



# THE DBM BULLETIN

The Official Newsletter of the Department of Budget and Management



## A BUDGET FOR REAL CHANGE

# Real Change in the Eyes of Ordinary Folks

(First of Two Parts)

**T**he first financial blueprint of the Duterte administration promises the start of real change -- a change that will translate to a better life for Filipinos. A change that will be felt by all and not only by a selected few. But, what does real change actually mean, especially for ordinary folks like us?

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*We have to listen  
to the murmurings  
of the people, feel  
their pulse, supply  
their needs, and  
fortify their faith  
and trust in us  
whom they elected  
to public office.*

”

President Rodrigo Roa Duterte

Inaugural Address/June 30, 2016





# Real Change: Safer and Convenient Transport System

By: Adrian Matthew Glova

## *The State of Transport in the Eyes of Regular Filipinos*

A typical day for most Filipinos starts before the sun rises. To be on time for school or work, one must be up as early as 4 or 5 in the morning. Eating breakfast, taking a bath and getting dressed usually doesn't take too long. The bane of the morning rush does not reveal itself until the moment one steps outside the house – traffic.

This is how it's like for Junrey Rosales, a graphic designer at the Department of Budget and Management (DBM). Junrey travels to the DBM in Manila from the Fourth Estate Subdivision in Parañaque City. To get to work on time, which is 8 a.m., he has to be up at 4 a.m. and out of the house before 5. And this is only half the battle. At the end of his work day, he gears up for another 3 long hours for the trip back home. By the time he's home, most, if not all, of his family members are already asleep.



Junrey Rosales on his way to the office.

The story is pretty much the same for Vanessa Pamittan, a writer and graphic designer at DBM. Her family home is in Angono, Rizal, from which travel to the DBM takes around 4 to 5 hours. Because of the impractical circumstances of her daily commute, she decided to rent a bed-space in one of the houses near the office. As a result, she only gets to see her family on weekends.

For the typical Juan and Juana, commuting can take as much as 4 to 6 hours of a 24-hour day. As resourceful and adaptive people, Filipinos have devised ways to cope with the daily commute. Some sleep in public utility vehicles or time their travel at off-peak hours. Others pass through side roads or use bicycles or motorcycles, like some of our colleagues in the DBM. Nevertheless, the daily experience is far from the ideal of safe, convenient and fast public transportation.

Aside from the economic losses, which are estimated at three billion pesos per day<sup>1</sup>, the traffic negatively impacts on the time we are able to spend with our loved ones. This means families being unable to eat dinner together, kids missing out on homework instruction from their parents, and opportunities foregone to have family leisure time.

Numerous health hazards are also associated with lengthy and stressful commuting. These include respiratory ailments from air pollution, leg pain, back pain, sleep deprivation and elevated stress levels. This is apart from other potential safety hazards, like the risk of being pick-pocketed especially during late hours.

## *The Duterte Administration's Transport Agenda for 2017*

Funding wise, about P230 billion is allocated for transport infrastructure. This is part of the Duterte administration's overarching infrastructure agenda. The Proposed Budget for FY 2017 channels P860.65 billion for infrastructure programs. Total infrastructure spending will be at 5.4 percent of GDP next year, exceeding the benchmark ratio of 5 percent.

At the helm of the efforts to alleviate traffic congestion is the Department of Transportation (DOTr), alongside other agencies involved with transport infrastructure, policy or execution such as the Department of Public Works and Highways (DPWH), Metro Manila Development Authority (MMDA), and the Philippine National Police-Highway Patrol Group (PNP-HPG). The primary means of addressing the traffic crisis involves road and rail transport systems. Not only is additional funding available for transport infrastructure, but new traffic policies will also be introduced to improve the conditions faced by Filipino commuters.

To accommodate the growing number of vehicles, an additional 2,883 km of national roads will be constructed while 586 km of roads will be paved all over the country. This is under the DPWH's National Road Network Services

<sup>1</sup>Cepeda, M. (2016). Tugade clarifies: Traffic a 'state of chaos, not a state of mind'. Rappler. Retrieved from <http://www.rappler.com/nation/146323-transportation-secretary-arthur-tugade-clarifies-traffic-state-of-chaos>

program. Among the major road projects that will begin construction in 2017 are the P35.4 billion Cavite-Laguna Expressway spanning 44.6 km and the P2.4 billion C-2/R-7 Interchange Project for 1.6km, and the P2.7 billion EDSA-Taft flyover covering 2.7 km.

For the DOTr, the much-awaited projects are the bus rapid transit (BRT) systems. The Cebu BRT and Metro Manila BRT Line 1 are each allocated about P1 billion for 2017. The Metro Manila BRT Line 1 will run from the Manila City Hall to Philcoa in Quezon City, with a total of 17 stations and 280 buses. A Line 2 is also expected to be constructed, with a total of 63 stations and an estimated 1,151 buses that will transport passengers through EDSA, Makati, Ortigas and NAIA. The Metro Manila BRT projects are due for completion and operation by 2020. These projects are expected to alleviate traffic congestion in the various urban centers of the country as they will offer an efficient, cost-effective and convenient means of mass transport.

Rail transport systems will also be improved to address the cramped conditions and numerous technical glitches troubling our trains. P1 billion is allocated for improving the capacity of the MRT-3. The LRT-2 (which presently runs from Santolan station to Recto station) will also continue its west and east extension projects. By 2019, the LRT-2 will be running from Masinag in Antipolo City to the Pier 4 area in Manila.

