

# THE DBM QUARTERLY REPORT

2ND QUARTER 2019



# FIRST CASH BUDGET PASSED



After more than a quarter that the government operated on a reenacted budget, the 2019 General Appropriations Act, which provides for the PhP3.662 trillion national budget, was passed on April 15.

This is the first cash budget in the history of Philippine Budgeting, which is 10.1% higher than its 2018 cash equivalent of PhP3.326 trillion. Under the Cash Budgeting System, agencies are required to obligate and implement contracts intended for the fiscal year and to be fully delivered by the end of the fiscal year. Payments can be made within the fiscal year and up to the three-month Extended Payment Period (EPP) after the fiscal year.

However, due to the delayed passage of this year's National Budget and the election ban, the implementation of, and payment for infrastructure projects will be extended until December 31, 2020, provided that the funds for the purpose are obligated not later than December 31, 2019. This also covers subsidies given to government-owned and/or -controlled corporations for infrastructure projects.

A big chunk of the Budget will be appropriated to Social Services with PhP1,377.8 billion; followed by Economic Services; PhP970.3 billion; and General Public Services, PhP710.9 billion.

# BTMS E-LEARNING SYSTEM LAUNCHED

The United States Agency for International Development (USAID)/Philippines led the launch and ceremonial handover of the Budget and Treasury Management System's (BTMS) e-Learning System to the DBM last May 10, 2019.

The e-Learning System, developed through the e-PESO Project of USAID/Philippines, is a learning management platform that will aid in the training of over 15,000 BTMS users in a very short period of time which would have taken six (6) years using conventional classroom training methods.

The BTMS is the technology centerpiece of the PFM Reforms Roadmap of the government and will be used across national government agencies as a sustainable resource planning solution that will fast-track, standardize, and automate public financial requirements and processes.



# PROJECT DIME'S FIRST ON-SITE VALIDATION HELD



The Project DIME conducted its first-ever field reconnaissance and validation survey activities at the Upper Pampanga River Integrated Irrigation System in the municipalities of Jaen and Guimba in Nueva Ecija from May 14 to 17.

The 4-day fieldwork involved the measurement of the construction design of the irrigation canals with the use of state-of-the-art antennas, drones, and a geotagging camera application developed by the Department of Agriculture to create a geospatial monitoring system and produce a methodology for

the monitoring and mapping of irrigation projects. These technologies make use of the global navigation satellite system (GNSS) and photogrammetry, or the science of making measurements from photographs, in order to generate mapping data such as coordinates, high resolution images, and geographical features, among others.

The results of the validation and methodology will serve as a guide in the budget preparation of the National Irrigation Administration.



# PH-OGP STRENGTHENED

The Philippine-Open Government Partnership (PH-OGP) strengthened its local and internal presence with several activities this quarter.

From April to May, Commitment Design Workshops were held for selected government agencies and civil society organizations (CSOs) to facilitate the development process of the next PH-OGP National Action Plan (NAP). These Design Workshops included a dialogue between key potential commitment stakeholders from various government agencies and CSOs which helped identify public problems and proposed solutions to be committed under the next PH-OGP NAP.

The Philippines was the only Southeast Asian country which was awarded by the OGP Multi-Donor Trust Fund a grant on its call for proposals in advancing thematic priorities and supporting participation and co-creation. The grant aims to support activities and outputs that can address the gap between design and implementation of public reforms, lay the foundation for a broad coalition to advance the open government agenda, and increase capacity

and knowledge to sustain such initiatives. Other country awardees were Afghanistan, Burkina Faso, Colombia, Costa Rica, and Liberia. The awardees were selected through a competitive process that reviewed 154 applications submitted through an open call for proposals.

Director Cristina Clasara headed the Philippine delegation in the 2019 OGP Global Summit held in Ottawa, Canada on May 29 to 31. During the conference, the Philippine government in partnership with the United Nations Development Programme (UNDP) led the Summit Session entitled #CivicTechTalks: On Closing Feedback Loops and Bridging Accountability Gaps. Several resource persons from government and non-government members of the Philippine delegation were also invited to speak and share the PH-OGP experience in various side-events and sessions throughout the duration of the conference. The Philippine government delegation also participated in bilateral meetings with the OGP Support Unit and The World Bank, where on-going activities and plans for the enhancement of the co-creation process for the next PH-OGP Plan were fleshed out.



