

The Official Newsletter of the Department of Budget and Management

THE DBM BULLETIN



Our Reform Story

OUR REFORM STORY

Words by Justine Dinglasan & Krisna Parrera

FRESH FROM COLLEGE, Joy de Leon waited for that call from the Office of the Ombudsman. She was just counting days when the agency asked her to go over their office and sign a job offer.

Eleven years ago, she made a choice.

“Sure *ka ba?*” the Ombudsman’s personnel asked her. “*Wala nang bawian ‘to.*”

She withdrew her application after an HR staff from the Department of Budget and Management (DBM) called her. She was up for an interview for an analyst job, which she eventually took.

She knew the work, because she interned at the agency when she was taking her public administration degree.

In those early years, when she and her friends had get-togethers and talked about her first job, some would ask her questions like “That’s part of the DOF, right?”

She understood where they were coming from: the Budget is too technical for them; it’s stuff that’s hard for an audience to get.

DBM, she thought, isn’t as popular as DPWH, DOH, or DepEd. It isn’t covered that much in the news—unless talks about pork barrel or the annual budget signing would surface in popular media.

Midway through her career, at the time when Benigno S. Aquino III was elected president, a lot has changed, she recounted.

She began preparing the Budget differently. She saw firsthand that through the Performance-Informed Budgeting (PIB), “*nagkakwento na ang bawat kwenta.*” Since then, she’s been helping agencies to pin down their targets alongside their budgets.

To de Leon, these reforms like the PIB, changed her, her work—and for her, DBM’s identity. Whenever people ask her now about DBM, she doesn’t get questions about what it is.

“They know it well and even compliment the reforms we’ve been doing,” de Leon said. “*Sobrang nakaka-proud!*”

In a short period, DBM has managed to bring the National Budget to public consciousness. Its officials would go here and there, giving speeches and going around civil society circles.

It has become a model agency for other countries to learn best practices in budgeting. Because of DBM’s reforms, the country now ranks first in fiscal openness in Southeast Asia according to the Open Budget Index.



“Tingin ko, Sec. Abad was also lucky with the fact that the institution he headed was DBM because it fosters a culture that emphasizes performance and quality of work.”

- Asec. Hamada

How the DBM rose from a relatively unknown agency to a global public financial management champion is not simply a story of an institution that created radical reforms. It's not, by and large, a narrative of the Aquino Administration.

This is the personal story of everyone behind the institution.

It's the story of the men and women who, at first, resisted the reforms but eventually let their guards down, opened their minds to new ideas, and embraced change. This is about the work of Yolanda Reyes, who teamed up with her peers from other agencies to prepare the Budget. This is about the life of Joy de Leon, who found support from her DBM family to carry on with her work. This is about the commitment of all the DBM officials and staff to excellent and compassionate public service.

A visionary, a loyal institution

DBM's reform story is also the untold relationship between an innovative leader who offered a vision and an institution of obedient civil servants who supported his vision.

This new chapter in DBM's history began five years ago, where everyone was on high spirits. Benigno S. Aquino III was elected under the agenda of fighting corruption and fostering good governance. One of his acts was to place people of integrity and competence in the highest positions in government. He appointed Butch Abad to lead the DBM.

Despite heading the Committee on Appropriations when he was representative of Batanes, Sec. Abad admits he was less of a budget expert, said Usec. Clare Amador. In those early days, Sec. Abad asked Usec. Clare and his staff to pull out all budget materials for him to read, including the research done by former Sec. Boncodin. He sat down in as many budget hearings as he could, learning what the budget terms and alphabet soups mean, how the budget process works, and why the government sets aside this amount of money to this project.

Even without the technical know-how, Sec. Abad understood the politics of the Budget when he came in. A student of political economy, he saw the budget as a tool to pursue good governance.

During budget hearings, he came face to face with the core of problems in governance, where it lies, and what caused it. He soon realized what needs to be done, his vision emerging. One by one, the reforms began to take shape.

Every year, Sec. Abad identified opportunities for reform which the senior officials built on, starting with the Zero-Based Budgeting, then Budget Partnership Agreements, then Bottom-Up Budgeting, then Performance-Informed Budgeting, then GAA-As-Release Document (GAARD), and then Two-Tier Budgeting. The list goes on.

