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 results-oriented 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

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

1. Fiscal Strength
2. Good Governance

ORGANIZATIONAL OUTCOME

1. Empowerment through the Budget
2. Efficient Government Operations
3. Effective Resource Allocation
4. Fiscal Discipline

New Appropriations, by Program/Project

<table>
<thead>
<tr>
<th>PROGRAMS</th>
<th>Maintenance Services</th>
<th>Operating Expenses</th>
<th>Financial Expenses</th>
<th>Capital Outlays</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>100000000 General Administration and Support</td>
<td>P 133,391,000 P 264,637,000</td>
<td>P 100,000</td>
<td>P 39,228,000</td>
<td>P 437,356,000</td>
<td></td>
</tr>
<tr>
<td>200000000 Support to Operations</td>
<td>18,929,000 6,744,000</td>
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<td></td>
</tr>
</tbody>
</table>

Current Operating Expenditures
### Operations

<table>
<thead>
<tr>
<th>Code</th>
<th>Personnel Expenses</th>
<th>Operating Expenses</th>
<th>Financial Expenses</th>
<th>Capital Outlays</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>300000000</td>
<td>245,471,000</td>
<td>58,985,000</td>
<td>3,121,000</td>
<td>307,577,000</td>
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</tr>
</tbody>
</table>

#### MFO 1: Budget Policy Advisory Services
- Personnel: 8,404,000
- Operating: 1,912,000
- Total: 10,316,000

#### MFO 2: Budget Management Services
- Personnel: 154,008,000
- Operating: 36,381,000
- Total: 190,389,000

#### MFO 3: Organizational Productivity Enhancement Services
- Personnel: 17,248,000
- Operating: 5,250,000
- Total: 22,498,000

#### MFO 4: Performance Review and Evaluation Services
- Personnel: 65,811,000
- Operating: 15,442,000
- Total: 81,253,000

### Total, Programs
- Personnel: 397,791,000
- Operating: 330,366,000
- Total: 728,157,000

### PROJECT(S)

#### 400000000 Locally-Funded Project(s)
- Personnel: 184,700,000
- Operating: 8,454,000
- Total: 193,154,000

### Total, Project(s)
- Personnel: 184,700,000
- Operating: 8,454,000
- Total: 193,154,000

### TOTAL NEW APPROPRIATIONS
- Personnel: 515,066,000
- Operating: 100,000
- Total: 515,166,000

### New Appropriations, by Central/Regional Allocation

#### Current Operating Expenditures

<table>
<thead>
<tr>
<th>Personnel Services</th>
<th>Operating Expenses</th>
<th>Financial Expenses</th>
<th>Capital Outlays</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>237,704,000</td>
<td>411,755,000</td>
<td>20,000</td>
<td>20,434,000</td>
<td>679,933,000</td>
</tr>
</tbody>
</table>

### REGION

- **Central Office**
  - Personnel: 160,087,000
  - Operating: 103,311,000
  - Total: 263,398,000

- **Regional Allocation**
  - Personnel: 160,087,000
  - Operating: 103,311,000
  - Total: 263,398,000

#### National Capital Region (NCR)
- Personnel: 9,173,000
- Operating: 6,649,000
- Total: 15,822,000

#### Region I - Ilocos
- Personnel: 11,042,000
- Operating: 7,471,000
- Total: 18,513,000

#### Region II - Cagayan Valley
- Personnel: 10,665,000
- Operating: 5,161,000
- Total: 15,826,000

#### Cordillera Administrative Region (CAR)
- Personnel: 15,234,000
- Operating: 4,559,000
- Total: 19,793,000

#### Region III - Central Luzon
- Personnel: 10,649,000
- Operating: 6,272,000
- Total: 16,921,000

#### Region IV-A - CALABARZON
- Personnel: 10,295,000
- Operating: 6,691,000
- Total: 17,986,000

#### Region IV-B - MIMAROPA
- Personnel: 10,810,000
- Operating: 6,890,000
- Total: 17,699,000

#### Region V - Bicol
- Personnel: 10,798,000
- Operating: 6,896,000
- Total: 17,694,000

#### Region VI - Western Visayas
- Personnel: 10,572,000
- Operating: 5,967,000
- Total: 16,539,000

#### Region VII - Central Visayas
- Personnel: 9,243,000
- Operating: 6,536,000
- Total: 15,779,000

#### Region VIII - Eastern Visayas
- Personnel: 8,727,000
- Operating: 7,102,000
- Total: 15,829,000

#### Region IX - Zamboanga Peninsula
- Personnel: 10,823,000
- Operating: 6,910,000
- Total: 17,733,000

#### Region X - Northern Mindanao
- Personnel: 9,540,000
- Operating: 6,365,000
- Total: 15,905,000

#### Region XI - Davao
- Personnel: 9,951,000
- Operating: 6,702,000
- Total: 16,653,000

#### Region XII - SOCCSKSARGEN
- Personnel: 9,767,000
- Operating: 6,263,000
- Total: 16,030,000

#### Region XIII - CARAGA
- Personnel: 7,818,000
- Operating: 6,677,000
- Total: 14,495,000

### TOTAL NEW APPROPRIATIONS
- Personnel: 515,066,000
- Operating: 100,000
- Total: 515,166,000

### Special Provision(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume I) of this Act.
Performance Information

Outcomes and Key Strategies

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Outcome 1: Empowerment Through the Budget
(Sustaining Public Trust in the Budget)

