



PHILIPPINES

Public Financial Management Reforms Roadmap 2024 to 2028

*Propelling Transformation:
Achieving Prosperity*





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September 2024

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ABOUT THE THEME

With the theme, ***Propelling Transformation: Achieving Prosperity***, the Public Financial Management (PFM) Reforms Roadmap 2024–2028 captures the government’s commitment to propel transformation in delivering the government programs and services through enhanced PFM policy and operating framework. A strong PFM system, as a backbone for government operations, will lead the nation to a higher trajectory of economic performance and ultimately achieve prosperity—raising the bar for accountability, efficiency, and transparency.

ACKNOWLEDGMENTS

The Philippine Public Financial Management (PFM) Reforms Roadmap 2024–2028 reflects the vision, commitment, and aspirations of the government for a modernized and harmonized PFM system.

We, the PFM committee members composed of the Department of Budget and Management (DBM) Principal Economist Dr. Joselito R. Basilio, DBM Undersecretary Maria Francesca M. Del Rosario, Commission on Audit (COA) Commissioner Roland C. Pondoc, Bureau of the Treasury (BTr) Treasurer of the Philippines Sharon P. Almanza, Department of Finance (DOF) OIC-Undersecretary Niño Raymond B. Alvina, BTr Deputy Treasurer of the Philippines Eduardo Anthony G. Mariño III, DOF Assistant Secretary Eufrocinio M. Bernabe, Jr., and COA Assistant Commissioner Roy L. Ursal; and representatives from the PFM Committee Resource Institutions—Department of Information and Communications Technology (DICT) Undersecretary David L. Almirol, Jr., and National Economic and Development Authority (NEDA) Undersecretary Joseph J. Capuno, send our gratitude to all the stakeholders who took part in the development of this roadmap.

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ABBREVIATIONS

AMS	Asset Management System	DILG	Department of Interior and Local Government
AAMP	Agency Asset Management Plan	DOF	Department of Finance
ACIC	Advice of Cheques Issued and Canceled	DICT	Department of Information and Communications Technology
ADA	Advice to Debit Account	DIME	Digital Information for Monitoring and Evaluation
ADB	Asian Development Bank	DTP	Devolution Transition Plan
AFRS	Annual Financial Reporting System	DRRM	Disaster Risk Reduction and Management
AGSB	Authorized Government Servicing Banks	eGovPay	Electronic Government Payment Platform
API	Application Programming Interface	eNGAS	Electronic National Government Accounting System
BAICS	Baseline Assessment of Internal Control Systems	ePFMAT	Enhanced Public Financial Management Assessment Tool
BLGF	Bureau of Local Government Finance	EO	executive order
BPMS	Budget Preparation and Management System	GAA	General Appropriations Act
BTMS	Budget and Treasury Management System	GAM	Government Accounting Manual
BTr	Bureau of the Treasury	GCG	Governance Commission for GOCCs
CBS	Cash Budgeting System	GDP	gross domestic product
CDP	Comprehensive Development Plans	GMIS	Government Manpower Information System
CO	capital outlay	GOCC	government-owned and -controlled corporation
COA	Commission on Audit	GPPB-TSO	Government Procurement Policy Board-Technical Support Office
CPA	Citizen Participatory Audit	GSB	government servicing bank
CSPEs	Commercial Public Sector Entities	IASPPS	Internal Auditing Standards for the Philippine Public Sector
CSO	civil society organization	IAU	Internal Audit Unit
DAP	Development Academy of the Philippines	ICT	information and communication technology
DBCC	Development Budget Coordination Committee		
DBM	Department of Budget and Management		

IFMIS	Integrated Financial Management Information System	NCA	Notice of Cash Allocation
IMF	International Monetary Fund	NDRRMC	National Disaster Risk Reduction and Management Council
IPSAS	International Public Sector Accounting Standards	NDRRMF	National Disaster Risk Reduction and Management Fund
IRR	implementing rules and regulations	NEDA	National Economic and Development Authority
IT	information technology	NEP	National Expenditure Program
JMC	joint memorandum circular	NEPF	National Evaluation Policy Framework
LDDAP-ADA	List of Due and Demandable Accounts Payable- Advise to Debit Account	NGA	National Government Agency
LDRRMF	Local Disaster Risk Reduction and Management Fund	NGAS	National Government Accounting System
LEDAC	the Legislative-Executive Development Advocacy Council	NGCDS	National Government Collection and Disbursement System
LGA	Local Government Academy	NTA	National Tax Allotment
LGU	local government unit	OCG	Office of the Comptroller General
M&E	monitoring and evaluation	OGP	Open Government Partnership
MAPS	Methodology for Assessing Procurement Systems	OSBPS	Online Submission of Budget Proposal System
MAQ	Maturity Assessment Questionnaire	PAP	program, activities, and projects
MDP	Monthly Disbursement Program	PAG	Philippine Application Guidelines
MDS	Modified Disbursement System	PBBM	Progressive Budgeting for Better and Modernized Governance Bill
MOOE	maintenance and other operating expenses	PD	presidential decree
MTFF	Medium-Term Fiscal Framework	PDP	Philippine Development Plan
MYCA	Multi-Year Contracting Authority	PEFA	Public Expenditure and Financial Accountability
NAMP	National Asset Management Plan	PFM	public financial management
NARS	National Asset Registry System	PFRS	Philippine Financial Reporting Standards

PFMCP	Public Financial Management Competency Program	RA	republic act
PGAMP	Philippine Government Asset Management Policy	RDC	Regional Development Council
PGIAM	Philippine Government Internal Audit Manual	RDIP	Regional Development Investment Program
PhilGEPS	Philippine Government Electronic Procurement System	RDP	Regional Development Plan
PIB	Performance-Informed Budgeting	RPA	robotics process automation
PIP	Public Investment Program	RPGIAM	Revised Philippine Government Internal Audit Manual
PIPOL	Public Investment Program Online	SONA	State-of-the-Nation Address
PLLO	Presidential Legislative Liaison Office	SUCs	state universities and colleges
PMIS	Project Management Information System	TRAMS	Treasury Single Account Reporting and Monitoring System
PPT	people, policy and process/ technology	TRIP	Three-Year Rolling Infrastructure Program
PREXC	Program Expenditure Classification	TSA	Treasury Single Account
PS	personnel service	TWG	technical working group
PSA	Philippine Statistics Authority	UACS	Unified Accounts Code Structure
PSIPOP	Personal Services Itemization and Plantilla of Personnel	URS	Unified Reporting System
		WG-AM	Working Group- Asset Management



EXECUTIVE SUMMARY

The Public Financial Management (PFM) Committee of the Republic of the Philippines is setting the stage to raise the bar for accountability, efficiency, and transparency in the government with the PFM Reforms Roadmap 2024–2028, aptly themed: **PFM Reforms Roadmap 2024–2028: Propelling Transformation: Achieving Prosperity**. Developed in line with Executive Order (EO) No. 29 dated June 1, 2023,¹ this document lays down the government’s PFM reform strategy, weaving together a coherent set of PFM initiatives over the medium-term that will reverberate throughout the bureaucracy to ensure cohesive and effective collaboration.

With the overarching objective of achieving **aggregate fiscal discipline, allocative efficiency, and operational efficiency**, the PFM Reforms Roadmap 2024-2028 maps out key outcomes, interventions, and activities across 11 strategic focus areas: (1) Planning and Budgeting Linkage, (2) Cash Management, (3) Public Asset Management, (4) Accounting and Auditing, (5) PFM Capacity Development, (6) Digital PFM, (7) PFM Policy and Legal Framework, (8) Public Procurement, (9) Disaster Risk Reduction and Management (DRRM), (10) PFM for Local Government Units (LGUs), and (11) Monitoring and Evaluation for Public Expenditure.

The Roadmap Development Process

The outcomes, interventions, and activities for each of the strategic focus areas were formulated through an inclusive process held from September 2023 to May 2024. This commenced with the conduct of a Call for Inputs on the Prevailing PFM Gaps and Challenges among the PFM committee member-agencies and resource institutions: the Department of Budget and Management (DBM), Department of Finance (DOF), Commission on Audit (COA), Bureau of the Treasury (BTr), National Economic and Development Authority (NEDA), and the Department of Information and Communications Technology (DICT). This was followed by a stocktaking exercise in February 2024 that involved a review of the past and ongoing PFM reform initiatives, implementation results, and key learnings.

