GLOSSARY OF TERMS

Accounts Payable (A/P).
Obligations/commitments of national government agencies, whether current year and prior years, for which services have been rendered, goods have been delivered or projects have been completed and accepted. **Prior Year’s Accounts Payable** are those accounts payable which have been incurred and remained unpaid as of the end of the preceding year. **Current Year’s Accounts Payable** are those accounts payable which have been incurred during the current year and remain unpaid before the end of the current year.

Activity. A recurring work process that contributes to the implementation of a program or sub-program

Advice/Authority to Debit Account. Refers to the accountable disbursement document which serves as notice to the Modified Disbursement System-Government Servicing Bank (MDS-GSB) to debit the agency’s MDS sub-account for payment of due and demandable A/Ps.

Agency Heads. Refer to the heads of departments, attached agencies and Other Executive Offices under the Executive Branch, State Universities and Colleges, Constitutional Commissions, and Government-Owned and/or-Controlled Corporations and other similar entities and instrumentalities concerned.

Agency Performance Review (APR). The process of determining the level of accomplishment of each agency in terms of outputs, income generated, and actual expenditures incurred in the production/delivery of goods and services to the public vis-à-vis the targets/budgets for the same period.

Allotment. Authorization issued by the Department of Budget and Management (DBM) to an agency, permitting the agency to commit/incure obligation and/or pay out funds within a specified period of time within the amount specified through the:

1. General Appropriations Act as an Allotment Order (GAAAO) (starting FY 2017), for specific appropriation items deemed released upon effectivity of the GAA;

2. General Allotment Release Order (GARO) for the full year requirement for the automatically appropriated Retirement and Life Insurance Premium (RLIP) contributions; and

3. Special Allotment Release Order (SARO) for budget items requiring compliance with certain conditionalities.

Allocation to Local Government Units (ALGU). The scope of this expenditure category depends on the type of classification:

1. As Special Purpose Fund, this refers to the following legally mandated allocations – a) Internal Revenue Allotment (IRA), the automatically appropriated formula-based share of LGUs from national internal revenue collections (per R.A. No. 7160, the Local Government Code of 1991); b) the annually appropriated provisions for the special shares of selected LGUs from proceeds from national wealth (per specific laws,
such as share of tobacco producing provinces, etc.); and c) National Government transfers to LGUs (Barangay Officials Death Benefits Fund, Local Government Support Fund, and the budget allocation for Metro Manila Development Authority.

2. As an expenditure item, this refers to 80% of the automatically appropriated IRA, classified under Current Operating Expenditures. The remaining allocations for LGUs are classified under Capital Outlays as Capital Transfers to LGUs, considering the developmental purposes for such allocations.

Annual Cash-based Appropriation. Annual appropriations that limit incurring obligations and disbursing payments for goods delivered and services rendered, inspected and accepted within the current fiscal year. Payments of these obligations shall be made until the Extended Payment Period or within three (3) months immediately succeeding the end of the preceding fiscal year.

Difference between Obligation-based and Cash-based Appropriations:

1. **Obligation-based Appropriations.** Give rights to make commitments and to make cash payments according to these commitments, without a predetermined time limit. Such appropriations have their own life cycle and are not limited to one year.

2. **Cash-based Appropriations.** Give authority to make cash payments over limited period of time, generally corresponding to the fiscal year.

Appropriation. An authorization pursuant to laws or other legislative enactment, hence, required Congressional action, directing the spending of public funds for a specific purpose, up to a specified amount under specified conditions.

1. **Automatic Appropriations.** One-time legislative authorization to provide funds for a specified purpose, for which the amount may or may not be fixed by law, and is made automatically available and set aside as needed. Since it is already covered by a separate law, it does not require periodic action by the Congress of the Philippines, and need not be included in the legislation of annual appropriations. Among these items are: a) **Debt Service** (per P.D. No. 1967, R.A. 4860, and R.A. 245 as amended) - interest payments for foreign and domestic debt; b) **Net Lending** (P.D. 1177 and E.O. 292) – to GOCCs; c) **Special Accounts** - per specific laws, e.g., Wildlife Management Fund (DENR-R.A. 9147) sourced from fines etc. relating to the implementation of the Wildlife Act.

2. **New General Appropriations (Annual).** An authorization for incurring obligations during a specified budget year as listed in the General Appropriations Act (GAA). The GAA is the legislative authorization that contains the new appropriations authorized by Congress in terms of specific amounts for salaries, wages and other personnel benefits; MOOE; and CO authorized to be spent for the implementation of programs, activities and projects (P/A/Ps) of all departments, bureaus and offices of government for a given year.

3. **Unprogrammed Appropriations.** Appropriations under the annual GAA which provide standby authority to incur additional agency
obligations for priority programs or projects when revenue collections exceed targets, or when additional foreign funds are generated.

4. **Supplemental Appropriations.** Additional appropriation authorized by law to augment the original appropriations which proved to be inadequate or insufficient for the particular purpose intended due to current economic, political or social conditions.

**Assumed Liabilities.** Domestic or foreign loans originally contracted or liabilities on securities issued by Government Financial Institutions (GFIIs) or Government Owned or Controlled Corporations (GOCCs) which by law, have been transferred to and form part of the liabilities of the National Government.

**Balance of Payments (BOP).** A summary of the economic transactions of a country with the rest of the world for a specific period. It serves as an accounting statement on economic dealings between residents of the country and non-residents.

**Borrowings.** Funds obtained from repayable sources, including loans secured by the government from financial institutions and other sources internal and external, to finance development projects and/or budget support.

**Budget.** The budget is the government’s plan for a year. It is a table/schedule of expenditures, based on either obligations or cash concepts and the corresponding sources of financing, either from revenues, borrowings, or cash drawdown. Ultimately, it is a tool that enables government to achieve its development agenda.

**Budget and Financial Accountability Reports (BFARs).** Harmonized reports on the agencies’ actual financial and physical accomplishment/performance for a given period prescribed by the oversight agencies, i.e., DBM and Commission on Audit (COA) to effectively report, monitor and/or evaluate agency performance versus plans and targets which shall serve as basis for sound policy decisions.

**Budget and Treasury Management System (BTMS).** A common, modern, integrated, accurate, reliable and secure information system for the public financial management (PFM) operations of the Government of the Philippines (GOP). The system will be used to collect and organize government financial information through a central database that supports the following fundamental PFM functions: a) Budget Management; b) Commitments Management; c) Payments Management; d) Receipts Management; e) Cash Management; f) Property, Plant and Equipment; g) Accounting and Fiscal Reporting; and h) Commitments and Obligations Management.