He drew the diagram of his vision in a manner that's become the DBM brand of pursuing reforms: spending within means, spending on the right priorities, and spending with measurable results in an empowering regime of transparency, accountability, and citizen engagement.

'One pain we were relieved of'

During interviews with the DBM Bulletin, budget specialists, analysts, and even officials candidly say initial resistance to any change is normal.

In informal chit-chats, they vent frustration. They say changing the way things are done had always meant extra work for them: one more paper to sign, one more step to complete, and one more hour to time in.

There is also this deeply ingrained bureaucratic psyche where employees have become used to the old system that it's hard to accept new ideas,



“Now, what the agency sees is what it receives as an allotment release,” Belaro said. “That’s one pain we were relieved of. Because we save time on budget execution, we can prioritize other analytical work.”

Meanwhile, the Unified Accounts Code Structure, according to OIC-chief budget specialist Rainier Diaz, makes his work easier. He used to approach individual bureaus for data on every program, project, and activity in the budget, which is to him, a waste of time.

‘Soldiers’

This openness to new ideas—this embrace of change—is what got DBM employees to fully cooperate with the leadership.

“Once people come to work for the agency, they transform into loyal civil servants,” said Dir. Cristina Clasara, who started her service in 1979.

It is the defining character of a DBM employee, she said. Regardless of their rank, Dir. Clasara said, “DBM employees are soldiers.”

This cooperative attitude manifests in their hard work. Sec. Abad knew this from the start.

“In his first few months, Sec. Abad saw how hard-working people in DBM are,” Asec. Myrna Chua said. “During budget preparation season, he saw them stay overtime, night after night, until the Budget was done.”

Belaro would even have trouble sleeping. One night, when she dreamt of all her pending work. “It was kind of a nightmare,” Belaro gave us a laugh. “I woke up trying to figure out how I was going to finish my deliverables.”

‘Fertile ground for reform’

The value of hard work is what everyone in the DBM shares; and it’s this same virtue that builds an unshakeable support group among their colleagues, forming bonds as they make the reforms work.

Support starts within each bureau. Staff members support each other, especially when work piles on and implementing a reform becomes difficult.

In 2014, the DBM formed a Technical Working Group to come up with a manual for the UACS before agencies would implement the reform.

The deadline for the manual was on a Monday and the team of Benjieleth Zuñiga was far from finished. The whole team, including her supervisors, worked the entire weekend just to finish it.

“My supervisor once told me that if a staff member has to work on a weekend, she’ll go to work too,” shared Zuñiga.

This support sometimes comes in the form of sharing knowledge with one another. Chief budget specialist Yolanda Reyes tells of her buddy system with her counterparts from the operation group: “*Kapag naga-attend kami ng meetings, magtatawagan kami ng operations. Mag-attend ako ng ganito, o kaya kung hindi sila maka-attend, ‘O, sige, bigyan kita ng kopya ng materials that I got.’*”

This realization began with a recognition that each bureau, service, and unit had a profound role to play.

For instance, the Fiscal Planning and Reforms Bureau (FPRB) worked more closely with the Budget and Management Bureaus (BMBs) when the agency introduced the Budget Priorities Framework (BPF).

“There’s a sweet marriage between an obedient bureaucracy and an innovative leadership”

- Usec. Moya

This support system worked like this: FPRB would come up with the BPF, while BMBs would ensure agencies propose programs outlined in the framework.

To clarify gray areas in the budgeting, BMBs consulted with FPRB. “In the course of this reform, we, the BMBs, saw the value in working more closely together with FPRB to make sure targets and figures meet,” shared Belaro, who’s been with the DBM for a decade now.

In fact, for budget specialist Patricia Villamin, employees across bureaus can always anticipate each other’s needs. Whenever a long-time colleague from FPRB calls her up during budget preparation, Villamin responds by saying, “*Alam ko na ‘yan.’*”

The dedication of each team builds a culture of support in the institution, creating “a fertile ground for reforms,” said Asec. Tanya Hamada. Reforms did transform the institution because of the dedication of its employees who performed what was asked of them.

Everyone’s ownership

Soon, they understood the reforms wouldn’t work unless they got everyone—and this means the whole government—on board. Their system of support grew wider.

The people of DBM reached out to their peers from other government offices, working with them, refining the reforms, and eventually making these a shared success.