The third activity comprised consultations held with the relevant stakeholders including a technical workshop held on March 11–15, 2024, which focused on the 11 strategic areas, where stakeholders discussed prevailing gaps and identified potential interventions for inclusion in the roadmap.

The results of the technical workshop were complemented with deep dive discussions with key agencies, BTr, DBM, NEDA, DICT, and the Government Procurement Policy Board-Technical Support Office (GPPB-TSO). The inputs from these discussions substantiated the determination of the desired outcomes, interventions, and activities in specific focus areas. The results from the technical workshop and the deep dive discussions were presented during the April 15–16, 2024 High-Level Validation Workshop, where about 80 senior and key officials from the national government agencies validated and strategically mapped out the prioritization and progression of interventions and activities over the medium-term.

¹ Strengthening the Integration of Public Financial Management Information Systems, Streamlining Processes thereof, and amending Executive Order No. 55 (s. 2011) for the purpose

The last activity was the three legs of regional consultation workshops held in Luzon, Visayas, and Mindanao to validate and discuss the interventions proposed by the regional stakeholders to be included in the roadmap. These workshops raised the challenges faced by the regional counterparts of government agencies and the LGUs and their concurrency on the prioritization of the reforms while taking into consideration the PFM initiatives both at the national and local levels.

Where We Are

The prior PFM reform roadmaps and ongoing PFM reform initiatives resulted in landmark achievements, including the (1) introduction of program expenditure classification and performance-informed budgeting, (2) implementation of the Treasury Single Account, (3) establishment of the Unified Accounts Code Structure (UACS), (4) automation of various functions across the PFM, (5) introduction of citizen and performance audits for public expenditure, (6) establishment of a PFM competency framework, and (7) conduct of capacity-building programs for PFM practitioners in the country.

Notwithstanding the gains from the implementation of these reforms, critical challenges remain that hinder the optimal performance in the management of public finances. These include, among others: (1) the lack of clear traceability across the Philippine Development Plan and its results matrixes, public investment program, and the approved budget; (2) weak cash programming methodologies and systems; (3) continued dependence on manual procedures, documents, and reporting requirements despite multiple information and communication technology systems in place; (4) weak monitoring and evaluation for development programs; (5) excessive administrative burden on implementing agencies for addressing redundant reporting requirements of oversight agencies; and (6) siloed approach toward the design and implementation of interventions across oversight and implementing agencies.

Transformation Outcomes, Interventions, and Activities

For addressing the key challenges in the current environment and for placing PFM in the Philippines on a sustainable path, the Philippine PFM Reforms Roadmap 2024–2028 aims at achieving the transformational outcomes across the 11 strategic focus areas, categorized as Core and Enabler as shown in Table 1:

Table 1. Summary of Transformation Outcomes Across the Strategic Focus Areas

Strategic Focus Areas	Transformation Outcomes
CORE STRATEGIC FOCUS AREAS	
Strategic Focus Area 1: Planning and Budgeting Linkage	National and regional development priorities are aligned, driving equitable economic growth and development across the nation
Strategic Focus Area 2: Cash Management	Compliance, efficiency, and accuracy of cashflow programming and its alignment with cash releases are improved

Strategic Focus Areas	Transformation Outcomes
Strategic Focus Area 3: Public Asset Management	Completeness and accuracy of data on public assets are improved, contributing to effective asset management planning and maintenance
Strategic Focus Area 4: Accounting and Auditing	Internal controls for public expenditure and revenue accounting are strengthened and compliance with financial accounting manual and guidelines are enhanced
Strategic Focus Area 5: Capacity Development	Coverage of capacity-building programs for public financial management (PFM) workforce across national government agencies, government-owned or -controlled corporations, and local government units (LGUs) are enhanced
Strategic Focus Area 6: Digital PFM	Efficiency, transparency, accuracy and timeliness of budget and financial accountability reports are improved to ensure efficient management of revenues and expenditure
ENABLER STRATEGIC FOCUS AREAS	
Strategic Focus Area 7: PFM Policy and Legal Framework	Comprehensive and harmonized policies and legislative framework for PFM are established
Strategic Focus Area 8: Public Procurement	Transparency and efficiency in public procurement processes are enhanced
Strategic Focus Area 9: Disaster Risk Reduction and Management (DRRM)	Efficiency in releasing, monitoring, and reporting of DRRM Funds are improved
Strategic Focus Area 10: PFM for LGUs	Institutional arrangements for PFM in LGUs are enhanced and sustained
Strategic Focus Area 11: Monitoring and Evaluation for Public Expenditure	Oversight for public expenditures is enhanced, contributing to the realization of intended Program, Activities, and Projects outcomes and benefits

To achieve the transformation outcomes, the 41 interventions and initial 52 activities identified will be implemented through the creation of task teams or through existing technical working groups (TWGs). The task teams and TWGs will further review and streamline the proposed activities to ensure timely implementation of these interventions and to achieve the desired outcomes for the strategic focus areas.

Of the identified activities, the following 13 activities will be prioritized to start within 2024:

- i. Synchronize local, regional, and national planning and budgeting exercises to incorporate regional and local priorities in the national programs and enhance their traceability across national and regional development plans.
- ii. Streamline institutional framework, policies, and processes across oversight agencies for cash programming and cash management for public expenditure.
- iii. Revisit policy and schedule for the submission of Monthly Disbursement Program, including the use of Unified Reporting System.
- iv. Develop an enhanced and modernized system for releasing payments for public expenditure to minimize the administrative overheads and challenges in the current environment around the issuance of Notice of Cash Allocations and disbursements through the Modified Disbursement System.
- v. Conduct diagnostic assessment of agencies with noncompliance in the preparation and implementation of the Agency Asset Management Plan (AAMPs) and undertake measures to address issues.
- vi. Rollout capacity-building programs for the lagging NGAs in the preparation and implementation of AAMPs.
- vii. Consolidate the Revised Philippine Government Internal Audit Manual issued by DBM, and the Internal Auditing Standards for the Philippine Public Sector issued by COA to provide uniform guidance to agencies in internal audit.
- viii. Conduct stocktaking activities of PFM capacity-building measures in the government including key stakeholders, existing PFM capacity-building programs, resources, and coverage.
- ix. Establish a database of PFM practitioners along with the organization they belong to, roles, qualifications, and list of capacity-building programs conducted, and attended.
- x. Procure Technology Stack for implementation of the Budget and Treasury Management System (BTMS).
- xi. Conduct data and systems mapping for BTMS.
- xii. Revisit the UACS system.
- xiii. Formulate and adopt a policy framework on PFM data sharing.

A thorough discussion in each strategic focus area is found in Chapters 4 to 14. These chapters discuss the ongoing initiatives, challenges, and matrix of interventions and activities with the proposed timelines for implementation.

With the implementation of the interventions and activities identified in the roadmap, the government will be better equipped in allocating resources efficiently and transparently to enable agencies to provide timely and effective services, thereby contributing to the achievement of the people’s aspirations in “AmBisyon Natin 2040” of a “*matatag, maginhawa at panatag na buhay*” or “*strongly rooted, comfortable and secure life*” and further enunciated in the PDP 2023–2028, the Medium-Term Fiscal Framework, and the President’s 8-Point Socioeconomic Agenda.

CHAPTER 1 | INTRODUCTION

The Philippine PFM Reforms Over the Years

Over the years, the Philippine Public Financial Management (PFM) has taken huge strides in improving rules, procedures, and practices for budgeting, accounting and auditing, cash and liabilities management, public debt management, revenue generation, and reporting on public sector financial operations. Improvements in these areas are crucial in ensuring an open and orderly PFM system to enable fiscal discipline, strategic allocation of resources, and efficient service delivery.

The last Public Expenditure and Financial Accountability (PEFA) Assessment was conducted almost a decade ago in 2015. Gaps needing medium- to long-term interventions were identified in the areas of: (1) predictability and control in budget execution, (2) accounting and reporting, (3) external scrutiny and audit, and (4) budget reliability.

The government implemented certain key reform initiatives to address the gaps identified in the PEFA assessment. Such initiatives included a Memorandum of Agreement signed in 2018 by the PFM principals implementing the budget reform program, which focused on the (1) shift from two-year appropriation to one-year appropriation, and (2) adoption of cash-based budgeting in place of obligation budget system.

To further the government's commitment to improving bureaucratic efficiency, strengthening good governance, and ensuring effective fiscal management, Executive Order (EO) No. 29 was issued on June 1, 2023. EO No 29 amending EO No 55 series of 2011, specifically aims to strengthen the integration of PFM information systems and streamline PFM processes.

