

DBM *3rd* QUARTER REPORT





PhP4.1-trillion Proposed National Budget Submitted to Congress

The journey to a more peaceful and progressive nation continues as the Duterte Administration prioritizes critical development programs in the FY 2020 proposed National Budget.

On behalf of President Rodrigo Roa Duterte, the Department of Budget and Management (DBM) Acting Secretary Wendel E. Avisado submitted the PhP4.1 trillion proposed Budget to Congress on August 20, 2019, well within the constitutional deadline. The proposed 2020 financial program, which is 12% higher than the 2019 Budget, funds the measures to ensure the implementation of recently enacted laws and policies primarily aimed at providing economic and social assistance and enhancing national security. These include programs and activities to support the full implementation of the Universal Health Care Act, institutionalization of the *Pantawid Pamilyang Pilipino* Program, smooth transition to the Bangsamoro Autonomous Region in Muslim Mindanao, implementation of the Rice Liberalization Act, and creation of the Department of Human Settlements and Urban Development, among others.

PHP4.1-T

2020 PROPOSED BUDGET



PHP3.662-T

2019 BUDGET



Key OBS-related Budget Documents Released



As part of its fiscal transparency efforts, the DBM has released three key budget documents which form part of the eight budget documents evaluated in the Open Budget Survey (OBS) to measure a government's budget transparency.

2020 People's Proposed Budget.

This publication contains comprehensive information on the proposed Budget and highlights salient features of specific sectors. It is presented in a reader-friendly format to enable its readers, particularly the general public, to better understand and appreciate the National Budget as a vital tool in attaining a peaceful and progressive life for the people and for the country.

Mid-Year Report. This Report, which is prepared annually by the Development Budget Coordination Committee (DBCC), was issued on September 30, 2019. It contains comprehensive discussions on the 2019 National Budget, particularly on the key budget principles, budget priorities, macroeconomic and fiscal performance for the first semester, and macroeconomic and fiscal outlook for the rest of 2019.

2018 Annual Fiscal Report. This Report, which was also issued in September, contains discussions on the country's macroeconomic and fiscal performance last year. In particular, it highlights the national government's expenditure performance including the financial and physical performance of key departments and agencies/offices such as the Departments of Education, Agriculture, and Public Works and Highways, among others.





Adoption of Cash Budgeting System Ordered

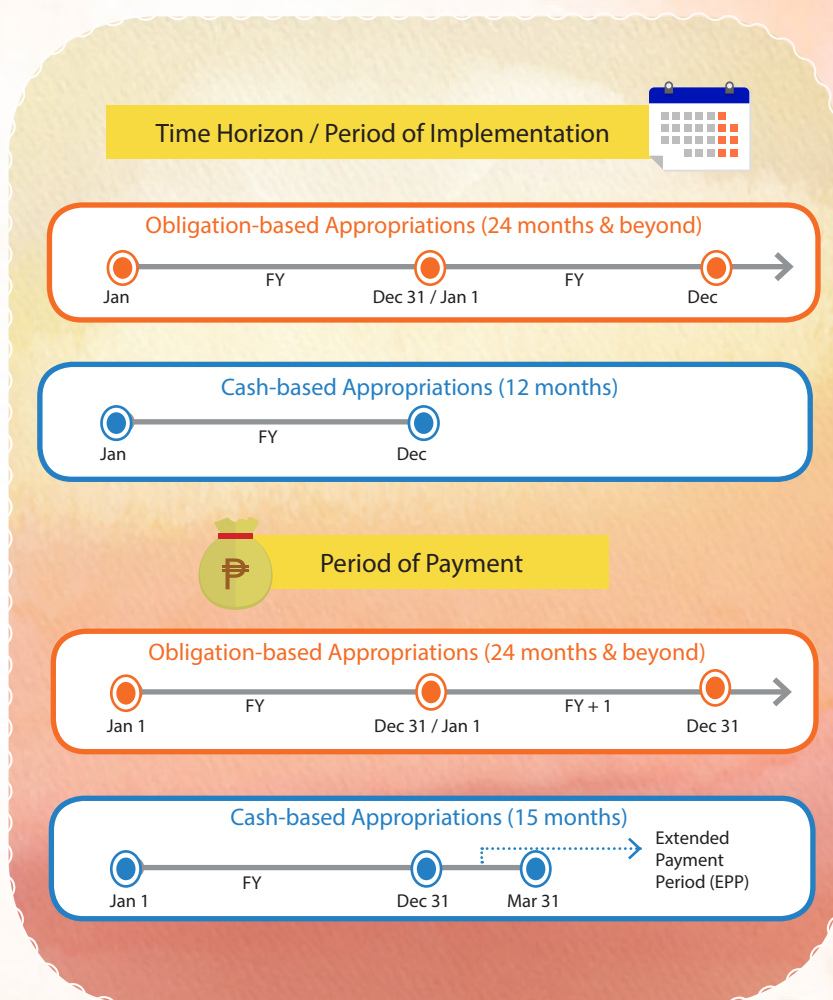
President Rodrigo R. Duterte signed on September 9, 2019 Executive Order No. 91 which provides for the adoption of the Cash Budgeting System (CBS) beginning Fiscal Year 2019.