Belaro currently belongs to the Account Management Team for the Department of Agrarian Reform (DAR). Every month, she would meet with DAR budget officers to discuss why their agency is not spending enough.

“When we pinpointed the problem, even officers in DAR wondered why their targets were so high, knowing they could not meet them,” Belaro said. So she and her counterpart scaled down the land distribution target to a more realistic level.

Collaboration with other agencies has also enriched budget discussion.

Reyes recalled how officials from DBM and National Economic and Development Authority (NEDA) sat down in the Sub-Committee on Program/Project Appraisal, a formal group created under the Two-Tier Budgeting approach.

Reyes noted, “[NEDA] offered [DBM] a fresh perspective insofar as analysis and evaluations of programs are concerned.”

For de Leon, working with her peers from other agencies has made her work easier. She and her boss are looking into giving more training on budget for the agencies they handle.

“At the end of the day, if your counterpart agency has a hard time doing its job, you will have a hard time doing yours,” de Leon said.

‘Sweet marriage’

Looking back at the last five years of the institution, Reyes recalled those days when it was difficult for her to tell people where she works. Her colleagues would often ask her why the DBM has not yet released their budgets.

“Colleagues from other government agencies tell me that the DBM has levelled up,” she said. “To implement the reforms, we had to constantly teach ourselves new things.”

This boldness to try on new things came at a perfect circumstance where according to Usec. Bon Moya, the country has built a “general ecosystem of good governance.”

The administration’s drive against corruption has brought back trust and confidence in the country’s economy: businesses are booming without the need to bribe; foreign investors are coming in droves, as creditors predict a stable, growing economy. This has expanded growth, creating more jobs and for the government, translating to bigger revenue collections.

This better condition has benefitted the DBM. Gone are the days when the bulk of DBM’s work used to be accounting for whatever was left in the Bureau of Treasury. With a larger state coffer, DBM now demands agencies to spend faster and more efficiently instead of scrimping on their budget.

In the last five years, the DBM had the reforms going because, as Usec. Moya said, “There’s a sweet marriage between an obedient bureaucracy and a strategic, innovative leadership. Sec. Abad pushed the innovations forward, and the organization responded.”

Asec. Tanya also noted that when Sec. Abad saw that the DBM can carry out and deliver the reforms he wanted to introduce, he knew the agency can keep up to execute more reforms.

“He was with DAR and the DepEd (Department of Education) before, but he wasn’t able to do the same things he did here in DBM,” she said. “DBM is good for Sec. Abad and Sec. Abad is good for DBM.”

“*Tingin ko*, Sec. Abad was also lucky with the fact that the institution he headed was DBM because it fosters a culture that emphasizes performance and quality of work,” added Asec. Tanya.

At the end of the day, the DBM owes its success to its officials and staff who made change happen. They followed through Sec. Abad’s vision: to use budgeting as a tool to challenge the status quo in governance. ■



experiment on new ways of doing things, and try working with new sets of people.

Resistance is often the knee-jerk reaction to change. This holds true for employees of DBM who resist initially but still do their work. When new reforms are introduced, “*Nagresist [kami] pero sumusunod pa rin. Hihinga ka lang nang malalim. Pero ‘pag buntong hininga mo, sige gagawa na kami,*” shared budget specialist Danive Belaro.

The wall of resistance came down as employees themselves experienced firsthand how the reforms cut through their work.

“GAARD is one of my favorite initiatives,” Belaro said. Before GAARD eliminated the need to issue too many SAROs, Belaro had to prepare Agency Budget Matrices for provinces down to the last object—and that meant sleepless nights for her.

MAKING REFORMS WORK

LESSONS FROM THE DBM EXPERIENCE

Words by Justine Dinglasan & Krisna Parrera

THE TRUTH IS THIS: the plan to reform the budget is not new. It's been there since the time of then Budget Minister Jaime Laya. But the problem is this: the agency has just found it hard to keep the momentum going.

Today, the Philippines is in a better position. For one, the government has more money to spend. Second, the Philippines ranks Number 1 in Southeast Asia in fiscal openness.

How did the DBM do the impossible? DBM staff and officials say it's about investing in people and technology—and of course, choosing the right people to lead the institution.

If you are an agency wanting to effect difficult but necessary reforms, DBM staff and officials have these three lessons for you:

First, have a good leader.

