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The DBM Bulletin

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A YEAR OF QUARANTINE: HOW THE PANDEMIC MORPHED PH'S BUDGETING

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THE SECRETARY'S CORNER

WENDEL E. AVISADO



The FY 2022 National Budget has been pegged at PhP5.024 trillion by the Development Budget Coordination Committee (DBCC). It is 11.5 percent higher than the 2021 National Budget, and is equivalent to about 22.2 percent of the country's GDP.

Marked as the country's largest spending program, the proposed FY 2022 budget should sustain the FY 2021 GAA that we have diligently crafted to help the economy recover and rebound from the pandemic-induced slowdown. Next year's budget shall thus serve as our primary tool in returning to our pre-COVID-19 status.

With the "new normal" setting that will likely remain, we urge everyone to utilize the National Economic and Development Authority's "We Recover as One" Report as a starting point in revisiting the much needed programs and projects that will continually ensure a healthy population, a more agile workforce, a reliable digital technology and infrastructure, and a resilient business environment.

It is imperative that this financial plan, and the corresponding budget proposals to be submitted, are consistent with the Administration's policies as embodied in the 0-10 Point Socioeconomic Agenda, the Updated Philippine Development Plan, the FY 2022 Budget Priorities Framework, and the priority programs and projects contained in the Updated 2017-2022 Public Investment Program (PIP) and the Approved 2022-2024 Three-Year Rolling Infrastructure Program (TRIP).

As we prepare the National Budget for 2022, we must keep in mind to craft the budgets of our respective agencies according to our mandates. We must ask ourselves, "What is the appropriate role of my agency in attaining a strong, responsive, and responsible government?" We must remember that every agency is itself a pillar of growth, contributing to the attainment of the goals and targets of the Administration, and that its mandate shall also dictate its budget.

Let us remember that the efficient use of government resources – our people's money – through a sound fiscal policy will enable us to overcome the debilitating effects of the COVID-19 pandemic on the country and the Filipino people. Let us keep this in mind: every centavo that is well-spent shall ensure and sustain our nation's recovery.

Henceforth, we will be closely working together to prepare the FY 2022 National Budget. Let us reignite our passion for our work, and foster teamwork as we work with one another.

Together, let us prove that we are greater than this pandemic and that we can surmount the challenges and obstacles that have been put in our way.

Indeed, we will heal and recover as one – because we are willing to work as one.

Excerpts from the speech delivered during the Budget Fora for the FY 2022 Budget Preparation

Imprints of Integrity, Exemplary Service

By: Rey Angelo Jose M. Gonzaga and Emil John T. Manguerra

The story of a young woman's dream to work in government and make a difference simply by serving with dedication and integrity is always inspiring. A story of the same woman, who remains in government and builds a career of steadfast service and integrity through the most active decades of her professional life, is even more so. The Department of Budget and Management (DBM) is privileged to have nurtured two such women, both former Directors of the department, and to have witnessed their unwavering zeal and commitment to service. Both have left their posts and tasks – with deep imprints of their integrity and exemplary public service, tracing a path for others to follow.

The Career of a 'Good Public Servant' and 'Good Person'

Why and how she joined the DBM almost straight from college – and stayed on to build a career and leave a mark in Public Financial Management (PFM) – is a refreshingly simple story of a young girl who knew early in life what she wanted to do. And, having found her way to it, was determined to be good at it and to do good.

Filled with youthful idealism and determination to make a difference, and driven by a clear desire to pursue a career in the government, Director Ruby R. Esteban started her public service career at the then Philippine Center for Advanced Studies right after she graduated from the University of the Philippines (UP) with a Bachelor of Science in Foreign Service degree. In 1979, she joined the DBM, then known as the Ministry of Budget.

Fortunately for the people she has worked with and the people who have benefited from her work, this idealism and zeal for government service did not wane, and were reflected in her service through more than four decades.

In the DBM, Dir. Esteban has been one of the navigators of PFM reforms, particularly in Philippine local budgeting. Among her notable achievements in the Department were her involvement in several PFM projects for local government units (LGUs) and the crafting of the Updated Budget Operations Manual for LGUs.

"I strongly believe in inclusivity, engagement, and empowerment of people and of institutions," shared Dir. Esteban. "The LGUs are our development partners, who are directly in touch with the people and should thus be empowered and equipped with the necessary knowledge and tools for the

effective and efficient delivery of their services."

She was also behind the passage of some legislative bills on budgeting. "The positions I have taken on some legislative bills proved how well-researched papers for informed decision-making are essential," she stressed.

Having spent almost her entire professional life in public service, Dir. Esteban was no stranger to challenges.

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Dir. Ruby Esteban

Full Circle in Public Service

A mother, an accountant, and a public servant, Director Carmencita Mahinay reflects a life of balance, a career of symmetry, and a brand of public service worthy of recognition.

It was in 1983 when her cousin, who was then working at the DBM, encouraged Dir. Mahinay to apply in the DBM, the agency to which she has since devoted 38 years of her professional life.

