



# PHILIPPINES

## PUBLIC PARTICIPATION

### Mechanisms in Fiscal Matters

The Philippines scored 64 out of 100 on the Open Budget Index, a comparative measure of central government budget transparency. Since 2010, various efforts have been made to enhance public participation in national fiscal and budgetary policy.



These efforts are the result of a **combination of factors**: a **new government** that took power with an **anti-corruption and transparency platform**; a **vibrant civil society sector**; a **strong desire to improve the economic outlook** of the country, including its international credit rating; and **strong donor support** for public financial management reform.

### EXECUTIVE BRANCH

#### THE PEOPLE'S BUDGET

Annual budget cycle:  
Executive budget preparation.



Provide **better citizen access to budget information** in a less technical format through a series of **publications, communication materials, social media, forums, and other means.**

#### MECHANISM

- Government developed the People's Budget in 2011, a **citizen-friendly summary publication of the Enacted Budget**. It later also developed the **People's Proposed Budget**.
- Launched **BudgetNgBayan.com** and other online tools (**social media, audio-visual presentations, etc.**) to promote the national Budget and budget reforms.
- Government via DBM also organizes the annual **People's Budget Forum** to brief CSOs and other stakeholders on the annual proposed Budget.

#### RESULTS

The publication of the **People's Budget contributed to the Philippines' remarkably improved performance in the 2015 Open Budget Index.**

#### BUDGET PARTNERSHIP AGREEMENTS

Annual budget cycle:  
Executive Budget Preparation and Execution.

#### OBJECTIVE



Provide a formal mechanism for **CSO engagement with national government agencies** in crafting budget proposals and monitoring budget implementation.

#### MECHANISM

- National Budget Circular No. 356 led to the creation of **Budget Partnership Agreements (BPAs)**: agreements between agencies and CSOs at both the budget proposal and execution phases.
- BPAs **law down the rules for CSO engagement** in the national budget process.
- BPAs delineate the **objectives, scope, and roles and responsibilities of the agency and the CSO** in the budget partnership.
- Following the Budget Call, the DBM issues a public announcement for CSOs and other stakeholders to **participate in the formulation of agency budget proposals**.
- Eligible partner **CSOs must have prior experience** in the monitoring and evaluation of agency programs, activities or projects.
- The agency provides the partner CSOs with **budget and performance data** within 5 working days after the BPA is signed.
- CSO recommendations are taken into consideration in the budget preparation. **CSO feedback is also important in identifying programs** that can be reduced or discontinued.

#### RESULTS

In crafting the 2015 budget, **69** new BPAs were forged in 7 national government agencies and 1 government corporation.

#### BOTTOM UP BUDGETING



Annual budget cycle:  
Executive budget preparation and execution.

#### OBJECTIVE



Deliver priority **basic social services as identified by local communities with local governments.**

#### MECHANISM

- Establish a **local poverty reduction action team** to determine local priority projects.
- Members of the action team are **representatives from local government while the other half are from CSOs.**
- BuB Guidelines** require the calling of a general assembly of CSOs at the municipal level to elect CSO representatives to this team.
- 40% of the group should be women.**
- Identified projects are **submitted for incorporation** in the budget of the participating national agencies.
- CSOs can engage in the **monitoring of the BuB projects.**
- A **Community Driven Approach**, where communities are given a **voice and a vote** in identifying priority local needs.

#### RESULTS

**1,233** cities and municipalities, **12** National government agencies, and **1** government corporation participated in 2014. Approved projects are published, as part of the **annual Budget and through openbub.gov.ph**

Local poverty reduction teams are expected to have quarterly meetings but some are unable to follow this rule.

#### NATIONAL COMMUNITY-DRIVEN DEVELOPMENT PROGRAM

Annual budget cycle:  
New policy initiatives on revenue and spending.

#### OBJECTIVE

- Community-driven development is pursued through the **provision of grants for community-based social preparation, planning and implementation of sub-projects** (e.g. water systems, access roads, schools, health stations, and day care centers).
- Enable communities in target municipalities to enhance their access to social services and to engage in more inclusive local planning, budgeting and implementation.

#### MECHANISM

- Community-Driven Development Program (NCCDDP). **Marginalized communities are encouraged to collaborate with village officials in identifying their needs and to access resources.**
- Meetings of the **Barangay (village) Assembly** constitute a venue for reporting and accountability. It introduces the residents to the objectives and processes of the Program.
- The **Barangay Assembly** approves aspects of the chosen subprojects.
- Representatives from local communities participate in decision-making and require accountability from officials.

#### RESULTS

As of March 2015, a total of **667** municipalities covering **16,078** barangays, located in 57 provinces across 14 regions were enrolled under KC-NCCDDP.

In 2014, **56%** of households in NCCDDP municipalities had at least **one member** attending regular Barangay Assemblies.

#### HEALTH SERVICES TRANSPARENCY



Annual budget cycle:  
Design, production and delivery of public goods and services.