The Philippines elected a president whose agenda is premised on good governance. He then placed a reform-minded secretary in the DBM, who then formed a formidable group of like-minded senior officials with experience from the career executives of DBM, the private sector, and civil society.

In the case of DBM, its senior officials have become “reform champions” themselves.

Usec. Luz Cantor, for instance, takes charge of GAARD. Usec. Laura Pascua looks after the 2TBA and BPF. Usec. Bon Moya oversees the government's digitization efforts. Usec. Janet Abuel is DBM's fiscal transparency champion.

Second, invest in your people.

For a long time, DBM had a freeze hiring policy, creating a gap in manpower needs. When Sec. Butch came in, the DBM opened up applications for positions to younger people with diverse backgrounds.

Training opportunities are also given to officials, especially to employees. One of these is the DBM Tibay Program, a suite of leadership trainings for directors and junior-level staff who will eventually lead the department.

The promotion system has been open to all, making it more credible. Qualified employees are given equal chances at career advancement in the department.

Most middle-manager positions were vacant pre-2010. What the administration did was to open up the application of these positions to all qualified employees, instead of limiting it to those who are expected to be “next in line.” The DBM tapped the potential of promising homegrown employees by offering them higher positions. This practice broadened the selection of prospective middle-managers.

Third, improve your technology.

The Department understood the power of technology in lessening, if not totally removing, discretion and human intervention to curb anomalous practices. Leveraging technology also makes the analysts' work less menial, allowing them to focus on analyzing the physical and financial performance of agencies.

Most of the reforms introduced since 2010 are powered by technology. And because these are technology-based, reverting back to the old system will be a politically difficult option.

It took a long time for the DBM to find the perfect recipe for change. But given the results these reforms have yielded, it's all worth the wait. ■



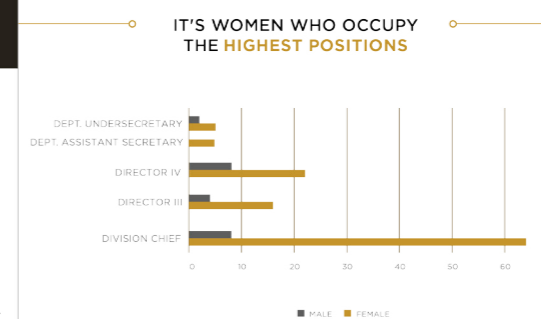
WOMEN RUN *the* DBM



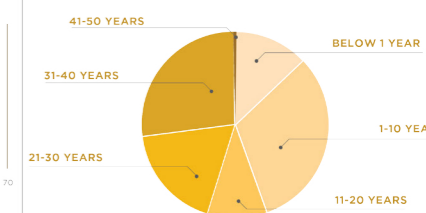
MOST OF THEM HOLD **MANAGEMENT POSTS**, STAY LONGER IN THE AGENCY, AND BELONG TO THE **BABY BOOMER GENERATION**.

WOMEN MAKE UP DBM'S WORKFORCE.

NUMBER OF REGULAR EMPLOYEES:
 ♀ **573** ♂ **289**



FINALLY, THEY TEND TO STAY LONGER IN THE INSTITUTION.



MANY WOMEN EMPLOYEES ARE ALSO **SINGLE**.

212 OF THE 573 WOMEN EMPLOYEES ARE SINGLE.

ABOUT **43** IN EVERY 100 WOMEN EMPLOYEES ARE **BABY BOOMERS** AND **36** IN 100 ARE **MILLENNIALS**

212 MILLENNIALS (20-34) **111** GENERATION X (35-49) **250** BABY BOOMERS (50-64)



THE MIND OF A REFORMER

Rupert Francis Mangilit, with the DBM Bulletin team and the OSEC-Public Information Unit

ASSISTANT SECRETARY TANYA Hamada has heard it before.

Whenever she sat down with civil society groups, they would tell her they felt like the Bottom-Up Budgeting (BUB) has yet to reach the smaller communities. Not all 42,029 barangays, they observed, had some kind of BUB project.

So Asec. Hamada thought of briefing Sec. Butch Abad about their recurring concern before he faced them at a summit in Subic one September morning.

Inside a holding room, she told him that he could say “the DBM is fully committed to bring BUB to the grassroots.” This message, she thought, would perhaps give CSOs an assurance without committing anything concrete just yet.