These hard infrastructure outputs will also be complemented by administrative policies such as allowing the sale of train tickets at commercial outlets, establishing a unified traffic scheme for Metro Manila, reforming procurement policies

for faster project execution and implementing a 24/7 construction policy for major public infrastructure projects starting 2017.

### ***Patience is a Virtue***

There is no silver bullet for our traffic woes. We must exercise patience as the traffic situation may get worse before it gets better, with simultaneous construction projects going on. It does help that there seem to be more traffic enforcers on the road these days. Local governments and managers have also been experimenting with various traffic schemes (e.g., counterflow lanes during rush hours, banning certain vehicles from passing through major thoroughfares etc.). Regardless, the real solution will take time. It took years to get to this state of affairs. Hence, a long-term approach is required to genuinely address the traffic crisis.

As responsible citizens of the Republic, motorists and commuters should also do their part by obeying traffic laws. Traffic congestion is aggravated by undisciplined motorists cutting through lanes, pedestrians jaywalking and public utility drivers fishing for passengers at “no loading” zones. As President Duterte reminded us, “real change begins with us, and in us”<sup>2</sup>.

Change is coming for a more comfortable, convenient and safer public transport system. Reforming the transport system will definitely require our cooperation. It is only then that safe, convenient and comfortable travel will be possible.

## **Real Change: Being Safe from Crimes and Violence**

*By: Vanessa Pamittan*

### ***Stay Alert or Be Hurt***

*“Tatlong lalaki patay matapos pagbabarilin ng mga ‘di pa nakikilalang suspect sa Tugatog, Malabon.”*

Such news of violence and criminality is no stranger to Malabon City resident Zenaida Castillo, the DBM librarian. Living in one of the most crime-prone areas in Metro Manila, Zenaida is well-aware of the dangers lurking in the streets of Malabon.

At past nine, addicts and drunkards start huddling in the dark corners of Pla-Pla Street, the road Zenaida needs to traverse on her way home. To ensure her own safety, she leaves the DBM office not later than 7 p.m, to arrive

home before 9. On days when overtime work is inevitable, Zenaida would ask Prince, a former DBM janitor, to accompany her home. Otherwise, she would rather spend the night at her parents’ house in the Central Market area, which is only a 15 to 30-minute commute from the office, than travel alone, knowing that the streets are not too friendly to lone commuters especially at night.

Nowadays, the rule is to stay alert or be hurt. People need to constantly be vigilant of their surroundings even in broad daylight, or risk being robbed of their possessions or worse, their lives. For instance, an unsuspecting passenger getting off the jeepney could be mugged by street children or riding-in-tandem motorcycle thugs.

<sup>2</sup>Department of Budget and Management. (2016). President’s Budget Message: A Budget for Real Change FY 2017.



Even bikers like Billy Buenagua are not safe from being harassed by gangsters or hoodlums.

Billy has heard of cyclists being held up at knifepoint along Daang Hari. The Daang Hari route in Cavite-Las Pinas, as described/reported in social media, is a notorious place because of a possible modus operandi targeting motorists along this road.

Just like Billy and Zenaida, a lot of Filipinos are fearful and concerned for their personal safety and the security of their loved ones as crimes go unabated.

### ***Achieving Progress by Suppressing Crime and Illegal Drug Use***

Reports reveal that the rise in the crime rate and use of illegal drugs in Malabon pulled down the city's economic growth.<sup>3</sup> At the national level, the crime rate more than doubled from 2010 to 2014, with Metro Manila identified among regions with the highest crime rate.

Hopes are high that this will change now that the government has waged a war against criminality, particularly on illegal drugs. In his 2017 Budget Message, President Rodrigo Duterte said that, "Progress cannot be achieved if crime, conflict, and corruption continue to reign." Recognizing the role of peace and order in attaining real and sustainable progress, the Duterte administration is committed to suppress crimes in the country by uprooting one of the roots -- the proliferation of illegal drugs.

According to the Dangerous Drugs Board (DDB), there are around 1.3 million drug users in the Philippines, most of whom are males in their twenties. Among the most commonly abused drugs in the country are shabu (poor man's cocaine), marijuana, and inhalants.

To support the government's fight against crime and illegal drugs, the budget for public order and safety has increased by 19.3 %, from P173.2 billion in 2016 to P206.6 billion in 2017. With this budget, the Duterte administration will empower the Philippines' police force to provide a safer environment for the country and its citizens.

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Feeling safe. Zenaida walking along Ayala bridge.

<sup>3</sup>The Philippine Star. (2015). Yearender: Crimes pull down economic growth in Camanava. Retrieved from <http://www.philstar.com/metro/2015/01/05/1409505/yearender-crimes-pull-down-economic-growth-camanava>

<sup>4</sup>Philippine National Police. (2016). Crime dips as PNP presses anti-drug drive. Retrieved from <http://www.pnp.gov.ph/8-news/452-crime-dips-as-pnp-presses-anti-drug-drive>





## The Secretary's Corner

### Moving Public Financial Management Reforms through Enhanced Tools

*Excerpts from the keynote speech of DBM Secretary Benjamin E. Diokno delivered during the Philippine League of Local Budget Officers (PHILLBO) in Luzon 2016 Area Convention Seminar on 7 September 2016.*



Budget Secretary Benjamin E. Diokno receives a certificate of recognition from the Philippine League of Local Budget Officers (PHILLBO) during the organization's Area Annual Convention-Seminar held at the Olivares College Convention Center in Tagaytay City. The seminar congregates local budget officers and representatives from LGUs to discuss recent PFM reforms.