EO No. 29, s. 2023 directs the PFM Committee to: (1) conduct policy and process review for key PFM processes, including budget management, budget execution, cash management, and accounting and reporting to pinpoint prevailing bottlenecks and update corresponding policies; (2) reengineer PFM processes and maximize the use of financial systems to ensure seamless government transactions; and (3) devise a strategic plan through the development of PFM Reforms Roadmap to expedite the development of the Integrated Financial Management Information System (IFMIS) while ensuring harmonization of policies across oversight agencies.

Philippine PFM Targets in Line with the Philippine Development Plan 2023–2028

The Philippine Development Plan (PDP) 2023–2028 serves as the country's overall blueprint for development planning and provides strategic direction for achieving the country's long-term vision *AmBisyon Natin 2040*. The PDP places emphasis on the role of PFM in supporting the national developmental goals as it directly influences the alignment of resources, service delivery, and overall governance.

In particular, the PDP emphasizes achieving the following specific outcomes in PFM through necessary reforms:

- i.** Implementation of an efficient and inclusive budget system;
- ii.** Strengthening the local government finances;
- iii.** Sustainable management of public debt;
- iv.** Improving transparency in public spending; and
- v.** Strengthening monitoring and evaluation for the implementation of the programs and budget execution; and
- vi.** Building competent, motivated, agile, and resilient public servants.

Further, the PFM has a pivotal role to enable the achievement of the socioeconomic agenda of the government by 2028, specifically:

- i.** Maintain a growth rate between 6.5% and 8.0%;
- ii.** Contain the unemployment rate within 4.0% to 5.0% and food and headline inflation rate within 2.0% to 4.0%;
- iii.** Enforce fiscal discipline to reduce national government deficit to gross domestic product (GDP) ratio to 3% and outstanding debt to GDP ratio to 48% to 53%; and
- iv.** Reduce the poverty incidence to 8.8% to 9%.

CHAPTER 2 | **CRAFTING THE PFM REFORMS ROADMAP 2024–2028**

The development of the Philippine PFM Reforms Roadmap 2024–2028 involved an inclusive and collaborative consultative process among oversight and implementing agencies at the national and regional levels, local government units (LGUs), and civil society organizations (CSOs). Conducted from September 2023 to May 2024, the strategic formulation process covered the following activities:

- i. Conduct of Survey in September 2023 to gather inputs from PFM Committee member-agencies (Department of Budget and Management [DBM], Department of Finance [DOF], Bureau of Treasury [BTr], and the Commission on Audit [COA]) and its resource institutions (National Economic and Development Authority [NEDA], and Department of Information and Communications Technology [DICT]) on critical gaps and improvements needed in the current environment;
- ii. Stocktaking exercise in February 2024 to review the past and ongoing PFM reforms, initiatives, implementation results, and key learnings from the (a) PFM Reforms Roadmap 2011 to 2015; (b) PFM Reforms Roadmap 2015 to 2016; and (c) the commitments under the Memorandum of Agreement on Budget Reforms Program covering 2018–2022;
- iii. Technical consultation workshops on March 11–15, 2024 which convened stakeholders from oversight and implementing agencies to discuss the 11 strategic focus areas and the prevailing gaps and identify possible initiatives to be pursued in the development of the strategy;
- iv. Deep dive discussions with BTr, DBM, NEDA, DICT, and Government Procurement Policy Board-Technical Support Office (GPPB-TSO) from March 2024 to May 2024 to further clarify recommendations presented during the technical consultation workshops;
- v. High-level validation workshop from April 15 to 16, 2024 attended by about 80 senior and key officials from oversight and implementing agencies to confirm the priorities and progression of reform initiatives as indicated in the initial draft roadmap;
- vi. Regional consultation workshops in Luzon, Visayas, and Mindanao attended by around 900 participants (online and on-site) to gather feedback and insights from the regional stakeholders in firming up the proposed interventions in the roadmap; and
- vii. Consolidation of inputs from stakeholders and finalization of reform priorities.

Key Achievements and Critical Challenges in the Philippine PFM Environment

In formulating this reforms roadmap, key achievements from past reforms, insights gained from lessons learned, and analysis of residual challenges were considered.

The Government of the Philippine has sustained its intent to strengthen PFM as demonstrated by the implementation of key PFM initiatives, which resulted in the following important developments:

- i. Establishment of Unified Accounts Code Structure (UACS) for the national government;
- ii. Adoption of performance-informed budgeting (PIB) framework and guidelines;
- iii. Implementation of Treasury Single Account (TSA) for revenue collections and expenditure management;
- iv. Adoption of the International Public Sector Accounting Standards (IPSAS);
- v. Implementation of information and communication technology (ICT) systems for automation of critical functions and processes across PFM life cycle; and
- vi. Implementation of the Public Financial Management Competency Program (PFMCP) to institutionalize the capacities needed for a sound PFM in the country.

While fundamental framework for PFM has been put in place, critical challenges impact the optimal performance in managing public finances. Some of the challenges in the current environment include:

- i. Lack of a clear traceability across the PDP and its results matrix, Public Investment Program (PIP), and the approved budget;
- ii. Weak cash programming methodologies and systems, parallel roles for cash management in the oversight agencies impacting the efficiency and effectiveness in cashflow forecasting and cash management;
- iii. Continued dependence on manual procedures, documents, and reporting requirements despite multiple ICT systems in place across PFM;
- iv. PFM systems are used mostly for post-facto recording of transactions;
- v. Weak monitoring and evaluation for development programs impacting the allocative efficiency in public expenditure;
- vi. Excessive administrative burden on implementing agencies for addressing the redundant reporting requirements of oversight agencies despite establishing several digital platforms for PFM; and
- vii. Siloed approach for design and implementation of interventions across oversight and implementing agencies leading to parallel investments, efforts, and systems.

Guiding Principles for the Design and Implementation of PFM Reforms

In addressing these challenges, the PFM Reforms Roadmap 2024–2028 was shaped by the following guiding principles:

- i. Alignment of PFM policies, processes, and systems to support the achievement of the government’s priorities and development goals;
- ii. Consolidation and harmonization of ongoing reforms through a whole-of-government approach to strengthen the PFM system;
- iii. Establishment and enforcement of a collaborative framework for stakeholders in the planning, design, and implementation of reforms to minimize duplication of efforts;

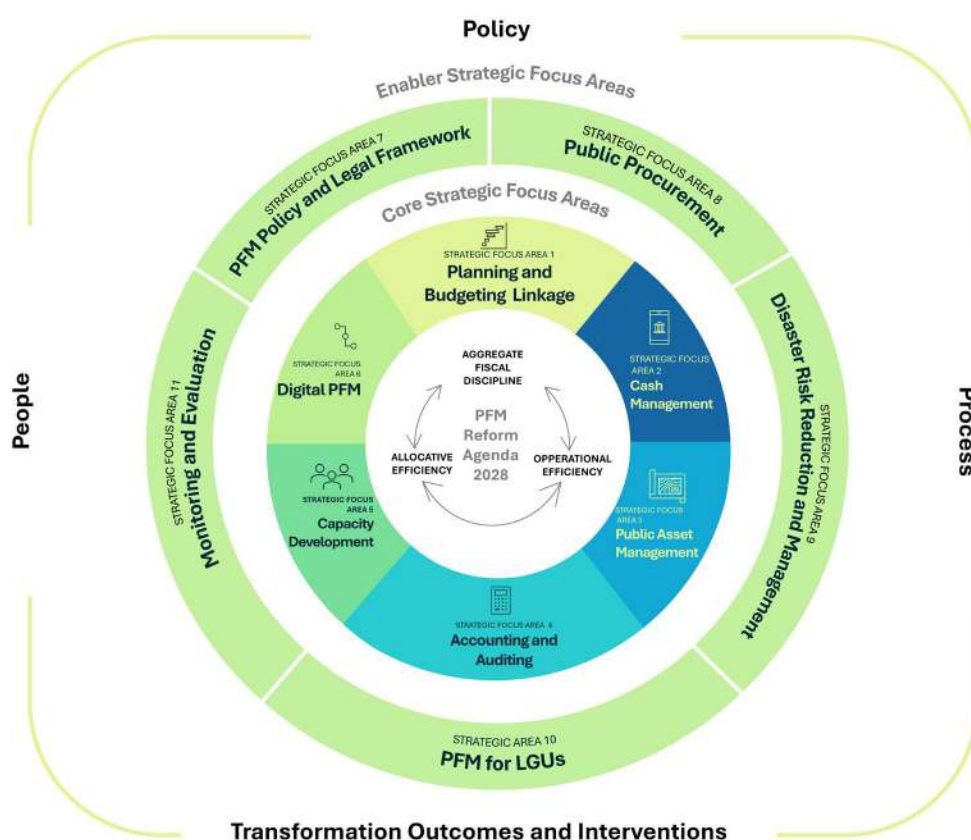
- iv.** Integration, simplification, and harmonization of the government’s financial management information systems to improve efficiency, enhance data accuracy and reliability, enable timely consolidation of financial and budgetary reports, and support better decision-making across the bureaucracy;
- v.** Allocation of sufficient resources to the interventions and activities in each strategic focus area to facilitate effective planning, design, and implementation; and
- vi.** Capacitating the PFM workforce across the national, regional, and local government levels to create a future-ready workforce capable of driving economic growth and development through effective financial management, improved decision-making, and transparent use of resources.

