on some major challenges and gaps that need to be addressed. It also gives an insight on what our department would need to fill the gaps in order to institutionalize the reforms or take them a notch higher.

This reflection on how to lock in and scale up reforms coincides with the transition of the leadership of the DBM from Secretary Florencio B. Abad to Secretary Benjamin E. Diokno.

The Gains: What Have We Accomplished?

Backed by leaders and employees who are committed to good governance, DBM was able to implement unprecedented reforms that are shaping the way budgeting is done. "In all pillars of public expenditure management, DBM provided innovative ways to ensure that the government spends within its means, invests in the right priorities, and delivers measurable results in the most transparent and accountable way," Undersecretary Laura B. Pascua shared.

Even without increasing taxes, except for the restructuring of the existing taxes on alcohol and cigarettes, the government, since 2013, was able to contain the budget deficit to two percent of the country's gross domestic product.

"Given our fiscal stability and stable macroeconomic fundamentals, the country has received 24 credit rating upgrades from 2010 to January 2016. These upgrades mean that we are now in better position to ask credit companies or investors for lower borrowing rates," Director Rolly Toledo explained.

"Apart from ensuring greater fiscal discipline, we have also focused our resources to areas where these would have the most impact for the poor," he added.

Through the Budget Priorities Framework and the Two-Tier Budgeting, the DBM has been allocating a hefty portion of the National Budget on priority programs and projects to achieve inclusive growth. For 2016, P65 in every P100 was allocated for social and economic services, compared to just P48 in 2006.

To ensure that these invested priorities transform into measurable results, the DBM pursued the timely submission and passage of the national budget, GAA-as-Release-Document (GAARD), Performance Informed Budgeting, Performance-Based Incentives, procurement innovations, and the integration of the PFM system.

"The GAARD facilitated faster budget execution by streamlining the process of releasing funds to agencies. Nabawasan ang paperwork," said Undersecretary Luz Cantor.

At the start of the first working day of the fiscal year, at least 90 percent of the 2016 appropriations of all departments and agencies of the national government was released.

The GAARD works in tandem with the early procurement policy, which allows agencies to conduct procurement activities, short of award, prior to the enactment of the GAA. It is also complemented by the policy to release comprehensive Notices of Cash Allocation to the agencies for their first semesters' requirements. In a way, the GAARD is a revival of a previous policy reform—the "What You See Is What You Get" or WYSIWIG—that was introduced by Secretary Diokno during his first term at the DBM, but had to be shelved after his term due to severe fiscal constraints.

Another pillar in the budget reform agenda that is making waves locally and abroad is people empowerment in the budget process.

Through participatory budgeting reforms such as the internationally-acclaimed Bottom-Up Budgeting (BUB) and the Budget Partnership Agreements (BPA), the voices of citizens in the grassroots were not only heard but were also translated into concrete programs to ensure that their needs were addressed.

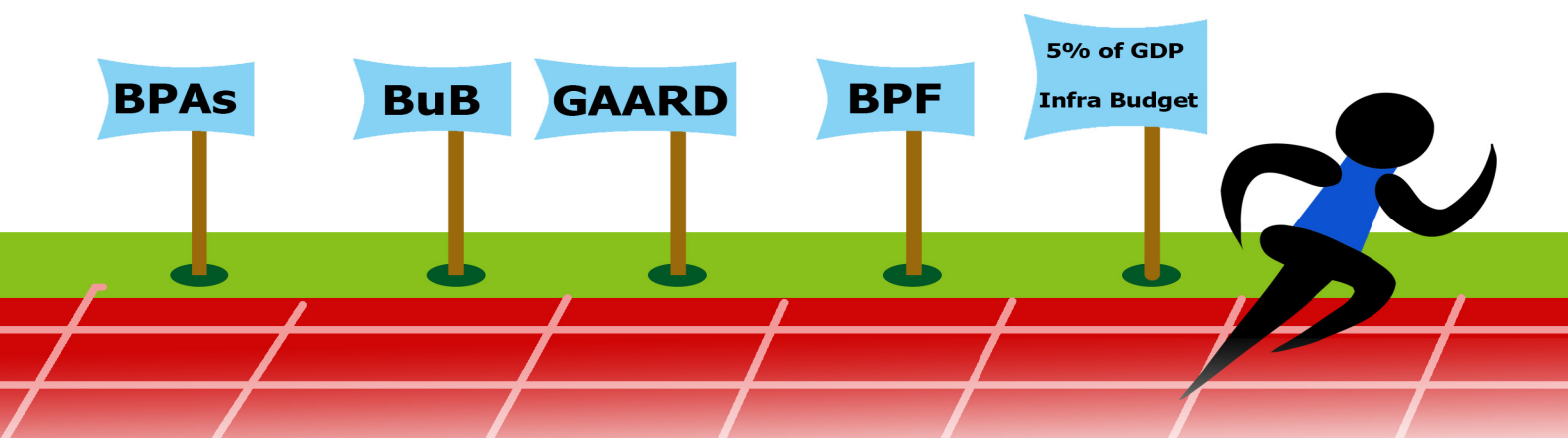
"To help empower citizens, the DBM made information on the Budget more accessible by publishing laymanized and reader-friendly budget documents and reports, such as the People's Budget. The government also required the agencies to post their accountability reports through the Transparency Seals in their respective websites," said Knowledge Management and Fiscal Transparency Service (KMFTS) Director Francis Capistrano.

The government's transparency efforts have earned it global recognition in fiscal openness. The country ranked 1st in budget transparency in ASEAN, 4th in Asia, and 21st globally in the 2015 Open Budget Survey conducted by the International Budget Partnership.



Want to know more about the DBM reforms?

The DBM's journey in pursuing budget and management reforms under the previous administration is documented in "Kwento sa Bawat Kwenta: A Story of Budget and Management Reforms 2010 to 2016." The said publication—composed of an executive summary and a main volume—has recently been published online. Copies of the executive summary are already available at the Knowledge Management and Fiscal Transparency Service (KMFTS).



