

THE DBM QUARTERLY REPORT

3RD QUARTER 2018



First-ever Annual Cash-Based Budget Submitted to Congress

President Rodrigo Roa Duterte submitted to Congress the first-ever cash-based PhP3.757-trillion National Budget for Fiscal Year 2019 on July 23, the day of his third State of the Nation Address (SONA). Said Budget is higher by 13% than the PhP3.324 trillion 2018 cash-based equivalent Budget. The proposed 2019 Budget provides hefty investments for economic and social services, amounting to PhP1,068.4 billion and PhP1,377.0 billion, respectively.



CSOs Backed ACBA

Representatives of civil society organizations (CSOs) who attended the “CSOs Meet with Ben: An Open Dialogue on the Annual Cash-Based Appropriations” last August 31, 2018 at the Bureau of the Treasury, expressed support for the Annual Cash-Based Budgeting System which the government will implement in 2019.

Said System is seen to promote discipline among agencies and ensure the effective and timely delivery of government services by requiring agencies to implement their budgeted programs and projects within the fiscal year. Payment for goods and services delivered, inspected, and accepted should be settled within the same fiscal year, up to the three-month Extended Payment Period.



Big-Ticket Programs under Project DIME Being Monitored

To monitor the status of implementation of priority government programs and projects, the DBM, together with the Department of Science and Technology (DOST), launched Project DIME (Digital Imaging for Monitoring and Evaluation) on March 7, 2018. Said Project taps various technologies and expertise on data acquisition developed and acquired by the DOST such as the use of satellites, Light Detection and Ranging (LIDAR), Open Roads Platform and Geostore, and Geotagging, among others.

As of August 31, 2018, the following big-ticket programs are being monitored, through desk review and field validation, by the DBM Central and Regional Offices:

- 1) Department of Public Works and Highways - Access Roads to Seaports and Airports;
- 2) Department of Agriculture - Farm-to-Market Roads;
- 3) National Irrigation Administration - New and Existing Irrigation Systems;
- 4) Bureau of Fisheries and Aquatic Resources - Community Fish Landing Centers;
- 5) Department of Health - Health Facilities Enhancement Program;
- 6) Department of Education - Basic Education Facilities (School Building);
- 7) Department of the Interior and Local Government - SALINTUBIG;
- 8) Department of Environment and Natural Resources - National Greening Program;
- 9) Department of Information and Communications Technology - Free Wifi-Internet Access;
- 10) Department of Transportation - North-South Commuter Railway (PNR North);
- 11) Department of Social Welfare and Development - Pantawid Pamilyang Pilipino Program; and
- 12) Commission on Higher Education - Universal Access to Quality Tertiary Education.



Virtual Store Launched

To promote a more efficient public procurement system, the Procurement Service-Philippine Government Electronic Procurement System (PS-PhilGEPS) launched the Virtual Store on September 10, 2018 in three agencies - the Department of Budget and Management, the Procurement Service, and the Government Procurement Policy Board-Technical Support Office. By October, it will be rolled out to all government agencies nationwide.

The Virtual Store will enable government agencies to make online purchases of common-use supplies and equipment 24/7. Said Store can be accessed through <https://mgeps.philgeps.gov.ph>.



94% of Government Funds Released as of end-September 2018

The DBM has released PhP3.528 trillion or 94% of the PhP3.767 trillion obligation program for Fiscal Year 2018. Of the released amount, PhP2.177 trillion or 95% of funds allocated to the departments have already been released. These include funds allocated for agencies in the Executive Branch, as well as for Congress, the Judiciary, and other constitutional offices.

Meanwhile, PhP370.9 billion or 75% of the Special Purpose Funds amounting to PhP494.4 billion have likewise been released in the same period. These include releases from the Budgetary Support to Government Corporations, Pension and Gratuity Fund, Miscellaneous Personnel Benefits Fund, and the National Disaster Risk Reduction and Management Fund.