**P**ublic Financial Management (PFM) is often perceived only as a "technical issue" - meaning, that it is merely a process and systems problem. But, in reality, it is also fundamentally a political and institutional matter.

Therefore, having people who are proficient, knowledgeable and skillful in dealing with the intricacies of running the government, particularly in managing public finances, is as important as having the best of policies, systems and tools. These two requirements go hand in hand.

[This seminar] provides the opportunity for all of us PFM practitioners to network towards improving local governance, promoting collaboration and building partnerships between the local and national governments.

As President Duterte said in his Message covering the 2017 proposed National Budget:

"Real change...begins with us and in us. The first that we must change is the mindset that the power and resources of the offices we occupy are ours to enjoy. We must remind ourselves of this basic principle: our people, through their taxes, provide the lifeblood of the government. They are the reason for government's very existence. Our people expect no less from us."

With this as a guidepost, I wish to share with you some significant principles we are adopting under the Duterte Administration in our battlecry for real change.

First, is “just and disciplined fiscal policy” - to ensure that public services become more meaningful – reaching the marginalized and the poorest sectors of the society.

While deficit spending will be widened to three percent (3%) of the GDP over the medium-term, borrowings will be complemented by increases in revenue collections resulting from improved tax administration efficiency and new revenues. This will allow the government to invest more heavily in infrastructure development and in the much needed basic social services.

On the expenditure side, if the problem before was lack of funds, our problem now is having enough funds but not being able to spend them. This we intend to address through the What-You-See-Is-What-You-Get (WYSIWYG) policy – meaning the funds are considered released upon the effectivity of the General Appropriations Act (GAA). This will enable agency heads to immediately implement their programs and projects without waiting for the issuance of allotments.



Aside from the WYSIWYG, we will also expedite the utilization of funds by:

a. Literally fast-tracking the implementation of programs and projects - construction for major public infrastructure projects will go on 24 hours a day, 7 days a week, in Metro Manila, Cebu and Davao; and

b. Making more practical the Implementing Rules and Regulations of the Government Procurement Reform Act – which is our response to various issues and difficulties actually encountered by procurement practitioners that apparently cause delays in program and project implementation, thus, resulting in more underspending.

We will improve budget planning and preparation alongside capacity building of agencies to design and implement programs and projects. The Cabinet Secretaries and other senior officials themselves are being capacitated to enable them to lead their respective agencies towards the achievement of their organizational goals in the most cost-effective manner.

Project monitoring will be strengthened through the effective use of modern technology that would allow us to check on the progress of priority projects in real time.

We will ensure compliance with the Supreme Court's landmark decisions on the Priority Development Assistance Fund (PDAF) and Disbursement Acceleration Program (DAP), thus ensure that government spending is within the bounds of the law.

In terms of governance and budget reforms, we will push for the enactment of a Budget Reform Act to remedy the gaps in the country's PFM while securing and modernizing beneficial reforms. The Budget Reform Act will also clarify the limits of the Executive's budgetary powers and strengthen the Congress' power of the purse.

Overlapping of mandates and overstaffing are the two oldest problems in government. The redundancies in government functions, processes and personnel will be addressed through “rightsizing” of the National Government, for which a Bill shall be filed in Congress.

The Constitutional Offices, Congress, Judiciary. State Universities and Colleges, and LGUs may adopt and implement their own rightsizing initiatives.

There is also a need to pursue the pension reform for the military and uniformed personnel given its ballooning budget burden. This year, the total cost of the pensions of retired soldiers will exceed the compensation of those in the active service. The problem is the indexation of the pensions to the base pay of those in the active service. Thus, we are looking into a possible option for the pension scheme for new hires. Instead of indexation, we can put up a fund similar to or maybe even a part of the GSIS.

And we will make this measure more feasible by matching it with the compensation reform for the police and the military.

Going down to the local level, we recognize that local government units (LGUs) are in the best position to identify problems at the grassroots, and quickly deliver more responsive services to the communities. As such, additional support shall be given to LGUs that are able to meet the standards of good governance, including sound PFM practices.

We will be providing support to LGUs for their priority programs and projects that cannot be funded from their own resources (Financial Subsidy to LGUs – P800 M). We will also provide support to disadvantaged municipalities in the total amount of P19.43 Billion (LGSF<sup>1</sup> -Assistance to Disadvantaged Municipalities – P15.792 B; and various implementing agencies – P3.638 B<sup>2</sup>).

We will likewise continue to support the repair, rehabilitation and improvement of provincial roads (P18.03B).

All these reforms will be pursued and implemented within an environment which fosters the highest level of accountability and transparency, as well as meaningful citizens' participation and engagement – principles which this Administration staunchly upholds, as evidenced by the issuance of Executive Order No. 2, s. 2016, implementing the Freedom of Information Bill.

See next page.