Gaps that need filling

While the Department has made significant gains in its budget reform agenda, there are still gaps that need to be filled.

In all pillars of the budget reform under the previous administration—spending within means, investing in the right priorities, spending with measurable results, and empowering citizens—cross-cutting challenges in the strength of policy, the capacity of institutions, technology, and the support of stakeholders need to be addressed.



Permanent policy for irreversibility. Legislation that serves as basis for PFM reforms is one glaring gap that needs to be filled: after all, the reforms can easily be reversed without a permanent policy basis in law.

In 2015, the DBM and other PFM agencies developed and pushed for the proposed Public Financial Accountability Act in Congress. The bill aims to, among others, institutionalize the many PFM reforms done in the past years: from establishing principles on fiscal responsibility and linking planning and budgeting, to providing a clear legal requirement for the agencies to strengthen their internal controls and financial reporting practices.

“To encourage the passage of the proposed PFM Act, we have to show to our legislators the benefits and successes that we have had with the implementation of the PFM reforms, which the Bill aims to institutionalize.”

Asec. Amelita D. Castillo

The “PFM Bill” seeks to strengthen Congress’ power of the purse by enhancing its oversight function in making government agencies accountable for the use of public funds. The bill likewise clarifies the President’s power over savings in line with the Supreme Court decision on the Disbursement Acceleration Program (DAP), rationalizes special purpose funds, and establishes clear rules on the reenactment of the Budget should it happen, among others.

Unfortunately, it was not passed by the 16th Congress before it adjourned.

During his first speech before the DBM community, Secretary Diokno announced that he intends to champion a Budget Reform Act “that will curb the abuses of the President in the exercise of his budget preparation and

execution responsibilities.”

Among others, the bill will define the definition of savings, augmentation, reenactment, and others consistent with the Supreme Court decisions on the DAP and the Priority Development Assistance Fund; include some features of the proposed Freedom of Information Act to enhance transparency; define the concept of budget impoundment; and incorporate all major budget reforms that have been adopted by the Executive.

“If enacted, the tighter budget rules will endure, long after President Rodrigo R. Duterte’s term is over.”

Secretary Benjamin E. Diokno

Institutional capacity. Aside from establishing a permanent policy on PFM, the need to capacitate the agencies in implementing new PFM policies and delivering goods and services to citizens is equally important. After all, the episodes of underspending during the previous administration only indicate the inability of the agencies to plan, cost, implement, monitor and evaluate, and report on programs and projects funded by the Budget.

Given this urgent need to capacitate institutions and PFM practitioners, the DBM established a technical working group on the PFM Institute (PFMI-TWG) in 2015 to lead the capacity building efforts for the government’s PFM practitioners.

The PFMI-TWG has been spearheading the rollout of the PFM Certificate Program (PFMCP) to build the competencies of PFM practitioners on the following areas: budgeting, accounting, auditing, procurement, and cash management.

About the PFMI-TWG

The PFMI-TWG was established, through Office Order No. 2015-263 dated June 16, 2015, under the interim set-up of the DBM institutional strengthening efforts, and composed of the Training Division of the Training and Information Service.

Among the Group’s main tasks were: develop the functional scope and organization of the Institute, and serve as the DBM’s focal unit in the development of the PFM Certificate Program.

Under the reorganized set-up, the PFMI-TWG personnel will form the two newly created divisions in the Public Expenditure Management Bureau (PEMB) as stipulated in D.O. 2016-9. One of the two divisions is responsible for the development and delivery of the PFM capacity building



program while the other division is tasked to design and implement the program’s assessment and certification process as well as conduct researches and information campaigns on PFM best practices (DBM, 2016).

From September 2015 to June 2016, a total of nine classes have already been conducted for the two PFMCP tracks—six for the PFM Foundation Track (FT) and three for the Budgeting and Performance Track (BPT). These classes were participated in by a total of 262 PFM practitioners from various government agencies. Majority, or 71 percent, of the participants were female. More classes will be conducted: about 20,000 PFM practitioners are targeted to be trained.

“The remaining four of the PFMCP’s six tracks—Accounting, Auditing, Procurement, and Cash Management—would also need to be developed,” said Zenaida ‘Sunny’ Rico, Chief Training Specialist of the PFMI-TWG.

“To do this, we would need to work collaboratively with agencies concerned. For instance, with the Commission on Audit (COA) for the External Auditing Track, and with the Government Procurement Policy Board-Technical Support Office for the Procurement Track. It is vital to get these agencies on board the PFMCP,” explained Aileen Afunggol of the PFMI-TWG.

Leveraging technology. The planned integration of the government financial information system, which will help provide reliable and timely financial information vital for policy decisions, is still in the works.

The previous administration intended to set-up a Government Integrated Financial Management Information System (GIFMIS) which will provide a central system and database to support a wide range of PFM processes: from budget preparation and execution, to financial reporting.

Towards this, the government rolled out the building blocks of the GIFMIS, particularly the Unified Accounts Code Structure (UACS) which will serve as the “single language” for all PFM transactions: from budgeting to implementation, and to accounting and audit. The Department of Finance-Bureau of the Treasury, meanwhile, established the Treasury Single Account (TSA) that enhances treasury cash management, maximizes the government’s cash supply, and curbs the need to unnecessarily borrow funds.

However, with the complexity of the GIFMIS itself, the government decided to first integrate DBM’s and DOF-BTr’s budget execution and cash management systems through the Budget and Treasury Management System (BTMS).