STATUS OF RELEASES as of September 2018

- ▶ 94% of PhP3.767 Budget released
- ▶ 75% of SPFs released



Updates on the Budget and Treasury Management System (BTMS)

The BTMS, a common, modern, integrated, accurate, reliable, and secure information system for the public financial management operations of the government, has been rolled out to the DPWH in March 2018.

Currently, the DBM is engaging other agencies such as the Department of Trade and Industry, Department of Education, Department of Social Welfare and Development, Department of Agriculture, Department of Health, Department of National Defense, Department of Environment and Natural Resources, and the Department of the Interior and Local Government in preparation for the rollout of BTMS to these agencies.

- ▶ BTMS rolled out to DPWH
- ▶ Soon it will be rolled out to DTI, DepEd, DSWD, DA, DOH, DND, DENR, and the DILG

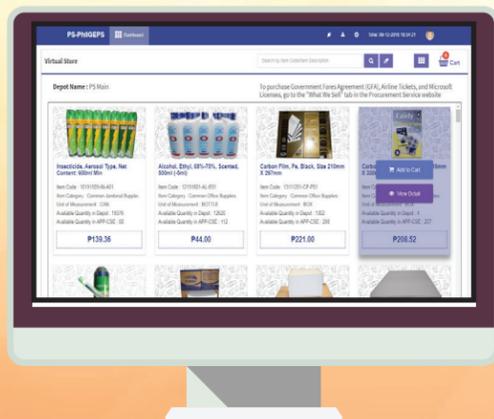


PH Open Government Efforts Commended

Open Government Partnership (OGP) Chief Executive Officer Sanjay Pradhan, in a letter to Department of Budget and Management (DBM) Secretary Benjamin E. Diokno, lauded the Philippines' "impressive efforts made under [Secretary Diokno's] leadership to localize and promote OGP [...] across local governments".

As a result of the Open Government and Participatory Governance Regional Dialogues which the DBM organized in the first quarter of 2018, five Local Government Units (LGUs) - Legazpi City, and the Provinces of Albay, Bohol, Surigao del Norte, and South Cotabato - have committed to adopt open government programs such as the Freedom of Information Program, 8888 Hotline, and the Extractive Industries Transparency Initiative. Two Regional Development Councils (RDCs) - in Regions 5 and 11 - also committed to support the localization of national OGP commitments, and to participate in co-creating new commitments for the next action plan.

CEO Pradhan also thanked the DBM Secretary for supporting peer exchange with other OGP countries, particularly Mongolia and Papua New Guinea.





More Comprehensive Publications on the 2019 Budget Released

Three publications on the 2019 Budget have been released in the third quarter as part of the DBM's efforts to improve fiscal transparency. These are the: (1) 2019 People's Proposed Budget; (2) Technical Notes on the 2019 Proposed Budget; and (3) Brochure on the 2019 Annual Cash-Based Budget.



- The **2019 People's Proposed Budget** presents a laymanized discussion of the proposed budget through the use of graphics and illustrations.
- The **Technical Notes** provides a comprehensive narrative of the 2019 Budget, including the public finance policies and priority programs and projects, and explains how the proposed Budget is linked with the country's development blueprint - the Philippine Development Plan.
- The **Brochure on the 2019 Annual Cash-Based Budget** comes in two editions, one for national government agencies, and the other for state universities and colleges (SUCs) and government-owned and/or -controlled corporations (GOCCs). The Brochure explains the shift to the Annual Cash-Based Budgeting System from the Obligation-Based Budgeting System, and presents the 2019 Cash-Based Budget vis-à-vis the 2018 cash-based equivalent Budget. These publications can be accessed at the DBM website (www.dbm.gov.ph).