This was not what she had initially intended, though. "As an accountant, my plan then was to acquire immediate employment in a bank, or with other agencies such as the

Commission on Audit or the Bureau of Internal Revenue. *Nauna tumawag ang DBM*, and from then, *tuloy-tuloy na*," she recalls, but admits that "pursuing a career in the DBM was, for me, providential."

Her entire career at the DBM, Dir. Mahinay feels, has brought her full circle to where she initially started.

"When I began working at the Department, my first coverage in the then National Accounting Office was Government-Owned or -Controlled Corporations (GOCCs). Afterwards, I experienced handling Local Government Units and National Government Agencies as well. But prior to my retirement, I was happy to handle GOCCs again in BMB-C," she shares.

In all her 38 years in the Department, Dir. Mahinay considers being involved with the formulation and updating of budgetary policies as her greatest achievement and contribution.

"Fortunately, one of my longest assignments was with the policy bureau, now Budget Technical Bureau, from early 1990s until 2015," she explains.



Dir. Carmencita Mahinay

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WHAT'S IN STORE FOR 2021?

(FIRST OF TWO PARTS)

BY: JOY S. ALMAZAN

As we bade farewell to 2020 and welcomed 2021, the year of the Metal Ox, many were hopeful that the new year would be better and bring forth more positive changes. After all, in the Chinese horoscope, the Metal Ox is said to bring prosperity in business and career.

Does this mean then that we will finally get to see a glimmer of light at the end of the long dark tunnel, after a year of enduring the challenges of the COVID-19 pandemic? Perhaps. But, how the year will unfold will greatly depend on our efforts and actions – on how well we plan and strategize, and work to implement those plans.

Helping pave the road to the country's economic recovery this year, the Department of Budget and Management (DBM), together with the rest of the government, has already begun implementing the FY 2021 National Budget, whose primary goal is to enable the country to reset, rebound, and recover from the adverse impacts of the pandemic. Complementing this financial blueprint are initiatives and key programs and activities from the DBM's various offices, geared towards the judicious management of government funds to support and strengthen good governance.

SOME KEY PROGRAMS FOR 2021¹

JAN - DEC 2021



Publication of In-Year Reports (Monthly and Quarterly National Government (NG) Disbursement Performance Reports).

The In-Year Reports assess the disbursement performance of the NG on a monthly/quarterly/annual basis. These reports are published monthly (depending on the release and availability of source data/documents) all throughout the year for budget accountability.

1ST-4TH QUARTER 2021

Legal Service (LS) Lawyer of the Day



Provide legal assistance to DBM officials and employees on any issue, be it official or personal.

Publication of LS Opinions



Contains all LS opinions and comments collated and released through email for dissemination to the DBM personnel on a quarterly basis.

Conduct of capacity building activities for Local Government Units (DBM CAR)



The capacity building activities to be facilitated/conducted are contingent on the approval of the ADB proposal, and the output of the LGRCB after the approval of the said proposal. The proposals referred to are the Upgrading of the eBudget System for Local Government Units (LGUs), Enhancement of the Public Financial Management Tool (PFMAT) for LGUs, and Enhancing the Competency of the Local Budget Officers.

2ND-4TH QUARTER 2021

Publication of recently passed laws, rules, and regulations on budgeting



Contains all budget-related laws, rules, and regulations collated by the LS librarian and released through email for dissemination to the DBM personnel on a quarterly basis.

2ND QUARTER 2021



Issuance of the omnibus guidelines on the acquisition, use and rental of government motor vehicles

The omnibus guidelines aim to harmonize, update, and organize into a single reference document the various DBM issuances on the acquisition, use and rental of government motor vehicles.



Implementation/ adoption of an energy efficiency and conservation program (EECP) in the DBM

The EECP is in accordance with Republic Act No. 11285 (Energy Efficiency and Conservation Act) and aims to institutionalize energy efficiency and conservation in the DBM, and reduce the Department's consumption of electricity and fuel by at least ten percent (10%), as benchmarked from the consumption of the same resources in 2015.

APRIL 2021

DBM MIMAROPA DBM RO V

APRIL-MAY 2021

DBM RO VI DBM RO XI

Conduct of Technical Budget Hearing on the FY 2022 Budget Proposals of SUCs



Provide updated policies in formulating Tier 1/Tier 2 Proposals, as well as technical consultation on the SUC proposals.

2ND WEEK OF APRIL 2021

Orientation on Electronic Personal Services Itemization and Plantilla of Personnel (ePSIPOP)/Government Manpower Information System (GMIS) Updating and conduct of hands-on workshop



It aims to re-orient DBM RO IX clientele agencies on the importance of updating the ePSIPOP.

3RD WEEK OF APRIL 2021

Online LGU Executive Reorientation/Update on LGU PFM System Assessment (DBM RO VIII)

To re-orient the LCEs on the PFM Assessment Tool (PFMAT) and updates the status of the PFM system accomplishment.