<sup>1</sup>Local Government Support Fund

<sup>2</sup>DENR-P31.17M; DILG-2.89B; DOE-7.42M; DOH-67.33M; DSWD-389.12M; DTI-90.31M; NCIP-5.85M; NEA-6.5M; PCA-.5M; TESDA-147.90M



And while we are pursuing these reforms at the national level, parallel efforts at the local level should also be undertaken. Crucial to attaining our objectives is to have a sound PFM system that helps to ultimately reduce the opportunity for misuse of funds, and actually leads to allocation of funds that will do the greatest good for the greatest number. Among others, we want to ensure that our offices are effectively and efficiently performing our functions - that we are doing the right things the right way, with competence, integrity and zero tolerance for corruption.

In this regard, recent research and evaluation suggest that there are three critical ingredients needed for successful PFM reform:<sup>3</sup>

- Leadership – a strong political and technical commitment, clear communication and coordination of reform, and a widening group of reform leaders who manage fears, expectations and differences of opinion.
- Policy space for developing appropriate reforms – which requires a thorough understanding of the context; a focus on the functionality of the system and not just the form; and teams and organizations that experiment and take risks, interrogating both the problem and the proposed solutions.

- Adaptive, iterative and inclusive processes – where monitoring, learning and adaptation are key.

We had the opportunity to apply the last two elements when we developed the LGU PFM Reform Roadmap and Implementation Strategy. Many of you, I understand, were part of the nationwide and iterative consultation workshops where we used various analytical tools to truly understand what ails LGU PFM. Then come up with the appropriate interventions that will take us to our ideal state of LGU PFM.

Already armed with the LGU PFM Reform Roadmap and Implementation Strategy, we now face the challenge of moving the reforms embodied in the Roadmap. And aptly, in this Convention-Seminar, you will start by thoroughly understanding and effectively using the enhanced PFM tools which you yourselves identified as needed in the more efficient and effective discharge of your functions in planning, revenue generation and administration, budgeting and expenditure management.

Rest assured that the DBM will always be your partner to champion the cause of LGU PFM Reforms. ■

<sup>3</sup>Public Financial Management, Andrew Lawson, March 2015



**Secretary Benjamin E. Diokno and the staff from the Office of the Secretary. First row, left to right:** Rosemarie N. Ignacio, Assistant Director Thea Marie Corrine F. Palarca, Vivien V. Labastilla, Assistant Secretary/COS Amenah F. Pangandaman, Joan Monique V. Kabigting; **Second row, left to right:** Princess Aileem L. Pangandaman, Richard A. Purisima, Chelsea Eichel R. Dauz, Agnes A. Frogoso, Joahanna B. Remoroza; **Third row, left to right:** Roberto M. Acon, Florencio A. delos Reyes, Narciso S. Alcaraz, Adrian Matthew G. Glova, Lardie A. Rosetes, Belinda A. Juan, Assistant Director Regine Amor P. Tenorio (not in the photo: Ellen Limcuando)



## Real Change ...

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It has also provided P1.2 billion for the Philippine Drug Enforcement Agency (PDEA) in 2017, P200 million more than its 2016 budget, to suppress illegal drugs.

Marinella Aurora, an employee of the Department of Labor and Employment, sees the government's war on drugs as a step towards transforming the Philippines into a crime-free nation. For her, most criminal acts stem from drug use.

*"Kapag nakatira 'yan, wala na sa katinuan 'yan. Kahit ano, puwede niyang gawin – kahit pa masama,"* she said.

For Billy, the government should wage war not only against drug users and pushers, but also against drug lords and protectors. A full-blast crackdown operation should target high-profile criminals and syndicates. Billy hopes that the government's uncompromising stance against drugs will lead to the complete eradication of crimes.

#### **The Duterte Effect: From 'Beware of Criminals' to 'Criminals Beware'**

For Zenaida, Billy, Marinella, and other Filipinos, true peace and order means being safe from crimes and violence at home and in the community.

With the implementation of barangay and city curfews, Zenaida feels that the streets are now much safer at night. In her compound, a siren can be heard echoing throughout the neighborhood at around 10pm, alerting the people of the start of curfew. Police cars and barangay tanods begin patrolling the streets. By this time, minors are expected to be inside their houses with their families, not getting involved in riots and other dangerous activities.

Zenaida's son, Jeff, expressed how the curfew has helped lessen the number of addicts, drunkards, and maniacs roaming the streets in their area.

*"'Nay, ang sarap maglakad sa daan ngayon. Wala nang addict-addict sa daan. 'Di tulad ng dati, tumataas ang balahibo ko,"* Jeff recalled.

Facebook netizens have also started seeing the changes promised by the new administration, calling it the "Duterte effect." The public has now been given the power to immediately report criminal activities using the 911 emergency hotline.

From January to June of 2016, the Philippine National Police (PNP) reported that the nationwide crime rate fell by 13% amidst the drug war.<sup>4</sup> In the past years, innocent citizens needed to beware of criminals. Now, thanks to the government's peace and order campaign, the tables have turned. It is now the criminals' turn to beware getting hit by the iron fist of justice.

#### **Real Change Begins Within Us**

Change should come not only from the government, but also from the people. Just as Marinella said, "It takes two to tango." Real change starts within oneself.

Zenaida said that she has started seeing changes among the addicts in her neighborhood. She has noticed improvements in the addicts' physical appearance and health. She thinks that the drug users in her area are turning over a new leaf because they fear being put behind bars.

For Marinella, crime will not be totally eradicated as long as the people themselves do not change their ways.