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Sex Demographics of Participants

	FT CLASS 1	FT CLASS 2	FT CLASS 3	FT CLASS 4	FT CLASS 5	FT CLASS 6	TOTAL
Male	8	16	5	10	7	9	5
Female	17	28	24	25	25	20	139
Total	25	44	29	35	32	29	194

	BPT CLASS 1	BPT CLASS 2	BPT CLASS 3	TOTAL
Male	8	7	6	21
Female	14	17	16	47
Total	22	24	22	68

BUDGET AND TREASURY MANAGEMENT SYSTEM

Frequently Asked Questions

Prepared by the Change Management Communication Workplan Group

What is BTMS?

The Budget and Treasury Management System (BTMS) is an integrated, web-based information management system that will replace the existing budget management, execution, accounting and reporting systems to be used initially by the Department of Budget and Management (DBM) and the Bureau of the Treasury (BTr) under the Department of Finance for budget execution and accountability.

What is the objective of BTMS?

The BTMS aims to improve convenience, efficiency, accuracy and timeliness in fiscal management and reporting through the establishment of a common, integrated system covering budget execution and reporting in the oversight agencies—the DBM and the BTr.

What is the scope and coverage of BTMS?

The table below summarizes the overall scope of BTMS, including the system interfaces to be established between BTMS and other related information systems.

Not included in the scope of BTMS is Budget Preparation, which will continue to be done through the Budget Preparation Management System (BPMS). The BTMS, however, will interface with BPMS.

Why should BTMS be implemented now?

Based from the recent findings of World Bank's Public Expenditure and Financial Accountability (PEFA) Assessment Report in 2016, the country's public financial management would be more efficient given the existence of an integrated financial management system that will provide a more accurate view of the government's financial performance and management of public funds.

Thus, BTMS is the key technical component of the overall PFM Reform Program to simplify, harmonize, and improve the country's financial management processes and related information systems. The BTMS is needed now to carry forward, sustain, and actualize the gains of recent reforms, such as in treasury cash management (i.e., the Treasury Single Account) and in financial reporting and performance standards (i.e., the Unified Accounts Code Structure).

What are key improvements in PFM processes that will be gained with BTMS?

- The application of common budget controls and standards in the DBM and the BTr (and eventually the entire government) for transactions across the PFM life cycle;
- Capturing the data once, at the source, and generation of reports as per specific needs of users, which avoids redundant efforts in data recording, data exchange, validation, formatting and reporting;
- Providing online and ready access to information on allocations, expenditure, liability, payments, balances, etc.; and,
- Improved transparency in the entire budget execution process.

When will BTMS be operational?

The target date for BTMS to become operational is the start of the fiscal year, January 2, 2017.

How do we get ready for an operational BTMS?

A series of activities is being done to get BTMS up and running. These include interviews and workshops with the solution provider to ensure correct system design as well as capacity building and training on the system for the intended users in government. All stakeholders concerned are encouraged to become aware, provide feedback, and participate where needed in support of these activities.

How can I convey my feedback on BTMS?

Questions, comments, and suggestions can be sent to the BTMS Project Management Office (BTMS-PMO) through the following:
Address: 3/F DBM Boncodin Hall, Gen. Solano St., San Miguel, Manila
Telephone No.: 791-2000 local 2360
Email address: pmo@pfm.gov.ph

Where can I find out more information about BTMS?

Information about BTMS, as well as other PFM initiatives, will be posted and updated periodically in the government website www.pfm.gov.ph.

Scope of BTMS

- Budget Management
- Commitments Management
- Payments Management
- Receipts Management
- Cash Management
- Accounting and Fiscal Reporting
- BTMS Portal

System Interfaces for BTMS

- Debt Management and Financial Analysis System (DMFAS and eNROSS)
- Payroll systems
- Tax and Revenue Management Systems (e-TIS/Customs Systems/NCS)
- Systems at banking institutions (Central Bank/ Government Servicing Banks/ Authorized Agent Banks / Authorized Government Depository Banks)
- Budget Preparation Management System (BPMS)
- Budget Accountability System (e.g., URS)

"The mission of integrating the systems across agencies is not an easy task. Despite all the birth pains, I see a promising change for the betterment of agencies' financial efficiency with the automation and integration of systems and processes, through the BTMS. It is our hope that someday this tool would provide a better informed decision making, and an efficient and effective use of resources for the benefit of the Filipino people."

Aldrin Aquino
PFM Committee Secretariat

Our PFM Reform

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Stakeholder support. Reforms are likely to succeed if they are supported by the DBM's stakeholders.

For instance, to implement the PFMCP, the DBM would need to get the stronger support of oversight agencies such as COA and the Civil Service Commission as well as other offices to fully develop the remaining tracks and ensure their smooth implementation and avoid conflict and duplication among their training programs. Also, the DBM, through the PFMI-TWG, would need to engage additional resource speakers to accommodate the increase in PFMCP classes in 2018.

Stakeholder support is also a major concern in the implementation of ICT initiatives.

"We have developed several ICT systems such as the Unified Reporting System (URS) and Electronic Appropriations System (e-Appro) but their successful implementation

was hampered by lack of appreciation and support from stakeholders," shared OIC-Director Vinzon Manansala of the Information and Communications Technology Systems Service (ICTSS).

"The eAppro, a system to fast track and strengthen the PFM reforms implementation, was developed and made available for use by Congress in 2014 but its implementation was not fully achieved because some users (in Congress) still prefer to use their old system," explained Manansala.

The same setback has also been reported for the URS, a system designed to facilitate online submission of budget execution documents, and budget and financial accountability reports. The agencies still prefer to submit their reports manually and complained about the internet connectivity and usability issues of the URS.

"Aside from enhancing our ICT infrastructure, the DBM would need to allot more time for ICT rollout particularly in orienting or training the end-users on the new ICT systems," Manansala stressed.



Changing of the guards. Outgoing DBM Secretary Florencio 'Butch' Abad turns over the symbolic key of responsibility to the incoming DBM Chief Benjamin 'Ben' Diokno on July 1, 2016 at the DBM Multi-Purpose Hall.