CHAPTER 3 | THE CONCEPTUAL FRAMEWORK

Statement of Reform Objectives

With the overarching objective of achieving **aggregate fiscal discipline, allocative efficiency, and operational efficiency**,² the PFM Reforms Roadmap 2024–2028 maps out key outcomes, interventions, and activities across 11 strategic focus areas categorized as core and enabler as illustrated in **Figure 1**.

Figure 1. Conceptual Framework for the Philippine Public Financial Management Reforms Roadmap 2024–2028



LGU= local government unit, PFM= public financial management.

By 2028, it is envisioned that through the implementation of the Philippine PFM Reforms Roadmap, a more harmonized and efficient PFM system will be established, ensuring transparent, accountable, and equitable allocation of public funds for achieving socioeconomic goals.

A total of 41 PFM reform interventions were identified to achieve the transformation

² A. Schick. 1998. *A Contemporary Approach to Public Expenditure Management (English)*. World Bank Working Paper No. 35116. World Bank Group. <http://documents.worldbank.org/curated/en/739061468323718599/A-contemporary-approach-to-public-expenditure-management>.

outcomes across the 11 strategic focus areas. Activities in some interventions were identified as discussed in Chapters 4 to 14. A more detailed set of activities will be prepared after the creation of the task teams (Chapter 15).

Table 2 summarizes the transformation outcomes of the 11 strategic focus areas and interventions to be implemented to achieve the outcomes.

Table 2. Summary of Transformation Outcomes and Interventions across the Strategic Focus Area

CORE STRATEGIC FOCUS AREAS	
Strategic Focus Area 1: Planning and Budgeting Linkage	
Transformation Outcome 1	National and regional development priorities are aligned, driving equitable economic development and growth across the nation
Intervention 1	Harmonizing public investment management policies and guidelines
Intervention 2	Enhancing information technology (IT) systems for planning and budgeting
Strategic Focus Area 2: Cash Management	
Transformation Outcome 2	Compliance, efficiency, and accuracy of cashflow programming and its alignment with cash releases are improved
Intervention 3	Streamlining institutional framework for cash management
Intervention 4	Implementing a modernized system for the release of payments
Intervention 5	Expediting measures to publish the medium-term debt management strategy
Strategic Focus Area 3: Public Asset Management	
Transformation Outcome 3	Completeness and accuracy of data on public assets are improved, contributing to effective asset management planning and maintenance
Intervention 6	Strengthening the implementation of National Asset Registry System
Intervention 7	Improving compliance in the preparation and implementation of Agency Asset Management Plans

Strategic Focus Area 4: Accounting and Auditing

Transformation Outcome 4	Internal controls for public expenditure and revenue accounting are strengthened, and compliance with financial accounting manual and guidelines are enhanced.
Intervention 8	Strengthening Internal Audit Function Across national government agencies (NGAs), government-owned and -controlled corporations (GOCCs), and local government units (LGUs)
Intervention 9	Sustaining Citizen Participatory Audit for public expenditures
Intervention 10	Scaling up efforts in the conduct of performance audits

Strategic Focus Area 5: Capacity Development

Transformation Outcome 5	Coverage of capacity-building programs for public financial management (PFM) workforce across NGAs, GOCCs, and LGUs are enhanced
Intervention 11	Strengthening the institutional framework for PFM capacity-building
Intervention 12	Developing and implementing a comprehensive capacity-building program and rollout plan
Intervention 13	Establishing the digital ecosystem for the management and rapid rollout of PFM capacity-building programs
Intervention 14	Developing e-learning materials and tutorials for capacity-building programs
Intervention 15	Reviewing and updating the current Public Financial Management Competency Program and curriculum framework to support in creation of leaders for implementing the PFM reforms and the best practices-based policies, processes, and systems in managing public finances, not just on current policies, processes, and systems
Intervention 16	Maximizing external partnerships for PFM capacity development

Strategic Focus Area 5: Capacity Development	
Transformation Outcome 6	Efficiency, transparency, accuracy, and timeliness of budget and financial accountability reports are improved to ensure efficient management of revenues and expenditure.
Intervention 17	Developing and implementing the Budget and Treasury Management System (BTMS) as the interoperable core of the government’s Integrated Financial Management Information System
Intervention 18	Ensuring quality controls are setup for BTMS
Intervention 19	Sustaining implementation of the eGovPay platform for government payments and collections
Intervention 20	Implementing an Integrated Project Monitoring and Reporting System
Intervention 21	Establishing the PFM data management architecture and a comprehensive data lake/warehouse for PFM

ENABLER STRATEGIC FOCUS AREAS

Strategic Focus Area 7: PFM Policy and Legal Framework	
Transformation Outcome 7	Comprehensive and harmonized policies and legislative framework for PFM are established
Intervention 22	Enactment of the Progressive Budgeting for Better and Modernized Governance Bill in Congress and developing the Implementing Rules and Regulations (IRR)
Intervention 23	Creation of the Office of the Comptroller General (OCG) through the issuance of an executive order and development of the IRR
Intervention 24	Amendment to Presidential Decree No. 1445 also known as the Government Auditing Code of the Philippines and the development of the IRR

Strategic Focus Area 8: Public Procurement	
Transformation Outcome 8	Transparency and efficiency in public procurement processes are enhanced
Intervention 25	Strengthening the regulatory framework through the enactment of the new Procurement Act and its IRR

Intervention 26	Institutional strengthening for public procurement to enable institutional arrangements necessary to implement the new Procurement Law
Intervention 27	Enhancing the Philippine Government Electronic Procurement System (PhilGEPS) and related systems
Intervention 28	Designing and implementing measures to deepen green procurement

Strategic Focus Area 9: Disaster Risk Reduction and Management

Transformation Outcome 9	Efficiency in releasing, monitoring, and reporting of Disaster Risk Reduction and Management (DRRM) Funds are improved
Intervention 29	Revisiting the Philippine DRRM Act provision on Local Disaster Risk Reduction and Management Fund and its utilization
Intervention 30	Budgeting guideline, allocation, and release of disaster expenditures streamlined
Intervention 31	Developing an integrated system for monitoring and evaluating the development and implementation of the DRRM plans, programs and activities ensuring mechanisms for third party monitoring

Strategic Focus Area 10: PFM for LGUs

Transformation Outcome 10	Institutional arrangements for PFM in LGUs are enhanced and sustained
Intervention 32	Reviewing EO No. 138 to provide guidance on the DTPs
Intervention 33	Institutionalizing internal audit cadre in LGUs
Intervention 34	Institutionalizing PFM cadre in LGUs
Intervention 35	Developing a consolidated PFM manual for LGUs
Intervention 36	Embedding a sound PFM capacity development program and rollout plan in LGUs
Intervention 37	Implementing Unified Accounts Code Structure system for LGUs
Intervention 38	Implementing digital transformation for LGU PFM

Strategic Focus Area 11: Monitoring and Evaluation (M&E) for Public Expenditure	
Transformation Outcome 11	Oversight for public expenditures is enhanced, contributing to the realization of intended program, activities, and project outcomes and benefits
Intervention 39	Intensifying institutional arrangements for monitoring and evaluation (M&E) through harmonized and standardized M&E practices for NGAs, GOCCs, and LGUs
Intervention 40	Strengthening M&E function in NGAs, GOCCs, and LGUs
Intervention 41	Enhancing mechanisms and tools to produce and use evaluation findings to feed into priorities-setting, budget allocation and audit processes

Key Reform Activities for Initiation in 2024

Table 3 lists 13 activities that are prioritized for initiation within 2024. These activities are prerequisites before other interventions and activities in the roadmap can be pursued.

