

# THE END OF PORK AS WE KNOW IT

*“Akala po ng iba, pera nila ang PDAF, na puwedeng gastusin kung paano nila gusto. Pero mali po ito: pera ng bayan ang pinag-uusapan dito, at sa bayan dapat—at hindi sa ilang gahaman lamang—ang pakinabang nito.”<sup>1</sup>*

**President Benigno S. Aquino III**

Statement on the Abolition of PDAF (2013)

On August 23, 2013, primetime soap operas came to a temporary halt with a message from President Benigno Aquino III.

His message marked a critical point at a real-life drama unfolding at that time. About a month before, six whistleblowers exposed a scam that involved the systematic pocketing of the Priority Development Assistance Fund (PDAF) by dubious foundations and non-government organizations (NGOs). A government audit (COA, 2013) covering the last three years under the previous administration confirmed the brazen practice. The turn of events infuriated the public, and they took their outrage to the streets.

While President Aquino recognized the noble intentions behind the PDAF—that is, to empower the legislators to identify key projects that local government units could not fund—he acknowledged the susceptibility of the fund to abuse. Moreover, the pork barrel system had been used by the previous presidency to transact deals with legislators in order to stay in power. He also saw the need to replace the PDAF with a new system that allocates resources more rationally, according to the needs of the citizens and in the most transparent manner.

On national television, President Aquino boldly announced: *“Panahon na po upang i-abolish ang PDAF (2013).”<sup>2</sup>*

Three months later, on November 19, the Supreme Court struck the 2013 PDAF as unconstitutional. The Court said that this fund broke constitutional bounds as it allowed solons to intervene in the implementation of the Budget. Also declared unconstitutional were Congressional Insertions, specific provisions of the Malampaya Fund and the President’s Social Fund (PSF), which allowed legislators to intervene in the implementation of the Budget.



## “Post-Enactment” Intervention is Unconstitutional

“The Court renders this Decision to rectify an error which has persisted in the chronicles of our history. In the final analysis, the Court must strike down the Pork Barrel System as unconstitutional in view of the inherent defects in the rules within which it operates.”

### Supreme Court of the Philippines

IN BELGICA VS. EXECUTIVE SECRETARY (2013)

Loosely defined, pork barrel is a fund or budget item over which a legislator has discretion over its allocation and use.<sup>3</sup> For the High Court, the PDAF and its previous incarnations were steeped in a tradition of misuse: a fact that was recognized by the government itself, through the COA Report and even the reforms introduced by the Executive to bring more rationality in the use of the fund (COA, 2013).

Moreover, the Court found that the PDAF and its previous forms were unconstitutional as these violated the separation of powers, i.e., the power to execute the Budget rests solely on the Executive.

The PDAF, Congressional Insertions, and other fund sources and practices, which allowed legislators to identify programs and realign funds after the GAA had been passed, breached the Constitutional limits assigned to Congress. For one, as the PDAF was lump sum in nature, and the details of which were to be identified by the legislators during the implementation phase, it enabled legislators “to wield, in varying gradations, non-oversight, post-enactment authority in key areas of budget execution (Supreme Court of the Philippines, 2013).”

The lump-sum PDAF also created a system wherein specific budget items were not “textualized” into the Budget law. By breaching the “prescribed procedure of presentment”, i.e., that appropriations were detailed as line items in the Budget—the PDAF deprived the President of his power to veto specific budget items. Through the PDAF and other forms of pork, Congress also unduly delegated its authority—to collectively authorize the expenditure of public funds—to individual legislators “by giving them personal, discretionary funds (Supreme Court of the Philippines, 2013).”

These same features, according to the High Court, diluted the Congress’ oversight function. “The fact that...legislators are given post-enactment roles in the implementation of the

Budget makes it difficult for them to become disinterested observers when scrutinizing, investigating, or monitoring the implementation of the appropriation law (Supreme Court of the Philippines, 2013).”

The High Court also emphasized that the “inherent defect in the system” of the PDAF and other forms of pork perpetrated inequity (2013).

