UPSCALING THE PHILIPPINE PUBLIC FINANCIAL MANAGEMENT SYSTEM

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CRITICAL ATTRIBUTES FOR PFM REFORM

Resiliency and positive outlook

“Filipinos, in general, are predisposed to think first of the light at the end of the proverbial long-dark-tunnel.” It is also the same resiliency and optimism that the men and women of the bureaucracy have manage to plod on and ensure that hard lessons and gains are encapsulated in instituting reforms over the years.

Support from the international community

“Our country’s gains can be partly attributed to the zeal and resolve of the international community to positively affect our national interest with the global agenda for development.”
The 1987 Constitution as the foundation for the Philippine PFM;

Further articulation of fundamental policies through collection of laws, executive decrees, and other policy issuances on PFM;

General and Special Provisions (GPs and SPs) of the approved annual national budget; and

Rules, guidelines and other issuances of key or oversight agencies on PFM such as DBM, DOF, NEDA and COA.
EARLY PFM REFORMS

- Medium-Term Expenditure Framework
- Organizational Performance Indicator Framework
- Sectoral Efficiency and Effectiveness Reviews
- Rationalization of major policies on procurement, accounting, budgeting, and (initial wave of) IT application to improve public expenditure management outcomes
  - RA No. 9184 (Procurement Law) and IRR; Creation of Government Procurement Policy Board (GPPB)
  - New Government Accounting System (NGAS)
Disjointed financial management information systems

Redundant and/or delayed financial reporting requirements

Inaccurately recorded transactions attested by frequent audit observations

Disparate account classification frameworks for budgeting, accounting and audit, and cash management.
MAJOR PFM REFORMS

- Development of the Philippine PFM Roadmap
  - Creation of PFM Committee to ensure the synergy of the PFM Reform Agenda
  - PFM Reform Roadmap as platform for coordination and greater collaboration between development partners
Government Integrated Financial Management Information System (GIFMIS) as the technical centerpiece of the PFM Reform.
MAJOR PFM REFORMS

- Unified Accounts Code Structure (UACS):
  - A Single Language for All Transactions
MAJOR PFM REFORMS

- Treasury Single Account - supports the government’s enforcement of the “One-Fund Concept”, where all government financial resources accrue to the National Treasury.
MAJOR PFM REFORMS

**BTMS:** Linking Budget Execution and Treasury Management
MAJOR PFM REFORMS

- Integrated Solution for Human Resource Management
 Harmonized Chart of Accounts (RCA) serves as the foundation of the UACS to unify the national government accounting and budgeting classifications and a new basis for tracking the revenue and expenditure transactions of all agencies.

 Harmonization of PPSAS with IPSAS and IFRS and PPSSA.

 Revised Chart of Accounts (RCA) was also incorporated in the New Government Accounting System (NGAS) Manual, referred to as the National Government Accounting Manual.
The **Philippine PFM Competency Model** to improve standards suitable for recruitment, selection, training, performance management, and career progression in PFM.
 Passage of the proposed law on Public Financial Management (PFM Law)

Shift to cash-based budgeting
## Philippines OBI Score and Ranking Since 2006

<table>
<thead>
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<th>YEAR</th>
<th>OBI Score</th>
<th>World Ranking</th>
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<tr>
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<td>2006</td>
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“The task remains a challenge, but not an insurmountable one. Installing a results-based approach is a test of three Ps: persistence, perseverance, and partnership. Persistence, because one needs to vigorously pursue, despite the many obstacles, the objective of the program. Perseverance, because it is a test of patience, fortitude and compassion, all at the same time. And partnership, because it takes government, non-government, as well as private sector stakeholders, working together towards a common goal, to successfully implement a revolutionary program such as [budget and management reform].”

Former DBM Secretary Emilia T. Boncodin
THANK YOU!!!