1ST-2ND QUARTER 2021

Conduct of a pilot run of the Revised Philippine Government Internal Audit Manual (RPGIAM) capacity-building trainings for the internal auditors of agencies concerned

A pilot run of the capacity-building trainings will be conducted to evaluate the performance of the resource speakers from the pool of trainers who have completed the Training of Trainers intensification session, as well as assess the adequacy of the proposed training design and schedule, among others.

2ND-4TH QUARTER 2021

Conduct of the RPGIAM capacity-building trainings for internal auditors in agencies concerned

The trainings, which will be conducted online, are primarily intended to build the capabilities of the internal auditors of agencies concerned in the Executive Branch, to ensure the full adoption of the RPGIAM in the performance of their internal audit functions.

3RD WEEK OF MAY 2021

Online LGU Executive Budget Forum for FY 2022 Annual Budget Preparation (DBM RO VIII)

Provide updated guidelines on the preparation of the FY 2022 Annual Budgets of LGUs and to keep LGUs abreast on the implementation of Mandanas Case Ruling.

MAY-JUNE 2021

Budget Forum for LGUs (DBM RO IX)



Serves as a platform for DBM RO IX to discuss with LGUs the guidelines in the formulation and submission of the LGUs' respective budget proposals.

MAY-JULY 2021

Seminar on the Enhancement of the Public Financial Management Improvement Plan (PFMIP)

Improves the conduct of the PFM validation by equipping/capacitating the DBM RO IX's staff, as well as addressing issues identified in the previous PFMIP validations.

MAY 31, 2021

Publish the 2021 *Pinagtibay na Badyet ng Bayan*



A Filipino translation of the 2021 People's Enacted Budget. It is published in order to make the National Budget more understandable to ordinary people, especially those in the grassroots.

2ND WEEK OF JUNE 2021

Association of Local Budget Officers (ALBO) VI Regional Mid-Year Conference

Conduct of mid-year conference with all local budget officers in Region VI for local budgeting updates.

JUNE 2021

Publication of the DBM Annual Report 2020



Contains the key accomplishments of the DBM in 2020.

WITHIN 2ND-3RD QUARTER 2021

Online Competency Assessment

Assess the current competencies of DBM employees that will facilitate the determination of their competency gaps using an online assessment tool.

2ND-4TH QUARTER OF 2021²


Conduct of *Dagyaw*



Dagyaw: Open Government Town Hall Meeting is an initiative anchored on the mandates of the Participatory Governance Cluster of the Cabinet (PGC) to: (i) promote and ensure the direct participation of various stakeholders in the crafting and formulation of policies and programs to address emergent governance issues and concerns at the grassroots level; and (ii) initiate programs and projects that will facilitate citizen empowerment and participation in governance at the national, regional and local levels. It is a continuing series of public dialogues co-designed and co-implemented by government and non-government organizations.

JULY 2021

Pre-SONA Forum



A three-part forum series to discuss the government's package of policies and programs that will ensure and promote the Filipino people's welfare, in preparation for the last State of the Nation Address of President Rodrigo R. Duterte.

JULY AND DECEMBER 2021

Publication of Annual Report for the Participatory Governance Cluster Performance and Projects Roadmap (PGC-PPR)

Serves as an input for the Pre-SONA report that is submitted to the Office of the Cabinet Secretary. This is submitted in July before the Pre-SONA of the President. Another report at the end of the year is prepared for the accomplishments for the Fiscal Year.

3RD QUARTER 2021

Issuance of the revised Manual on the Disposal of Government Property

An updated edition of the manual issued under National Budget Circular No. 425 dated 28 January 1992, which has been amended/updated and harmonized with relevant issuances of the Commission on Audit, and includes other methods of disposal that will be more beneficial to the government as a whole.

TARGETED FOR COMPLETION UNTIL 3RD QUARTER OF 2021

Assessment of the effectiveness of the Government Quality Management Program (GQMP) [including a review of the Executive Order (EO) No. 605³]

The study aims to assess the effectiveness of the GQMP in enhancing public sector performance by looking into the effects of its three (3) components provided under EO No. 605, namely: a) Government Quality Management Systems Standards (GQMSS); b) advocacy and capability building; and c) certification of agencies' Quality Management System (QMS) to the GQMSS.

SEPTEMBER 30, 2021



Publication of the FY 2020 Annual Fiscal Report

Provides an analysis of the government's macroeconomic and fiscal performance covering the preceding fiscal year.

Publication of the FY 2021 Mid-Year Report (MYR)

Provides an analysis of the country's performance (i.e., recent macroeconomic developments, the fiscal situation of the NG, and the performance of key programs and projects of big-spending departments) for the first semester of a given fiscal year.

SEPTEMBER 30, 2021

Publication of the 2022 People's Proposed Budget (PPB)



Summarizes the proposed expenditure priorities and financing based on the National Expenditure Program. It presents the proposed National Budget in a non-technical manner through reader-friendly language and graphics.