**Budget Call.** A budget document issued by the DBM at the start of the budget preparation phase. This document contains the following:

- Budget Priorities Framework, which sets budget priorities, macroeconomic assumptions, and fiscal parameters for the Proposed Budget; and

- Guidelines, procedures, and prescribed forms in formulating budget proposals. A separate Corporate Budget Call is issued for government corporations and Local Budget Memorandum for LGUs.
Budget Balance. Derived as the difference between revenues collected and disbursements made (excluding debt repayments and payments on non-budgetary accounts) by the NG during a given year. In the context of government budgeting, when revenues and disbursements are equal, the budget is balanced. A budget surplus exists when revenues exceed disbursements. A budget deficit is incurred if revenues are less than disbursements.

Budget Execution Documents (BEDs). Annual documents required at the onset of the budget execution phase, which contain the agencies’ targets and plans, physical as well as financial, for the current year.

Budget of Expenditures and Sources of Financing (BESF). A document which reflects the annual program of estimated expenditures and sources of financing, constitutionally mandated to be submitted by the executive branch to the legislature to support the National Budget proposal.

Budgetary Support Program Loans/Grants. Proceeds from program loans and grants that can be used to finance existing items in the GAA as agreed with and deemed eligible by the donors.

Budgetary Support to Government Corporations (BSGC). The NG assistance to GOCCs in the form of equity, subsidy, relent loan proceeds or net lending advances for the servicing of debts guaranteed by the NG.

Budgeting. Allocation of revenues/borrowed funds among agency programs and projects to attain socio-economic goals and within the bounds of fiscal sustainability/prudence.

Build-Operate-and-Transfer (BOT). A contractual arrangement between the NG and the private sector whereby the project proponent undertakes the construction or operation, including the financing, of a given government infrastructure or operation for which it is allowed by government to collect toll fees and/or lease payments over a number of years as amortization of its costs. It has several variants such as Build-Operate-and-Own, Build-Lease-and-Transfer, Build-and-Transfer, Build Transfer-and-Operate, etc.

Capital Outlays or Capital Expenditures. Refer to an expenditure category/expense class for the purchase of goods and services, the benefits of which extend beyond the fiscal year and which add to the assets of the Government, including investments in the capital stock of GOCCs and their subsidiaries.

Capital Inflows. Private and official inward flows of money to the country in the form of investments, grants and loans.

Capital Revenues. Proceeds from the sale of fixed or capital assets such as land, buildings, machinery, stocks and intangibles, including receipts of unrequited transfers for capital purposes from non-governmental sources.

Cash Advances. Advances granted to officers and employees which may be classified into:

a) Regular Cash Advance – those granted to cashiers, disbursing officers, paymasters and/or property/supply officers for salaries and wages, commutable allowances, honoraria and other similar payments and petty cash operating expenses; and

b) Special Cash Advances – those granted on the explicit authority of the agency heads to duly designated disbursing officers or employees for other legally authorized purposes.
Cash Operations Report (COR). A report prepared by the Bureau of Treasury (BTr) on the actual government receipts, disbursements, the resulting surplus or deficit, as well as the corresponding financing (domestic and foreign sources) to cover the deficit.

Citizen Participation. A democratic process involving people empowerment, whereby concerned citizens organized as CSOs, pursue their legitimate and collective interests by monitoring effectiveness of specific government P/A/Ps, and in so doing become partners of the Government in the formulation, monitoring, evaluation and improvement of the national budget.

Classification of Functions of Government (COFOG). Detailed classification of the purpose for which funds are used, that is by function or socio-economic objective that government aims to achieve through various expenditures. Aside from generating aggregates to be used as indicators or measures, COFOG also enables tracking specific functions/policies over time regardless of organizational revisions. Being an international standard, COFOG allows international comparisons. Under COFOG, the budget allocations of specific programs/projects of government entities whose expenditures are categorized into 10 sectors as follows:

1. **General Public Services.** Expenditures for general administration such as lawmaking, fiscal management, foreign affairs, public debt transactions, and other governance or regulatory services, among others.

2. **Defense.** Expenditures for military defense, civil defense, foreign military aid, research and development for defense, and defense against cybercrimes, among others.

3. **Public Order and Safety.** Expenditures for police services, law courts, fire protection services, and maintenance of prisons, among others.

4. **Economic Affairs.** Expenditures for general economic, commercial, and labor affairs; agriculture, forestry, fishing, and hunting; fuel and energy; mining, manufacturing, and construction; transport; and communication, among others.

5. **Environmental Protection.** Expenditures for waste management, pollution abatement, biodiversity and landscape protection, waste water management, research and development on environmental protection, and other environment protection endeavors.

6. **Housing and Community Amenities.** Expenditures to support the housing needs, including of the poor and those in disaster-prone areas. This sector likewise provides for another basic human need—potable water supply.

7. **Health.** Expenditures for hospital services, public health services and health insurance of indigents, and medical products and equipment, among others.

8. **Recreation, Culture and Religion.** Expenditures to ensure the preservation of Filipino cultural heritage and respect for religious diversity, as well as the promotion of sports.

9. **Education.** Expenditures for pre-primary and primary education, secondary and tertiary education, and school buildings, among others.
10. **Social Protection.** Expenditures for programs and projects that cater to the poor and the marginalized sectors, senior citizens, persons with disabilities, and survivors affected by disasters, and those in conflict-affected areas.

**Commitment.** An obligation incurred by government agencies for which items have not been delivered and services not yet rendered. This is also called “Obligations Not Yet Due and Demandable”.

**Commitment Fee.** A levy or charge imposed by creditors on the undrawn scheduled availment of the loan.

**Commodity Grants.** Donations/contributions/gifts in kind received by agencies which are subsequently monetized. The peso proceeds are thereafter deposited with the BTr to be used or expended for projects specified in the grant documents between the donor and the NG.

**Commodity Loans.** Foreign loans in the form of goods received which are subsequently monetized to finance programs and projects of implementing agencies. Peso proceeds are thereafter deposited with the BTr to be used or expended for projects specified in the grant documents.

**Common Fund System.** Under this system, agencies are given flexibility in the use of cash balances under the Regular MDS accounts to settle payables, after satisfying those obligations programmed to be paid during the month as reflected/considered in the approved Monthly Disbursement Program (MDP).