Chapters 4 to 14 provide details on the criticality of the interventions and activities by classifying them as “high,” “medium,” or “low” based on the progression of the interventions and interdependence between and among activities.

Table 3. List of Activities to Start in 2024

	Focus Area	Activities	Lead Agency	Supporting Agencies
1	Strategic Focus Area 1: Planning and Budgeting Linkage	Synchronize local, regional, and national planning and budgeting exercises to incorporate regional and local priorities in the national programs and enhance traceability across national and regional development plans.	National Economic and Development Authority	Department of Budget and Management (DBM), All implementing agencies
2	Strategic Focus Area 2: Cash Management	Streamline institutional framework, policies, and processes across oversight agencies for cash programming and cash management for Public Expenditure.	DBM and Bureau of Treasury (BTr)	National government agencies (NGAs)

	Focus Area	Activities	Lead Agency	Supporting Agencies
3	Strategic Focus Area 2: Cash Management	Revisit policy and schedule for the submission of the Monthly Disbursement Program (MDP) including the use of the Unified Reporting System, providing Agencies with the ability to submit revisions on the MDP.	DBM and BTr	NGAs
4	Strategic Focus Area 2: Cash Management	Develop an enhanced and modernized system for the release of payments for public expenditure to minimize the administrative overheads and challenges in current environment around issuance of Notice of Cash Allocations and disbursements through the Modified Disbursement System.	DBM and BTr	DICT
5	Strategic Focus Area 3: Public Asset Management	Conduct diagnostic assessment on agencies with noncompliance in the preparation and implementation of Agency Asset Management Plans (AAMPs) and undertake measures to address issues.	DBM	Member-agencies of the Development Budget Coordination Committee (DBCC) Technical Working Group (TWG) on Asset Management
6	Strategic Focus Area 3: Public Asset Management	Rollout capacity-building programs for the lagging NGAs in the preparation and implementation of AAMPs.	DBM	Member-Agencies of the DBCC TWG on Asset Management
7	Strategic Focus Area 4: Accounting and Auditing	Consolidate the Revised Philippine Government Internal Audit Manual issued by DBM, and the Internal Auditing Standards for the Philippine Public Sector issued by COA to provide uniform guidance to agencies in internal audit.	DBM and Commission on Audit (COA)	

	Focus Area	Activities	Lead Agency	Supporting Agencies
8	Strategic Focus Area 5: Capacity Development	Conduct stocktaking activities of public financial management (PFM) capacity-building measures in the government, including key stakeholders, existing PFM capacity-building programs, resources, and coverage.	DBM	Development Academy of the Philippines (DAP), Local Government Academy, COA, Bureau of Local Government Finance, Government Procurement Policy Board-Technical Support Office, and other agencies that provide PFM capacity-building programs
9	Strategic Focus Area 5: Capacity Development	Establish a database of PFM practitioners with the organization they belong to, role, qualifications, and a list of capacity-building programs conducted and attended.	DAP	All with PFM capacity development programs
10	Strategic Focus Area 6: Digital PFM	Procure Technology Stack as a foundation for implementation of Budget and Treasury Management System (BTMS).	DBM	PFM committee member-agencies and its resource institutions
11	Strategic Focus Area 6: Digital PFM	Conduct data and systems mapping for BTMS.	DBM	PFM committee member-agencies and its resource institutions

	Focus Area	Activities	Lead Agency	Supporting Agencies
12	Strategic Focus Area 6: Digital PFM	Revisit the Unified Accounts Code Structure.	DBM	COA, BTr, and Philippine Statistics Authority
13	Strategic Focus Area 6: Digital PFM	Formulate and adopt a policy framework on PFM data sharing.	DBM	PFM committee member-agencies and its resource institutions

CHAPTER 4 | **PLANNING AND BUDGETING LINKAGE**

STRATEGIC FOCUS AREA 1

The strong linkage between planning and budgeting ensures that the government spends its resources on the right priorities with measurable results. This contributes to a well-performing PFM ecosystem reflective of: (1) a robust medium-term planning framework for identification and prioritization of programs to achieve national development goals, and (2) efficient resource allocation mechanisms embedded in the national budgeting exercise.

Such an ecosystem includes a complementary framework to monitor and evaluate the program's implementation to provide feedback into the planning and budgeting cycle to ensure resources are rightly allocated and corrective measures are implemented to address gaps in program implementation. The national planning and budgeting framework should enable development planning and resource allocation to equitably address the national and local government needs and priorities.

The Government of the Philippines has established an enabling PFM ecosystem with its comprehensive policy and institutional framework for planning and prioritization of programs. Among its policy and institutional framework in place includes the: PDP; Public Investment Program (PIP); Three-Year Rolling Infrastructure Plan (TRIP); and the local governments' regional development plans (RDPs) and comprehensive development plans (CDPs).

The planning and budgeting activities at the national and regional levels are coordinated by the NEDA and Regional Development Councils (RDCs), and DBM in collaboration with the central and regional offices of national government agencies. Meanwhile, LGUs follow a planning and budgeting process independent of the national-level exercise.

Ongoing Initiatives

Over the years, policy and technological reforms have been introduced in complementary to these frameworks to close the gap between planning and budgeting. These are geared toward ensuring that every peso will be spent in the right priorities with measurable results. Ongoing initiatives are as follows:

- i. Public Investment Program Online (PIPOL) System;
- ii. Online Submission of Budget Proposal System (OSBPS);
- iii. UACS;
- iv. Program Expenditure Classification (PREXC);
- v. Agency Performance Reviews; and
- vi. Creation of NEDA-DBM TWG on Linking the PIPOL System with the OSBPS.

Challenges

- i. Weak traceability for programs and projects across the planning and budgeting cycles, and weak linkage between the agency programs and the sectoral outcome indicators in the PDP;
- ii. Availability of budget ceilings during the annual and/or medium-term planning stage of the implementing agencies to inform budget preparation;
- iii. Congressional initiatives for new programs included in the budget during the National Expenditure Program (NEP) deliberations that did not undergo regional development consultations and planning exercise for the regions, resulting in disconnect between the annual planning activities by the regions and the budgets approved for the regions;
- iv. Substantial portions of centrally managed budget items at the central offices and their delayed allocations and releases to the regions, resulting in low budget utilization and delays in execution in the regions;
- v. Lack of an integrated system for the stakeholders (implementation agencies, RDC, agency central offices, NEDA, DBM, and the Congress) for managing the life cycle for new project proposals (proposal preparation, submission, review, revision, and approval);
- vi. Disintegrated systems, data silos, and manual procedures across stakeholders and weak linkages between sector and agency indicators and their targets are leading to challenges in identification of overlaps across programs and agencies, impacting the program convergence budgeting for national government; and
- vii. Gaps in institutional capacities in preparation of implementation-ready proposals impacting quality and completeness of proposals and the cost estimates.

Transformation Outcome and Interventions

The strategies for strengthening planning and budgeting will focus on achieving the alignment of national and regional development priorities through two key interventions. These interventions will be implemented to (1) enhance policies and guidelines for public investment management; (2) upgrade the existing IT systems covering the entire life cycle for public investment planning and its integration with budgeting systems; and (3) build stakeholder capacities to support the revised policy framework, guidelines, and IT systems.

Table 4 presents the interventions and activities with the target year of implementation. Among the nine activities, the synchronization of planning and budgeting exercises at the local, regional, and national levels is prioritized for initiating the implementation in 2024 as an important intervention that is expected to provide a big impact on how planning and budgeting is done in the country.