*"Na-a-appreciate ko naman ang ginagawa niya, lalo na doon sa drugs, pero sa tingin ko hindi pa rin talaga mawawala 'yan,"* commented Marinella on the Duterte administration's peace and order campaign. She believes that it is self-discipline that will create real and lasting change.

#### **A Safe and Sound Philippines**

Making the Philippines safer and more secure does not occur overnight. It is a gradual, painstaking process requiring much sacrifice. As Nelson Mandela said, "Safety and security don't just happen, they are the result of collective consensus and public investment. We owe our children, the most vulnerable citizens in our society, a life free of violence and fear."

There is still a long journey ahead in the pursuit of peace for the nation. With the collective efforts of the government, the police force, and the public, the vision of creating a safe and sound Philippines for the next generation of Filipinos may not be too far off. ■

**What's your idea  
of real change?**

Share it with the  
DBM community.  
Email us at  
[tis@dbm.gov.ph](mailto:tis@dbm.gov.ph).



## Building the Capacity of the PFM Workforce for Better Service Delivery

Government underspending in previous years remains to be a bump in the road in the present administration's goal to improve and speed up the delivery of services. The situation is at the root of the difficulty in responding immediately to the citizens' need for more and better public facilities and services.

Several reforms have already been introduced to address this concern. These include: 1) The adoption of the General Appropriations Act (GAA) as a release document after it takes effect, and which then, as Allotment Order, provides for the comprehensive release of the budgets or "allotments" of all agencies, except for those items under the negative list or For Later Release; 2) The creation of Full-time Delivery Units (FDUs) which help monitor the implementation of agency programs and projects; and 3) The designation of full time staff to the agencies' respective Bids and Awards Committees (BAC) and increasing the number of BACs in big departments.

In addition to improvements in budgeting systems and procedures, the DBM is also working on building the capacity of the government's public financial management (PFM) workforce to ensure that the budget is based on a good

plan, and effectively and efficiently executed and accounted for.

In line with this, the DBM, through the Public Financial Management Institute-Technical Working Group (now called the Budget Information and Training Service), has spearheaded the rollout of the PFM Certificate Program (PFMCP) to build the competencies of PFM practitioners in budgeting, accounting, auditing, procurement, and cash management.

Since 2015, two of the six tracks of the PFMCP have been developed and are being conducted. These are the PFM Foundation Track and the Budgeting and Performance Track (BPT).

For the third quarter of this year, four classes have been conducted for the Foundation Track, participated in by 115 PFM practitioners from various government agencies, while three classes have been held for the BPT. Participants describe the classes in the two tracks as very informative, helpful and relevant to their work.

More classes are scheduled this year and next year.



Participants to the PFM Briefing for Senior Executives, held on September 14 at the DBM Multi-Purpose Hall, listen attentively to the discussion.



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*Having people who are proficient, knowledgeable and skillful in dealing with the intricacies of running the government, particularly in managing public finances, is as important as having the best of policies, systems and tools.*

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DBM Secretary Benjamin Diokno

The role of the DBM has been enhanced by Secretary Benjamin E. Diokno, who as an educator stresses the value of knowledge and proficiency. In a recent speech before local budget officers, he underscored, “Having people who are proficient, knowledgeable and skillful in dealing with the intricacies of running the government, particularly in managing public finances, is as important as having the best of policies, systems and tools.”

Supportive of these statements, the DBM has augmented the PFM Certificate Program with Public Fiscal Management briefings designed especially for senior executives of the new administration. The briefings aim to help the new government executives to better understand and appreciate the importance of a sound PFM system.

The first PFM Briefing for Senior Executives was last July, while the second was held on September 14. The briefings have become a venue for participants to raise their queries on several budgeting and other PFM concerns. ■

## Government Performance Management: At-A-Glance

By: Assistant Director Teresita M. Salud  
Budget Information and Training Service

There has been an increasing demand from citizens to improve service delivery. There has been a clarion call for results-based performance policies, programs, projects and the need to create and sustain a healthy, results-oriented culture in public sector organizations.

Performance management is the way to go. The gains already realized and the gaps or leakages in managing performance, such as but not limited to addressing planning, implementing, reviewing, evaluating and reporting the effectiveness and efficiency of the policies, programs and projects were the focus of the workshop on Performance Management for the Public Sector held in Colombo, Sri Lanka.

Sponsored by the Asian Productivity Organization (APO) based in Tokyo, Japan, the workshop aimed at discussing the public sector productivity and innovation including relevant national and local government policies; sharing and exchanging information and experiences on performance management for the public sector, including best practices and success stories and examining relevant government policies promoting public sector productivity; and reviewing and developing relationship between productivity promotion strategies and performance management and evolving appropriate methodology for their management.

Former Planning and Management Service OIC-Director Tess M. Salud together with two (2) other

Filipino participants from the Development Academy of the Philippines and the Department of Labor and Employment joined the thirty four (34) participants from fourteen (14) countries in the said workshop.

A known expert in the field of performance management based in New Delhi, India, Dr. Prajapati Trivedi who was the main Facilitator of the workshop, introduced the formulation and evaluation of a Results-Framework Document (RFD). The RFD is a document to improve the performance of an organization by giving the department manager clear, meaningful and unambiguous targets and evaluating their performance by comparing their achievements against the targets. The significance of targets depends, among other things, on their alignment with vision, mission, and objectives.

