

INSIGHT FROM A DBM JUNIOR LEADER

How we Revamped the DA Budget through *Paggugol na Matuwid*

Did you know that, despite a 61-percent increase in 2014 from its P46.080-billion budget in 2011, the rate at which the DA used up its budget increased by only four percentage points (71 percent in 2011 to 75 percent)?

In line with “*Paggugol ng Matuwid*,” our team has been reforming the DA budget since 2012—fleshing out lump sums, restructuring major programs, releasing the budget directly to the implementing units—especially the projects under the National Irrigation Agency (NIA), in an effort to shield the budget from politics, and to ensure farmers and fisherfolk benefit from its banner projects. At one point, we frontloaded the 2012 DA budget to support their “100 percent Rice Self-Sufficiency Program.” But the program made little progress. Secretary Abad tried to salvage the situation by recommending a massive restructuring. His pronouncement led me to the biggest task I’ve handled as a budget analyst. The secretary’s tall order for our team was to assess not only the Rice Program, but also the entire DA budget; and for all we know, the DA is such a complex agency, with several major projects to carry out and a score of offices to manage.

The DA would accept our recommendations, save for one thing: it still allocated much of its budget to the Rice Program despite its underperformance.

Using ZBB, we reviewed the DA’s 2015 proposal down to the provincial level, hinging our assessment on parameters and assumptions we crafted in collaboration with the NEDA. Guided by Usec. Laura Pascua, we assessed the 2015 budget and fine-tuned the agencies’ priorities based on the Agricultural Development Framework crafted by DBM and NEDA: consistency with the government’s goals on reducing poverty and creating jobs; and alignment with the sectoral outcomes as spelled out in the Updated PDP, such as increasing yields of farmers and fisherfolk, creating additional forward linkages to Industry and Services sector, and increasing farmers’ resilience to climate risks.

We crafted our prescriptions for major programs with two things in mind: geographical prioritization and sub-sectoral performance.

By Karen H. Madrigal¹

We ranked all provinces based on the 2000 to 2013 crop production data from the Philippine Statistics Authority. We hinged the number of priority provinces on the sectoral goals set in the PDP. Hence, we had to include all provinces for the National Programs on High Value Crops and Fisheries; and, for the National Rice Program, focus on the top 44 rice-producing provinces.

Besides PDP, we referred to the Budget Priorities Framework to further help us identify the right interventions for DA. Our strategies include the following:

- (1) *Providing initial funding support only to priority provinces and giving additional funding to only to provinces with clear strategies to increase yields for the next year;*
- (2) *Strengthening the linkages between the agriculture and fisheries sector to the industry and services sector to scale up the value of farmers’ yields; and*
- (3) *Lodging agricultural infrastructure such as irrigation and farm to market roads to agencies with better capacity for rollout, such as NIA and the DPWH, respectively.*

Formulating the 2015 DA budget gave me the hardest time. We had countless sleepless nights. We spent a whole week in the office at the expense of quality time for our families.

All the tears, sore muscles, and worn-out minds paid off when we heard Secretary Abad’s compliments during one Executive Review Board hearing: “*Galing nyo, parang kayo na ang gumawa ng budget ng DA* (You’re so good, you practically did the DA’s budget).” However, the more challenging part of our task is seeking the DA’s buy-in. The agency reacted violently. We understood, especially since we were introducing something new. But we were able to strike a compromise.

The challenge now is to change the culture that has got in the way of proper prioritization. By reducing as much legislative influence over the Agriculture budget as they did with other agencies such as DPWH, DA would be able to rid the budget from parochial interests and hence best serve the interests of our farmers and fisherfolk.

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