Table 4. Summary of Interventions and Activities on Planning and Budgeting Linkage

	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 1	National and regional development priorities are aligned, driving equitable economic development and growth across the nation				
Intervention 1	Harmonizing public investment management policies and guidelines				
Activity 1	Reconstitute and reconvene the technical working group (TWG) with members from the Department of Budget and Management (DBM) and the National Economic and Development Authority (NEDA) to draw a requisite planning framework to address the requirement for horizontal and vertical linkage	Medium	2024	NEDA DBM	Member-agencies of the TWG
Activity 2	Synchronize local, regional, and national planning and budgeting exercises to incorporate regional and local priorities in the national programs and enhance traceability across national and regional development plans	High	2024–2025	NEDA	DBM, All implementing agencies
Activity 3	Revisit the existing criteria and guidelines for review and appraisal of project proposals for their prioritization and approval	Low	2024–2025	NEDA	DBM

	Activities	Criticality	Year	Agency	Supporting Agencies
Activity 4	Streamline and consolidate multiple investment programs currently being prepared by the stakeholders for the efficient formulation of development plans	Medium	2026–2028	NEDA	
Activity 5	Establish accountability and institutional mechanism for a comprehensive and independent ex ante fiscal assessment of large infrastructure projects covering overall fiscal sustainability, liabilities, and fiscal risks, including explicit and implicit contingent liabilities	Low	2026–2028	Department of Finance (DOF)	Member-agencies of the TWG on Contingent Liabilities
Intervention 2	Enhancing IT Systems for planning and budgeting				
Activity 6	Integrate the local government-funded projects into the database of Public Investment Program, Three-Year Rolling Infrastructure Program, and Regional Development Investment Program to facilitate the identification of overlaps across agencies	Medium	Fiscal Year (FY) 2026 budget preparation period	NEDA DBM	Member-agencies of the TWG

	Activities	Criticality	Year	Agency	Supporting Agencies
Activity 7	Track the project implementation progress, schedules, and delays and maintain project progress reports, including data on Agency Performance Review Reports for programs, activities, and projects	Medium	FY 2025–2028	DBM	NEDA
Activity 8	Capture findings and reports from monitoring and evaluation, performance audits, and citizen participatory audits on programs/ projects	Medium	FY 2025–2028 FY 2025 (first phase)	DBM	NEDA, Commission on Audit, Department of Information and Communications Technology
Activity 9	Implement measures for the unique identification of project proposals to improve their traceability across planning and budgeting stages, specifically enabling agencies to track the status of proposals throughout the planning and budgeting cycle	Medium	FY 2026 budget preparation period	NEDA DBM	Member-agencies of the TWG

CHAPTER 5 | CASH MANAGEMENT

STRATEGIC FOCUS AREA 2

Strengthening cash management is pivotal for the country's economic stability and in ensuring that government services and goods are provided to citizens at the right time.

The implementation of the TSA as directed under EO No. 55, s. 2011,³ and as a core strategy in the previous PFM Reform Roadmaps, resolved the perennial challenge of fragmented government's cash resources and cash management operations.

The TSA, an account maintained in the Bangko Sentral ng Pilipinas and a framework for a unified structure of government bank accounts resulted in substantial benefits including the: (1) improved oversight and control of cash resources with the reduction and closure of thousands of bank accounts across agencies; (2) introduction of transaction fee per transaction to be paid by the government in lieu of the number of days given to the banks to keep the collections amount for compensation as collecting agent; and (3) centralization of revenue collection.

A strong drive to shift to digital payment is also steering policies on cash management. While Modified Disbursement System (MDS) checks are still accepted as a mode of payment, the volume and value of digital payments of the government through Advice to Debit Account (ADA) has substantially increased over time.

Enabling policies on the adoption of digital payment for government disbursement and collection had also been put in place as follows:

- i. Republic Act No. 11032: Ease of Doing Business and Efficient Government Service Delivery Act of 2018;
- ii. COA Circular No. 2021-014 dated December 2021: Guidelines on the use of Electronic Collection (e-Collection) and Electronic Payment (e-Payment for Government Transactions); and
- iii. EO No. 170 dated May 12, 2022: Adoption of digital payment for government and collections.

Ongoing Initiatives

With a working TSA and efforts to maximize digital payment, among the ongoing initiatives for cash management are as follows:

- i. Revenue collections through electronic payment systems;
- ii. National Government Collection and Disbursement System (NGCDS);
- iii. Treasury Single Account Reporting and Monitoring System (TRAMS);
- iv. MDS;

³ Directing the integration and Automation of Government Financial Management Systems dated September 6, 2011.

- v. Disbursement guidelines on Foreign-Assisted Projects under National Budget Circular No. 581, dated December 27, 2020;⁴
- vi. Treasury Circular No. 3-2019 dated May 10, 2019 on Banking Arrangements on the Use of Letter of Credit;
- vii. Cash Planning Report for Cash Forecasting; and
- viii. Development and implementation of the Electronic Government Payment Platform (eGovPay).

Challenges

- i. Fragmented institutional arrangements, processes, and systems for cash programming with DBM responsible for Monthly Disbursement Program (MDP) and issuing the Notice of Cash Allocations (NCA) and BTr for coordinating with the major spending agencies for daily cashflow requirements forecasting;
- ii. Poor quality and low compliance of NGAs' preparation and submission of cashflow projections;
- iii. Lack of systems support for the agencies to estimate cashflow requirements and generation of cashflow projections. Existing system capture manually prepared cashflow submissions;
- iv. Continued dependence on NCA and the Government Servicing Banks' (GSBs) systems (eMDS/MDS) in exercising cash management controls resulting in higher administrative burden for issuing NCAs—wherein monitoring and reporting NCA utilization is made across banks, BTr, DBM, and implementing agencies; and
- v. Proper classification of inflows to the TSA.

Transformation Outcome and Interventions

The strategy on cash management will focus on improving compliance, efficiency, and accuracy of cashflow programming and its alignment with cash releases with three key interventions. Reform outcome and interventions are envisioned to minimize the fragmented and redundant institutional responsibilities, processes, and systems for cashflow programming and to process payments.

Table 5 provides the identified interventions, activities, and the target year of implementation. Three out of five activities should commence implementation in 2024.

⁴ Clarificatory Guidelines and Procedures Applicable to Foreign-Assisted Projects Following the Cash Budgeting System and Treasury Single Account Framework

Table 5. Summary of Interventions and Activities on Cash Management

	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 2	Compliance, efficiency, and accuracy of cashflow programming and its alignment with cash releases are improved.				
Intervention 3	Streamlining the institutional framework for cash management.				
Activity 10	Streamline institutional framework, policies, and processes across oversight agencies for cash programming, cash forecasting, and management for public expenditure.	High	2024	Lead: Department of Budget and Management (DBM) ⁵ Co-Lead: Bureau of Treasury (BTr)	National Government Agencies (NGAs)
Activity 11	Revisit policy and schedule for the submission of the Monthly Disbursement Program (MDP), to be either monthly or quarterly, including the use of the Unified Reporting System (URS), providing agencies with the ability to submit revisions on the MDP.	High	2024	DBM and BTr	NGAs
Intervention 4	Implementing a modernized system for the release of payments				

⁵ For URS, Personal Services Itemization and Plantilla of Personnel (PSIPOP), and Government Manpower Information System (GMIS)

	Activities	Criticality	Year	Agency	Supporting Agencies
Activity 12	Develop an enhanced and modernized system for the release of payments for public expenditure to minimize the administrative overheads and challenges in the current environment around the issuance of Notice of Cash Allocations (NCAs) and disbursements through MDS. This will include development of the manual for NGA guidance.	High	2024	DBM and BTr	Department of Information and Communications Technology (DICT)
Activity 13	Conduct a feasibility study for centralized billing and payments for recurring maintenance and other operating expenses.	Medium	2025	BTr	DBM, Commission on Audit, DICT, Government Procurement Policy Board-Technical Support Office and Authorized Government Servicing Banks

	Activities	Criticality	Year	Agency	Supporting Agencies
Activity 14	Strengthen the current manual procedure for the preparation of cashflow projections with the support from automated systems and streamlined procedures to support NGAs in preparation of cashflow projections.	Medium	2024–2025: Development and adoption of work plan (Forward-looking MDP) 2026: Rollout of the system	DBM and BTr	DICT, and Top 10 spending agencies
Intervention 5	Expediting measures to publish a medium-term debt management strategy.	High	2025	BTr	Development Budget Coordination Committee member-agencies

CHAPTER 6 | PUBLIC ASSET MANAGEMENT

STRATEGIC FOCUS AREA 3

Operationalizing the asset management system (AMS) for all strategically important nonfinancial assets of the government has been the focus in recent years to ensure cost-effective management of assets by analyzing the life cycle, capacity, and utilization of nonfinancial assets individually and collectively, and to maximize government funds by targeting scarce resources to the most critical asset needs.⁶

The government’s commitment to introducing effective and IT-based measures for public asset management was triggered by the findings of the Interagency Committee on Government Property Insurance (IAC-GPI)⁷ that most of the strategically important properties of the government are either underinsured or not insured at all. Further, a 2018 study commissioned by the World Bank for the Government of the Philippines⁸ on asset registry in the Philippines revealed that there is:

- i. No available IT-based centralized inventory of assets in most agencies;
- ii. No single agency handling asset management and registry;
- iii. A lack of policies on public asset management, insurance, and disaster risk management;
- iv. Limited institutional accountability for asset management; and
- v. A discrepancy on data maintained by the property units vis-à-vis the books of accounts of certain agencies.