Reforming the Reformer

With all the reforms and the challenges that need to be addressed, the DBM is reforming itself into a stronger institution by building on and learning from its past experiences and putting a stronger focus on people—its own employees, and the Filipino people at large.

DBM's Perestroika (Restructuring). Beginning 2015, the DBM made major structural and operational adjustments to enable proper execution of PFM reforms. Such institutional strengthening efforts included, for instance, the establishment of a Performance Monitoring and Evaluation Bureau and Public Expenditure Management Bureau (PEMB) to, among others, strengthen the DBM's ability to oversee the agencies' financial and physical performance.

As discussed earlier, the PFMI-TWG was established to implement the PFMCP, and it has received an increased demand from PFM practitioners in the bureaucracy for training and other capacity enhancement activities. However, the envisioned PFM Institute has yet to be established.

"We are hoping that the new administration will continue to envision the establishment of the PFM Institute in order to institutionalize the PFMCP," Afunggol said.

The DBM has likewise expanded the Fiscal Planning Bureau into a Fiscal Planning and Reforms Bureau (FPRB) to fortify its ability to implement budgeting reforms and innovations. One division has been added to FPRB to support the bureau in the conceptualization and management of the rollout of budgeting innovations, and in the monitoring of reforms.

The Training and Information Service has also been renamed into KMFTS, and its organizational structure

enhanced, to give greater emphasis to strengthening the DBM's knowledge management system, institutionalizing its new budget publications, and enhancing the department's implementation of fiscal transparency policies and reforms.

DBM's Glasnost (Openness). As discussed earlier, the DBM was instrumental in opening more opportunities for wider citizen participation in budgeting through the BuB, Budget Partnership Agreements, and budget transparency initiatives—from the production of budget documents and reports consistent with global standards, to spearheading the Open Data Philippines initiative.

Network Director Juan Pablo Guerrero of the Global Initiative for Fiscal Transparency (GIFT) has previously said that the country "has become a leader for global transparency." And, the DBM has helped the country achieved that feat.

"The challenge for us now is to sustain, if not surpass, our accomplishments in fiscal openness. To do that, we have to meet more difficult technical standards. But equally important is the need to translate complex budget information into forms and media that ordinary citizens can easily access and understand: only by doing that can we empower them to take action," Capistrano said.

Moreover, as Secretary Diokno emphasized during his first speech before the DBM community, it is not enough to upload data and information online. Citizens must have the right to seek information from the DBM, and the institution should be able to fulfill that obligation.

WHY IS KNOWLEDGE MANAGEMENT CRUCIAL TO DBM'S PERFORMANCE?

"Knowledge is information that changes something or somebody—either by becoming grounds for action, or by making an individual (or an institution) capable of different or more effective action. (Drucker, 1990)." If effectively managed, knowledge—whether in *explicit* (e.g., documents, databases, publications, etc.) or *tacit* (e.g., staff expertise and experience) form—creates value to organizations by improving productivity or through innovation. In the public sector, KM not only helps enhance the products and services delivered to the public, but also capacitates stakeholders to take actions that improve social outcomes.

In the present context, where information and knowledge are exchanged at breakneck speed and greatly influence the rise and fall of organizations, the DBM recognizes that KM is necessary to enable it to fulfill its mandate of sound, efficient, and effective expenditure management, and address strategic challenges that it faces.

The DBM Rank and File as Reformers

One of the key ingredients in a reform's success is the reformers themselves. As such, it is necessary for the DBM to sustain and even scale up the organizational development initiatives that were begun in the previous administration. Such action is urgent given that the institution faces a critical demographic transition in the next five years (*see separate article*).

But, what attributes should our leaders and employees have to bring our PFM reforms to fruition? As Afunggol emphasized, "we need leaders who can lobby the support for PFM reforms and who would ensure all PFM workers are being capacitated to be more professional, efficient and competent in the delivery of their services."

Beyond the technical aspects, more often than not, the implementation of reforms can be frustrating especially when there are a lot of roadblocks. Policies, people, and even the lack of proper technology, as well as the political environment, can make or break the success of reforms. But this is certain: the DBM's passion for public service, and dedication to PFM reform, proven by its 80 year-long

history as an institution at the heart of governance and development.

"Public service is never about the money. We join government because it is a privilege to be among those that help shape public policy that will in turn better our lives as Filipinos. While government work is a thankless job, it is a fulfilling job to those who came in with the heart for it—with the right perspective," shared Director Rowena Candice Ruiz of the Legal Service. (*jalmazan and fcapistrano*)

References:

Diokno, Benjamin (2016, July 4). "Formidable Tasks Ahead," speech delivered during the DBM flag ceremony.
Department Order No. 2016-9. Implementation of the Department of Budget and Management's Institutional Strengthening Efforts Under a Reorganized Set-Up
Drucker, Peter (1990). The New Realities.
Office Order No. 2015 - 263 - Establishing Technical Working Groups on Knowledge Management and Public Financial Management Institute

The Role of the DBM According to Secretary Diokno

(excerpts of his speech to the DBM community on July 4, 2016)

"We should not lose sight of the DBM's major role in running the government. The DBM is responsible for preparing the President's budget proposal to Congress and implementing the same after the General Appropriations Act is passed.

"You and I, the men and women of DBM, are responsible for evaluating the effectiveness of agency programs, policies, and procedures, making sure that taxpayers' monies result in outputs and outcomes that support the priorities of the administration.