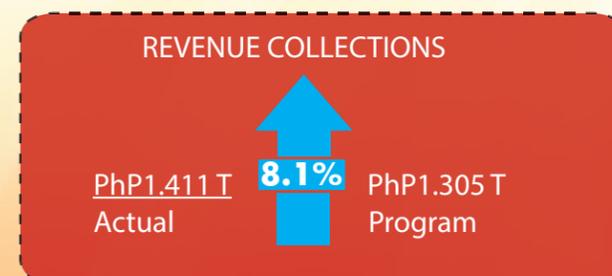


2018 Mid-Year Report Released

The Development Budget Coordination Committee (DBCC), chaired by the Secretary of Budget and Management, issued on September 28, 2018 the Fiscal Year (FY) 2018 Mid-Year Report to provide updates on the performance of the Philippine economy. The report discusses the 2018 National Government Budget, the first semester macroeconomic and fiscal performance of the Philippine economy, as well as the economic outlook for the rest of the year.

Some highlights from the Report:

- From January to June 2018, actual revenue collections of the government reached PhP1.411 trillion, higher by PhP105.7 billion or 8.1% than the PhP1.305 trillion program. This is on account of tax policy reforms under TRAIN, tax administration improvements in the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC), as well as higher non-tax revenues from income collected by the Bureau of the Treasury (BTr) and privatization proceeds.
- Spending in the same period reached PhP1.604 trillion, up by PhP34.4 billion or 2.2% compared to the PhP1.569 trillion program. The faster utilization of funds means that the people will enjoy the benefits of government programs and projects at the soonest possible time.



Breakfast with Ben Turns 1

"Breakfast with Ben (BWB)" celebrated its first anniversary last September 5, 2018 at the Joy-Nostalg Hotel, Pasig City. The BWB was launched on September 6, 2017, initially as a bi-monthly informal discussion between the DBM Secretary, other guest speakers, and the media.

Since March this year, the program has been held every Wednesday morning. To date, a total of 38 sessions have been conducted.

The BWB has been a platform to discuss with the media current economic issues and public financial reforms.



Secretary Diokno responds to questions during the BWB session.



Transition Run of PFMCP in Four SUCS Commenced

Following the successful transition runs of the Public Financial Management Competency Program (PFMCP) at the University of the Philippines-National College of Public Administration and Governance in Diliman, Quezon City last August 2018, the DBM, together with the Bureau of the Treasury (BTr), has started the conduct of transition runs in three (3) other state universities and colleges (SUCs). The runs for the Foundation Track (FT) and the Budgeting and Performance Track (BPT) have been completed in the Bicol University (BU) in Legazpi City. The runs for the FT have been completed in the Mariano Marcos State University (MMSU) in Batac and the West Visayas State University (WVSU) in Iloilo City. Transition runs of the remaining tracks in said Universities have been set this October and November.

The DBM and the BTr partnered with these SUCs to make the PFCMP more accessible to PFM practitioners nationwide. The transition runs are being held for prospective resource persons and facilitators from the partner universities to prepare them for the implementation of the PFMCP.



DBM Careership Program Welcomes its Second Batch

Three scholars have been accepted for the second batch of the DBM Careership Program and started classes for the first semester last August 3, 2018.

The Program aims to produce technically proficient government staff with core competencies in undertaking economic analysis and public policy. To implement the Program, the DBM partnered with the Philippine Center for Economic Development (PCED), housed by the University of the Philippines-School of Economics (UPSE).

Since the Program's launch in July 2017, 14 scholars comprising the first batch have enrolled in the Master in Development Economics Program.



ASec. Chua Receives Presidential Gawad Career Executive Service (CES) Award

DBM Assistant Secretary Myrna S. Chua was bestowed the Presidential Gawad Career Executive Service (CES) Award last September 27, 2018 at the Rizal Hall, Malacañan Palace. She was recognized for her invaluable efforts in the field of compensation reform, which have helped improve competitiveness of pay in the public sector and enabled government to attract and retain competent workers. The Gawad CES Selection Panel likewise noted her efforts in the Bureau of Customs, when she was assigned there in 2013 as Deputy Commissioner for Internal Administration as part of the Reform Team.

First Batch



14 scholars

Second Batch



3 scholars