**Consolidated Public Sector Financial Position (CPSFP).** The combined financial positions (in terms of balances) of the NG, the monitored non-financial government corporations, the GFIIs, LGUs, Social Security Institutions (SSIs), as well as the cost of restructuring the defunct Central Bank and the financial position of the present Bangko Sentral ng Pilipinas (BSP).

**Constructive Cash Receipts.** A financing source corresponding to proceeds from foreign loans/grants in the form of goods and services for which no cash is remitted to the National Treasury. Such goods and services have been paid directly by the lender to the supplier.

**Conversion of NG Advances to GOCC into Equity/Subsidy.** A mechanism by which the government, through the BTr, converts into government equity and/or subsidy those unpaid NG advances for servicing outstanding debts of the GOCCs, in the event that any GOCC is unable to settle its obligations.

**Cost of Qualified Borrowings.** The weighted average interest paid by the country borrower on loans from the World Bank or the Asian Development Bank.

**Counterpart Fund.** The portion of the cost of a foreign-assisted project shouldered by the borrower as contribution to the completion of the project as stipulated in the foreign loan or grant agreement.

**Current Account.** Covers trade in goods, services, income and current transfers. *Trade in goods* refers to exports and imports. Among others, *Trade in services* includes travel receipts in service exports while transportation (payments to foreign carriers for freight of the country’s imported goods) top service imports. *Income* records as receipts of a portion of the earnings of overseas Filipinos (earnings of those whose job contracts do not exceed one year), as well as the profit of Philippine investments abroad. *Current transfers* include the rest of remittances [from Overseas Filipino Workers (OFWs) with work contracts of
at least one year and from migrants], gifts,
grants and donations to and from abroad.

Current Account Balance. Difference
between a) the sum of exports and income
receivable; and b) the sum of imports and
income payable. In this context, the
current account essentially refers to the
group of accounts which shows the flows
of goods, services, primary income, and
secondary income between residents and
non-residents.

Current Operating Expenses (COE).
Amount budgeted for the purchase of
goods and services for the conduct of
normal government operations within a
budget year. Includes goods and services
that will be used or consumed during the
budget year.

Custodial Funds. Receipts or cash
received by any government agency from
either a private source or another
government agency for the fulfillment of
a specific purpose.

Debt Amortization. The sum of a)
principal repayments for loans payable by
regular installments resulting to gradual
reduction in outstanding debt; and b) the
annual contribution to the debt sinking
fund for debts payable only upon
maturity.

Principal Payment. Total cash
outlays from BTr for the payment
of regular installments of principal
and actual releases out of the
sinking fund.

Debt Service. The sum of debt
amortization and interest payments
including commitment fees and other
charges on foreign and domestic
borrowings.

Debt Buy-Back Operation. A debt
reduction scheme which involves the
repurchase of outstanding debts by the
government from the secondary market at
a discount using its reserves or resources
from official sources.

Debt-for-Assets Swap. The redemption
by NG of its debt paper in exchange for
an asset being disposed of by the Asset
Privatization Trust (APT) with the BTr.

Direct NG Loans/Liabilities. Loans for
obligations, either domestic or foreign,
directly contracted by the NG.

Disbursement. Refers to the
settlement/liquidation/payment of an
obligation incurred in the current or prior
years, involving cash or non-cash
transactions and covered by disbursement
authorities.

Disbursement Authority. Document
issued to an agency authorizing the
liquidation of obligations incurred. These
documents include the following:

1. Cash Disbursement Ceiling
(CDC). An authority issued by the
DBM to departments with
overseas operations e.g.,
Department of Foreign Affairs
(DFA) and Department of Labor
and Employment (DOLE) to
utilize their income
collected/retained by their foreign
service posts (FSPs) to cover its
operating requirements but not to
exceed the allotment released to
the said post.

2. Notice of Cash Allocation
(NCA). Cash authority issued by
the DBM to central, regional and
provincial offices and operating
units through the authorized
MDS-GSBs,

3. Non-Cash Availment Authority
(NCAA). Authority granted by
DBM to government agencies to
account for the cash equivalent of
loan proceeds availed of through supplier’s credit/constructive cash.

4. **Tax Remittance Advice (TRA).** Document which agencies issue/file with the Bureau of Internal Revenue (BIR) to report and record remittances (constructive payment) of all taxes withheld from transactions. This serves as basis for BIR and BTr to record as income, the tax collection and deposit in their books of accounts.

**Dividends.** GOCCs declaration and remittance of their annual net earnings as cash, stock or property dividends to the NG, at a rate prescribed by law.

**Earmarked Revenues.** These identified revenues are required by statute to be used for designated activities, benefits, or purposes, and must be accounted for separately from government’s general revenues.

**Extended Payment Period (EPP).** Three-month period in the following fiscal year when payments, chargeable against the Appropriations Law of the previous fiscal year can be processed and disbursed for goods received and services rendered, inspected and accepted by the end of the previous fiscal year.

**Equity.** National government investment in the authorized capital stock of government-owned or controlled corporations.

**Excise Tax.** Tax, either specific and/or ad valorem, imposed on selected articles manufactured or produced in the country for domestic sale or consumption or for any other disposition, and on selected imports.

**Existing Revenue Measures.** Collections from the revenue structure/
**Extraordinary Income.** Collections derived from the repayment of loans and advances made by the government as well as from other non-recurring sources.

**Extraordinary Receipts.** Income which do not regularly accrue to the government, the collection for which is indefinite or does not depend entirely on the authority of the government.

**Fees and Charges.** Amounts collected by government agencies for administrative and regulatory purposes (such as passport fees, driver’s licenses, court fees, building permit fees, assessment fees, etc.) as well as payments exacted in exchange for goods and services.

**Fiduciary Fund.** A government fund where monies which have come into the possession of the government officer as trustee, agency or administrator, or which have been received as a guarantee for the fulfillment of some obligations are recorded and kept. Only the interest earnings of the fund principal, which is deposited in an authorized government depository bank, are utilized.

**Financial Expenses.** Expense category, which refer to management supervision/trusteeship fees, interest expenses, guarantee fees, bank charges, commitment fees and other financial charges incurred in owning or borrowing an asset property.

**Financial Restructuring.** A mechanism to improve the GOCCs’ financial condition through assumption by NG of the former’s non-performing assets.

**Financing.** The means by which a government provides financial resources to cover a budget deficit or allocates financial resources arising from a budget surplus.