In response, enabling policies, strategies, and comprehensive framework were put in place to strengthen the foundation to improve public asset management in the country as follows:

- i. **Development Budget Coordination Committee (DBCC) Resolution No. 2019-4 dated June 21, 2019.**⁹ Created the TWG on Asset Management (TWG-AM) to review and update the policies on the management of government assets.
- ii. **DBCC Resolution No. 2020-18 dated July 7, 2020.**¹⁰ Directs the DBCC TWG-AM to: (a) formulate a Philippine Government Asset Management Policy (PGAMP), and (b) provide the guidelines on the establishment of an ad hoc working group on asset management (WG-AM) in each agency to implement the PGAMP and ensure optimal utilization of the agencies’ respective nonfinancial assets.

⁶ DOF-DBM-NEDA Joint Memorandum Circular (JMC) No. 2020-1 dated September 24, 2020, “Implementation of a Philippine Government Asset Management Policy (PGAMP)”

⁷ Created under Administrative Order No. 4 dated August 7, 2017, “Creating an Inter-Agency Committee to Formulate the Necessary Policies, Rules and Regulations for the Purpose of Ensuring that the Key Properties, Assets and Other Insurable Interests of the Government are Comprehensively and Adequately Insured”

⁸ As cited under Section 1.5 of DOF-DBM-NEDA JMC No. 2020-1 dated September 24, 2020, “Implementation of a Philippine Government Asset Management Policy (PGAMP)”

⁹ Ad Referendum Approval for the Creation of the Technical Working Group on Asset Management

¹⁰ Directing the Development Budget Coordination Committee Technical Working Group on Asset Management (DBCC TWG-AM) to Formulate a Philippine Government Asset Management Policy (PGAMP) and Provide Guidelines on the Establishment of Working Groups in the Agencies Concerned to Implement Said Policy

- iii. **DOF-DBM-NEDA Joint Memorandum Circular (JMC) No. 2020-1 dated September 24, 2020.**¹¹ Provides government agencies with the policies to operationalize an AMS through the PGAMP.
- iv. **DOF-DBM-NEDA JMC No. 2022-1 dated January 28, 2022.**¹² Provides the National Asset Management Plan 2022–2023.
- v. **DOF-DBM-NEDA JMC No. 2023-1 dated May 15, 2023.**¹³ Provides the guidelines on the preparation, submission, and policy on the processing and review of AAMPs.
- vi. **Establishment of the National Asset Registry System (NARS) by the BTr.** NARS serves as the central repository of the critical and strategically important nonfinancial assets of the government as provided under DOF-DBM-NEDA JMC No. 2020-1 and further reiterated by DOF-DBM-NEDA JMC No. 2022-1.¹⁴ NARS helps capture geographical, legal, and financial data for assets, information for disaster risk management and financing, including asset insurance, and other relevant information for public assets.
- vii. **Treasury Circular No. 1-2024 on March 27, 2024.**¹⁵ Issuance of the NARS Governance Framework to further lay down the policies, roles, responsibilities, procedures, processes and enable collaboration among users and stakeholders of NARS. This highlights the: (a) Roadmap for NARS; (b) key and supplemental functionalities that may be included in the system; (c) use of information gathered for data analytics; (d) NARS Competency Framework; and (e) monitoring and evaluation mechanisms.

The NARS enables the government to identify the strategically important assets, better manage these assets throughout its life cycle, track the ownership of these assets, and enable improved decision-making on asset and risk management.

As of March 2023, the NARS has been rolled out to 40 NGAs and instrumentalities. To date, the NARS contains 359,689 assets with a reported value of over Php2.0 trillion.

Ongoing Initiatives

Along with the submission of agency AAMPs and the development and rollout of NARS, the following are the ongoing efforts to strengthen government’s asset management.:

- i. Administration of the Asset Management Maturity Assessment Questionnaire (MAQ);
- ii. Conduct of capacity development interventions in the formulation and/or finalization of AAMP;
- iii. Development and rollout of web-based platform for NARS;
- iv. Conduct of workshops, hands-on sessions, and consultations in using NARS template and portal;

¹¹ Implementation of a Philippine Government Asset Management Policy (PGAMP)

¹² Adoption of a National Asset Management Plan (NAMP) as Part of the Implementation of the Philippine Government Asset Management Plan (PGAMP).

¹³ Guidelines on the Preparation, Submission, and Policy on the Processing and Review of Agency Asset Management Plans (AAMPs).

¹⁴ 2022 NARS Portfolio Risk Report accessed through: <https://www.treasury.gov.ph/wp-content/uploads/2023/07/Portfolio-Risk-Report-2022.pdf>

¹⁵ NARS Governance Framework.

- v. Harmonizing data standards in the recording of asset information; and
- vi. Expansion of NARS rollout.

Challenges

While enabling policies, tools, and system are now in place, challenges persist on agency compliance in the preparation and implementation of AAMPs and strengthening NARS implementation. These challenges are mainly linked to:

- i. Capacity constraints in the preparation and implementation of AAMPs;
- ii. Gaps in digitization of data for public assets across NGAs; and
- iii. Gaps in data consistency and completeness of information on public assets in NARS.

Transformation Outcome and Interventions

To address the concerns of ongoing initiatives and to enable a sustained path for improved public asset management in the country, the interventions and activities are directed toward improving the completeness and accuracy of data on strategically important public assets, thus contributing to effective asset management planning and maintenance.

Table 6 provides the interventions and activities and the target year of implementation. Among the 10 activities under this focus area, the diagnostic assessment to agencies with noncompliance in the preparation and implementation of AAMPs and the undertaking of measures to address issues are prioritized to start implementation in 2024.

Table 6. Summary of Interventions and Activities on Public Asset Management

	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 3	Completeness and accuracy of data on public assets are improved, contributing to effective asset management planning and maintenance				
Intervention 6	Strengthening the implementation of the National Asset Registry System (NARS)				
Activity 15	Design and implement measures to track and improve compliance in recording public assets data by the national government agencies (NGAs) in NARS	Medium	2024–2028	Bureau of Treasury (BTr)	NGAs

	Activities	Criticality	Year	Agency	Supporting Agencies
Activity 16	Widen the coverage of NARS as a source of information for public asset valuation among NGAs and Government- owned and -controlled corporations (GOCCs), and to also cover LGUs in the long run	Medium	2024–2028	BTr	Commission on Audit (COA), Department of Interior and Local Government (DILG), NGAs, Governance Commission for GOCCs
Activity 17	Implement system-based controls to allow asset repair, enhancement, and maintenance expenditure only for those assets registered in NARS	Medium	2024–2028	BTr	
Activity 18	Ensure consistency and completeness of information on public assets in NARS through enhanced collaboration with agencies handling public assets data to ensure enhancement of data accuracy in NARS	Medium	2024–2028	BTr	COA, and other agencies to be identified

	Activities	Criticality	Year	Agency	Supporting Agencies
Activity 19	Conduct independent system review, benchmarking with global good practices and globally well-established asset management systems to address gaps and improve functional design and capabilities of NARS	Medium	2024–2028	BTr	Development Partners
Activity 20	Develop and conduct capacity-building programs and establish collaboration programs with suitable countries for knowledge sharing on systems similar to NARS	Medium	2024–2028	BTr	
Intervention 7	Improving compliance in preparation and implementation of Agency Asset Management Plans (AAMPs)				
Activity 21	Conduct diagnostic assessment on agencies with noncompliance in the preparation and implementation of AAMPs and undertake measures to address issues	High	2024–2028	Department of Budget and Management (DBM)	Member-Agencies of the Development Budget Coordination Committee (DBCC) Technical Working Group (TWG) on Asset Management
Activity 22	Rollout capacity-building programs for lagging NGAs in the preparation and implementation of AAMPs	High	2024–2028	DBM	Member-Agencies of the DBCC TWG on Asset Management

	Activities	Criticality	Year	Agency	Supporting Agencies
Activity 23	Implement a monitoring and evaluation framework to keep track of NGAs' compliance in the preparation and implementation of AAMPs	Medium	2025–2027	DBM	Member-agencies of the DBCC TWG on Asset Management
Activity 24	Use of the AAMPs in the evaluation of agency budget proposal on asset maintenance, repairs, insurance, and other asset management related items	Medium	2026–2028	DBM	NGAs

CHAPTER 7 | **ACCOUNTING AND AUDITING**

STRATEGIC FOCUS AREA 4

The Philippines has a well-established accounting and auditing framework for the national government, LGUs, and GOCCs with broad number of standards and manuals issued by COA and DBM, which include but are not limited to the following:

- i. Government Accounting Manual (GAM);
- ii. 2020 Revised Philippine Government Internal Audit Manual (RPGIAM);
- iii. Internal Auditing Standards for the Philippine Public Sector (IASPPS) with the Philippine Application Guidelines (PAG);
- iv. Manuals for conducting financial, compliance, and performance audits; and
- v. Revised Internal Audit Manual (IAM) for Local Government Units (IAM for LGUs) in 2023 Edition.