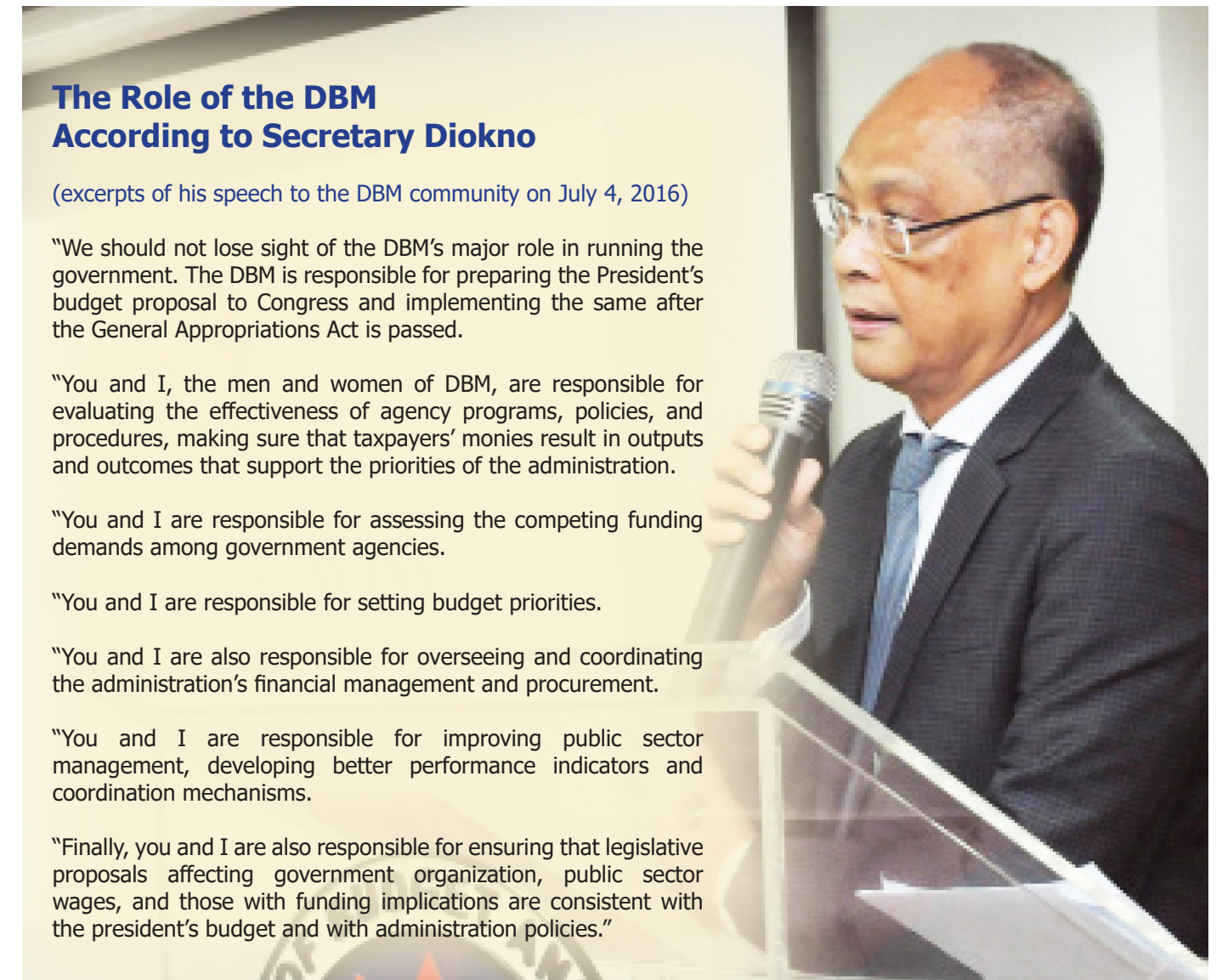
"You and I are responsible for assessing the competing funding demands among government agencies.

"You and I are responsible for setting budget priorities.

"You and I are also responsible for overseeing and coordinating the administration's financial management and procurement.

"You and I are responsible for improving public sector management, developing better performance indicators and coordination mechanisms.

"Finally, you and I are also responsible for ensuring that legislative proposals affecting government organization, public sector wages, and those with funding implications are consistent with the president's budget and with administration policies."



DBM's critical demographic transition:

How Do We Address the Looming Bleed of Talent and Knowledge?

The DBM faces a looming "bleed" of talent and knowledge, which could profoundly affect its performance over the medium-term.

A study done by the Knowledge Management and Fiscal Transparency Service (KMFTS) and the Human Resource Development Division (HRDD) of the Administrative Service revealed that 32 percent of the DBM's incumbent permanent officials and staff, aged 55 and above, will reach the age of retirement—65 for mandatory, beginning 60 for optional—within the next five years.

Meanwhile, the "Millennial" workforce, comprising about a third of the DBM population, tend to leave soon. Based on the data set, about 40 percent of young staff—those born from 1980 or later and were hired by the DBM from 2001 to present—have left after an average of 3.1 years.

This is not just happening in DBM. Globally, about "44 percent of millennials expect to resign within two years