**Financing Requirement.** The portion of current and capital expenditures, plus lending minus repayments (in the case of government) and distributions of equity income to shareholders (in the case of enterprises), that is not covered by the revenues and transfers received and must consequently be met through changes in liabilities and in claims on others, held for liquidity purposes in the case of government. It is equivalent to an overall deficit/surplus but carries the opposite sign.

**Fiscal Policy.** The part of government policy which is concerned with raising of resources through taxation and borrowing and deciding on the level and pattern of expenditures.

**Fiscal Space.** The available funding that the government could use for its priority programs. Fiscal space is computed as the difference of projected obligations ceilings (after considering projected revenues and deficit targets) and forward estimates of the cost of ongoing programs.

**Foreign-Assisted Projects (FAPs).** Government projects which are wholly or partly financed by foreign loans and/or foreign grants.

**Forward Estimates (FEs).** Projections or estimation of the future costs of existing policies. It also serves as the validation instrument of determining the reasonable levels of agency proposals on existing programs/activities/projects.

**Forward Obligational Authority (FOA).** Certificate of commitment or authority issued by the DBM to NG agency for Foreign-Assisted Projects (FAPs) certifying that funds shall be made available to cover the total project cost. This shall be used for loan negotiation purposes and serves as an assurance that the loan proceeds and the peso counterpart contribution are
included in the long term capital program of the NG.

**Franchise Taxes.** Taxes imposed on the special privilege or right conferred by the state on an individual or corporation, through legislation, to exercise certain powers and privileges such as the operation of public utilities.

**General Administration and Support.** A cost component of the agency budget which consists of the activities and projects dealing with the provision of overall administrative management and operational support to the entire agency operations.

**General Fund.** Fund which is available for any purpose to which the Congress may choose to apply, and is composed of all receipts or revenues which are not otherwise accruing to other funds.

**Government-Owned or Controlled Corporation (GOCC).** A stock or a non-stock corporation, whether performing government or proprietary functions, which is directly chartered by special law or, if organized under the general corporation law, is owned or controlled by the government directly or indirectly, through a parent corporation, to the extent of at least a majority of its outstanding capital stock of the outstanding voting capital stock.

**Government Securities.** Evidences of indebtedness of the Republic of the Philippines or its instrumentalities, government-owned and/or controlled corporations, or the Bangko Sentral ng Pilipinas and must be freely negotiable and regularly serviced.

**Government Servicing Banks (GSBs).** Financial institutions authorized, upon accreditation by the Monetary Board, to accept government deposits and perform banking services on behalf of government agencies.

**Grace Period.** Period commencing from the time a loan agreement becomes effective to the time when the initial principal repayment becomes due.

**Grants.** All non-repayable transfers received from other levels of government, or from private individuals, or institutions, foreign or domestic, including reparations and gifts given for particular projects or programs, or for general budget support.

**Gross Domestic Product (GDP).** The sum of gross value added of all resident producer units plus that part (possibly the total) of taxes on products, less subsidies on products, that is not included in the valuation of output.

**Gross National Income (GNI).** Consists of the total value of goods and services produced within a country (i.e. GDP) together with its income received from other countries (notably interests and dividends), less similar payments made to other countries (net income from international assets and gross exports less gross imports and indirect business taxes). GNI is equal to GDP less primary incomes payable to non-resident units plus primary incomes receivable from non-resident units. In other words, GNI is equal to GDP less taxes (less subsidies) on production and imports, compensation of employees and property income payable to the rest of the world plus the corresponding items receivable from the rest of the world.

**Guaranteed Obligations.** Debt obligations for which a juridical entity assumes secondary liability as guarantor. If the primary obligor fails to pay, the guarantor becomes liable for the amount due.
Imports. Corresponding to import arrivals which essentially include all goods entering any of the seaports or airports of entry of the Philippines properly cleared through customs or remaining under customs control.

Import Duties and Taxes. Taxes and levies, generally in ad valorem form, imposed on goods that enter the country, for the purpose of protecting locally manufactured goods of similar nature, or for the purpose of generating revenues under the Tariff and Custom Code. Includes specific taxes on imported goods, advance sales tax and compensating tax on imported goods.

Income from Public Enterprises and Investments. Receipts paid to the government from all properties and investments income such as dividends, interest, rent and royalties.

Indirect Tax. Tax levied on the sale of, use of or expenditure on goods and services, such as excise tax, sales tax, VAT, import duties, export tax, documentary and stamp taxes, forest charges, and others.

Internal Revenue Allotment (IRA). Automatically appropriated and released share of local government units, aggregately corresponding to 40% of the national internal revenue taxes based on the collection of the third fiscal year preceding the current fiscal year, with the share of each local government unit determined pursuant to the provisions of the Local Government Code, by share for each LGU level, and in terms of population/land area/equal sharing.

Interest. Charges imposed as a consequence in the use of money. It is deemed synonymous with discount when applied to government securities.

Item of Appropriation. Refers to an amount appropriated in the GAA for a program, activity or project. In the case of programs with several activities, the item of appropriation shall refer to each of the activity.

Itemized Positions. Approved positions in the regular personnel plantilla of all agencies of the national government.

Legislative Agenda. A program of proposed legislations to support policies and programs of government.

Letter of Commitment (LOC). A certificate of commitment or authority which will serve as an assurance that the required budgetary support for solicited PPP projects shall be included in the long term program of the National Government, and limited to the following National Government obligations, based on the PPP contract reviewed by the Department of Finance (DOF) and Public-Private Partnership Center (‘PPP Center’):

1. Availability Payments. Government payment to the private partner for the delivery of projects in accordance with the PPP contract. Such payments are paid periodically (monthly, quarterly, annually or according to milestones met);

2. Viability Gap Funding. Government contribution to ensure financial viability of the project or assist the private partner in shouldering a portion of the project cost;

3. Real Property Tax. A type of levy imposed by local government units on real properties in accordance with laws which are assumed by the National Government under the PPP contract;
4. **Right-of-Way Acquisition and other related expenses.** Expenses related to the acquisition of real property needed for a PPP project through donation, negotiated sale, expropriation or any other mode of acquisition as provided by law including relocation and resettlement costs;

5. **Funding for the Independent Consultant.** Compensation for a person or entity appointed to render independent technical advice to the government and private sector parties, as well as to perform other services specifically defined in the PPP contract; and

6. **Funding for Project Management Office.** A unit in an implementing agency for the coordination and monitoring of projects.

