VI. DEPARTMENT OF BUDGET AND MANAGEMENT

A. OFFICE OF THE SECRETARY

STRATEGIC OBJECTIVES

MANDATE

The Department of Budget and Management, created under Executive Order No. 25 dated April 25, 1936, as amended, is mandated to promote the sound, efficient and effective management and utilization of government resources (i.e., technological, manpower, physical and financial) as instruments in the achievement of national socioeconomic and political development goals.

VISION

By 2016, the Department of Budget and Management envisions to be:

- A champion of performance-based budget and management policies and practices that enable the government to steer the country towards meaningful development that empowers the poor and the marginalized;
- An implementer of world-class budget and management systems that enhance transparency, accountability and public participation in governance; and
- An institution composed of highly competent and motivated public servants who observe the highest standards of professionalism and integrity.

MISSION

The Department of Budget and Management shall lead public expenditure management to ensure the equitable, prudent, transparent and accountable allocation and use of public resources to improve the quality of life of each and every Filipino.

KEY RESULT AREAS

Transparent, Accountable and Participatory Governance
Poverty Reduction and Empowerment of the Poor and Vulnerable
Rapid, Inclusive and Sustained Economic Growth

SECTOR OUTCOME

1. Fiscal Strength
2. Good Governance

ORGANIZATIONAL OUTCOME

1. People Empowerment Through the Budget Institutionalized through transparent and participatory budgeting initiatives
2. Efficiency of Government Operations Enhanced through the digitization of government financial transactions
3. Effectiveness of Resource Allocation Improved by shifting to a performance budgeting and management system
4. Fiscal Discipline Sustained by maximizing spending to levels allowed by fiscal resources

PERFORMANCE INFORMATION

KEY STRATEGIES

- Improve fiscal transparency and citizen participation in the budget process
- Improve government-wide public financial management
- Nurture a performance-and results-oriented bureaucracy
- Maximize expenditures to levels allowed by fiscal resources
<table>
<thead>
<tr>
<th>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</th>
<th>BASELINE</th>
<th>2015 TARGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>People Empowerment Through the Budget Institutionalized through transparent and participatory budgeting initiatives</td>
<td></td>
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<tr>
<td>1. Philippines' Open Budget Index (OBI) improved from its 2012 level</td>
<td>(2012) 48</td>
<td>60</td>
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<tr>
<td>2. Budgetary allocation for Local Poverty Reduction Action Teams (LPRAT) -identified projects through the Grassroots Participatory Budget (GPB) Process increased</td>
<td>(2014) P2OB</td>
<td>25% increase in budget allocation for GPB</td>
</tr>
<tr>
<td>3. Local Poverty Reduction Action Teams (LPRATs) satisfied with the planning process and outcome of the Local Poverty Reduction Action Plan (LPRAP)</td>
<td></td>
<td>75% of LPRATs satisfied with the LPRAP planning process and outcome</td>
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<tr>
<td>Efficiency of Government Operations Enhanced through the digitization of government financial transactions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Stakeholders satisfied with the results of the GIPMIS pilot run</td>
<td></td>
<td>100% of pilot agencies rated the results of pilot implementation as at least satisfactory</td>
</tr>
<tr>
<td>2. Use of electronic payment facilities expanded</td>
<td>(2014) 80%</td>
<td>100% checkless disbursements</td>
</tr>
<tr>
<td></td>
<td>Two out of the 22 Departments</td>
<td>Additional 10% of the total number of departments using cashless purchase cards (CPC)</td>
</tr>
<tr>
<td>Effectiveness of Resource Allocation Improved by shifting to a performance budgeting and management system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Program budget structure adopted</td>
<td></td>
<td>Programs, activities and projects (PAPs) of agencies aligned to organizational outcomes</td>
</tr>
<tr>
<td>2. Agencies participating in the performance-based incentive system (PBIS) and complying with good governance conditions increased</td>
<td>(2014) 90%</td>
<td>100% agencies in the Executive Branch participating in the PBIS</td>
</tr>
<tr>
<td></td>
<td>90%</td>
<td>95% of Departments and agencies complying with good governance</td>
</tr>
<tr>
<td></td>
<td>80%</td>
<td>85% of GOCCs under DBM oversight complying with good governance conditions</td>
</tr>
<tr>
<td>Fiscal Discipline Sustained by maximizing spending to levels allowed by fiscal resources</td>
<td></td>
<td></td>
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<tr>
<td>Expenditure level kept within the target NG fiscal deficit-to-GDP ratio</td>
<td>2%</td>
<td>Disbursements within 2% of target</td>
</tr>
</tbody>
</table>
### MFO 1: BUDGET POLICY ADVISORY SERVICES

- **Number of Policy advisories submitted**: 7
- **Percentage of policy advisories rated by client as satisfactory or better**: 80%
- **Percentage of policy advisories that are provided at least 24 hours before the deadline**: 80%