Given the insights from the workshop and realizing that the DAP, which is the Philippine National Productivity Organization, Civil Service Commission and DBM are at the forefront of management reforms and transformation of the bureaucracy, a similar Results-Framework Document (RFD) and its accompanying RFD Evaluation Methodology (REM) may be formulated and implemented. Thus, creating a work environment where public servants from the executives to the rank-and-file personnel are able to link individual with organization goals and able to perform to the best of their abilities. ■



## PROFILES

# Meet the DBM's New Senior Executives

**M**ore and more women are joining the Department of Budget and Management's (DBM) roster of executives. Under the new administration, three female leaders have been recently appointed in the DBM top posts, bringing the total number of DBM women executives to 9. They now comprise about 82 percent of the DBM executives.

One male executive also joins the DBM workforce, thereby increasing the number of male executives to three.

## The New DBM Executives

### Undersecretary Agnes Joyce G. Bailen



Atty. Agnes Joyce G. Bailen continues a tradition of sorts, with women at the helm of the Internal Management (IM) Group, as she takes over the command post this October. Immediately prior to this appointment, she served as Chief of Staff of Secretary Benjamin E. Diokno.

Undersecretary Bailen brings to her new assignment the initial exposure to DBM in the Secretary's Office, in addition to years of extensive experience in the Legislative Branch of government, in both Houses of Congress.

Before joining the DBM, she served nine years in the House of Representatives, as Chief Political Affairs Officer and later Chief of Staff in the legislative offices of Rep. Lani Mercado-Revilla (2010-2016) during the 15th and 16th Congresses, and Rep. Jose Yap (2007-2010). From 2004 to 2006, she was Chief of Staff of Senator Miriam Defensor Santiago.

A pure-bred "maroon", Usec. Bailen was an "Iskolar ng Bayan", enrolled in the University of the Philippines from grade school, all the way to law school and graduate school, where she is currently pursuing a doctorate degree in Public Administration. She completed her law studies in 1999 and became a member of the Philippine Bar in 2000.

Last year, she was recognized and awarded by the Filipina Women's Network (FWN) as one of the 100 Most Influential Filipina Women in the World. The Award recognizes "women of Philippine ancestry who are influencing the face of leadership in the global workplace, having reached [this] status for outstanding work in their respective professions, industries and communities."

Aside from being a high-caliber professional, Usec. Bailen is also a bemedaled sportsperson, having won gold medals in table tennis and badminton competitions. She can also speak Spanish and French languages.

### Undersecretary Gertrudo A. de Leon

A veteran and seasoned law practitioner, Atty. Gertrudo "Ted" A. de Leon joins the government after more than two decades in private law practice.

At the DBM, he will oversee legal and legislative matters, specifically as the Legislative Liaison Officer to the Presidential Legislative Liaison Office (PLLO), in order to help ensure the early passage of the 2017 proposed Budget and to advance President Duterte's priority legislative agenda.

A product of the public high school system, Atty. Ted worked his way through college at the University of the Philippines, taking on such menial jobs as washing cars





and peddling newspapers. Later on, he got a desk job as an Intelligence Researcher in Camp Crame where his research and analytical skills were honed. This inspired him to pursue a law career, leading him to shift from a Mechanical Engineering course to Political Science. He completed his law studies at the Ateneo Law School, finishing 6th in the pioneer batch of his law course, Juris Doctor (J.D.) in 1991, while working full-time as Legal and Personnel Officer of a Japanese-owned company.

He began his law practice immediately after passing the Bar in 1992, joining the De Borja Medialdea Ata Bello Guevarra & Serapio Law Firm. In 1995, he established the De Leon & Desiderio Law Firm as one of its founding partners.

Atty. Ted had a brief stint in government, from January to May, 2010, as Consultant for the 2010 Presidential Canvass, Committee on Rules of the House Representatives. Five years later, in July 2015, he was appointed Consultant for the 2016 National Budget Preparation of the Finance Committee of the Philippine Senate.

Usec de Leon brings to government service at the DBM the skills he has honed in private practice in the areas of litigation, family law, immigration and labor relations, and the experience of a career that has built and harnessed a solid and vast network of contacts in all three branches of government.

### Assistant Secretary Lilia C. Guillermo



Assistant Secretary Lilia C. Guillermo has been designated as Chief Information Officer. Given her competence and experience in financial matters, systems analysis and management information systems, ASec. Guillermo will take charge of managing and developing budget information systems.

A graduate of BS Statistics and MS Industrial

Engineering at the University of the Philippines, with a master's degree in Public Administration, ASec. Guillermo started her career in government at the National Economic and Development Authority (NEDA) as an Economic Researcher.

After a few months, she transferred to the Bureau of Internal Revenue (BIR) where she stayed for 39 years. Starting as a Senior Revenue Statistician, she rose from the ranks and became one of its Deputy Commissioners.

ASec. Lilia is a member of the Philippine Computer Society and the Chief Information Officer Forum Foundation, Incorporated. She also served as president of the Chief Information Officer Forum, Inc., in 2006 to 2008, and in 2013 to 2014.

### Assistant Secretary Amenah F. Pangandaman



Assistant Secretary Amenah F. Pangandaman is currently the Chief of Staff of Secretary Diokno. She is also designated as the DBM Legislative Liaison Officer to the PLLO.