**Loan Availments/Proceeds.** Amount drawn, in cash or in kind, against existing or new loan commitments.

**Local Development Council (LDC).** The main advisory arm of the local chief executive in setting the direction and coordinating development efforts in their respective territorial jurisdictions. It includes the Provincial Development Councils (PDC), City Development Councils (CDC), Municipal Development Councils (MDC) and the Barangay Development Councils (BDC).

**Local Government Units (LGUs).** Refer to provinces, cities, municipalities and barangays.

**Local Government Support Fund (LGSF).** Financial subsidy to LGUs for the implementation of priority programs and projects, as provided in the GAA.

**Locally-Funded Projects (LFPs).** Projects financed out of revenue collections and domestic borrowings.

**London Interbank Offered Rate (LIBOR).** This is the rate offered to prime borrowers in the internal capital market based in London, which serves as the basis for most foreign interest rate quotations.

**Maintenance and Other Operating Expenses (MOOE).** Refer to an expenditure category/expense class for support to the operations of government agencies such as expenses for supplies and materials; transportation and travel; utilities (water, power, etc.) and the repairs, etc.

**Medium-Term Expenditure Framework (MTEF).** A planning-budgeting framework of the government which provides a medium term three-year perspective to decision making process during budget preparation.

**Miscellaneous Income.** Non-tax revenues not elsewhere classified such as proceeds from the sale of goods or confiscated merchandise, inventory adjustments, and waste materials.

**Medium-Term Information and Communication Technology and Harmonization Initiative (MITHI).** Jointly undertaken by DBM, DOST and NEDA, a process for the planning, budgeting, implementation, monitoring, and evaluation of government-wide ICT programs and projects, ensuring alignment with the broad framework of the Philippine Development Plan, President Duterte’s 0+10 Point Socio-Economic Agenda. A centralized, rationalized, and streamlined approval and budgeting process for ICT projects.

**Modified Disbursement System (MDS).** A disbursement system implemented to facilitate effective management of the national government’s cash resources, whereby national government agencies/GOCCs settle their payables...
through issuance of checks or through direct crediting to bank accounts, chargeable against the account of the Treasurer of the Philippines (TOP/Bureau of the Treasury) being maintained with government servicing banks (GSBs).

**Monetary Policy.** The part of economic policy which regulates the level of money or liquidity in the economy to achieve desired policy objectives, such as inflation control, improvement of the BOP or growth of the economy.

**Monthly Disbursement Program (MDP).** The estimated monthly disbursement requirements of the operating units (OUs) of departments/agencies.

**Multi-Year Contracting Authority (MYCA).** The authority issued by the DBM to agencies, covering the full contract cost, for the procurement of multiyear projects. This shall be used as basis in the certification of availability of funds required prior to contract execution.

**Multi-Year Obligational Authority (MYOA).** A document issued by DBM, for locally funded projects (LFPs), foreign-assisted projects (FAPs) implemented by agencies, including regular/recurring services in order to authorize the recipient entity to enter into Multi-Year contracts for the full project cost of multi-year programs/projects. A MYOA, which contains an annual breakdown of the full project cost, obligates the agencies to include in their budget proposal for the ensuing years, the amount programmed for the said year(s).

**National Expenditure Program (NEP).** Budget proposal submitted by the President to Congress in accordance with Section 22, Article VII of the 1987 Philippine Constitution, serving as the basis of the General Appropriations Bill (GAB), which upon enactment becomes the General Appropriations Act (GAA).

**National Government Agencies (NGAs).** Entities which perform functions not normally undertaken by the private sector, wholly dependent on the government for their budgetary requirements.

**National Disaster Risk Reduction and Management Fund (formerly Calamity Fund).** For disaster risk reduction or mitigation, prevention and preparedness activities such as but not limited to training of personnel, procurement of equipment and capital expenditures. It can also be utilized for relief, recovery, reconstruction and other work or services in connection with natural or human induced calamities which may occur during the budget year or those that occurred in the past two (2) years from the budget year.

**Negotiated Checks.** MDS checks already paid/encashed by government servicing banks.

**Net Income (Loss).** The difference between revenues and expenses, reflecting the results of operations of corporations for a given period. A positive balance indicates a net income while a negative balance, a net loss.

**Net Lending (NL).** Advances by the national government for the servicing of government guaranteed corporate debt during the year, net of repayments on such advances. Includes loan outlays or proceeds from program loans relent to government corporations.

**Non-Budgetary Accounts.** Trust liabilities, securities unloaded or purchased, sinking fund, and other accounts not included in the NG budget, i.e., the government’s estimated income and expenditures for a particular year.
**Non-Fiscal Transaction.** Items that represent expenditures that are non-fiscal in character but have been carried in the expenditure program of the national government over the last four years. These include debt payments on assumed liabilities, interest payment on BSP open market support transactions, etc.

**Non-Governmental Organization.** Refers to private, non-profit voluntary organization, including schools, that is committed to the task of socio-economic development and established primarily for service which may include giving assistance to citizens or people’s organizations in various ways as by educating, training or giving financial assistance to them.

**Non-NCA Expenditures.** Budgetary accounts which are paid without requiring the issuance of notices of cash allocation (NCAs) during the budget year in consideration.

**Non-Tax Revenues.** Revenues collected from sources other than compulsory tax levies. Includes those collected in exchange for direct services rendered by government agencies to the public, e.g. fees and charges, or those arising from the government's regulatory and investment activities.

**Object of Expenditures.** Refers to a classification under an allotment class, based on type of goods or services consistent with COA Government Accounting Manual (GAM) and Unified Accounts Code Structure (UACS) Manual.

**Obligation.** A commitment by a government agency arising from an act of a duly authorized official which binds the government to the immediate or eventual payment of a sum of money. The agency is authorized to incur obligations only in the performance of activities which are in pursuit of its functions and programs authorized in appropriations acts/laws within the limit of the allotment released by the DBM.

**Obligational Authority.** Document issued to an agency authorizing the agency to incur obligations or enter into a contract. These documents include the following:

1. **GAA-as-Allotment-Order (GAAAO).** Serves as an authority wherein appropriations in the GAA are considered released, excluding those identified in the pertinent issuance as “For Later Release”.

2. **General Allotment Release Order (GARO).** A comprehensive authority issued to all national government agencies, in general, to incur obligations, i.e. Retirement and Life Insurance Premium (RLIP), except RLIP for the departments/agencies chargeable against Special Accounts in the General Funds (SAGFs) and those covered by special arrangements.