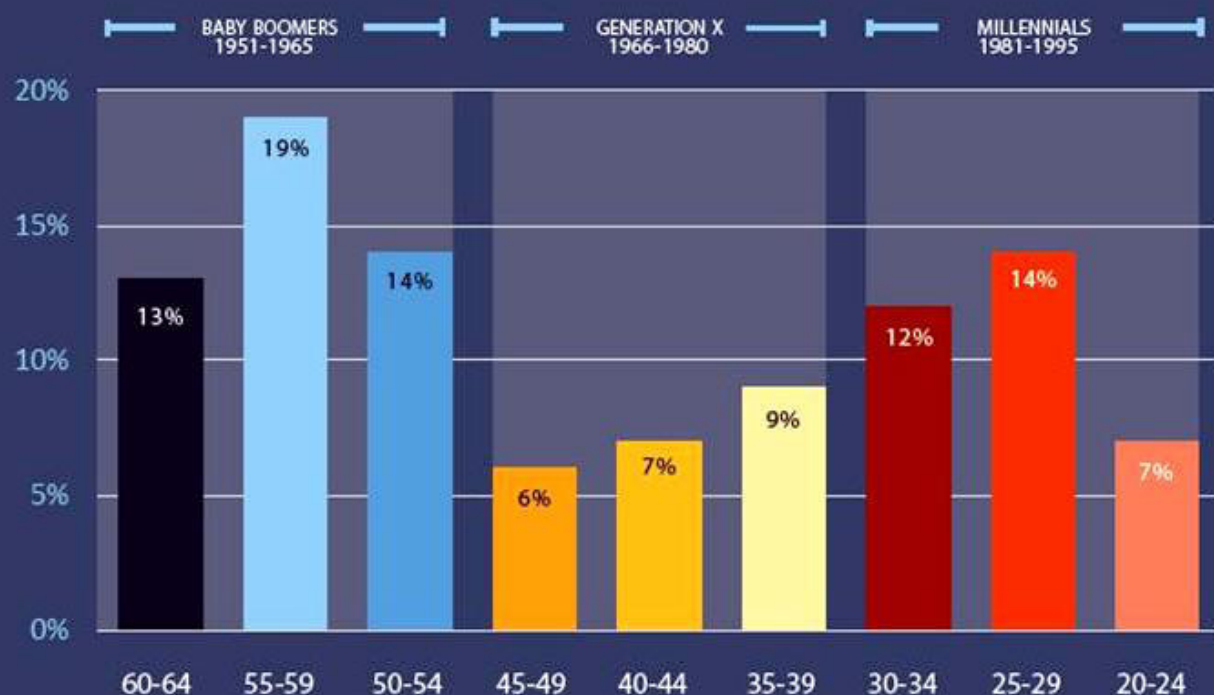
while 66 percent are likely to quit within five years. This dissatisfaction among millennial employees stems partly from feelings of being underutilized and the perception that they are not being developed as leaders."¹

In the face of these trends—the retirement of the 'Baby Boomers' and the mobility of 'Millennials'—the Department must bolster its ability to retain and replenish talent, and at the same time strengthen the management of its knowledge assets. Letting these demographic trends prevail without bold human resource and knowledge management interventions means letting go of the valuable knowledge on budget policies and operations that these officials and staff have gained through the years.

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INCUMBENT PERMANENT DBM OFFICIALS AND STAFF, BY AGE GROUP



Note: AS-HRDD data as of January 2016. Figures may not add up due to rounding.



LS NOOK

Prepared by the
Legal Service

On Local Disaster Funds

ISSUE:

Whether the actual income collected in excess of the estimate shall be the basis in the computation of the five percent (5%) Local Disaster Risk Reduction and Management Fund (LDRRMF) allocation requirement under Section 21 of Republic Act (RA) No. 10121¹

DISCUSSION:

In preparing for its annual budget, every LGU is required to allocate not less than five percent (5%) of its estimated revenue from regular sources as the LDRRMF, to support disaster risk management activities in compliance with Section 21² of RA No. 10121³.

The said provision states that the five percent (5%) LDRRMF allocation should be based on the estimated revenue from regular sources. It made no mention on the need to re-compute based on actual income.

Relatedly, Item 4.1.2.1.4⁴ of DBM Local Budget Circular No. 52, s. 1992⁵ states that "[r]egular income refers to the **estimates of regular income** for the budget year as determined by the local finance committee. XXXXXXXX This will serve as basis for computation of certain budget requirements." (Boldface ours)

This was also clarified under Frequently Asked Questions No. 7⁶ of the Budget Operations Manual for Local Government Units, which states that five percent (5%) of the estimated revenue from regular sources shall be set aside as an annual lump sum appropriation for unforeseen expenditure from calamities.

Considering that the actual total revenue of an LGU cannot be determined until collections at the end of the year, it is only proper that the five percent (5%) mandatory allocation be based on the estimated revenue as submitted by the LGU.

Moreover, if the actual revenues shall be made the basis for compliance with the five percent (5%) LDRRMF allocation, then every LGU would have to pass a supplemental budget at the end of the year to cover for any excess collections from the estimated revenue in order to comply with the LDRRMF

allocation. This could not have been the intentment of the law. (Contributed by Atty. Mark Stephen K. Ong, Attorney III, Legal Service)

¹ Query lifted from Budget and Management LS Opinion No. 15 to DBM RO IX Memorandum dated March 14, 2016

² SEC. 21. Local Disaster Risk Reduction and Management Fund (LDRRMF). – The present Local Calamity Fund shall henceforth be known as the Local Disaster Risk Reduction and Management Fund (LDRRMF). Not less than five percent (5%) of the estimated revenue from regular sources shall be set aside as the LDRRMF to support disaster risk management activities such as, but not limited to, pre-disaster preparedness programs including training, purchasing life-saving rescue equipment, supplies and medicines, for post-disaster activities, and for the payment of premiums on calamity insurance. The LDRRMF shall monitor and evaluate the use and disbursement in the local development plans and annual work and financial plan. Upon the recommendation of the LDRRMO and approval of the Sanggunian concerned, the LDRRMF may transfer the said fund to support disaster risk reduction work of other LDRRMFs which are declared under state of calamity.

³ The Philippine Disaster Risk Reduction and Management Act of 2010

⁴ Item 4.1.2.1.4 Validate recurring/nonrecurring income as classified under LBP No. 151. Regular income refers to the estimates of regular income for the budget year as determined by the local finance committee. Sum up income in accordance with said classification and enter figure in LGBRPS-2. This will serve as basis for computation of certain budgetary requirements.

