

XI. DEPARTMENT OF FINANCE

A. OFFICE OF THE SECRETARY

STRATEGIC OBJECTIVES

MANDATE

Under Executive Order No. 127, 127-A and 292, the Department of Finance is responsible for the following: 1. Formulation, institutionalization and administration of fiscal policies in coordination with other concerned agencies and instrumentalities of the government; 2. Generation and management of the financial resources of the government; 3. Supervision of the revenue operations of all local government units; 4. Review, approval and management of all public sector debt, domestic or foreign; and 5. Rationalization, privatization and public accountability of corporations and assets owned, controlled or acquired by the government.

VISION

1. A strong economy with stable prices and strong growth; 2. A stable fiscal situation with adequate resources for government projects; 3. A borrowing program that is able to avoid the crowding-out effect on the private sector, and minimizes costs; 4. A public sector debt profile with long maturities and optimum mix of currencies that minimizes the impact of currency and interest rate movement; and 5. A strong economic growth with equity and productivity.

MISSION

Our economy must be one of the most dynamic and active in the world, globally competitive and onward looking. The DOF shall take the lead in providing a solid foundation for the achievement of the objective, by building a strong fiscal position, through the following: 1. Formulation, institutionalization and administration of fiscal policies; 2. Improvement of tax collection efficiency; 3. Mobilization of adequate resources on most advantageous terms to meet budgetary requirements; 4. Sound management of public sector debt; and 5. Initiation and implementation of structural and policy reforms.

KEY RESULT AREAS

Anti-Corruption, Transparent, Accountable, Efficient and Participatory Governance

SECTOR OUTCOME

1. Fiscal Strength; 2. Resilient and Inclusive Financial System; and 3. Good Governance

ORGANIZATIONAL OUTCOME

1. Fiscal Sustainability Attained
2. Asset and Debt Effectively Managed

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Desired Revenue to Gross Domestic Product ratio attained; 2. Prudent liability management; 3. Effective management of government assets and liabilities; 4. Improved fiscal performance of Local Government Units (LGUs) to support local development projects and delivery of basic services; 5. Effective international finance management through strategic mobilization and allocation of funds; and 6. Establish the country at the forefront of international and regional economic finance cooperation.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)

BASELINE

2015 TARGETS

Fiscal Sustainability Attained

Improved tax effort

FY2011: 12.4%; FY2012: 12.9%;
FY2013: 13.3%

Increase of 0.3% over the
previous year

Sustained country's position at the forefront of international and regional economic finance cooperation	Recommendation / positions on issues taken up at the various international and regional fora depending on the frequency of meetings attended	Country position on issues presented by Secretary of Finance - majority adopted by other Ministers
Transparency initiatives for mining industry	The country has not yet produced an EITI Report	Output / reports on extractive industry (First Report to be published by December 31, 2014)
Asset and Debt Effectively Managed		
Sustained dividend collection from GOCCs	FY 2011 P5.5B, FY 2012 P5.5B, FY 2013 P5.5B	P6 Billion (+ / -10%)
Amount of loans with concessional terms increased or amount of concessional loans maximized	FY 2011- US\$1.5 Billion; FY 2012 -US\$2.0 Billion, FY 2013 -US\$2.4 Billion (This includes requirements to finance Yolanda post disaster reconstruction)	Value of foreign loans and grants: (> or = US\$ 500 million)
	FY 2011 -7; FY 2012-15; FY 2013-12 foreign loans	Number of foreign loans and grants negotiated: (> or = 7)

MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)

2015 Targets

MFO 1: FINANCIAL SECTOR and FISCAL POLICY SERVICES (Domestic and International)

Number of plans and policy advisories developed and issued or updated and disseminated	4
Percentage of stakeholders who rate DOF plans/policy advisories as good or better	80%
Percentage of plans and policy advisories that have been updated, issued and disseminated within the last 3 years	80%

MFO 2: PUBLIC SECTOR FINANCIAL RESOURCES MANAGEMENT SERVICES

Revenue Integrity Protection and Services

Number of personnel investigated	72
Number of personnel charged with OMB or CSC	37
Percentage of personnel charged by appropriate authority over the no. of personnel investigated	> 50%
Percentage of investigation completed within the prescribed period	100%

GOCC Monitoring

Amount collected as dividend from GOCCs	P6.0 Billion
Dividend from GOCCs collected within the prescribed period	100% collection by 4Q
Percentage of dividend collected over target dividend	100%

Negotiation of International Loans

Value of foreign loans and grants negotiated	> or = US\$500M
Number of foreign loans and grants negotiated	> or = 7
Percentage of ODA loans obtained annually compliant to the Weighted Average Grant Element as set under the Law	100%
Percentage of foreign loans and grants negotiated within the agreed schedule	not applicable

MFO 3: MUNICIPAL DEVELOPMENT FUND ADMINISTRATION SERVICES

Number of applications for grants and loans acted upon	55
Number of grants and loans approved	40
Number of loans and grants under management	459
Value of loans and grants under management	P2,171.22 Million
Percentage of loans with one or more interest payments in arrears by 30 days or more	10%
Percentage of applications acted upon within 2 weeks	80%
Percentage of borrowers that are default on an interest or principal repayment after one (1) month grace period	28%