

INSIGHT FROM A DBM JUNIOR LEADER

FDUs: A Closer Eye to Speed-Up Spending

Many of us believe that it is a good habit to save for the future. In contrast, the government must spend because it must deliver basic services. If it deferred spending, public transport could be in disrepair, health facilities underequipped, classrooms insufficient, jobs scarce, among many other consequences of underspending.

The counterpart Full-Time Delivery Units (FDUs) established by the DBM helped put the spending of the agencies back on track: by closely monitoring the implementation of the agencies' programs and projects.

Working with the agencies allows us to help them lay down their action plans via their Monthly Disbursement Programs (MDPs), while looking at the prevailing assumptions behind the MDPs as well. We likewise help to identify chokepoints in program implementation, and address them by making catch up plans that include strategies on how to solve delays.

For example, the particular FDU that worked with the Department of Agrarian Reform (DAR) learned why the agency could not spend its budget as planned—the late submission of project proposals by its regional and provincial offices, the lack of eligible service providers, bidding failures, among others.

We found out that the agency had problems in acquiring the remaining landholdings that needed to be distributed under the Comprehensive Agrarian Reform Program (CARP). These landholdings are mostly private-owned agricultural lands subject to compulsory acquisition. In contrast, the lands that the DAR had acquired and distributed under the past administrations were mostly government-owned. Working on the remaining landholdings would take more than merely dividing the number of hectares by the remaining five-year schedule.

With this, we compelled the agency to commit to more doable and realistic targets based on more reliable forecasting methods and assumptions, and identify measures to address bottlenecks and fast-track disbursements.

By Ma. Danive C. Belaro¹

First, target the landholdings that were workable, i.e., not marred by technical and legal issues, large enough to be divided among beneficiaries, and with a Notice of Coverage served and published. Consequently, the agency would monitor the accomplishment of its field offices based on the landholdings rather than the number of hectares delivered.

Second, the agency had required its provincial offices to submit the proposals to their regional offices at least two months before the start of any activity to provide ample for procurement.

Third, the FDU had helped the agency perform quarterly monitoring of the impact of various strategies and interventions made to resolve the bottlenecks in every stage of the project. According to our counterparts at the DAR, the flash performance monitoring report enabled them to synchronize the target, the budget, and the fund utilization.

Fourth, the agency understood better the weaknesses that led to its underperformance. For example, an agency can only maximize early procurement through well-structured and effective BACs. We likewise learned about the absence of consolidated reports submitted to the Central Office: without them, the evaluation of the agency's performance vis-à-vis plans and targets cannot be undertaken. The spending performance of DAR is also contingent upon internal processes, which should be reviewed: for example, the private lands covered by agrarian reform undergo various stages before awarding to beneficiaries. The DBM FDU likewise should understand how these problems contribute to delays so it could help draw up effective interventions.

While the disbursement of the agencies has grown, government underspending remains a challenge. A more aggressive effort should be undertaken to speed up public disbursement: and from it seems, it should begin from realistic plans and cash programs.

Much needs to be done, but we hope our next leaders would have the zeal to consider and strengthen the groundwork we have laid down through the FDU.

¹ As of this publication, Belaro is a Senior Budget and Management Specialist of the Budget and Management Bureau for Food Security, Ecological Protection, and Climate Change Management Sector.