3. **Special Allotment Release Order (SARO).** A specific authority issued by DBM to identified agencies to incur obligations not exceeding a given amount during a specified period for the purpose indicated. It shall cover expenditures the release of which is subject to compliance with specific laws or regulations, or is subject to separate approval or clearance by competent authority.

**Off-Budget Item.** Any expenditure item which is not part of the National Expenditure Program. Principal repayments are considered off-budget items.

**Off-Budgetary Funds.** Receipts which are authorized to be deposited with government financial institutions for
expenditure items which are not part of the National Expenditure Program. These are categorized into: a) Retained Income/Receipts; b) Revolving Funds; and c) Receipts from borrowing by BTr.

**Official Development Assistance (ODA).** Refers to the financial and non-financial grants and concessional loans to developing countries provided by bilateral and multilateral institutions, including state and local governments or their executive agencies. It has the following characteristics:

a) Administered with the objective of promoting the economic development and welfare of developing countries; and

b) Concessional in character and contains a grant element of at least 25%.

A *grant element* is computed as the ratio of a) the difference between the face value of the loan or loan and grant and the debt service payments to b) the face value of the loan or loan and grant.

**Online Submission of Budget Proposal System (OSBPS).** This automated system allows online or electronic submission and encoding of agency budget proposals adopting the UACS. The OSBPS reduces the number and duplication of reports being submitted by agencies as well as facilitates the timely and consolidation/processing of consistent information from such reports.

**Open Government Data.** Data produced by the government which enables citizens to access data sets, including budget and procurement data in open data format. This facility can be seen at data.gov.ph.

**Operating and Service Income.** Non-tax revenues generated in the exercise of the administrative and regulatory functions by the national government. Includes hospital income, tuition fees of government schools and admission fees to government museums and parks. Also includes revenues realized by government agencies from their business undertakings called for by the nature of their functions, and those income generated by social security agencies in the form of premiums earned from life and non-life insurance.

**Operating Expenditures.** Costs incurred by Government in the exercise of its administrative, regulatory, or service functions.

**Operating Program.** The portion of the expenditure program for a given fiscal year used for the delivery of goods and services. This includes PS, MOOE, FinEx and CO.

**Operating Revenues.** Receipts from the conduct of regular business operations.

**Operating Units.** Refer to organizational units carrying out specific substantive functions and directly implementing the program/activities/projects of a department or agency.

1) Implementing Units (IUs). Refer to operating units directly receiving cash allocations, capable of administering its own funds.

2) Non-Implementing Units (Non-IUs). Refer to operating units not yet capable of administering its own funds, hence, not directly receiving cash allocations.

**Operations.** Cost structure which consist of programs and corresponding expenditures that relate to the main purpose for which an agency has been created. Involves direct production of goods or delivery of services or direct engagement in regulations.

**Organizational Outcome (OO).** A short to medium-term result produced by an agency that contributes to the
achievement of its legislated mandate and is achieved through the delivery of its programs.

**Outcome.** Any change, effect, or result brought about by an agency's programs or strategies upon individuals, social structures, or the physical environment.

**Output.** Any good or service that an agency delivers to a target population or client group external to the agency.

**Outstanding Checks / Check Floats.** Checks issued by agencies (in the current or previous year) which are not yet presented by the payee to the bank for payment.

**Outstanding Debt.** Unpaid Obligations.

**People’s Organizations (POs).** Refer to independent community and/or class-based associations established to protect and advance the interests of specific causes or sectors, e.g., labor, farmers, fishermen, peasants, women and students. POs function as vehicles for mobilizing communities in the pursuit of their aspirations and likewise serve as schools for raising the people’s consciousness on key issues that affect their lives and training the people’s own leaders and organizers.

**Performance Indicator (PI).** A characteristic or evidence that measures and illustrates the standard of performance by which an agency delivers its programs or outputs. Performance Indicators can measure the quantity, quality or timeliness of outputs and outcomes of an agency or a program and provide evidence that describes results such as economy, efficiency, and effectiveness. Output indicators are mostly within the control of an agency and are strongly linked to the budget. An outcome indicator measures how well a program has achieved its stated objective.

**Performance Target.** A predetermined level of either quantity, quality, timeliness and cost of outputs.

**Performance-Based Bonus (PBB).** An incentive given to personnel of bureaus or delivery units in accordance with their contribution to the accomplishment of their department’s overall targets and commitments.

**Performance-Informed Budgeting (PIB).** A set of integrated processes that aims to improve the efficiency and effectiveness of public expenditure by linking the funding to results, making systematic use of performance information, although not solely, in resource allocation and management.

**Personnel Services (PS).** Refer to an expenditure category/expense class for the payment of salaries, wages and other compensation (e.g., merit, salary increase, personnel economic relief allowance, honoraria and commutable allowances, etc.) of permanent, temporary, contractual, and casual employees of the government.

**Peso-Denominated Transactions.** Involves cash obligations and receipts expressed in the local currency.

**Philippine Development Plan (PDP).** The government’s roadmap in the formulation of policies and implementation of development programs for the medium term. The PDP 2017-2022, which takes off from the Duterte Administration’s 0+10 Point Socio-Economic Agenda, adopts an inclusive growth framework, anchored on the long-term vision of Ambisyon Natin 2040, grounded on development thrusts of Malasakit, Pagbabago at Patuloy na Pag-unlad.

**Philippine Government Electronic Procurement System (PhilGEPS).** The single, centralized electronic portal that serves as the primary and definitive
source of information on government procurement. All government agencies, as well as suppliers, contractors, manufacturers, distributors and consultants are mandated to register and use the system in the conduct of procurement of goods, civil works and consulting services. Through the use of the PhilGEPS, transparency in the government procurement is enhanced since opportunities to trade with the government and the ensuing transactions are provided online. The facility can be accessed via PhilGEPS.gov.ph

Private Sector. Refers to any person, entity or organization who or that is not part of government. It includes, among others, non-government organizations (NGOs), people’s organizations (POs), members of the business community or business groups, cooperatives, schools, professional organizations, civic clubs and plain citizens or individuals who are not members of any organization.

Program. A group of activities and projects that contribute to a common particular outcome. A program should have the following: 1) unique expected results or outcomes; 2) a clear target population or client group external to the agency; 3) a defined method of intervention to achieve the desired result; and 4) a clear management structure that defines accountabilities.