TARGETED FOR COMPLETION UNTIL 3RD QUARTER OF 2021

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¹ Based on data submitted by the DBM bureaus/services/offices (BSOs)
² Schedule depends on the DILG work plan to be finalized for Dagyaw 2021
³ Institutionalizing the Structure, Mechanisms and Standards to Implement the Government Quality Management Program, Amending for the Purpose Administrative Order No. 161, s. 2006
⁴ Ibid.

DBM JOINS WOMEN'S MONTH CELEBRATION

THE GAD CORNER



BY: CRISPIN MAHRION ABACAN

This March, the Department of Budget and Management (DBM) joins the Philippine Commission on Women (PCW) in honoring the 2021 National Women's Month Celebration, bearing the theme "We Make Change Work for Women."

Consistent with the PCW's activities, the DBM Administrative Service-Human Resource Development Division prepared the following activities to increase awareness on gender equality and recognize the contribution of women in the DBM and within the society.

Purple Mondays

Employees are encouraged to wear anything purple/violet/lavender every Monday of March and share on Facebook using the #DBMPurpleMondays, #2021NationalWomensMonth and #WomenMakeChange hashtags.

Employees are encouraged to use the National Women's Month 2021 Facebook Profile Picture Frame.

Kwentong Juana

Employees are requested to submit photos of their most influential Juana and how she influenced their lives.

MAIN STORY



A YEAR OF QUARANTINE:

HOW THE PANDEMIC MORPHED PH'S BUDGETING

The crafting and execution of government budgets in the midst of a raging pandemic will definitely be stamped as one of the most challenging events in the history of budgeting.

The impact of the Coronavirus Disease 2019 (COVID-19) has forced countries such as the Philippines to reprioritize their programs and projects and adjust fiscal targets and macroeconomic framework in order to strategically respond to the pandemic. And in one way or another, the pandemic morphed the traditional way we do budgeting and defined a new normal, more relevant and adapted to the times.

Emergency Decrees and Strategic Shift in Budget Priorities

The earliest reports of confirmed cases of Coronavirus infection were in December 2019. But it was only by March 2020 – towards the end of the first quarter – when the World Health Organization (WHO) officially recognized and declared COVID-19 as a pandemic. Not long after, President Rodrigo Duterte declared a State of Public Health Emergency over the entire country and imposed a lockdown in Metro Manila to curb the spread of the virus.

As one of the earliest strategies to address the crisis, the Congress enacted the Bayanihan to Heal as One Act (Republic Act No. 11469), which granted the President the authority to “reallocate, realign, and reprogram” the budget. It likewise directed the discontinuance of appropriated programs, projects or activities (PAPs) of all agencies of the Executive Department, in the FYs 2019 and 2020 General Appropriations Acts (GAAs), including unreleased appropriations and unobligated released allotments.

This was a crucial move, because with the FY 2020 Budget already on its third month of implementation, the spending program had to be refocused and adjusted to urgently address the crisis. Thus, pursuant to this, the Department of Budget and Management (DBM) issued National Budget Circular (NBC) No. 580 on April 22, 2020, setting the rules and guidelines for the reallocation and realignment of funds and for the use of these funds for PAPs implemented in connection with the pandemic.

Under NBC 580, government instrumentalities were advised that 35 percent of programmed appropriations

under the FY 2020 General Appropriations Act would no longer be available for release effective April 1, 2020, and at least 10 percent of the total released allotments for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) of certain entities would no longer be made available for obligation.

The crafting of the National Budget for FY 2021 was greatly affected as well. Although the National Budget Call for FY 2021, which sets the guidelines and framework for budget preparation, had already been issued as early as November 2019 to allow for the timely preparation of the National Budget, the pandemic called for an urgent shift in priorities to help the country reset and recover.

In May, the DBM issued the 2021 Budget Priorities Framework to guide agencies in reviewing and reprioritizing their budget proposals in order to make them “pandemic-responsive”. The focus was on buttressing the health care system, ensuring food security, enabling a digital government and economy, and helping communities to adjust to the “new normal. The goal was to save lives and protect communities while making the different sectors of the economy stronger and more agile. In crafting the National Budget for

FY 2021, the national government has set aside a hefty provision amounting to at least PhP72.5 billion for the government's vaccination program against COVID-19. This will be used for the storage, transport, and distribution of COVID-19 vaccines. PhP2.5 billion is lodged under the Department of Health (DOH) while the remaining PhP70.0 billion is under unprogrammed appropriations. On top of this, Republic Act No. 11494, or the Bayanihan to Recover as One Act, provides PhP10 billion funds for the COVID-19 vaccination program, thus making the total budget for the national government's COVID-19 vaccine program at PhP82.5 billion.

Likewise, acknowledging the impact of the pandemic on the country's economy and financial resources, the Development Budget Coordination Committee (DBCC) adjusted the medium-term macroeconomic assumptions, fiscal programs, and growth targets. The proposed PhP4.506 trillion FY 2021 National Budget submitted to Congress in August 2020 was anchored on these revised assumptions.