The CBS is seen to promote faster implementation of government programs by ensuring that funding requirements for priority programs and projects are sufficient, maximized by agencies, and, even more importantly, implemented on time.

Under the CBS, all appropriations shall be made available for obligation and disbursement only until the end of each fiscal year. Moreover, obligations incurred by the national government within each fiscal year should be implemented within the same fiscal year.

However, due to the delay in the passage of the 2019 National Budget and the election ban for the May 13, 2019 national and local elections, which prohibited the release and disbursement of public funds from March 29 to May 12, 2019, the disbursement and payment period was adjusted for FY 2019.

Under the transition period, national government agencies must obligate their funds until December 31, 2019 in accordance with Section 65 of the General Provisions of the 2019 General Appropriations Act. The implementation and disbursement of Maintenance and Other Operating Expenses



and Other Capital Outlays are allowed until June 30, 2020. Infrastructure Capital Outlays, on the other hand, have a longer implementation and payment period, specifically until December 31, 2020.

Notable Fund Releases This Quarter



This quarter, the DBM released the following for key programs and projects:



PhP29.8 B - for the payment of the one-year health insurance premiums of 6,510,234 beneficiaries of PhilHealth



PhP2.7 B - for the implementation of the Commission on Higher Education (CHED) - *Tulong Dunong* Program



PhP212.9 M - to cover the FY 2019 National Government subsidy for the implementation of the Resettlement Program by the National Housing Authority (NHA)



PhP166.5 M - for the Training for Work Scholarship Program of the Technical Education and Skills Development Authority (TESDA)



PhP82.5 M - to cover the funding requirements of the African Swine Fever (ASF) preventive measures. Of said amount released to the Department of Agriculture-Bureau of Animal Industry, PhP31.8 million will be for Maintenance of Security for Detection of Meat and Meat products at the International Airports, PhP27.7 million for testing of samples of meat and meat products, PhP17.6 million for surveillance and monitoring, and PhP5.4 million for Awareness Campaign and Capacity Building.

Proposal on Salary Adjustment Submitted to OP



The DBM and the Governance Commission for GOCCs, with the help of an independent firm, recently concluded the conduct of a compensation study to benchmark the pay of civilian government personnel with private sector workers doing comparable jobs. As a result of said study, the DBM submitted a proposal for salary adjustment to the Office of the President (OP) for the President's approval. Once approved by the President, the proposal will be transmitted to Congress.