Back in 1994, the High Court had argued that pork, then in the form of the Countrywide Development Fund (CDF), “attempted to make the unequal equal (Supreme Court of the Philippines, 1994).” However, in its 2013 decision, it noted that the parameters under which the CDF was distributed among legislators were definitely not based on economic or geographic factors. To illustrate: under the GAA, the conflict-ridden and resource-constrained province of Basilan would get just the same CDF allocation as the revenue-rich city of Makati (Chua, Coronel, Cruz and Rimban, 2004). Similarly, the High Court (2013) also said that the PDAF “subverted genuine local autonomy” because it authorized legislators—who are national officers—to intervene in local affairs: the exclusive arena of the local government units (LGUs).

## Pork Perpetrates Inequity

Because its defects, the pork barrel breeds inequity in the distribution of the Budget.

Noda (2011) defined two “mutually conflicting characteristics” of the pork barrel system that bring about economic inefficiencies. The first is universalism, when resources are distributed uniformly across districts. In this case, legislators engage in the so-called “mutual back-scratching” in order to receive equal slices of the pie, “whether such level of funding is truly necessary in their districts.” The second, particularism, is when representatives lobby with the central government to try to secure more resources. The result is differences in funding across the regions—not only because a locality has greater needs than another, but more so due to their “closeness,” so to speak, to the center.

In emphasizing that pork barrel is not a mere fund in the Budget but “a series of dynamic processes” of political interaction between the President and local politicians, Noda (2011) identified the following forms or “stages” of pork barrel politics. These forms, in a way, draw parallels with the unconstitutional acts that the High Court had declared.

**Lump sums.** The quintessential example of such form of pork is the PDAF, which equally distributed resources for the pet projects of legislators, both district representatives and nationally elected solons (i.e., senators and party-list representatives). Noda observed that while the PDAF and its earlier forms “had an ample policy rationale, the fund turned into a mere cash dispenser for the legislators (2011).” In the case of the PDAF, funds were only broken down and released after the legislators submit a list of projects to be funded by their respective allocations: a situation that, the High Court had emphasized, violated many constitutional bounds between Congress and the Executive. This practice of identifying projects post-enactment also hampered the timely and efficient use of funds for local development: the PDAF and other lump-sum funds required DBM to issue special allotment release orders (SARO) prior to release.

**Congressional Insertions.** Besides the PDAF, the legislators lobbied for a share of the budgets of crucial line agencies, to expand the amount of allocations at their disposal. Noda (2011) said that the legislators lobbied for such insertions by seeking to reallocate some budgetary amounts, as proposed by the President, on other programs or projects. It is also an open secret that well-positioned legislators—those who had leadership positions, those allied with the majority, as well as those who were more veteran or senior—were able to secure more insertions than the others. However, the long-standing practice of Congressional Insertions took a more perverse form: the manipulation of automatically appropriated allocations for debt service. By tweaking foreign exchange assumptions to artificially reduce the debt service pot, legislators created more room for their insertions (Noda, 2011).

### **Disbursement Specification or Impoundment**

Pork barrel politics had not only come from the allocation of a pot of resources per legislator or the insertion of their pet projects in the Budget. As Noda (2011) pointed out, it also rested on the power and practice of the President to release—or withhold the release—of such allocations as a way of securing greater political influence. As noted earlier, the release of the PDAF required the processing of the SAROs. Secretary Abad (2014) had said then that the SARO “had gained notoriety as the document that signified the completion of a clientilistic exchange between the executive and the legislators.” Noda, as well as the Supreme Court, identified the existence of the “Presidential pork barrel,” from where additional allocations for legislator-initiated

projects were sourced—if the President so chose to fund such projects. These included the Malampaya Fund and the PSF, as discussed earlier; as alleged by Noda (2011), Special Purpose Funds (SPFs) and the use of savings (*see Budget Integrity and Accountability*).

### **Initial Allocation**

Political intervention may occur while the various government agencies drafted their respective budget proposals. Ideally, such proposals are formulated based on realistic projections on the agencies’ day-to-day operations as well as the requirements of programs and projects vis-a-vis the development goals that these seek to attain (*see Linking Planning and Budgeting*). Noda (2011) flagged the possibility that legislators might have taken advantage of the budget preparation stage to clinch additional allocations for their districts, however, “there is an inherent difficulty in observing the existence of pork-barrel politics at such an initial stage of budget formulation.” It may also be argued that legislative intervention in budget formulation was not clearly invalidated by the Supreme Court decision in 2013, though a possible counter-argument is that the budget preparation phase, like budget execution, is the sole responsibility of the Executive.