New Way of Engagement

Although quarantine guidelines, social distancing measures, and other health protocols were still firmly in place, getting the Budget Cycle in motion under the new normal definitely did not mean running around in circles. Given the restrictions on physical engagement, "budget makers" came up with innovative ways to ensure the smooth and uninterrupted flow of the budget process.

For one, the DBM adopted flexible work arrangements to continue work operations while complying with the government's health protocols. The DBM also allowed the setting up of personal computers, delivery of laptops, and remote accessibility to computers for those unable to physically report to the office. Those whose nature of work requires personal appearance in the office were granted hazard pay and other benefits to recognize their efforts

particularly in the crafting of the budget.

Unlike the usual physical gathering of agency representatives during the review of their respective proposed budgets, technical budget hearings (TBH) under the new normal were done virtually. The DBM was able to achieve seamless "coordination" by utilizing email, online platforms, and other messaging apps to engage with agencies.

Remarkably, the Executive Review Board (ERB), convened by the Secretary of Budget and Management and other top officials to review the agency budgets as evaluated and recommended by the respective DBM bureaus, performed its task through the blended approach. Secretary Wendel Avisado led the online ERB in approving and recommending the budget allocation for each agency while top officials were in the Multi-Purpose Hall of the DBM to participate in said event.

Submitting the Proposed Budget on Time

Despite all the struggles in coping with the impact of the pandemic, the unparalleled commitment of DBM employees helped ensure that the Constitutional deadline for submission of the proposed FY 2021 budget to the Congress would be met.



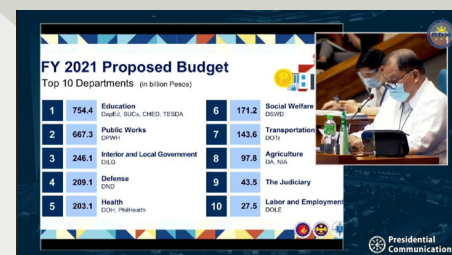
On August 25, 2020, Secretary Wendel E. Avisado, wearing a mask and braving the



threats of the virus, personally delivered to Congress the proposed budget for 2021, amounting to PhP4.506 trillion. This is 9.9 percent higher than the 2020 Budget and constitutes 22.5 percent of the country's GDP.

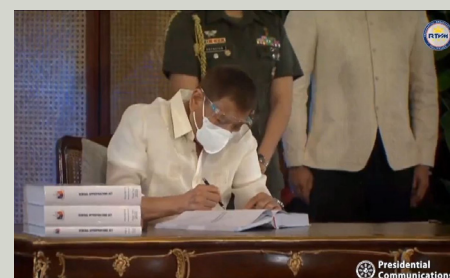
On Budget Legislation

The Legislative review and enactment into law of the FY 2021 National Budget was conducted under a blended approach. As soon the budget was submitted, the House of Representatives initiated the review of the appropriations.



The Senate was simultaneously reviewing the proposed budgets. The Congress adopted both online and physical approaches in reviewing the budget before forwarding the approved Bill for the signature of the President.

There were concerns that political rivalries in the Congress and pandemic issues would lead to a delay in the enactment of the National Budget for FY 2021. Economists warned that such a delay would likely hobble the recovery of the country's economy, explaining that a reenacted budget could prevent or stall the release of funds critically needed to respond to the pandemic. But in the days approaching the end of 2020, the Congress successfully passed the General Appropriations Bill and transmitted it to the President.



Four days before the start of 2021, President Rodrigo Roa Duterte signed into law

GETTING OUT OF THE COMFORT ZONE

"Take advantage of opportunities to try something new. You may not like everything you do, but you get to learn something new about yourself."

This is only one of the inspiring pieces of advice readily shared by Rafael Waldo R. Guerrero of the Corporate Planning and Management Service when asked about his experiences and insights as an international scholar.

Guerrero was one of the 20 exceptional government employees sent to Japan in 2018 to pursue various postgraduate courses in the country's major universities.

The only scholar from the Department of Budget and Management (DBM) under the Project for Human Resource Development Scholarship by the Japanese Grant Aid (JDS), he successfully completed the course and obtained his Master of Arts in Public Administration degree from the International Christian University in Tokyo, Japan.

Having a Positive Vision

Guerrero was only 19 when he joined the DBM in 2014. And since he had always dreamed of studying public policy and public administration overseas - and was determined to make that dream come true - he began to bookmark a number of the scholarships offered in partnership with the

DBM long before he actually applied for one.

When the opportunity came and the time was right, he took the risk and aspired for a JDS grant. "It was one of the few scholarships that offered more than one year of studies overseas in a country that didn't have English as its official language, (and with a) culture distinct from ours yet somehow made familiar through history and pop culture," he recalled. He was also excited at the thought of actually being in Japan in time for Tokyo 2020 Olympics.

An Experience for Keeps

While the idea of studying abroad may seem to be a grand experience, Guerrero shared that his experience was not exactly a walk in the park. He had to adjust to distinct cultures and keep at par with his classmates to meet academic requirements.