* Improve fiscal transparency

  Ensure budget information is more accessible to the public
  
  Enhance openness and transparency in the budget process

* Widen participation in the budget process

  Engage civil society organizations (CSOs) and other stakeholders in the budget process through budget partnership agreements
  
  Institutionalize Bottom-Up Budgeting (BuB)

Outcome 2: Efficient Government Operations
(Spending with Maximum Impact)

* Improve delivery of public services

  Promote collaboration and convergence in the implementation of major priority programs and projects by agencies

  Strengthen the capacities of agencies for internal control and internal audit to be able to reduce COA adverse findings

  Streamline government procurement processes

* Intensify monitoring of agency physical and financial performance

* Improve government-wide public financial management

  Set up the Government Integrated Financial Management Information System (GIFMIS) for a more accurate, reliable and real time generation of financial and physical performance reports

  Enhance and improve utilization of Philippine Government Electronic Procurement System (PhilGEPs) for a more transparent and efficient procurement activities

  Adopt GAA as release document

Targets

Publishe the People’s MKE

Publish the People’s Budget

Improve Open Budget Index (OBI) Score from 48 to 60 by 2015

Expand consultations to NGOs from 12 to 18 and GOCCs from 6 to 9

Expand coverage from 609 to 1,233 cities and municipalities in 2014

Increase budget allocation for BuB Projects, from P8 Billion to P20 Billion in 2014

Deepen Program Budgeting approach in the preparation and execution of the national budget

Improve capacities of Internal Audit Service personnel of remaining 15 agencies in 2014

Improve Agency Procurement Compliance and Performance Indicator (APCP) rating of 21 agencies at the Central Office by 2014

Publish agencies year-end accomplishment/performance report

Commence systems development of the GIFMIS in 2014

Complete development of the GIFMIS for pilot testing by 2015

Roll out e-bidding and online payment across government agencies by 2014

Use vouchers for agency procurement of common use supplies by 2014

Start implementation in 2014
Outcome 3: EFFECTIVE RESOURCE ALLOCATION
(Spending on the right things)

* Focus the budget on the five (5) Key Result Areas (KRAs) of the President’s Social Contract and the Philippine Development Plan (PDP) with greater emphasis on economic expansion and inclusive growth

Expand investments and reforms in Good Governance and Anti-Corruption; Human Development and Poverty Reduction; Economic Development; Security, Justice and Peace; and Climate Change and Adaptation Mitigation

Increase proportion of the budget submitted to Congress for priority programs

Outcome 4: FISCAL DISCIPLINE
(Living within our means)

* Formulate the annual budget in the context of a multi-year fiscal plan

Establish, use, and publish the forward estimates (FEs) for funding predictability and sustainability

Budget ceilings remain within forecasted FEs
Publish FEs in the NEP by 2016
Push for passage of the Fiscal Responsibility Bill (FRB)

* Maximize expenditures to levels allowed by fiscal resources

Maintain a sustainable aggregate level of expenditures based on revenue and deficit targets

Expenditures within the 24 deficit level of GDP

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

<table>
<thead>
<tr>
<th>MFO 1: BUDGET POLICY ADVISORY SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Policy advisories submitted</td>
</tr>
<tr>
<td>Percentage of policy advisories rated by client as satisfactory or better</td>
</tr>
<tr>
<td>Percentage of policy advisories that are provided at least 24 hours before the deadline</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MFO 2: BUDGET MANAGEMENT SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Preparation</td>
</tr>
<tr>
<td>Number of budget documents submitted</td>
</tr>
<tr>
<td>Percentage of agencies whose budgets are amended by Congress during budget legislation</td>
</tr>
<tr>
<td>Number of days submitted to the President prior to his submission to Congress</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Directives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of directives and guidelines issued</td>
</tr>
<tr>
<td>Average percentage of stakeholders who rate the clarity of directives and guidelines as satisfactory or better</td>
</tr>
<tr>
<td>Percentage of agencies which consider the average lead time between issuance and compliance as sufficient or better</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget Execution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of requests for budget variation or authorization acted upon</td>
</tr>
<tr>
<td>Variance of actual obligations to budget program</td>
</tr>
<tr>
<td>Percentage of request for budget variation or authorization acted upon within 15 working days upon receipt of complete documents</td>
</tr>
</tbody>
</table>
For GOCCs Execution