⁵ "Guidelines on the Review of Appropriation Ordinances of Local Government Units", dated May 8, 1992

⁶ Can the provision for Calamity Fund exceed 5% of the estimated revenue from regular sources?
No. Section 324 (d) of R.A. No. 7160 prescribes that 5% of the estimated revenue from regular sources shall be set aside as an annual lump sum appropriation for unforeseen expenditure arising from the occurrence of calamities. Accordingly, LGUs should provide the exact 5% requirement

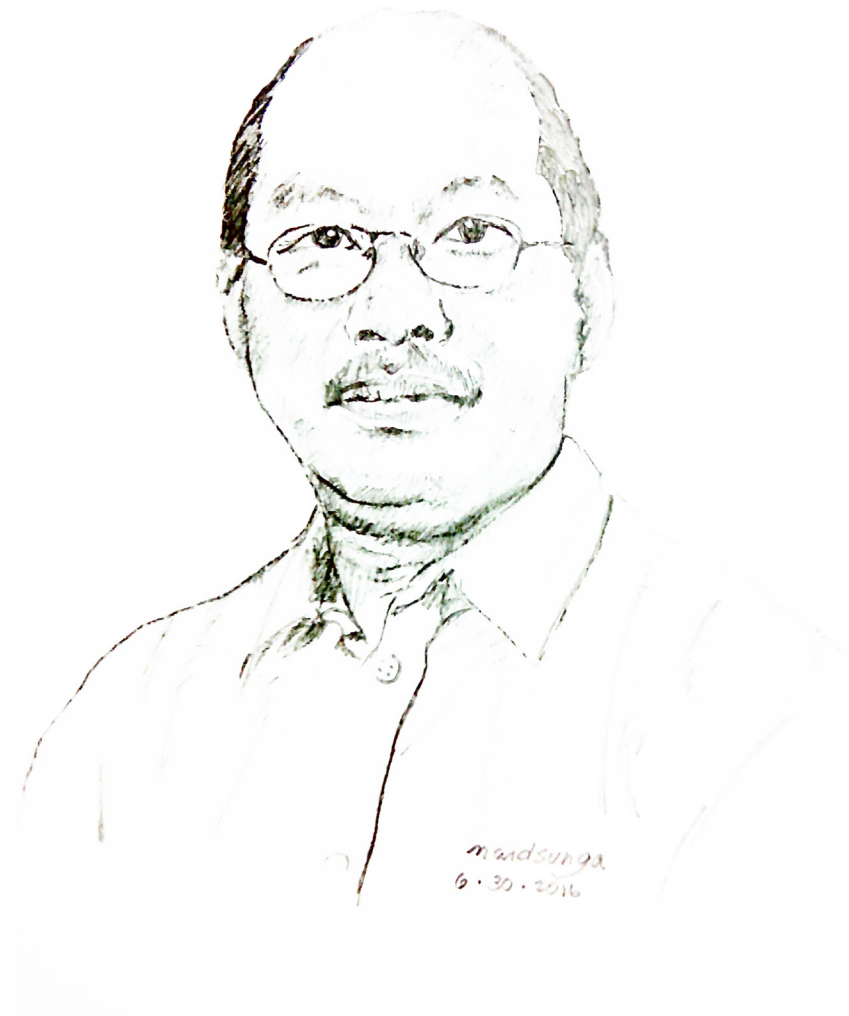


The Secretary's Corner

Thank you!

For the support,
For the guidance,
For the leadership.

Good luck and
All the best, Sir!



Diokno heads the DBM for the second time

government budget in a compact disc (CD) via the DBM Interactive Multimedia Module.

It was also during his stint that the Public Expenditure Management Improvement Program (PEMIP) was introduced. The PEMIP is "a multi-year reform program that seeks to orient government resources and operations toward desired socioeconomic outcomes." One of its main components—the Medium-Term Expenditure Framework (MTEF)—is still currently used. While its other component, the Organizational Performance Indicator Framework, served as the gateway to performance-informed budgeting.

Secretary Diokno also chaired the Budget Dialogue Group (BDG) which was tasked to "formulate and recommend to the President the necessary budget reforms and measures to ensure fiscal integrity and efficiency." The BDG served as an early form of consultative and/or participatory budgeting as budget concerns were presented and discussed to the leagues of Provinces, Municipalities, and Cities as represented by their presidents; and to members of the private sector.

Through the BDG, several resolutions and endorsements supportive of budget process improvements were passed. Some of which were the adoption of the Medium Term Expenditure Framework to closely link closer planning and budgeting and the use of the Electronic Bid Board System to make the bidding process faster and free from irregularities.

Even before his appointment as DBM chief in 1998, Diokno already served as DBM Undersecretary for budget operations from 1987 to 1991 under the administration of the late President Corazon Aquino. Among the many structural reforms he introduced, directly or indirectly, were: higher allocation for social services, decentralization, privatization, and trade liberalization.

The man behind the (serious) façade. From the eyes of current DBM RO IV-B Director Rene de Vera, Secretary Diokno's former Chief of Staff, "Secretary Ben

An economist, a professor, a writer, a father, a grandfather. These are just some of the many hats that the DBM Secretary Benjamin 'Ben' Diokno is wearing.

Beginning June 30, 2016, he wears again the hat he wore 15 years ago as he takes on the helm of DBM leadership—the second time around.

The man behind the budget reforms. The first time he became DBM's head was in 1998 to 2001 under the Estrada administration. Under his term, he pushed for transparency and efficient and effective service delivery through budget initiatives such as the WYSYWYG (What-You-See-Is-What-You-Get) policy wherein the General Appropriations Act already serves as the spending authority. To make budget information easily accessible to the public, he harnessed information technology by issuing information about the





GAD Achievements

Philippines maintains top ten ranking in gender equality for 10 consecutive years

The Philippines has remained in the top ten, for 10 consecutive years, in the World Economic Forum's Global Gender Gap Index (GGI) ranking since 2006¹ (see table below). The improvement in the country's ranking, from 9th place in 2014 to 7th place in 2015, is attributed to the increase in the number of female legislators, senior officials and managers, and women in ministerial positions. Philippine Commission on Women Chairperson Remedios Rikken said in a previous statement that "It is about time that women lead like how mothers take good care of their children. The world will become a better place if both men and women are being heard."²

The Global Gender Gap Index measures gender gaps in countries on the following criteria: economic participation and opportunity, educational attainment, health and survival, and political empowerment. The country rankings are "designed to create awareness among a global audience of the challenges posed by gender gaps and the opportunities created by reducing them."³

¹ The GGI Report was first published in 2006.