Sec. Abad took the stage, began with the virtues of BUB before boldly announcing: “We will now do BUB at the barangay level.”

Asec. Hamada, seated in front of the stage, was stunned. Caught off-guard, she hid her surprise behind a smile, and just looked him in the eye while telling herself: “Is he out of his mind?”

After his speech, Sec. Abad returned to his seat, bearing a childlike smile.

“Sir, do you realize that you just committed Barangay BUB (BBUB)?”

“Yes, 42,000! We can actually do that in phases.”

Right there, Asec. Hamada imagined what a huge team she had to put together to set BBUB in motion. She then had her hair cut the very next day to distress herself.

BBUB sounded ambitious to set up in six months. But the work—the policy, framework, and the mechanics—was close to being done five months after Sec. Abad declared BBUB in Subic. Last February, he formally launched the initiative with President Benigno Aquino III.

In a nutshell, this is how his mind works, said colleagues and staff.

“Sir [Butch] calls himself a pragmatic politician, but he is a pragmatic visionary,” Undersecretary Bon Moya said. Sec. Abad knows the aspiration, but he certainly understands which goals can be achieved today and which ones cannot.

Indeed, Butch Abad the social activist sees a future by disrupting the status quo and shaking the center of vested interests. But Abad the politician pursues this vision by deftly navigating political realities.

That’s why he sees the Budget through the lens of a visionary and a political strategist. The budget, he’d always say, can be a tool to pursue good governance. Making the vision happen comes from his deep understanding on the inner workings of Philippine politics.

Sec. Butch’s vision

“*Paggugol na Matuwid*” happened the moment he came onboard more than five years ago.

The task at his hand was urgent. Halfway through 2010, 65 percent of the Budget was already released. About 70 percent of the Calamity Fund for 2010 had been spent in the first half of the year despite the absence of any major disaster. The deficit was running high as tax collection agencies were missing their targets.

Sec. Abad, who once headed the powerful Committee on Appropriations,

had to quickly find ways to stop the state coffers from bleeding.

He had no time to warm his seat. There was no honeymoon stage.

Sec. Abad immediately began doing his homework. Usec. Clare Amador recalled his first instruction: to gather budgeting materials for him to read before the budget hearings started. He would immerse himself in budgeting by sitting in as many technical budget hearings as he could, armed with the right questions to ask.

Sec. Abad combed through the details of the budget, said Usec. Amador. He'd often ask budget analysts how come the government has been spending so much when indicators for performance were falling down. It was a pointed question no one dared to ask before.

For the Secretary, this was one of the reasons why deficit was high and there was little money left for programs with greater impact.

The solution was to reverse the process. Upon President Aquino's instruction, Sec. Abad instructed to weed out inefficient and ineffective spending. Programs would get additional funding if they could show progress.

He then gave the then Fiscal Planning Bureau (now Fiscal Planning and Reforms Bureau) to gather studies examining whether existing programs were delivering results.

He changed the established process when the Administration pursued Zero-Based Budgeting, a practice last used during the time of then Minister Jaime Laya. This "sent a strong message that this is not a status quo budget process," said Dir. Francis Capistrano, head of the Knowledge Management Technical Working Group.

Often, his reforms were borne out of episodes of crisis and controversies. For him, these were opportunities for reform.

In 2011, the public had known of a practice in the military where outgoing top brass were receiving "pabaon" (send-off) in the range of millions. During congressional investigations, whistleblowers said the send-off money came from savings pooled from personnel salaries.

At that time, the military was secretive of its roster, citing security reasons. It turned out the list bore names of dead or ghost employees.

That scandal gave Sec. Abad the impetus to transfer the funds for unfilled positions from the budgets of all agencies, particularly those of the police and the military, to the Miscellaneous Personnel Benefits Fund and introduced the policy that funds would only be transferred upon the completion of active personnel's rosters.

Likewise, he instructed to leverage technology to reduce cash advances, and build an accurate inventory of military and uniformed personnel.

Timing is everything

There are also those reforms that are a product of a long-foreseen goal. He just had the patience to wait for the perfect timing.

With the same amount of patience to wait for coffee prepared from scratch, he would allow grand ideas percolate in his mind first before speaking them out.

In the case of BBUB, he had always held the belief that the poor should be

empowered to decide their own fate. Empowering small communities would entail devolving power from the center to the barangays.