Number of GOCC corporate operating budgets reviewed 72
Percentage of GOCC corporate operating budgets reviewed rated satisfactory or better 70%
Percentage of GOCC corporate operating budget reviews completed within 15 days of receipt of complete documents 100%

For LGUs

Number of LGU budgets reviewed 253
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 70%
Percentage of reviews completed within 60 days 65%

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 203
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

New Appropriations, by Program/Project

<table>
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<tr>
<th>Current Operating Expenditures</th>
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<tbody>
<tr>
<td>Maintenance</td>
</tr>
<tr>
<td>Personnel Services</td>
</tr>
</tbody>
</table>

| PROGRAMS |
|------------------|------------------|------------------|------------------|------------------|
| 300000000 Operations |
| P 15,816,000 | P 16,399,000 | P 1,519,000 | P 33,734,000 |

MFO 1: Procurement Policy Advisory and Technical Support Services
| P 15,816,000 | P 16,399,000 | P 1,519,000 | P 33,734,000 |

Total, Programs
| P 15,816,000 | P 16,399,000 | P 1,519,000 | P 33,734,000 |

TOTAL NEW APPROPRIATIONS
| P 15,816,000 | P 16,399,000 | P 1,519,000 | P 33,734,000 |

New Appropriations, by Central/Regional Allocation

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<tbody>
<tr>
<td>Maintenance</td>
</tr>
<tr>
<td>Personnel Services</td>
</tr>
</tbody>
</table>

| REGION |
|------------------|------------------|------------------|------------------|------------------|
| Regional Allocation |
| P 15,816,000 | P 16,399,000 | P 1,519,000 | P 33,734,000 |

National Capital Region (NCR)
| 15,816,000 | 16,399,000 | 1,519,000 | 33,734,000 |

TOTAL NEW APPROPRIATIONS
| P 15,816,000 | P 16,399,000 | P 1,519,000 | P 33,734,000 |

Special Provision(s)
1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume I) of this Act.

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

<table>
<thead>
<tr>
<th>MFO 1: PROCUREMENT POLICY ADVISORY AND TECHNICAL SUPPORT SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal Research and Advisory</strong></td>
</tr>
<tr>
<td>Number of procurement policy recommendations submitted to GPPB</td>
</tr>
<tr>
<td>Number of non-policy opinions issued</td>
</tr>
<tr>
<td>Percentage of procurement policy recommendations approved by the GPPB</td>
</tr>
<tr>
<td>Percentage of non-policy opinions issued within 75 working days</td>
</tr>
<tr>
<td><strong>Procurement Compliance and Monitoring</strong></td>
</tr>
<tr>
<td>Number of agencies evaluated under Agency Procurement Compliance and Performance Indicator (APCPI) System</td>
</tr>
<tr>
<td>Percentage of APCPI evaluation exercise rated satisfactory by the GPPB</td>
</tr>
<tr>
<td>Percentage of APCPI reports evaluated within 60 working days from submission of the agency</td>
</tr>
<tr>
<td><strong>Capacity Building</strong></td>
</tr>
<tr>
<td>Number of trainers' trainings conducted on procurement systems and procedures</td>
</tr>
<tr>
<td>Percentage of trainings conducted rated as satisfactory or better</td>
</tr>
<tr>
<td>Percentage of the targeted trainings conducted within schedule</td>
</tr>
</tbody>
</table>

#### Targets

| 32 |
| 142 |
| 80% |
| 80% |
| 21 agencies |
| 80% |
| 90% |
| 7 |
| 90% |
| 80% |
### Current Operating Expenditures

<table>
<thead>
<tr>
<th>Maintenance and Other</th>
<th>Personnel Services</th>
<th>Operating Expenses</th>
<th>Financial Expenses</th>
<th>Capital Outlays</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P 397,791,000</td>
<td>P 515,066,000</td>
<td>100,000</td>
<td>P 50,803,000</td>
<td>P 963,760,000</td>
</tr>
<tr>
<td>A. Office of the Secretary</td>
<td>15,816,000</td>
<td>16,399,000</td>
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<tr>
<td>B. Government Procurement Policy Board - Technical Support Office</td>
<td></td>
<td></td>
<td>1,519,000</td>
<td></td>
<td>33,734,000</td>
</tr>
<tr>
<td>TOTAL NEW APPROPRIATIONS, DEPARTMENT OF BUDGET AND MANAGEMENT</td>
<td>P 413,607,000</td>
<td>P 531,465,000</td>
<td>100,000</td>
<td>P 52,322,000</td>
<td>P 997,494,000</td>
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