² Statement lifted from the article of Mark Saludes titled "Philippine gender gap narrow but women leaders still needed" which appeared in the March 8, 2015 issue of Rappler.

³ Hausmann, Ricardo et al. The Global Gender Gap Index 2014. World Economic Forum. Retrieved from <http://reports.weforum.org/global-gender-gap-report-2014/part-1/> on June 21, 2016.

GLOBAL GENDER GAP INDEX 2015

THE TOP 10

1		ICELAND
2		NORWAY
3		FINLAND
4		SWEDEN
5		IRELAND
6		RWANDA
7		PHILIPPINES
8		SWITZERLAND
9		SLOVENIA
10		NEW ZEALAND

Source: The Global Gender Gap Report 2015

Image taken from the State of Filipino Women Report: 2015 Highlights. A publication of the Philippine Commission on Women.

Ranking of the Philippines in the Global Gender Gap Index, 2006-2015

Year	No. of Countries	Rank	Score highest score (equality)=1 lowest score (inequality)= 0
2015	145	7	0.79
2014	142	9	0.781
2013	136	5	0.783
2012	135	8	0.776
2011	135	8	0.769
2010	134	9	0.765
2009	134	9	0.758
2008	130	6	0.757
2007	128	6	0.763
2006	115	6	0.752

Source: Global Gender Gap Index Report

A Treat for Mothers and Fathers

The DBM, through its human resource arm of the Administrative Service, gave mothers and fathers a special treat to celebrate Mother's Day and Father's Day.



Because mothers are super special, DBM's lovely moms got home-baked goodies and drinks, and a photo op at the beautifully crafted and laboured by love 'flower wall' last May 6.



As a pre-Father's day celebration, dads were treated to a relaxing facial and body massage on June 16 and 17 at the AS conference room. Free ice cream, in cones, were also given to DBM's hardworking daddies at the Cafeteria on June 17.

What articles do you want to read in our Gender and Development (GAD) Corner?
Email us at tis@dbm.gov.ph for feedback and suggestions.

Diokno heads DBM. . .

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Diokno is soft-spoken and a man of few words, except only when writing relevant economic commentaries in his columns or when interviewed on hot economic topics which matter most to ordinary people.”

“He may appear to some as snobbish, as he is sparing in his smiles, but it could be his way of not overly exposing the soft side of his private persona. Up close and personal, I have observed that he is a well-doting father and a very loving grandfather,” Director de Vera added.

Similar observations have also been noted by Secretary Diokno’s former staff at the Office of the Secretary (OSec). “Tahimik lang si Sir Diokno kaya akala ng mga tao suplado siya pero mabait siya kausap. Palabiro din.”

“He also has a good memory and can recall details of what he has signed. He would say di ba i already signed the release of ... amounting to ...,” disclosed a former staff.

“Having had the opportunity to work directly under him, he ensures that the staff are not overloaded with work and sees to it that they still maintain a good work-life balance. He does not impose himself on the handful people he has in the OSec, and, when necessary, he prepares his own powerpoint presentations and delivers them himself without need of help from his staff,” Director de Vera shared.

Indeed, the book shouldn’t be judged by its cover. Secretary Diokno may seem serious to many of us but behind the serious face lies a loving and caring man as attested by his former co-workers. (*jalmazan*)

¹ APEC, (2007). 2007 APEC Economic Policy Report. APEC Secretariat, Singapore. Retrieved from www.apec.org/Groups/~media/Files/Groups/EC/07_ec_AEP_Fnl.ashx on June 26, 2016.

² The BDG was chaired by the DBM Secretary and composed of the following: secretaries of the departments of Agriculture, Finance, Public Works and Highways, and Foreign Affairs; Director-General of the National Economic and Development Authority; presidents of the leagues of Provinces, Municipalities, and Cities; and representatives from the private sector.

³ The BDG was created through Executive Order No. 64, dated January 15, 1999.

DBM’s critical demographic transition. . .

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First, the DBM needs to strengthen its ability to retain and replenish its talent pool. This means that its managers need to understand its people—what they want, their career goals, their behaviour. For instance, Millennials are said to be “extremely team oriented” and employers should give them assignments which involve a lot of collaboration and teamwork.² Meanwhile, it must be recognized that a lot of Millennials—as well as those from the middle “Generation X”—have left the DBM in the past because of limited opportunities for career growth. To address this gap, the AS-HRDD is at present strengthening its succession planning practices so that employees within the organization are nurtured to take on leadership roles and responsibilities.

The establishment of two divisions for HR—the HRDD and the HR Management Division—seeks to strengthen the DBM’s ability to nurture its most important resource—its people.

Second, the DBM should establish knowledge management processes and tools that could capture, properly document, and share the so-called “institutional memory” of the senior staff. Among such tools is a policy for knowledge transfer prior to retirement: from the turnover of essential documents, to the coaching and mentoring of understudies. The DBM should likewise continue and scale up recent organizational learning initiatives, such as executive coaching and junior leadership development; and strengthen its networks and communities of experts and practitioners within and outside the DBM. (*fcapistrano, jdinglasan, & jalmazan*)

¹Abadilla, Doris Dumlaog (2016, January 29). 40% of Pinoy millennials may quit jobs in 2 years; Businesses at risk of losing millennial talent. Philippine Daily Inquirer. Retrieved from <http://business.inquirer.net/206328/40-of-pinoy-millennials-may-quit-jobs-in-2-years#ixzz4CrkCpcwc>

²Abbott, Lydia (2013, December 4). 8 Millennials’ Traits You Should Know About Before You Hire Them [Web log post]. Retrieved from <https://business.linkedin.com/talent-solutions/blog/2013/12/8-millennials-traits->



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