Program Convergence Budgeting (PCB). Formerly referred to as Program Budgeting, which is an integrated group of activities and projects that contributes to a continuing objective of program implemented by one or a group of department/s or agency/ies, supportive of the 0+10 Socio-Economic Agenda where resources shall be allocated. PCB is used to plan the budget according to the strategic objectives of the government, and in a manner that is based on results through proper coordination of the lead and participating departments/agencies.

Program Loan. A multi-purpose foreign loan not used to finance a specific project but is conditioned on basic changes in economic, monetary or fiscal policies, among others.

Program/Project Assessment. A review of accomplishments against target objectives.

Program Expenditure Classification (PREXC). A form of structuring the budget into programs and outcomes. In comparison to the MFO-based budget, classifying expenditures by program has two benefits:

1) Clarifying the objectives of government spending and the programs and strategies used by the agencies to accomplish them; and

2) Allowing the monitoring of operational performance through performance indicators, which may relate to the inputs, outputs, or outcomes of a particular program providing a way to assess the success of the program and make adjustments during implementation, if necessary.

An expenditure classification by program will contribute to improved transparency and accountability, and help better link inputs to objectives or outcomes.

PREXC Structure. A presentation of an agency's budget structured/arranged in a hierarchical manner to depict the logical relationship among programs, activities, and projects; and between programs and the agency's Organizational Outcomes.

Program/Activity/Project (PAP). Any work process or group of work processes undertaken to realize the outputs and outcomes of an agency. This is represented by an item of appropriation in the national budget.
Project. A special undertaking carried out within a definite timeframe and intended to result in some pre-determined measure of goods and services.

Project Cost. The total amount necessary to implement and complete a project over a given period of time.

Project Loan. A foreign loan obtained to finance a specific project.

Projection. Data which approximates future event, derived from statistics/econometric tool.

Property Taxes or Taxes on Property. Taxes on the ownership of wealth or immovable properties levied at a regular intervals and on transfer of real or personal properties.

Public Debt. Includes the total indebtedness of the National Government, local government and government corporations or financial institutions from industries, corporations or financial institutions, whether private or government, foreign or domestic, which are fully supported and guaranteed by the NG.

Public Expenditure Management (PEM). A budgeting approach oriented towards achieving socially desired outcomes. It focuses on outcomes and sees expenditures as a means to produce outputs which are needed to achieve desired outcomes, highlights the importance of having the right processes, i.e., those that lead to desired outcomes; and balances autonomy/flexibility that must necessarily be given to line agencies for them to produce the outputs needed to achieve the desired outcomes and the corresponding accountability of the agencies for producing those outputs. Its three objectives are: aggregate fiscal discipline (spending within sustainable limits), allocative efficiency (spending on the right things) and operational efficiency (value for money).

Public Financial Management (PFM). Deals with all aspects of resource mobilization and expenditure management in government. It is about the way government raises its income (in the form of taxes, customs duties and other revenues) and manages its expenditures to deliver essential services to its citizens, i.e., education, health care and other social programs, roads and infrastructure, the rule of law, peace and order, and security, and those areas which generally make the lives of citizens better off.

Public-Private Partnership (PPP). A financing strategy, broadly defined as a contractual agreement between government and the private sector (a firm) for the latter to finance, design, implement and operate infrastructure facilities traditionally provided by the public sector. Among the elements of PPPs are:

a) Shared risks and resources;
b) Value for money;
c) Outcome orientation; and
d) Acceleration of infrastructure provision and faster implementation.

Such agreement aims for mutual benefits for both the public and the private sector, by initially tapping available private sector funds and expertise, for a faster and more efficient achievement of national developmental objectives, and with the private sector assured of reasonable returns from its investments.

Public Sector. Composed of the national government (NG), the government-owned and controlled corporations (GOCCs), the social security institutions (GSIS/SSS/PHIC), the local government units (LGUs) and the Bangko Sentral ng Pilipinas (BSP). All the financial transactions of these entities are summed up to generate consolidated public sector resources, for consideration in the preparation of the fiscal program.
**Public Sector Borrowing Requirement (PSBR).** Refers to the deficit of the national government and the fourteen (14) monitored government corporations less the budgetary assistance to the monitored corporations in the form of equity contributions and net lending.

**Receipts.** The sum of revenues and gross borrowings for a given period.

**Receipts Automatically Appropriated.** Receipts from grants, donations, insurance proceeds, and other sources which by law may be immediately used by the agency without undergoing the usual legislative process.

**Regional Development Council (RDC).** Refers to the primary institution which coordinates and sets the direction of all development efforts in the region. It also serves as a forum where local efforts can be related and integrated with national development activities.

**Regional Development Plans.** Refer to the Medium-Term Regional Development Plan covering a six-year period, the formulation of which was coordinated by the NEDA Regional Offices and approved by the Regional Development Councils.

**Relent Loans.** Loans directly contracted by the NG, the proceeds of which are lent to GOCCs, GFIs, LGUs, or the private sector.

**Resources.** In budgeting, a term frequently used to refer to revenues, gross borrowings, and free or unencumbered cash balances.

**Retained Income/Funds.** Collections which are authorized by law to be used directly by agencies concerned for their operation or specific purposes.

**Retirement and Life Insurance Premiums (RLIP).** The share of the national government in the premium payments to Government Service Insurance System (GSIS), for the life insurance and retirement benefit fund of government employees.

**Revenue.** Refer to projected cash inflows like collections from taxes by BIR/BOC and other tax agencies and fees and charges imposed by the government agencies as well as proceeds from grants.

**Revenue Program.** Target collection by tax and non-tax accounts of collecting agencies.

**Revolving Funds.** Receipts derived from business-type activities of departments/agencies which are authorized by law to be constituted as such and deposited in an authorized government depository bank. These funds shall be self-liquidating and all obligations and expenditures incurred by virtue of said business-type activity shall be charged against said fund.

**Selective Taxes on Services.** Taxes imposed on persons and entities engage in providing services to the customers such as miller’s tax imposed on proprietors or operators of rope factories, coconut oil mills and desiccated coconut factories; the contractor’s tax imposed on contractors, proprietors of dockyards, general construction and the like; the percentage tax on hotels, motels, restaurants, caterer’s and others; percentage tax on common carriers whether by air, land or water services and keepers of garages; taxes on stock, real state commercial, customs and immigration brokers or cinematographic film owners, lessors or distributors; and taxes on dealers of securities and lending investors. Also includes taxes imposed on gross receipts by all banks and financial institutions; taxes imposed on
premiums received by insurance companies; and amusement taxes.