#### OBJECTIVE

- Enhance the **delivery of health services.**
- Promote the participation of citizens in the **monitoring of procurement, thereby safeguarding the transparency and efficiency of hospitals and regional health centers.**

#### MECHANISM

- The project was undertaken in **28 DOH Retained Hospitals and centers in the Philippines.**
- Procurement Monitoring Initiative: **Citizen observers are deployed to monitor the Annual Procurement Plan** and observe the bidding process.
- The project used the **Public Bidding Checklist and the Diagnostic Report. These tool provided the information where medicine procurement was lacking.**
- Volunteers were trained** to gain adequate knowledge on the bidding and the procurement process.

#### RESULTS

In 2011, **302.51** million worth of medicines were monitored – these complied with the contract and were delivered on time.

Observers provided vital feedback to ensure the **safety of storage facilities.**

The **bidding process was likely made more competitive.**

Project has not been reinitiated since 2011.

#### INFRASTRUCTURE PROJECTS TRANSPARENCY



Annual budget cycle: Planning, appraisal, and implementation of public investment projects.

#### OBJECTIVE



Provide public information on **monitoring infrastructure investments post-construction.**

#### MECHANISM

- Transparency in Infrastructure Projects (Road Watch) – included in **2015 National Expenditure Program**
- Agencies engaged in infrastructure need to **publish actual cost of the project.**
- Upon completion, agencies need to **provide in detail the actual cost of the project.**

#### RESULTS

The DPWH and volunteers reportedly worked well together in a non-adversarial process and official investigation followed suit in some cases.

#### PUBLIC REVENUE TRANSPARENCY IN EXTRACTIVE INDUSTRIES



Annual budget cycle: New policy initiatives, plans, or reviews on revenues, expenditures, financing, assets, and liabilities.

#### OBJECTIVE



Promote transparency in **reporting the public revenue generated from taxes paid on the extraction of natural resources.**

#### MECHANISM

- PH-EITI is a **multi-stakeholder group, composed of government, private sector, and civil society representatives** mandated to complete the requirements for Philippine candidacy.
- The country became a candidate in May 2013.
- All gas, oil, and mining businesses must **publish the amount they pay to governments.**
- The **Executive must publish** the amount of oil, gas, and mining revenue collected in an annual report.

#### RESULTS

The first report was issued in **2015.** Proposed amendments will **modify non-disclosure clauses** in the National Internal Revenue Code and the Omnibus Investments Code.

The legislative measure will set **elaborate reporting standards for the tax payments of corporations in the extractives sector.**

#### CSO ENGAGEMENT IN CONGRESSIONAL DELIBERATIONS ON THE BUDGET

Annual budget cycle:  
Pre-budget consultations and exercises.

#### OBJECTIVE

Provide information on budget discussions in Congress to **CSO representatives.**

#### MECHANISM

- CSO representatives are invited to attend the discussions on the fiscal framework of the budget, but they cannot raise a point or a question.
- Public hearings are held on the budgets of most administrative units. The offices are given the **opportunity to present and explain** the basis of their budget. Members of the public are not allowed to give testimonies in these hearings; CSOs voice their concerns to legislators.

#### RESULTS

Some CSOs (such as Social Watch Philippines) have been promoting increased transparency on budget discussions e.g. by submitting alternative budgets. These alternative budgets are subjected to hearings by the Appropriations Committee. Legislators do on occasion sponsor items in the Alternative Budget Initiative and include these in the amendments.

### SUPREME AUDIT INSTITUTION

#### CITIZEN PARTICIPATORY AUDIT

Annual budget cycle:  
Auditing and review.

#### OBJECTIVE



Ensure **public participation in the audit process.**

#### MECHANISM

- The Commission on Audit (COA) has the power to **examine, audit, and settle** all accounts pertaining to the revenue and uses of funds.
- The COA has a program called the **Citizen's Participatory Audit (CPA)** which allows civil society to be involved in the audit process. The Commission partners with CSOs to form special audit teams and conduct value-for-money audits of selected government projects.
- The COA-Fraud Audit Office accepts **complaints from citizens** submitted personally or through the COA website.
- The website directs the user to a **Public Information System**, where a ticket may be created for audit and non-audit related concerns.

#### RESULTS

Three participatory audits have been conducted under the **Citizen's Participatory Audit program** since 2012. The CSOs participated in the audit through **citizen surveys, interviews, focus group discussions, and site inspections.**

No official reports are issued on public input by the Commission. Prior to 2015, the **COA website featured a Fraud Alert Section** where citizens could report allegations of **fraud, waste, abuse, or mismanagement of funds**, and also published a summary of all fraud complaints by year.

#### CITIZEN PARTICIPATORY AUDIT ON FARM TO MARKET ROADS (FMR)

Annual budget cycle:  
Auditing and reviewing.

#### OBJECTIVE

- Create a new **Citizen Participatory Audit (CPA) on Farm to Market Road (FMR)** Projects in all regions in the country.
- Determine the **economy, efficiency, and effectiveness of the FMR Development Program** of the Department of Agriculture.

#### MECHANISM

- COA partners with CSOs to form **FMR Projects.**
- Seven audit teams, consisting of **COA accountants, engineers, and team supervisors, as well as CSO representatives**, were formed to perform the audit.
- CSO participants use **geo-tagging as an instrument to collect data** on FMR projects.
- CSO participants combine simple technologies, such as **cell phone cameras, GPS coordinates, and Google Maps** to record data.
- The information is easily and accurately located on a map and uploaded to an agency website.

#### RESULTS

No information available in the case study.



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