Although new at the DBM, she is thoroughly experienced in the role and tasks of COS, having served as Chief of Staff for almost seven years at the Office of Senator Edgardo Angara, from June 2007 to June 2013. She also worked at the Committee of Finance of the Office of Senator Loren Legarda from October 2015 to June 2016.

ASec. Pangandaman has a Bachelor's degree in Economics from the Far Eastern University, and a diploma and master's degree in Development Economics from the University of the Philippines.

She spent most of her early professional career at the Senate. Prior to her stint as Chief of Staff of Senators Angara and Legarda, she headed, for almost six years, the Policy Research Group, Political and Constituency at the Office of Senator Angara. She also became Chief of the Technical and Research Services at the Congressional Commission on Labor (House of Representatives and Senate). ■

### ASSIGNMENTS OF DBM SENIOR OFFICIALS

Undersecretary Janet Abuel	Local Government and Regional Operations Group
Undersecretary Agnes Joyce G. Bailen	Internal Management
Undersecretary Luz M. Cantor	Budget Preparation and Execution Group
Undersecretary Gertrudo A. De Leon	Legal and Liaison Group
Undersecretary Laura B. Pascua	Budget Policy and Strategy Group
Undersecretary Mario L. Relampagos	Performance Monitoring and Evaluation Bureau
Assistant Secretary Amelita D. Castillo	Budget Policy and Strategy Group
Assistant Secretary Tina Rose Marie L. Canda	Budget Preparation and Execution Group
Assistant Secretary Myma S. Chua	Organization and Systems Improvement Group
Assistant Secretary Lilia C. Guillermo	Chief Information Officer
Assistant Secretary Amenah F. Pangandaman	Chief of Staff



## GAD CORNER

# Nook for Lactating Moms under Construction

Fifty-five percent, or 187<sup>1</sup>, of permanent employees in the Department of Budget and Management Central Office (DBM-CO) are in their reproductive years. And so, the construction of a lactation station at the ground floor of Building II is welcome news for moms and would-be moms in DBM as they would now have a sanitary and private room to express and store their milk.

A lactation station is a "private, clean, sanitary, and well-ventilated room in the workplace where nursing mothers can wash up, breastfeed or express their milk comfortably and store this afterward."<sup>2</sup> Its establishment in all health and non-health facilities, as well as, in institutions is provided for in Republic Act No. 10028 issued in 2010.

Soon, the lactation area of the DBM will open its doors to those mothers who need it. It will have a refrigerator where moms can store their milk. ■

<sup>1</sup>Data as of July 2016. Source: AS-HRDD

<sup>2</sup>Republic Act No. 10028, An Act Expanding the Promotion of Breastfeeding, Amending for the Purpose Republic Act No. 7600, Otherwise Known as "An Act Providing Incentives to All Government and Private Health Institutions with Rooming-In and Breastfeeding Practices and for Other Purposes." Issued on March 16, 2010.

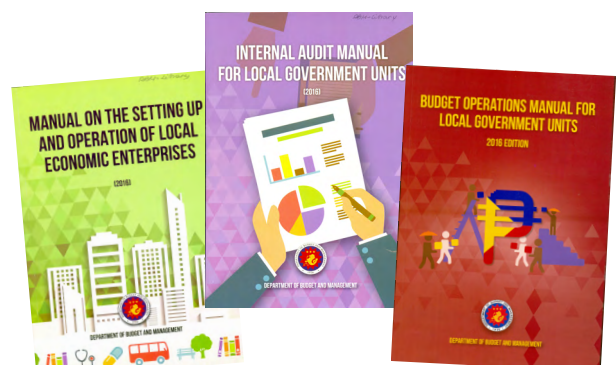


Lactation room under construction

## Recently Published Manuals for LGUs

The Department of Budget and Management recently released three manuals for local government units. These include the:

- 1) Manual on the Setting up and Operation of Local Economic Enterprises, which provides the policy framework and implementing procedures for local economic enterprises;
- 2) Internal Audit Manual for Local Government Units, which will serve as a guide for LGUs in establishing and operationalizing internal audit; and
- 3) Budget Operations Manual for Local Government Units, which contains the enhancements in the methods and techniques in local budget operations.







From a compilation prepared by the  
Organization, Position Classification,  
and Compensation Bureau

## Issue:

### Is the Mid-Year Bonus of government employees similar to the 13th Month Pay given by private companies?

## DBM Response:

The Mid-Year Bonus (MYB) is an additional benefit given to civilian and uniformed/military personnel pursuant to Executive Order (EO) No. 201<sup>1</sup> issued on February 19, 2016. The rules and regulations for its grant are prescribed under Budget Circular (BC) No. 2016-3<sup>2</sup> dated April 28, 2016.

The purpose for the grant of MYB is to (i) raise the total compensation of government workers at a tempered cost, and (ii) incentivize government employees based on performance. It is likewise consistent with the overarching goal of promoting a performance-driven culture within the bureaucracy.

Under Section 5.1 of BC No. 2016-3, such additional benefit for FY 2016 is equivalent to one (1) month basic salary and shall be given to entitled personnel, subject to the following conditions:

- Personnel has rendered at least a total or an aggregate of four (4) months of service from July 1

of the immediately preceding year to May 15 of the current year;

- Personnel remains to be in government service as of May 15 of the current year; and
- Personnel has received at least a satisfactory performance rating in the immediately preceding rating period.