7 GPPB Resolutions Issued

The Government Procurement Policy Board (GPPB), chaired by the DBM, is responsible for the formulation and amendment of public procurement policies, rules and regulations. This quarter, it issued the following seven (7) resolutions:

Resolution No.	Title	Date Approved
GPPB-Resolution No. 21-2019	Approving the Delisting of Airline Tickets under the Government Fares Agreement in the List of Common-Use Supplies and Equipment of the Procurement Service	09/05/19
GPPB-Resolution No. 20-2019	Approving the Delisting of Motor Vehicles in the List of Common-Use Supplies and Equipment of the Procurement Service	09/05/19
GPPB-Resolution No. 19-2019	Approving the endorsement of comments on Multi-Year Contracting Authority (MYCA) Forms and Requirements	09/05/19
GPPB-Resolution No. 17-2019	Approving the amendment to Section 63.2 of the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184	07/17/19
GPPB-Resolution No. 16-2019	Approval of the Use of Digital Signature in procurement related documents	07/17/19
GPPB-Resolution No. 15-2019	Approval of the Issuance of a circular on Sangguniang Kabataan (SK) Procurement	07/17/19
GPPB-Resolution No. 14-2019	Approving the issuance of the circular on the implementation of Early Procurement Activities and amending Sections 7.5, 7.6 and 20.1(c)(i) of the 2016 revised Implementing Rules and Regulations of RA No. 9184, the affected clauses in the Generic Procurement Manuals, and the Annual Procurement Plan and Procurement Monitoring Report formats	07/17/19