### **A Scandal Erupting from a History of Misuse**

The pork barrel had skewed the rational process of allocating resources to meet the country’s development needs. Historically, it had opened avenues for pillaging the Budget. The Supreme Court decision, after all, came at the heels of a public scandal, which underscored the propensity of the pork barrel to become a magnet of greed.

Sometime in the middle of 2013, a series of journalistic exposés revealed a mafia-esque conspiracy. The accomplices involved the legislators and their conduits—most notoriously, a certain Janet Lim Napoles—who used dubious Non-Government Organizations (NGOs) as fronts to siphon money off the state coffers. As affidavits of the six whistle-blowers claimed, Napoles “swindled billions of pesos from the public coffers [of the] government using no fewer than 20 NGOs for an entire decade (COA, 2013).” It would later be revealed that senators and congressmen who funded Napoles’ ghost projects with their PDAF allegedly received billions in kickbacks.

The COA Special Audit of PDAF (2013) affirmed such questionable scheme and revealed the systemic defects that enabled such syndicates to thrive. Released in August 16 of that year, the special audit probed into the use of the PDAF and Various Infrastructures including Local Projects (VILP)—a lump-sum fund in the DPWH budget—between 2007 and 2009. Among the discomfiting findings, the following were the most disturbing:

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### A Sampling of Key Findings of the COA Special Audit

- Amounts released to some legislators exceeded their respective allocations;
  - A number of legislators endorsed 772 projects for implementation by 82 NGOs with non-existent permits and addresses, and where their relatives or they themselves sit as incorporators;
  - “Projects” were constructed in private lots;
  - The funds were transferred to NGOs without authorization from an appropriation law or ordinance; and
  - Procurement for the supposed projects also “were not compliant with law.”
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Abad (2014) had said that while the abuse of the PDAF and its predecessors was nothing new, the PDAF Scam of 2007 to 2009 “plumbed new depths and showed an uglier dimension of ‘pork barrel’ abuses.” Abuses in the past (see box) entailed percentage commissions or markups on actual yet substandard projects. In contrast, the recent “innovation” entailed the transfer of entire amounts between conspiring parties, with nary a benefit to supposed beneficiaries—farmers, fisherfolk, and other poorest sectors.

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### A Brief History of Philippine Pork

Legislators and the beneficiaries of their pet projects had argued that not all of pork barrel funds had gone straight to the politicians’ pockets (Chua, Coronel, Cruz and Rimban, 2004). However, the long history of misuse by some legislators had gained infamy for the pork barrel. The source of corruption through the years had been the same discretionary nature under which PDAF and its predecessors operated.

**Product of American Colonization.** The use of the term “pork barrel” could be traced to the Pre-Civil War Era in the United States, when black slaves received barrels of salt-cured pork from their masters. Eventually, it was used “to compare the actions of American legislators in trying to direct federal budgets in favor of their districts... [through] political bills that ‘bring home the bacon’ to a legislator’s district and constituents (Supreme Court of the Philippines, 2013).”

The concept of pork barrel in the Philippines was undeniably a product of American colonization. On paper, it sought to ensure that development reached the countryside. Unfortunately, like its American origin, pork barrel became a tool for patronage.

Pork barrel, in its primordial form, was borne out of the Public Works Act of 1922. The construction of national roads and bridges, national buildings, beacons, lighthouses, and similar projects fell under the jurisdiction of the Director for Public Works. However, projects, such as police barracks, local roads, artesian wells, wharves and piers, and telegraph and telephone lines, were under the jurisdiction of the legislators. The use and distribution of funds for the said types of projects required the post-enactment approval of both chambers of Congress. This latter menu of Public Works allocations became known as the forerunner of the infamous pork barrel (Supreme Court of the Philippines, 2013).

**Pork in the Time of Martial Rule.** The Public Works Fund went on uninterrupted for 50 years, save for the outbreak of World War II in 1942 and a Congressional stalemate in the late 1960s. However, upon declaring Martial Law in 1972, former President Marcos effectively clinched sole control over the legislature, including the Congressional power of the purse. This juncture also meant pulling the plug on pork, but not for long.