He knew the BUB could make this vision possible, as has seen by BUB's logical evolution: funding projects identified by barangays themselves.

He wanted to expand BUB to barangays as early as 2012, but the legal framework was not yet in place. When the chance presented itself in Subic, he grabbed it. "The dots connected faster in his mind than in ours," said Asec. Hamada.

But alongside the ability to spot opportunities for reform, momentous occasions in his life taught Sec. Abad that timing is everything, Usec. Amador said.

After decades of serving the country as an activist, politician, and CSO leader, he learned that in the state, particularly the Executive, lies the true arena of change making.

Before 2010, he had the chance to step into that arena twice, when he led the Departments of Agrarian Reform (1990) and Education (2004). But circumstances cut these opportunities short. In DepEd's case, he left, with nine other Cabinet members, at the height of the *Hello Garci* scandal.

Sec. Abad finally had the opportunity to roll out his lifelong vision through DBM, where he got to serve a full term.

Furthermore, no matter how eager he would want to translate vision into action, Usec. Moya said, "Sir [Butch] is not abrasive. Passionate people are also very passionately abrasive. He's not like that." With such a demeanor, said Usec. Moya, he gained the comfort and eventually the buy-in of the senior officials.

The limitless scope of his ideas

One thing that never fails to amaze even his undersecretaries is his limitless stream of ideas.

Sometimes, he would get ideas from brainstorming with staff. Officials and staff of FPRB have long been tinkering a framework that would guide how fiscal space should be spent. In 2013, when they forwarded to Sec. Abad the BPF for the 2014 Budget, the draft policy was covered with red marks, his vision penned on the margins.

He also listened to the FPRB heads as they discussed the BPF. "Then he injected his vision of what BPF should be. He said, for instance, that we should focus on reducing poverty. From there we threw in suggestions on how to accomplish that," says FPRB chief budget specialist Yolanda Reyes.

Besides soliciting ideas from people in DBM, he reads a lot of books.

From what he read, shared Usec. Luz Cantor, "he would compare our budget system with other countries and tell us, '*Maganda siguro 'tong i-adopt sa atin, if we do a few tweaks to make it applicable to our fiscal terrain.*'"

A takeaway from the 2014 Human Development Report gave birth to Sec. Abad's latest brainchild, the First 1000 Days Program. The UNDP report deemed the first five years of life critical. If a child's health needs is not addressed, any catch-up effort will go to waste.

In late 2014, he told Usec. Laura Pascua that the government has not adequately funded the nutrition program, and that something needs to be done.

Usec. Pascua ordered FPRB's Reyes to work with the National Economic and Development Authority and other agencies to craft a nutrition program for indigent mothers and infants. The 2016 Budget now funds the First 1000 Days Program.

'Diretso sa tao'

While Sec. Abad has a penchant for reading and sharing what he read, it is not to merely feed on intellectual curiosity. He read to find inspiration for improving governance and service delivery, and try to apply the strategies he's read.

Such an exercise, said Usec. Amador, made him increasingly "*ganado*". "He gets very excited whenever he sees the possibility of a reform to impact the lives of the poor, like CCT and BUB. He wakes up in the morning for that," she added.

Dir. Cristina Clasara attested that Sec. Abad's mantra—*diretso sa tao*—is not a public relations stunt.

When oil prices surged to nearly P60 per liter in 2010, the popular call was to scrap the 12-percent value added tax on it to relieve drivers of jeeps and public utility vehicles. He saw this differently: once VAT is removed, oil companies would profit more than the drivers.

He then thought of giving the benefit directly to the disenfranchised by providing PUV drivers subsidies out of Malampaya funds in the form of discount cards.

Pragmatic politician

Butch Abad the visionary has a mindset for change. But idealists tend to get stuck on their ideas without making progress.

He did not. He learned to play politics smart enough to achieve his vision for change.