"Being in a foreign country where you can't speak and read the language can make even mundane tasks challenging," Guerrero said. But this led him to notice and appreciate the many positive features of Japanese culture, such as their hospitality and "obsession for enhancing customer experience."

Of course, one of the greatest benefits of overseas study is that one is able to meet with and build a network of professionals from different fields all over the world, Guerrero continued. "You'll also have the opportunity to participate in seminars and conferences with international experts through your university (thus exposing) you to a diverse group of individuals and opinions, which also help widen your worldview to new ideas."



His Most Memorable Experience

His most memorable experience in Japan, Guerrero shared, was joining the Global Leadership Studies (GLS), a leadership program for Japanese middle managers and future expatriates, during the summer break of 2019. "This was a two-week intensive program filled with lectures and workshops culminating in a final presentation of a case study. Our team won the Best Team Award for the final presentation, but more than that, I made lifelong memories and friends that I regularly meet outside of my graduate school life," he said.



Building Relationships

Being open to other experiences outside of the school context also adds another dimension to foreign education, he continues. "It's a great way to introspect and reflect on similarities and differences across cultures. There's always a barrier caused by language, culture, and sometimes our unconscious biases. But these disappear once you're motivated to understand each other."

"I wasn't able to travel much but I met people through new hobbies and interests. I became active in the local community, where I befriended children at an after-school care



DBM GEARS UP FOR BUDGET PREPARATION IN FIRST VIRTUAL BUDGET FORA

The Department of Budget and Management (DBM) launched the first phase of the Budget Cycle for Fiscal Year 2022 with the first-ever virtual Budget Fora held last January 25 to 29.

With sessions conducted in two types of modalities, the



Budget Fora were participated in by around 1,000 participants, including heads, technical staff, and budget officers from the DBM, national government agencies (NGAs), and government-owned or -controlled corporations (GOCCs).

In order to facilitate e-learning and information sharing, the asynchronous discussions were made available through the DBM Learning Management System, an online e-learning portal where participants can view the sessions on various topics prior to the synchronous live Fora held via Zoom.

The asynchronous discussions, conducted by DBM officials, focused on the salient points and clarified guidelines and reminders related to the preparation of agency budget proposals. Other topics discussed included policies in connection with the implementation of the Supreme Court ruling on the Mandanas-Garcia petition,

the alignment of programs and projects with current priorities, the implementation-readiness of agency programs and projects, as well as the cash budgeting system's one year limit for obligation and implementation.

Meanwhile, the live Budget Fora, which featured the open-forum, tackled various issues and inquiries raised by the participants. These were primarily on the rollout of action in compliance with the Mandanas-Garcia ruling, budget provisions for the "new normal," Online Submission of Budget Proposals System version 2.0, budget preparation forms, as well as Tier 1 composition, among others.

The Budget Fora concluded with excellent feedback from the participants, especially on the development of video materials and learning courses and the innovative use of the two types of modalities to adapt to the new normal. *(Written by: Rey Angelo Jose M. Gonzaga)*

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PhP4.506 trillion Fiscal Year (FY) 2021 General Appropriations Act. This is the third full cash budget of the Duterte Administration and serves as the government's financial blueprint for recovery in response to the COVID-19 pandemic.

Crafted on the theme "Reset, Rebound, and Recover: Investing for Resiliency and Sustainability," the FY 2021 National Budget aims to reset priorities and align programs, activities and projects in order to effectively address the pandemic; rebound the economy by boosting infrastructure development and by generating job opportunities; and rebuild the country and people by assisting communities adapt to the post-pandemic life.

A Year of 'Quarantine'

Last March 15, 2021, the Philippines marked one year since

the imposition of a quarantine lockdown. There have been variations and levels of lockdown since then, hopefully leading eventually to a full return to normal life and regular routines.

Quarantine has been selected as the Cambridge Dictionary's Word of the Year for 2020 – a word which has sparked a new meaning and usage given the people's experiences during the pandemic. It is a word that the generations who have lived through 2020 will never forget. Nor will the budgeting world.

But while quarantine may have restricted mobility among organizations, communities, and individuals, it did not set limits on our "budget makers" from thinking and acting beyond the box, to ensure a comprehensive, people-centered, and pandemic-responsive budget.

...FROM PAGE 8

facility, bonded with university students, and had drinks with Japanese salarymen after a long day's work," he said.

A Message to Aspiring Applicants

Drawing from his experience as one of the then hopefuls for an international scholarship, who now holds a post-graduate university degree, Guerrero's message to aspiring applicants summarizes the value of daring to seize opportunities as they come and being open to experiences outside of one's comfort zone - whether at home or, and probably even most especially, abroad.

"Saying 'yes' to these spontaneous invites not only took me out of my comfort zone, but also enriched my stay in Japan. If you're looking for a sign, this is it." *(Written by: Emil John Manguerra)*

But the biggest challenge, she shared, "was having had to deal as a leader with all sorts of personalities of employees. As a leader, you have to be bigger than them in terms of still treating them well and greatly understanding where they are coming from. At the same time, you must be able to command respect at all times."