In 1982, the *Batasang Pambansa* introduced a lump-sum item in the GAA called Support for Local Development Projects (SLDP). Chua and Coronel (in Chua, Coronel, Cruz, and Rimban, 2004) the SLDP worked much like pork. The assemblymen would submit a list of preferred projects to the then Ministry of the Budget, which Marcos authorized to approve projects. The ministry would then release notices of allocation to the Ministry of Local Governments, which issued checks to the city or municipality treasurers to pay the suppliers for the projects.

**Countrywide Development Fund.** The SLDP ended with the ouster of Marcos in 1986. Three years after, however, the administration of President Corazon C. Aquino introduced the Mindanao and Visayas Development Funds to bankroll development efforts in the said regions.

When the senators and the district representatives in Luzon complained about not receiving a similar funding, the government decided to create a Countrywide Development Fund (CDF) for “small local infrastructure and other priority community projects” nationwide. With an initial allocation of P2.3 billion, the initial batch of CDF was released in 1990.

In 1996, Marikina City Representative Romeo Candazo— an anonymous source that time<sup>4</sup>—blew the lid off an anomalous practice wherein huge sums of public funds went to some legislators’ pockets in form of “kickbacks.” The kickbacks would consume up to more than half of a project’s budget, leaving little money for the actual implementation. The Philippine Daily Inquirer ran a story on congressional kickbacks based on his exposé (“Congress kickbacks: how much for whom,” Aug. 13, 1996).

Rep. Candazo’s revelations would be supported by tales of corruption.

In agencies such as DepEd, congressmen received kickbacks not from textbooks but from supplementary materials, such as maps and charts. Journalist Yvonne Chua (in Coronel, 2000) reported that publishers could only get 35 percent of the total cost of producing these materials since the rest would go to kickbacks. Of the 65 percent that went to pay-offs, lawmakers would get as much as 40 percent.

**As if it Never Said Goodbye.** When movie star-turned-politician Joseph Estrada won the Presidency in 1998, he declared he would put an end to the pork barrel. However, not more than a year since he assumed his post, the public saw the return of the pork barrel.

These took the form of the Food Security Program Fund (P1.52 billion), the Rural/Urban Development Infrastructure Fund (P5.46 billion), and the Lingap Para sa Mahirap program (P2.5 billion) under the 1999 GAA. The third fund—an ambitious program seeking to provide the poor with food, shelter, and livelihood—fell victim to ineffective targeting and patronage politics. The congressmen lobbied for a share of the said fund supposedly for their indigent constituents. As a result, about 68 percent of the fund ended up under the control of the members of Congress. The selection of beneficiaries had become politicized, as it was hugely contingent upon the local politicians (Galang, 2001). The project’s poor design, according to a World Bank assessment “effectively vests control on allocation of the lion’s share of the funds based on political (patronage) considerations (2001).”

In 2000, the pork would officially take a new name: the PDAF.

Just like how most former presidents used prior forms of pork, former President Arroyo used the PDAF reportedly to gain the support of Congress. The former president also allegedly misused her “presidential pork”—including the Malampaya Fund and the PSF, which the Supreme Court reformed in 2013—to secure the loyalty of solons, local officials, the military, business cronies, and even church officials. Such strategy shielded her from threats against her presidency (Hutchcroft, 2008; Abad, 2013). In turn, legislators used their pork to gain the support of their constituents and the local powerbrokers.

Such practices confirmed how the illicit use of pork barrel had become deeply embedded in the country’s political praxis that it perpetrated a cycle of subservience to traditional overlords of political power.

## Attempts to Rationalize Pork Until its Abolition

Before the unprecedented abolition of the PDAF in 2013, the administration of President Benigno S. Aquino III had endeavored to rationalize the controversial fund.

First, the administration sought to make the allocation more transparent. For one, the allocations per legislator—P70 million per representative and P200 million per senator—were only based on a “gentlemen’s agreement” in the past and, thus, enabled certain legislators to get more funding than the others. The Special Provisions of the PDAF under the GAA since 2010 had clearly specified these allocations. Moreover, as the “pork” was previously divided into two—the PDAF for “soft” projects, such as medical assistance and scholarships, and the DPWH-VILP for “hard” or infrastructure projects—the

administration consolidated all of these under the PDAF for greater clarity.