### MFO 2: BUDGET MANAGEMENT SERVICES

#### Budget Preparation
- **Number of budget documents submitted**: 7
- **Percentage of agencies whose budgets are amended by Congress during budget legislation**: 12.50%
- **Number of days submitted to the President prior to his submission to Congress**: 2

#### Directives
- **Number of directives and guidelines issued**: 16
- **Average percentage of stakeholders who rate the clarity of directives and guidelines as satisfactory or better**: 85%
- **Percentage of agencies which consider the average lead time between issuance and compliance as sufficient or better**: 80%

#### Budget Execution
- **Percentage of requests for budget variation or authorization acted upon**: 80%
- **Variance of actual obligations to budget program**: 14%
- **Percentage of request for budget variation or authorization acted upon within 15 working days upon receipt of complete documents**: 85%

#### For GOCCs Execution
- **Number of GOCC corporate operating budgets reviewed**: 72
- **Percentage of GOCC corporate operating budgets reviewed rated satisfactory or better**: 72%
- **Percentage of GOCC corporate operating budget reviews completed within 15 days of receipt of complete documents**: 100%

#### For LGUs
- **Number of LGU budgets reviewed**: 241
- **Percentage of LGUs annual budgets reviewed rated satisfactory or better**: 95%
- **Percentage of LGUs budgets submitted with complete documentation reviewed within 75 days**: 95%

### MFO 3: ORGANIZATIONAL PRODUCTIVITY ENHANCEMENT SERVICES

- **Percentage of proposals for organization, staffing, compensation and position classification review completed**: 85%
- **Percentage of agencies reviewed which rate the quality of review as satisfactory or better**: 60%
- **Percentage of reviews completed within 60 days**: 50%

#### Directives and Policies
- **Number of policy guidelines and directives issued**: 15
- **Average percentage of stakeholders who rate the clarity of directives and guidelines as satisfactory or better**: 60%
- **Percentage of agencies which consider the average lead time between issuance and compliance as sufficient or better**: 60%

### MFO 4: PERFORMANCE REVIEW AND EVALUATION SERVICES

- **Number of agencies' performance reviewed and evaluated**: 200
- **Percentage change in the average utilization rate of agencies**: 2%
- **Percentage of agencies reviewed and evaluated in the prescribed period**: 100%
B. GOVERNMENT PROCUREMENT POLICY BOARD-TECHNICAL SUPPORT OFFICE

STRATEGIC OBJECTIVES

MANDATE

The TSO provides research, technical and administrative support to the GPPB (Sec. 63.3, IRR of RA 9184), including research-based procurement policy recommendations and rule-drafting, the development and updating of generic procurement manuals and standard bidding documents/forms, the management and conduct of training on procurement systems and procedures, the evaluation of the effectiveness of the government procurement system and recommendation of improvements in systems procedures, the monitoring of compliance to the Act and the provision of assistance to procuring entities to improve their compliance; and the monitoring of the effectiveness of the Government Electronic Procurement System (G-EPS), as well as Secretariat support.

VISION

A Government procurement system that is transparent, efficient and free of corruption, using information and communications technology as a tool for implementation, creating solidarity and proper coordination amongst all Government agencies, improved transactions between the Government and its suppliers, contractors and consultants, and an atmosphere of trust and confidence between the Government and the general public.

MISSION

To be the principal body responsible for procurement policy formulation and the implementation and monitoring of effective public procurement reform, thereby promoting and achieving good governance, in general, and transparency, accountability, equity, effectiveness, efficiency and economy in Government, in particular.

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Good Governance

ORGANIZATIONAL OUTCOME

Efficient Government Operations

PERFORMANCE INFORMATION

KEY STRATEGIES

Inclusive engagement of procurement stakeholders alongside GPPB-TSO identified MFO, through implementation and application of RA 9184 and its IRR, having due regard to procurement performance and compliance.

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<td>Efficient Government Operations</td>
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<td>Streamline government procurement processes</td>
<td></td>
<td>Improve Agency Procurement Compliance Performance Indicator rating (APCPI) of thirty (30) agencies at the Central Office</td>
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</table>
**MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)**

**MFO 1: PROCUREMENT POLICY ADVISORY AND TECHNICAL SUPPORT SERVICES**

**Legal Research and Advisory**
- Number of procurement policy recommendations submitted to GPPB: 32
- Number of non-policy opinions issued: 146
- Percentage of procurement policy recommendations approved by the GPPB: 80%
- Percentage of non-policy opinions issued within 75 working days: 80%

**Procurement Compliance and Monitoring**
- Number of agencies evaluated under Agency Procurement Compliance and Performance Indicator (APCPI) System: 21 agencies
- Percentage of APCPI evaluation exercise rated satisfactory by the GPPB: 80%
- Percentage of APCPI reports evaluated within 60 working days from submission of the agency: 90%

**Capacity Building**
- Number of trainers' trainings conducted on procurement systems and procedures: 7
- Percentage of trainings conducted rated as satisfactory or better: 90%
- Percentage of the targeted trainings conducted within schedule: 80%