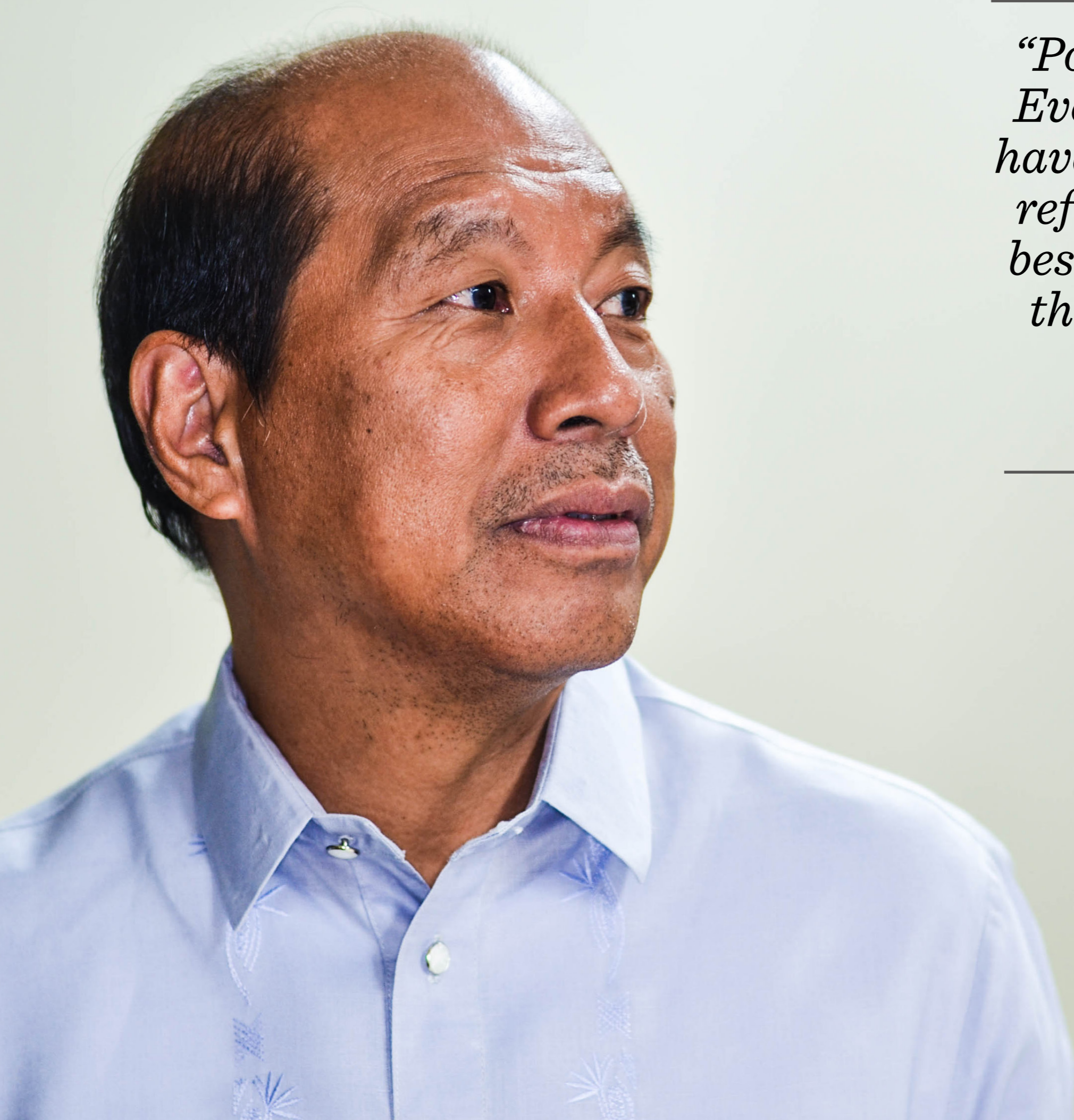
When he won as representative of the lone district of Batanes, Sec. Abad, not long before a Martial Law activist, was unyielding with his ideals. In 1988, he walked out of Congress to protest efforts to block the passage of the Comprehensive Agrarian Reform Law.

And to the chagrin of his landowning peers in Congress, Pres. Corazon Aquino handpicked him to be her Agrarian Reform Secretary in 1990. He was bent on implementing land distribution from day one. With land conversion becoming a fad among hacienderos, he was hit hard by politicians scrambling to convert their vast estates to subdivisions and industrial parks. Three months and seven rejections from the Commission on Appointments after, he gave up the post.

He incurred more wounds when he lost in the 1992 elections as the sole senatorial candidate under the Jovito Salonga-Aquilino Pimentel tandem. After this, he decided to take his Master's Degree in Harvard, as what he would say was a political retreat of sorts.