To ensure that the PDAF projects only catered to social development, the government rationalized the menu of projects from which legislators could spend their allocations. Allowable soft projects included scholarships, training-for-work programs, purchase of rescue and patrol vehicles, and support for the One Town, One Product initiative. Infrastructure projects chargeable against the PDAF included roads, farm-to-market roads, public markets, housing units, irrigation for farmers, and flood control structures. Apart from rationalizing the PDAF menu, the government also introduced safeguards to ensure that the fund was used for worthwhile projects. For one, it introduced a provision

that required legislators to prioritize constituents from their poorest localities in allocating their PDAF. It also required infrastructure projects to follow technical standards: for instance, farm-to-market roads must be aligned with the DA's Farm-to-Market Road Network Plan.

The government leveraged technology to improve the system in releasing the PDAF and to enable citizens to monitor releases. In 2011, DBM launched the Electronic Transparency and Accountability Initiative for Lump Sums (eTAILS) to digitize the process of releasing the SAROs for the PDAF: a process that was manually done in the past and which was susceptible to errors and fraud (see *Fast and Efficient Budget Execution*). The system also allowed DBM to automatically post information on releases online through a portal in its website (pdaf.gov.ph). Through this online site, the citizens could track the status of PDAF-funded projects, and give feedback on the progress of the projects by posting comments or uploading photos (see *Fiscal Transparency*). The disclosure portal on the PDAF releases was still available online even after the abolition of the fund.

At the same time, the administration had already been moving to rationalize the so-called "Presidential Pork Barrel." First, it used the Malampaya Fund (see *Budget Integrity and Accountability*) only for energy development-related projects. The President also became more stringent in the use of the PSF. Since 2010, the government had also worked to reduce lump-sum funds and the SPFs in the Budget (see *Budget Integrity and Accountability*): this policy, among others, enabled the introduction of the GAA-as-Release Document and other reforms to streamline budget execution (see *Fast and Efficient Budget Execution*). As for the savings, the government leveraged these to address the spate of underspending that began in 2011; however, the implementation of the Disbursement Acceleration Program generated its own controversy (see *The Aftermath of DAP*).

The revelation of the 2007-2009 PDAF Scam, however, compelled the administration to shift gears: from trying to rationalize pork to outright ending it.

In his August 2013 speech, in which he announced the abolition of the PDAF, President Aquino also instructed the prosecution of perpetrators of past abuses, and the withholding of the unreleased PDAF for the fiscal year pending the Supreme Court's decision. He also announced parameters and measures "to create a new mechanism to

address the needs of [legislators'] constituents and sectors, in a manner that is transparent, methodical, and rational, and not susceptible to abuse or corruption (Aquino, 2013)."

Under the new mechanism, the legislators may identify and suggest projects for their districts, but under the following conditions: that these projects would have to go through the budget legislation process; that these would be spelled out and enacted as line items in the Budget; and that there would be set standards for such projects—including the posting of bids and notices online, as well as barring the NGOs and certain GOCCs from receiving such funds. Related to the latter, the government, through the GCG, eventually abolished the GOCCs that had been involved in PDAF-related abuses.

The development of such new mechanism, however, was preempted by two landmark events: the November 2013 decision of the Supreme Court to render the PDAF unconstitutional; and weeks before that, the onslaught of Super typhoon Yolanda, which required additional funding for reconstruction and rehabilitation.

The Congress and the Executive heeded the writing on the wall. First, as the High Court ordered some P14.6 billion in unutilized PDAF under the 2013 GAA to be returned to the Treasury, Congress passed a supplemental appropriations law<sup>5</sup> that reallocated the amount to rehabilitation and reconstruction. Second, through a joint resolution,<sup>6</sup> Congress suspended the one-year validity of appropriations in the 2013 GAA in order to allow the expenditure of P14.6 billion and other calamity response funds into 2014. Third, on the P25.2 billion originally earmarked for the PDAF in the 2014 Proposed Budget, the Executive and Congress worked together to reallocate the said amount to the Calamity Fund and to the regular social and economic development programs of key departments.