Modernization of the Philippine Government Electronic Procurement System Pursued

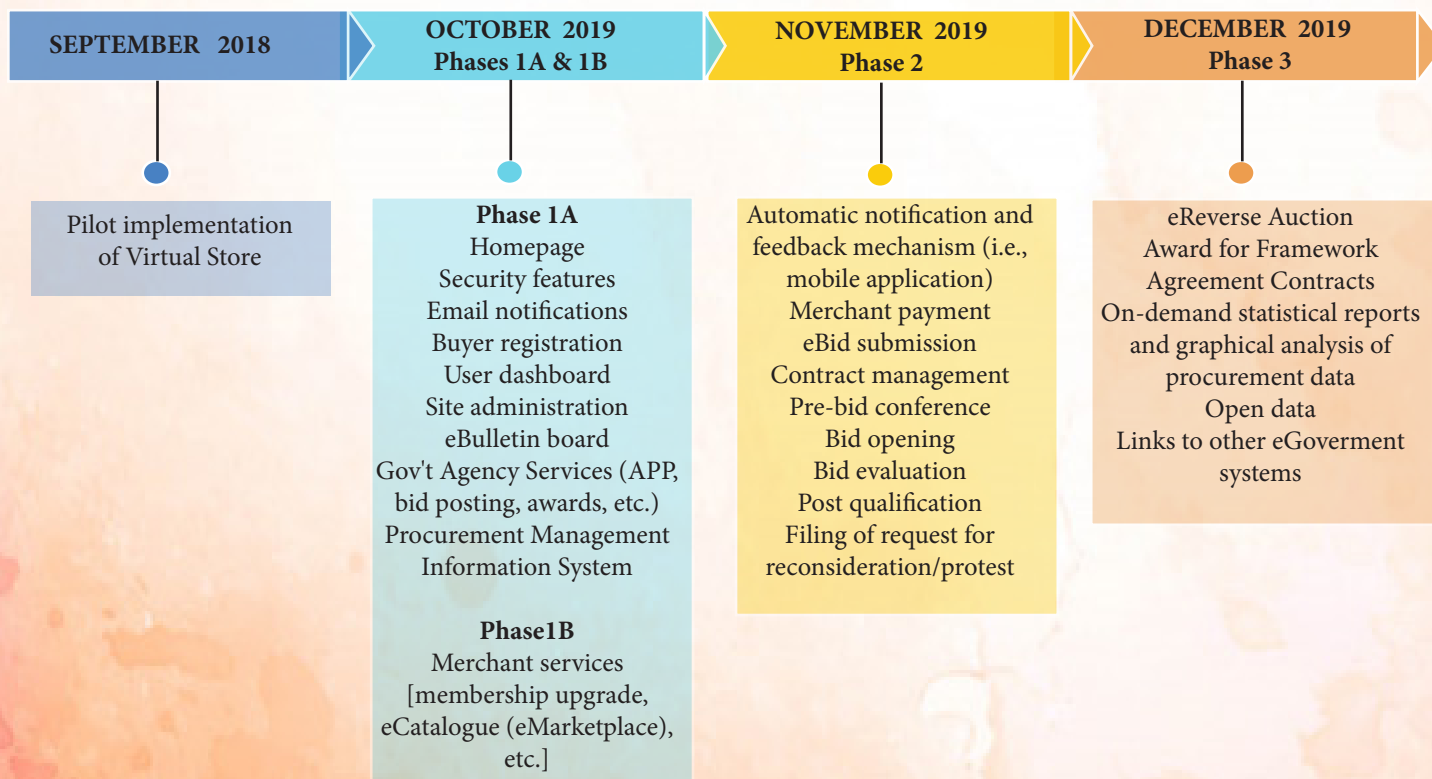


To provide and implement a total e-Government procurement solution and achieve transparency in all stages of government procurement, the DBM and the Procurement Service-Philippine Government Electronic Procurement System (PS-PhilGEPS) Group expanded the functionalities of the PhilGEPS through the Acquisition and Modernization of an Electronic Government Procurement System or the modernized PhilGEPS (mPhilGEPS).

One of the mPhilGEPS' functionalities is the Virtual Store. This Store allows agencies to view, search, select, and procure Common-Use Supplies and Equipment 24/7. It was initially implemented in September 2018 in three agencies – the DBM, PS, and the Government Procurement Policy Board-Technical Support Office. Currently, it is being rolled-out to various national government agencies and government-owned and/or -controlled corporations. From January 1 to August 30, 2019, 15 agencies have made successful orders, worth a total of PhP13.5 million. To date, 20 agencies are registered in the Store.

Before the end of 2019, national government agencies will shift from PhilGEPS 1.5 to mPhilGEPS to include other functionalities such as the Annual Procurement Plan, Purchase Request, and e-Marketplace. By early next year, mPhilGEPS will also include e-bidding and contract implementation facilities. It will also be linked with the Budget Treasury and Management System.

mPhilGEPS Timeline





New Budget Czar Appointed

President Duterte appointed Atty. Wendel E. Avisado as the new Acting Secretary of the DBM. He took his oath of office last August 5, 2019.

An old-timer in government service, Sec. Avisado held several positions in government prior to his appointment in the DBM, among which were the following:

- Presidential Assistant for Special Concerns to oversee the rehabilitation of the areas affected by typhoon Yolanda, November 2016 to August 2019;
- Deputy Secretary General of the Housing and Urban Development Coordinating Council, September 2010 to April 2015;
- City Administrator of Davao City, 2004 to 2010;
- Regional Director of the Department of the Interior and Local Government in Regions XI, 1986-1993; and,
- City Councilor of the First District of Davao City.

Aside from his distinguished career in government service, he was also former National President of the Boy Scouts of the Philippines, past chairperson



of the ASEAN Scouts Association for Regional Cooperation (ASARC) and first Vice Chairperson of the Asia Pacific Regional Scout Committee of the World Organization of the Scout Movement.

True to his Scout Oath, Sec. Avisado vows, as the new Budget Chief, to do his best “to do [his] duty to God and [his] country”

BSP's Knowledge Resource Network Collections Now Available at the DBM Library



The Bangko Sentral ng Pilipinas (BSP) partnered with the DBM for its Knowledge Resource Network (KRN), a program which helps promote public understanding of economic and financial concepts, as well as financial literacy through the exchange of information resources between and among its network members. As a KRN partner, the DBM Library provided a corner to display the BSP KRN collections which were turned over to the DBM last August 13, 2019. Among the KRN collections are inflation reports, statistical publications, annual reports, brochures, and other learning materials on finance.