Added to this, Dir. Esteban continued, "the simultaneous implementation of new and innovative projects from one administration to another was challenging and daunting, yet very fulfilling."

Leaving the agency that gave her opportunities to explore and fulfil her dream of a rewarding career in government service, Dir. Esteban admitted she would miss the DBM itself and how it beautifully shaped her life. The years in the Department opened her to "strong camaraderie and healthy discussions and meetings, especially with and among regional directors and assistant regional directors and the consistent mentorship, support and care of leaders."

She also said that she would miss the many learning opportunities

afforded to officials and employees.

"I will miss the different offices where I became a part of, which gave me a holistic perspective of the significant role of DBM in the entire bureaucracy and where some of my deep friendships were formed," she said.

And definitely, she added, she would miss all the travels, both near and far, as well as the vintage look of the DBM Central Office.

As a retired public servant, Dir. Esteban said she hoped she would be remembered as one who had lived up to the highest standards and principles of public service. As a person, she would like to have been known as a "good one".

"It is better to be remembered as good than just being kind."

While her professional life may be an open book to her colleagues and co-workers at the DBM, many do not know about the side of her that has a deep love and affinity for the arts. This has always been her escape from work.

"I am inclined towards the arts, more of being right-brained," she explained. "I am passionate about

painting but I have to still learn a lot. I also do poems. I love to do scrapbooking, baking, and cooking. I collect ref magnets and bells. I have many gel pens, colored pencils, and oil pastels so they may come in handy always. I have good books to read. I do crossword puzzles. I love buying plants."

Obviously, her retirement years will be spent giving freer rein to the right side of her brain. She also looks forward to travels with her family, devoting time for church service, and indulging in her hobbies. There are likewise plans for the family to venture into business, but there will certainly be time to enjoy all the things that she never could while working.

As one whose career in government has been fulfilled by loving her work in the DBM and devoting it to the Lord, Dir. Esteban has this meaningful advice:

"Love your work, big or small, and excel in and pour your heart out into doing it. Work is a gift from God and we are but His stewards here on earth. At the end of the day, it is not really about receiving accolades and having sterling accomplishments but about how we have become His faithful servants."

For her, this served as a training ground prior to her transfer to the operations group. She quips, "I remember the insight given by Dir. Cristy Clasara, 'Since *galing ka sa* policy group, where you know by heart the budgetary policies, rules, and regulations, I know you can easily adapt to your new assignment in the operations bureau.' And I believe she was right."

Dir. Mahinay was also involved in several Public Financial Management (PFM) reforms, including the Open Government Partnership, the Treasury Single Account and Special Project Committee on the Study and Development of Payment Schemes for Procurement, and the Updating of the Budget Operations Manual and proposed budget modernization, among others.

Despite her achievements, she remains humble and grateful for the chance to serve and make a difference

in other people's lives. A woman of patience and dedication, she stresses that she wants to be remembered by her colleagues as an "open-minded individual who made a difference in their lives" in her own special way.

But unknown to many, Dir. Mahinay is a dilettante – an admirer of the arts. She shares: "I love music and I always try hard to be able to sing and dance in public. I am also quite artsy, and intend to pursue painting one of these days."

Asked what she misses the most about the DBM, Dir. Mahinay mentions the various activities of the Department, including the annual budget fora, seminars, and knowledge exchange activities locally and abroad. "And, of course, the get-togethers with my friends, staff, and peers in the DBM," she adds.

She advises her DBM colleagues that the way to greatness is open-mindedness to changes and challenges. "Budget reforms are vital in achieving the

vision and mission of the DBM. Be always ready to share your knowledge and experiences to improve public service."

Dir. Mahinay admits that her retirement is indeed a bittersweet moment. She recounts, "Like most retirees, I had mixed emotions during the first week after retirement. I was happy to have reached the peak of my career successfully and with integrity, yet sad when I realized that my routine for the past 38 years had now ended."

Today, one can find Dir. Mahinay spending weekdays no longer at the office, but in the comfort of her own home. She makes sure she is now able to give more time for herself and her family, especially her first grandchild.

Now that she has bid farewell to the DBM, Dir. Mahinay has this to say: "It is my ardent wish for the DBM Community to continue safeguarding the integrity of the Department I hold close to my heart. May God bless the DBM, my second home."



ISSUE:

What is the effectivity date of the engagement of Contract of Service (COS) worker whose contract was notarized a few days after its execution?

RESPONSE:

A COS worker¹ had rendered services at the start of the effectivity date stated in his contract, i.e., July 1, 2020², despite the fact that the same had not yet been notarized until after two days from signing of the contract. He then inquires if it is appropriate to deduct from his salary the amount equivalent to the days rendered when his contract had not yet been notarized.