# ALLOTMENT RELEASES SPED UP

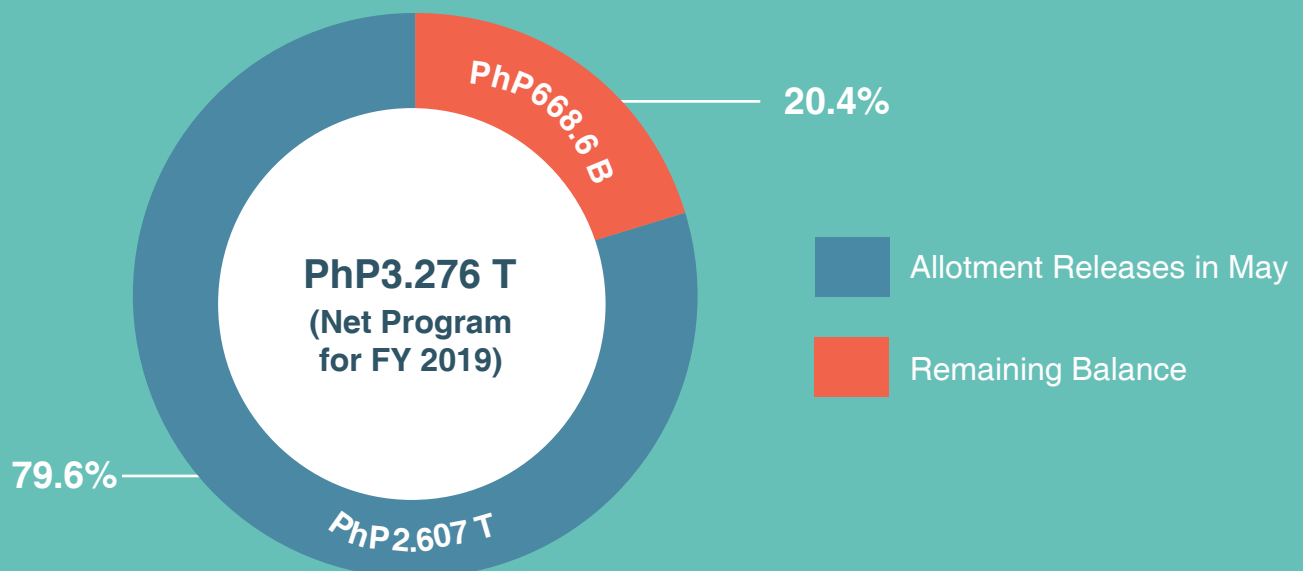


Allotment releases, which refer to the authorization issued by the DBM, enabling agencies to incur obligations for their programs and projects, amounted to PhP2.607 trillion from May 2 - 31, 2019. This is equivalent to 79.6% of the PhP3.276 trillion net program for Fiscal Year (FY) 2019, with the remaining balance at PhP668.6 billion.

Allotment releases from the FY 2018 GAA as reenacted amounted to PhP386.1 billion from January to April 2019. Combining the 2019 net program of PhP3.276 trillion and the initial releases from the 2018 reenacted budget yields the full-year program of PhP3.662 trillion.

Releases to departments reached PhP1.515 trillion, which is 83.7% of its net program. This is largely due to the GAA-as-Allotment-Order policy of the DBM where majority of funds are comprehensively released to agencies as soon as the budget is passed into law. Releases from Special Purpose Funds (SPFs) amounted to PhP21.1 billion or 5.4% of its net program. Most allotments from SPFs are “for later release” since certain conditions have to be met and specific requirements have to be submitted by requesting agencies as outlined in the legal provisions of the FY 2019 GAA.

## ALLOTMENT RELEASES, MAY 2-31, 2019



# MUP PENSION REQUIREMENTS RELEASED

The DBM has released in June 2019 the pension requirements of retired Military and Uniformed Personnel (MUP) under the Armed Forces of the Philippines - General Headquarters (AFP-GHQ), Philippine National Police (PNP), Bureau of Fire Protection (BFP), and Bureau of Jail Management and Penology (BJMP).

Particularly, the DBM released PhP29.9 billion to the AFP-GHQ, P21.7 billion to the PNP, PhP1.9 billion to the BFP, and around PhP731 million to the BJMP. The release order for the uniformed personnel

of the National Mapping and Resource Information Authority shall be issued upon its submission of the required Special Budget Request to the DBM.

Accordingly, the recently released amounts already include the adjustment of the pension of the retired MUPs as indexed to the base pay scale of MUP in the active service covering the period June to December 2019 based on the available funds as certified by the Bureau of the Treasury.