The Butch Abad of today understands the practical limits of vision. Usec. Moya says, "he doesn't waste DBM's time chasing foolish dreams because he only sets the dreams that can be achieved."





“Politics is a noble calling. Even so, it’s not enough to have dreams. The politics of reform taught me that the best way to effect change is through the State and by leveraging every opportunity I saw.”

Sec. Butch Abad

As officials and staff have observed, his pragmatism manifests in three ways: political astuteness, devolving power and independence to his staff, and formulating strategies based on hard evidence.

Changing from within

First, he views budgeting as a political process. While politics can mean governing by patronage for survival, it can also mean the ability to exert power from reform. The latter, Sir proved many times, is a potent tool for good governance. BUB has proven this: the program has given citizens the voice and vote in the way their taxes are spent.

PIB also rewrote the rules of the game. While the Organizational Performance Indicator Framework (OPIF) had the potential to closely link budgets to government performance, publishing it used to look like an afterthought. “For the longest time,” says Dir. Clasara, “*tapos na ang Budget, hindi pa nailalabas ang Blue Book* [the publication that contained OPIF].”

Under Sec. Abad, the DBM not only reviewed the agency’s performance indicators, but also put them right inside the Proposed and Approved Budgets. “Knowing that MFOs [major final outputs] aren’t enough, he further pushed for outcomes,” said Dir. Capistrano.

‘One presentation lang’

Second, he leveraged the trust President Aquino gave him to move reforms forward. Many budgeting reforms, Reyes of FPRB said, were already in place long before Sir came in: “*Panahon pa ni* [Budget Minister] Laya, *meron nang PD 1177* [Budget Reform Decree of 1977].”

In 2009, reform-oriented technocrats of DBM, DOF, and COA saw the need to have a comprehensive reform roadmap for public financial management, and began crafting it.

But Sec. Abad, with Finance Secretary Cesar Purisima, gave the necessary push to make it happen. It indeed happened as the Secretary got the president’s backing. President Aquino signed on September 6, 2011 Executive Order No. 55, directing the integration of financial management systems across government.

Asec. Myrna Chua, who worked with Sec. Abad for SSL 2015, saw firsthand how this trust dynamic works: “When we explained SSL 2015 to the President, one presentation lang, okay na.” He got the President to sign Executive Order 201 on February 20 after Congress failed to pass SSL 2015 in December.

He likewise used this ability to navigate the political playing field as he learned from three decades of victories and heartbreaks in the government, to push for the timely enactment of the GAA.

Compared to the previous administration which operated on reenacted budgets that yielded a pool of unutilized funds and opened wider spaces for corruption, the current administration passed the Budget without delay for six straight years. He leveraged his solid will to urge former colleagues in Congress to make it possible.

To Reyes, strategies like these have set Sec. Abad apart from most other Budget Secretaries: “Many of the them didn’t want to have to do anything with politics,” she said. “Sec. Butch looked beyond the budget as a technical exercise. He recognized that the link between politics and budgeting is a given.” This speaks well of how he understood the need of getting the buy-in of the legislators to push this and other reforms.

‘Sige, ituloy mo’

Third, he translates his vision to reality by giving his executive committee the freedom to initiate and execute reforms, instead of micromanaging. “Like his way of governance,” said Usec. Amador, “it is also the way he allows his staff to move—by empowerment and inclusion.”

Asec. Tina Canda was able to carry out difficult reforms. One reform involved bringing the compensation for judges closer to the rates of their counterpart positions under SSL 3.

Her confidence in pursuing this and other tough reforms came from the trust Sir has given her. “Sometimes,” said Asec. Canda, “I’d ask him, ‘Sir, itutuloy ba natin ‘to?’ He would say, ‘Sige, ituloy mo.’ If the boss gives a go-ahead, then subordinates feel assured that their boss would get them covered.”

On June 30, Secretary Abad will be ending his term as Budget and Management Secretary under Pres. Aquino. In terms of the magnitude and scope of the reforms he initiated, Asec. Canda believes the next leader has big shoes to fill in.

“It wasn’t easy to bring about change. You’ll always have an enemy because you are going against the comfort level of each and every individual,” she said.

“But if you’re working for an earnest individual who brings about positive change, who are you not to support change? You can only be as good as your leader.” ■



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