**Sinking Fund.** A fund that is established for the purpose of repaying a debt with a lumpy maturity schedule. Payment to a sinking fund are generally invested in safe securities until the debt reaches maturity, when the cumulative payments to the sinking fund and its interest earnings should match the amount of principal to be paid.

**Special Accounts in the General Fund (SAGF).** A fund whereby proceeds of specific revenue measures and grants earmarked by law for specific priority projects are recorded.

**Special Drawing Rights (SDR).** Unconditional reserve assets that are created by the International Monetary Fund to supplement existing reserve assets. SDRs represent asset that have no corresponding liability.

**Special Purpose Fund (SPF).** Appropriations in the GAA provided to cover expenditures for specific purposes for which recipient departments/agencies have not yet been identified during budget preparation. These shall be available for allocation to departments/agencies in addition to their built-in appropriations, during budget execution, pursuant to special conditions per SPF. Among such SPFs are National Disaster Risk Reduction and Management Fund (formerly Calamity Fund), Contingent Fund, Pension and Gratuity Fund, Miscellaneous Personnel Benefits Fund.

Unprogrammed SPFs, e.g., BSGC, FAPS, are provided to cover deficiencies, i.e., requirements cannot be fully accommodated, vis-à-vis provisions in the agency specific budgets, subject to availability of excess/unexpected inflow of revenues/financing sources.

**Subsidy.** A grant or financial aid, usually by a government body, to some other persons or institutions for general purposes. When applied to GOCCs, it may also refer to amounts used to cover operational expenses not supported by corporate revenues or to cover corporate deficits and losses.

**Sub-program.** A program with either a more specific method of intervention or more defined target clients that is contained within a bigger program of an agency.

**Support to Operations.** A cost component of an agency budget which consists of activities and projects which provide staff, technical, and/or substantial support to operations, but do not produce goods or deliver services directed at a target population or client group external to the agency. This also includes expenditures that are indivisible across programs.

**Target.** Goal or specific objective of a program.

**Taxes on Income and Profits.** Taxes imposed on all taxable income earned or received by a taxpayer, whether individual, partnership, or corporation, during a particular period of time, usually lasting one year.

**Taxes on the Use of Goods or Property or Permission to Perform Activities.** Taxes paid for the privilege of engaging in business or pursuing an occupation, calling, or profession. Includes franchise taxes, fixed annual business taxes, fixed taxes payable by manufacturers, producers or importers engaged in business subject to percentage taxes, and miscellaneous fixed taxes payable by brewers, distillers of spirits, manufacturers, importers, and exporters of cigars and cigarettes.

**Tax Expenditure Subsidy.** Subsidy given to national government agencies,
government corporations and local government units in lieu of payment of taxes and custom duties.

**Tax Revenues.** Compulsory charges or levies imposed by government on goods, services, transactions, individuals, entities, and others, arising from the sovereign power of state.

**Tax on Domestic Goods and Services.** Tax levied on the domestic production, sale or transfer, leasing, use or delivery of goods, and rendering of services.

**Tax on Income and Profits.** Tax imposed on all taxable income earned/received by a taxpayer whether an individual, partnership, or corporation during a particular period of time, usually one year.

**T.O.P. Special Accounts.** Deposit of the Treasurer of the Philippines (T.O.P.) with Authorized Government Depository Banks (AGDBs) accruing from proceeds of foreign loans or grants earmarked for special projects.

**Trade Balance.** The difference between the values of export shipments and import arrivals. There is a trade surplus if export shipments exceeded import arrivals and a trade deficit if the latter exceeded the former.

**Transfer Taxes.** Taxes imposed on property transfers through sale, donation or inheritance.

**Transparency Seal.** A legal requirement for all government agencies including Constitutional Offices enjoying fiscal autonomy, SUCs, GOCCs and LGUs to disclose relevant budget information from approved budgets and targets, to procurement plans and contracts awarded, among others through their respective websites.

**Treasury Bills.** Short-term debt instruments issued by the NG.

**Treasury Bonds/Notes.** Certificates of indebtedness issued by the National Government, the maturity of which extends beyond one year.

**Treasury Single Account (TSA).** A single account or a set of linked accounts, thereby centralizing government cash balances, established to improve the financial management of government funds, resulting to minimized borrowing and transaction costs.

**Trust Fund.** Fund which accounts for the receipts by any agency of government or by a public officer acting as trustee, agent, or administrator for the fulfillment of some obligations.

**Trust Liabilities.** An account used to record collections, income, or receipts of agencies held in trust or guarantee for another agency and for a specific purpose.

**Two-Tier Budgeting Approach (2TBA).** An approach to strengthen the strategic decision making process by separating the evaluation of agency proposals, i.e., the first tier covering review of Forward Estimates for on-going/existing programs/projects and the second tier covering review of new spending proposals and the expansion of on-going/existing programs/projects.

**Unified Accounts Code Structure (UACS).** A harmonized coding structure jointly developed by the DBM, COA, DOF and BTr which aims to facilitate financial reporting and consolidation of actual revenue collection and expenditures, enable the assessment of outturns against transparency/accountability and improve efficiency in terms of utilization of government funds.

**Unified Reporting System (URS).** This automated system allows online or electronic submission and encoding of the plans/targets, i.e., physical, financial and
disbursement program, and actual accomplishments, i.e., budget and financial accountability reports, of departments/agencies/implementing or operating units adopting the UACS. The URS can be accessed thru urs.dbm.gov.ph.

**What-you-see-is-what-you-get** (WYSIWYG). In line with this philosophy of uprightness and straightforwardness, the release and management of funds has been streamlined, with the General Appropriations Act (GAA), serving as an official fund release document, with the budgets of agencies ready for implementation starting January 1 of the budget year.

**Working Fund.** An advance funding or seed money from loan/grant proceeds established to accelerate disbursements of funds and ensure efficient projects implementation, subject to replenishment when necessary.

**Zero-Based Budgeting (ZBB).** A budgeting approach through which major agency programs and projects are evaluated to: a) determine the continued relevance of program objectives vis-à-vis current developments/directions; b) assess whether program objectives/outcomes are being achieved; c) ascertain alternative or more viable ways of achieving the objectives, and ultimately; d) guide decision makers on whether the program/project should continue to be funded at its present level, or if funding should be increased, reduced or discontinued.