### How the 2014 PDAF was Reallocated

- P1 billion for the Calamity Fund
- P4.12 billion to CHED for scholarship assistance to students
- P3.25 billion to DOH for hospitalization and medical assistance
- P1.02 billion to DOLE for its special program for the employment of students
- P1.03 billion to TESDA for training-for-work scholarships
- P4.09 billion to DSWD for burial, transportation, and food assistance
- P7.26 billion for local infrastructure projects, spelled out in detail
- P3.17 billion of the original PDAF allocation was removed from the GAA<sup>7</sup>

### The Birth of a New Pork, or a New Relationship of Accountability?

“The Supreme Court’s decision enforces the collective and individual boundaries of government institutions around the budget process: the executive proposes and implements the Budget; Congress approves the Budget and exercises oversight. The real challenge, however, is implementation.”

**DBM Secretary Florencio B. Abad**

ON THE CUSP OF BUDGET TRANSFORMATION (2014)

The abolition of the PDAF and other forms of pork barrel in 2013 paved the way for a new milieu in the Philippines’ budget process. The period also saw the introduction of bold PFM reforms, which “rebalance power around the budget process—away from elite interests that have dominated it, and toward the empowerment of citizens (Abad, 2014).” These reforms have so far introduced greater transparency and accountability, and established mechanisms to ensure that development reaches the communities that are most in need.

However, are these reforms enough safeguards to shield the budget process from arbitrary and parochial politics?

The public needs to be assured that interactions between Congress and the Executive remain within the bounds of the Constitution. It must also be acknowledged that the legislators—as elected representatives of their districts or sectors—are expected by their respective constituents to champion their needs in the allocation and use of public funds. Still, there are existing mechanisms, as well as new ones, that can be potentially leveraged to meet these seemingly conflicting imperatives.

First: venues that most legislators have underutilized are the local development councils (LDCs) and the regional development councils (RDCs).

The Local Government Code of 1991<sup>8</sup> authorizes district congressmen to attend or send a representative to the LDCs, especially in formulating the Local Development Plan (LDP) of their respective localities. The LDP serves as a blueprint of social and economic goals of an LGU, which forms the basis of local budgets. These LDPs also feed into the RDC’s process of formulating regional development plans. By engaging the LDC and the RDC, legislators can ensure that their constituents’ needs are considered in these plans. Through their involvement, the legislators are put in a better position to scrutinize the National Budget in line with the needs of their respective localities and regions.

Certainly, the local budgets could only fund so much: not all the LGUs have hefty coffers to make the necessary investments in infrastructure and social protection. However, it must be noted that the Aquino administration introduced reforms, such as the BuB and the integration of the planning and budgeting processes of RDCs in the national budget process: these potentially provided legitimate venues for the legislators to input their local needs in the preparation of the National Budget. Anecdotal reports had it that some legislators had begun to actively participate in the RDCs after the PDAF was abolished.<sup>9</sup>

The Supreme Court decision on the PDAF was silent on the involvement of the legislature in budget preparation. Such phase of the budget process, it could be argued, is exclusive to the Executive. However, international standards, such as the Open Budget Survey (OBS) (*see Fiscal Transparency*), also consider the Executive’s consultation of Congress in the determination of budget priorities as a best practice.<sup>10</sup>

Second, the Congress may champion their constituents’ needs by exercising their budget oversight function.

After Martial Law ended, Congress regained its “power of the purse”—at least on paper. This constitutional authority pertains not only to the power to approve expenditures, but also to hold the Executive and its agencies accountable for the results of the use of such funds. However, through the years, Congress had not been able to build the institutional capacity required to review the Proposed Budget. Like in the case of some countries, it lacked the “expertise to keep up with the growing sophistication and complexity of modern budgets (Posner and Cheng-Keung, 2007).”

Still, there are strategies that the Executive could take—and are being taken at present—to help Congress exercise its oversight function. For one, the government under the Aquino administration has been submitting the Proposed Budget to Congress a working day after the President’s State of the Nation Address (*see Fast and Efficient Budget Execution*). This new tradition not only ensured that the annual GAA was enacted on time but also gave Congress a longer lead time to review the Proposed Budget.

“We should create a policy preventing any legislator from directly intervening in the actual implementation of programs, a function within the ambit of the Executive in the first place. If such a policy is in place, then the discretionary powers of legislators in implementing projects will be removed.”