On the other hand, the 13th month pay given by private companies is in compliance with Presidential Decree No. 851<sup>3</sup>. The minimum 13th month pay required by law shall not be less than one-twelfth of the basic salary earned by an employee within a calendar year, to be paid not later than December 24 of every year. The private entities are covered by their sets of policies on compensation in accordance with the Labor Code of the Philippines.

Conversely, the grant of Mid-Year Bonus is conditioned by the conduct of a performance evaluation as prescribed by the Civil Service Commission for all government employees. ■

## THE DBM BULLETIN

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## LS NOOK

Prepared by the  
Legal Service

## SUBJECT: Query on the Availment of Incentive Benefits following a Reorganization

**ISSUE:** Whether or not an employee who retires after enactment of Republic Act (RA) 10625, directing the reorganization of the existing statistical agencies into the Philippine Statistics Authority (PSA), but prior to the approval of the agency's reorganization plan, could avail of the incentive benefits under said law.

### DISCUSSION:

RA No. 10625, which was enacted on September 12, 2013, directed the reorganization of the existing statistical agencies, namely: National Statistics Authority, Bureau of Agriculture Statistics, Bureau of Labor and Employment Statistics, and National Statistics Coordination Board, into the PSA. From such date until September 4, 2015, 157 personnel from said statistical agencies compulsorily or optionally retired based on RA No. 8291.

In July 2014, PSA submitted to the Department of Budget and Management (DBM) its proposed reorganization plan pursuant to Section 3 of RA No. 10625. DBM evaluated said proposed reorganization plan in two phases. The first phase covered the evaluation of the proposed key positions and their corresponding support staff, together with the proposed offices or services for creation, while the second phase covered the evaluation of the division under the major offices or services, as well as the remaining proposed positions in the central and regional offices, and the PSA Reorganization Plan itself. The first and second phase were approved on November 6, 2014 and September 8, 2015, respectively. The PSA was then given three months from the final conclusion of the second phase and the approval of the reorganization plan to place its existing employees in the agency's approved staffing pattern. Within the said three-month period, the affected employees could avail of the applicable retirement, separation or unemployment benefit and incentives provided under Section 30 of RA No. 10625.

Said provision grants incentives to employees affected by the Reorganization Plan, i.e., (i) those not absorbed into the new staffing pattern due to redundancy or failure to comply with the standards of competence and proficiency; and (ii) those offered positions under the new staffing pattern but declined such appointment, and opted to be separated under RA No. 660 or RA No. 8291. Evidently,

only those employees who were either separated or retired as a result of the approved Reorganization Plan may be entitled to incentives under RA No. 10625. The law could not have contemplated a situation where all the employees who happen to retire or be separated from the existing statistical agencies upon its enactment will be entitled to the incentives herein.

Thus, the controlling factor in the grant of incentives is the approval of the Reorganization Plan and not the enactment date of RA No. 10625. The incentives provided thereon are not automatic upon its enactment, but require approval of the reorganization plan to determine who are those affected before they may claim entitlement to the said incentives. ■

<sup>1</sup>Query Lifted from Department of Budget and Management LS Opinion No. 6 dated February 16, 2016

<sup>2</sup>An Act of Reorganizing the Philippine Statistical System, Repealing for the Purpose Executive Order Numbered One-Hundred Twenty- One, Entitled "Reorganizing and Strengthening The Philippine Statistical System and For Other Purposes" or the Philippine Statistical Act of 2013

<sup>3</sup>Section 35. Effectivity Clause. - This Act shall take effect upon its approval.

RA No. 10625 was approved on September 12, 2013. It was published in the Official Gazette on November 27, 2013 and took effect on the same day.

<sup>4</sup>Section 5. Philippine Statistics Authority - There shall be a created Philippine Statistics Authority, hereinafter referred to as the PSA, attached to the National Economic Development Authority (NEDA) for purposes of policy coordination.

The PSA shall be primarily responsible for all the national censuses and surveys, sectoral statistics, consolidation of selected administrative recording systems and compilation of the national accounts.

<sup>5</sup>Section 3. Reorganization- The Philippine Statistical System, hereinafter referred to as the PSS, shall be reorganized structurally and functionally, in accordance with the provisions of this Act.

<sup>6</sup>SEC. 30. Early Retirement, Separation Pay and Other Benefits. - Personnel of the merged agencies who will not be absorbed into the new staffing pattern due to redundancy or failure to comply with the standards of competence and proficiency, or who will be offered positions under the new staffing pattern but who decline such appointment by reason of diminution in rank, benefits and work conditions, or who are offered positions under the new staffing pattern without any diminution in rank, benefits and work conditions but who decline such appointment, if qualified, shall be given the option to avail themselves of any of the following, whichever is beneficial to them: (b) Retirement benefit under Republic Act No. 660 (An Act To Amend Commonwealth Act Numbered One Hundred And Eighty-Six, Entitled "An Act To Create And Establish A Government Service Insurance System, To Provide For Its Administration, And To Appropriate The Necessary Funds Therefor," And To Provide Retirement Insurance And For Other Purposes) or applicable retirement, separation or unemployment benefit provided under Republic Act No. 8291 (An Act Amending Presidential Decree No. 1146, As Amended, Expanding And Increasing The Coverage And Benefits Of The Government Service Insurance System, Instituting Reforms Therein And For Other Purposes) if qualified.