



**KUWENTO
SA BAWAT
KUWENTA**

**A Story of
Budget and Management Reforms
2010-2016**

About the Publication

The Budget is not just about figures that add up to what the government can spend each year: it represents the government's blueprint for progress.

This publication reveals the story behind the budget and management reforms implemented by the government under the Aquino administration. Specifically, it chronicles the journey taken by the Department of Budget and Management (DBM), together with its government partners and its stakeholders, to shape the Budget into what it is now: one that is spent within means, aligned with the pressing social and economic priorities, monitored for delivery and impact, and crafted with the people's voice and stake.

This comprehensive volume, published with an Executive Summary, documents the starting points of key budget and management reforms, the achievements so far, and the remaining challenges to be addressed by further reform. This publication also serves as DBM's accomplishment report for fiscal year 2015.

The DBM hopes that these publications provide a takeoff point for the academic community to deepen the research on Philippine PFM. Ultimately, it is hoped that this report helps sustain the dialogue and collaboration between DBM and its stakeholders on how to navigate the next phase of the reform agenda for budget reform under the incoming administration, for the sake of further empowering citizens in how their taxes are spent.

The title "*Kuwento sa Bawat Kuwenta*," which roughly translates as "the story behind each peso," is in fact a saying coined by DBM Usec. Luz M. Cantor. Through the years, the DBM workforce has widely used such phrase in describing the deeper purpose and meaning of their work: beyond crunching the numbers, to ensure that these figures add up to the country's vision for progress.

Kuwento Sa Bawat Kuwenta

A Story of Budget and Management Reforms 2010-2016

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Foreword

For the most part of its history, the Department of Budget and Management (DBM) has operated behind the scenes, its work made inaccessible by the technical nature of the budget process. Over the last six years, however, DBM has moved away from the sidelines and reinvented itself as a prominent agent of governance reform.

The DBM's journey in budget and management reform under the Aquino administration began with small but certain steps. For the first time since 1986, the government has sustained the early passage of the National Budget for six years in a row, ensuring its swift implementation and safeguarding it from abuse. Along the way, DBM cleared bottlenecks and plugged leakages, ensuring that every peso spent would have maximum impact.

The DBM and its partners in the government—including the Department of Finance, the National Economic and Development Authority, and the Commission on Audit—collaborated on many reform policies that stabilized the nation's fiscal health, linked spending with desired socio-economic results, and rationalized public finance processes. Through these reforms, public spending has improved and has helped drive our economy ahead of our regional neighbors.

Moreover, ordinary Filipinos have taken the center stage in the budget process. Fiscal openness reforms earned for the government international recognition, for example, Bottom-up Budgeting, as a groundbreaking reform in participatory budgeting. In 2015, the Philippines was ranked 21st in the world in the Open Budget Index, joining a select group of countries with substantial budget transparency. These gains could not have happened without DBM's partners in the government, civil society, and other sectors.

These gains were not without their challenges. Often, the government faced resistance to the reform initiatives, and it had to wrestle with painful controversies. These difficulties now come to us as valuable lessons, which, I believe, will guide the DBM toward excellence. I believe, too, that history will be kind to the men and women of DBM who worked passionately for the cause of reform and who, over the last six years, transformed the agency into an institution of integrity and competence.

This publication encapsulates DBM's reform narrative over the last six years. Together with an Executive Summary, this comprehensive documentation captures the starting points of reforms, the achievements thus far, and the challenges that remain. Through this summary and the main volume, we hope to pass on DBM's reform efforts to its future leaders—as well as to its valued partners in civil society, the international community, and other reform stakeholders—so they may build on the gains and navigate the next phase of budget reforms under the new administration.

In concluding my term, I remain humbled and honored to have served the Filipino people alongside the men and women of DBM, who, to the very end, demonstrated outstanding skill and principle as public servants. May the Filipino people always be at the heart of DBM's endeavors.

Secretary Florencio B. Abad

July 2010 to June 2016