**Assistant Director Elena Regina S. Brillantes**

DBM BMB FOR GOOD GOVERNANCE SECTOR

Reforms, such as the Performance-Informed Budget (*see Linking Budgeting and Results*), have given legislators access to new information that they can use to scrutinize budget proposals against the performance targets of the agencies. Similarly, the disaggregation of lump-sum funds (*see Budget Integrity and Accountability*) according to region and locality has allowed legislators to review which among their constituencies have received much-needed funding. In addition, DBM has published new documents, alongside the Proposed Budget, to give the legislators narrative explanations of the proposals. For example, the Technical Notes on the Proposed Budget presents in-depth discussions on the policy underpinnings and priorities of the Budget; and the People’s Proposed Budget provides layman-friendly explanations of the spending plan (*see Fiscal Transparency*).

The OECD study also recommended two other measures to foster such a collaborative environment: enhancing institutional processes to exercise greater discipline in setting fiscal targets as well as improving the capacity of Congress to digest and process complex budgetary information to facilitate scrutiny as guided by policy and socioeconomic assumptions. Ultimately, the study said that Congressional oversight could be best exercised when the legislators have sufficient expertise in the different aspects and priority programs of the Budget “to compete with, and when necessary, challenge executive officials” in the way they formulate their annual budgets (Posner and Cheng-Keun, 2007).

The proposed Public Financial Accountability Act (*see Proposed Philippine Public Financial Accountability Act*) is envisioned to help Congress strengthen its oversight power and capacity. However, similar to the passage of the said bill, it is up to Congress to seriously consider the need to strengthen its institutional and technical capacity to scrutinize budgets and performance.

A 2007 study conducted by the Organization for Economic Cooperation and Development (OECD) emphasized that the sharing of information between the Executive and Congress helps make budgeting a collaborative exercise between the two branches (Poster and Cheng-Keun, 2007), potentially in place of relations of patronage based on the pork barrel.

## NOTES

<sup>1</sup> Official translation: “There are those who treat PDAF as their own private fund, to use as they please. This is clearly wrong; what is involved here is the people’s money; it should be used for the benefit of the people, and not for the benefit of a few greedy individuals.”

<sup>2</sup> Official translation: “It is time to abolish PDAF.”

<sup>3</sup> As Noda (2011) noted, the definition of pork barrel has been unclear and has depended heavily on the user of the term. In this context, he posited that defining pork barrel as a fund is simplistic; rather, it is “an outcome of mutual interactions between the local politicians and the President.”

The Supreme Court also weighed in on the issue of defining pork. While it said that the term “pork barrel” has been associated with lump-sum and discretionary funds of legislators, “the term’s usage has expanded to include certain funds of the President such as the Malampaya Funds and the Presidential Social Fund (2013).” Overall, pork barrel “refers to an appropriation of government spending meant for localized projects and secured solely or primarily to bring money to a representative’s district (2013).”

<sup>4</sup> Rep. Candazo’s identity was only revealed on August 20—a day after he passed away due to a heart attack, and, serendipitously, three days before President Aquino abolished the PDAF.

<sup>5</sup> Joint Resolution No. 1, approved on Dec. 26, 2013

<sup>6</sup> Republic Act 10634, approved Dec. 26, 2013

<sup>7</sup> This resulted in the reduction of the total Budget program for 2014 from P2.268 trillion as proposed by the Executive to P2.265 trillion as enacted by Congress.

<sup>8</sup> R.A. No. 7160, Title VI, Sections 106 and 107

<sup>9</sup> This include House Committee on Appropriations Chairman and Davao City Rep. Isidro Ungab, who has hosted some RDC meetings in the House of Representatives. DBM officials have been invited to these RDC meetings, as well as in other RDC meetings which district representatives attended.

<sup>10</sup> Item number 105 of the 2015 OBS inquires if the executive holds consultations with members of the legislature as part of its process of determining budget priorities. The OBS sets the ideal that the executives holds consultations “with a wide range of legislators” in an open, inclusive, and institutionalized manner. While the 2015 OBS noted the practice of legislators’ attendance in RDCs, it also emphasized that RDCs have no legal obligation to seek the attendance of legislators.