At the outset, the contract of a COS worker shall be governed by the Commission on Audit (COA) Rules and not by the Civil Service Law.³ It must be emphasized, however, that there is nothing in the COA rules that provides for an explicit requirement as to the notarization of the contract.

Consequently, notarization refers to any act that a notary public is empowered to perform under the 2004 Rules on Notarial Practice.⁴ In particular, a notary public notarizes an instrument to prove that it has verified the personal appearance and the genuineness of the signatures of the parties to the instrument. In fine, a notary public authenticates the document and verifies its due execution making the document a public instrument and admissible in evidence.

In the absence of notarization, contracts could not be considered as public documents that are admissible in evidence without the necessity of preliminary proof of its authenticity and due execution. In order to safeguard the interest of the employee, as in this case, the COS worker, it is imperative that the contract be notarized.

In one case⁵ the Supreme Court enunciated that the notarization of a document carries considerable legal effect. Notarization of a private document converts such document into a public one and renders it admissible in court without further proof of its authenticity.

Nonetheless, the notarization of a contract, as a rule, is not required for its validity, as long as all the essential requisites for their validity are present.⁶ Further, Republic Act No. 386 does not mention notarization when it enumerated the requisites of a contract under Article 1318 thereof, to wit: (i) consent of the contracting parties; (ii) object certain which is the subject matter of the contract; and (iii) cause of the obligation which is established.

In sum, the contract is duly executed on July 1, 2020 regardless of its subsequent notarization two days after. Nevertheless, it is to be emphasized that agencies should have government contracts notarized to make them public documents for the protection of the government's interest, and then submitted to COA within five (5) days from execution consistent with COA Circular No. 2009-001⁷ dated February 12, 2009.

1 5.1 Contract of Service refers to the engagement of the services of an individual, private firm, other government agency, non-government agency, or international organization as consultant learning service provider or technical expert to undertake special project or job within a specified period. CSC-Commission on Audit (COA)- DBM Joint Circular No. 1, s. 2017

2 Contract period is from July 1, 2020 to December 31, 2020

3 CSC Resolution No. 020790, Re: Policy Guidelines for Contract of Services, June 5, 2002

Section 2. Execution of a Contract of Services or Job Order- The employment referred to in Section 1(a) requires the execution of either a contract of services or memorandum of agreement (MOA) or job order between the government agency concerned and the individual, in accordance with the rules and regulations of the COA.

4 Administrative Matter No. 02-8-13-SC Section 7. Notarial Act and Notarization. - "Notarial Act" and "Notarization" refer to any act that a notary public is empowered to perform under these Rules.

5 Zenaida B. Tigno, et al. v. Spouses Estafino Aquino, et al, G.R. No. 129416, November 5, 2004

6 Republic Act No. 386, Article 1356: "Contracts shall be obligatory, in whatever form they may have been entered into, provided all the essential requisites for their validity are present. However, when the law requires that a contract be in some form in order that it may be valid or enforceable, or that a contract be proved in a certain way, that requirement is absolute and indispensable. In such cases, the right of the parties stated in the following article cannot be exercised."

7 Restatement with amendment of COA Circular 87-278 and COA Memorandum 2005-027 re: submission of copy of government contracts, purchase orders and their supporting documents to the Commission on Audit



COMPENSATION COMPENDIUM

BY THE: ORGANIZATION, POSITION CLASSIFICATION AND COMPENSATION BUREAU

ISSUE:

Whether or not officials entitled to the Representation and Transportation Allowances (RATA) pursuant to National Budget Circular (NBC) No. 548¹ could be granted RATA during the ECQ.



RESPONSE:

As part of the interventions to manage the COVID-19 situation, the Civil Service Commission (CSC) issued Memorandum Circular (MC) No. 18, s. 2020² authorizing government agencies to adopt any or a combination of the following alternative working arrangements (AWAs) during the state of Public Health Emergency:

- Work-from-Home (WHA)
- Skeleton (Skeletal) Workforce (SWA)
- Four-day (Compressed) Workweek
- Work Shifting/Flexible (Staggered) Working Hours
- Other AWAs, which refer to a combination of the enumerated work arrangements, or other work arrangements appropriate/applicable to the agency mandate/functions.

In addition, Item 5.8 of the CSC MC states that agencies shall

formulate their internal rules and regulations governing the AWA they adopted and implemented in their agency.

It shall also be emphasized that officials adopting the AWA should continue to perform their respective duties and responsibilities, either onsite (within the Office's premises) for those part of the SWA or offsite (residence) for those adopting the WHA.

In this regard, officials and employees adopting the AWA may continue to be entitled to the RATA for the duration of the community quarantine period, subject to the applicable provisions of DBM NBC No. 548, and the usual accounting, budgeting, and auditing rules and regulations.

1 Amended Rules and Regulations on the Grant of Representation and Transportation Allowances dated May 15, 2013

2 Amendment to the Revised Guidelines for Alternative Work Arrangements and Support Mechanisms for Workers in the Government during the Period of State of Public Health Emergency due to COVID-19 Pandemic dated October 15, 2020

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