These documents provide guidelines on: (1) government accounting practices; (2) internal audit guidelines to institutionalize its implementation across national and local governments; and (3) processes and procedures of conducting financial, compliance, and performance audits, among others.

Efforts were also undertaken by COA to support digitalization efforts through the following policy issuances:

- i. **COA Circular No. 2021-006 dated September 6, 2021.** Guidelines on the Use of Electronic Documents, Electronic Signatures, and Digital Signatures in Government Transactions;
- ii. **COA Circular No. 2021-014 dated December 22, 2021.** Guidelines on the Use of Electronic Collection (e-Collection) and Electronic Payment (e-Payment) for Government Transactions; and
- iii. **COA Circular No. 2023-006 dated August 2, 2023.** Guidelines Implementing the Preservation of Electronic Vouchers, Supporting Documents, and other Records submitted to Audit Teams pursuant to COA Resolution No. 2023-007 dated August 02, 2023.

COA's exclusive authority to establish the methods and techniques for its audits paved way to mainstream the Citizens' Participatory Audit technique into its regular financial, compliance and performance audits.¹⁶ Integrating CPA into its auditing methodology is also well-recognized by the Open Government Partnership (OGP).

These efforts have not just contributed to strengthening the accounting and auditing mechanisms in the government, but also in promoting transparency and accountability in the audit process.

¹⁶ <https://www.coa.gov.ph/coa-mainstreams-citizen-participatory-audit/>.

Ongoing Initiatives

To enable smooth implementation toward the digitalization of accounting and auditing mechanisms, among the ongoing initiatives include:

- i. Issuance, adoption, and implementation of the Internal Public Sector Accounting Standards (IPSAS) and corresponding PAG, Philippine Financial Reporting Standards (PFRS), and Philippine Accounting Standards in the government’s accounting and auditing process;
- ii. Updating of GAM for NGAs;
- iii. Revision of GAM for LGUs;
- iv. Development of GAM for Government Corporations classified as non-Commercial Public Sector Entities (non-CPSEs);
- v. Enhancement of COA’s eNGAS and eBudget System for NGAs and LGUs; and
- vi. Conduct of RPIAM training and other learning and development activities.

Challenges

While mechanisms are in place for a sound accounting framework, there are still key concerns in setting up a well-functioning auditing system in the country. Among the issues in auditing are on the **harmonization of policies and processes, strengthening human resource capabilities, and shift toward digitalization**, as follows:

- i. Fragmented institutional frameworks, policies, and guidelines on internal auditing issued by DBM and COA;
- ii. Insufficient competency of Internal Audit Units (IAU) in conducting baseline assessment of internal control systems (BAICS);
- iii. Nonexistence and non-operational local IAUs due to fund-unavailability, personnel service limitation, lack of support from local officials, and non-mandatory requirement to establish IAU positions;¹⁷
- iv. Lack of alignment in digitalization efforts in the updating of accounting policies, rules, and regulations;
- v. Delays in institutionalization and strict implementation of unified e-payments and e-collections, acceptability of electronic documents and digital signatures in government transactions, and online financial reporting despite policy issuances;
- vi. Incomplete and inaccurate records due to manual systems, existence of dormant accounts, and abnormal balances in the Books of Accounts;
- vii. Siloed financial management systems and lack of interoperability across the government;
- viii. Post-facto recording of transactions to financial management systems rather than in real time;

¹⁷ Based on 2019 data of the DBM, 2.5% of the provinces, 30.56% of the cities; and 56.23% of the municipalities do not have existing IAUs.

- ix. Sustaining IT human resources in the government to support development, deployment, and maintenance of financial management systems;
- x. Ensuring data security and controls on IT systems; and
- xi. Budgetary constraints and limited IT infrastructure for digitalization.

Transformation Outcome and Interventions

The strategy will focus on updating and harmonizing policies, guidelines, and other issuances on auditing: strengthening provision of capacity-building programs and activities on internal auditing among PFM personnel and optimizing the use of technology in the conduct of audits.

Strengthening the monitoring and evaluation framework in the CPA process will also be enhanced to further sustain COA’s CPA initiative. This shall contribute to enabling an informed decision-making in NEDA’s and DBM’s planning and budgeting processes.

Intervention on the digitalization of the performance of accounting and auditing process in the government is covered by the Strategic Focus Area on Digital PFM under Chapter 9.

Table 7 lists the interventions and activities for strengthening audit for public expenditure and for achieving the transformation outcome for auditing.

Table 7. Summary of Interventions and Activities on Accounting and Auditing

	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 4	Internal controls for public expenditure and revenue accounting are strengthened and compliance with financial accounting manual and guidelines are enhanced.				
Intervention 8	Strengthening the internal audit function across national government agencies (NGAs), government-owned and -controlled corporations (GOCCs), and local government units (LGUs)				
Activity 25	Consolidate the Revised Philippine Government Internal Audit Manual issued by the Department of Budget and Management (DBM), and the Internal Auditing Standards	High	2024–2025	DBM and COA	

	Activities	Criticality	Year	Agency	Supporting Agencies
	for the Philippine Public Sector issued by the Commission on Audit (COA) to provide uniform guidance to agencies in internal audit				
Activity 26	Establish dedicated internal audit cadre for the government	Medium	2026–2027	DBM	
Activity 27	Design and implement a framework for monitoring and evaluation of: (i) compliance to the creation of internal audit units within the agencies and allocation of sufficient staff for the unit; and (ii) performance of internal audit functions and institutional responsibilities for the implementation and management of such framework across NGAs and LGUs	Medium	2024–2026	DBM	COA
Activity 28	Develop a capacity-building plan for rolling out the training programs on internal audit to the assigned staff in NGAs and LGUs	Medium	2024–2026	DBM	COA

	Activities	Criticality	Year	Agency	Supporting Agencies
Intervention 9	Sustaining citizen participatory audit for public expenditure				
Activity 29	Strengthen monitoring and evaluation framework in the Citizens' Participatory Audit (CPA) process to enable informed decisions in planning and budgeting by the National Economic and Development Authority (NEDA) and DBM	Low	2024–2028	COA	NEDA and DBM
Activity 30	Institutionalize the participation of civil society organizations in the CPAs with adequate budgetary support in the General Appropriations Act	Low	2024–2028	COA	To be determined
Intervention 10	Scaling up efforts in the conduct of performance audits for public expenditure				
Activity 31	Implement capacity-building measures to systematically realign focus from a compliance audit to a performance audit	Medium	2024–2028	COA	NGAs
Activity 32	Establish a monitoring and evaluation framework to track the: (i) reduction in compliance audit efforts on	Medium	2024–2028	COA	NGAs

Activities	Criticality	Year	Agency	Supporting Agencies
the account of system enforced compliance controls; and (ii) progress in enhancing the coverage of performance audit for public expenditure				

CHAPTER 8 | CAPACITY DEVELOPMENT

STRATEGIC FOCUS AREA 5

The Government of the Philippines has implemented several measures over the years to upskill PFM practitioners across the national and local levels. The agencies providing PFM competency programs include the DBM, COA, the DILG’s Local Government Academy (LGA), and the Development Academy of the Philippines (DAP), among others.

Ongoing Initiatives

Some of the continuing measures and initiatives to capacitate PFM practitioners across the government include the following:

- i. **Philippines PFMCP.** Developed by the DBM in 2015, the PFMCP provides training on budgeting, procurement, accounting, auditing, and cash management.
- ii. **Development of curriculum framework and training programs.** Course curriculum and training materials are being developed for capacity-building programs in the PFM foundation (basics), budgeting and performance management, internal audit, and PFM for LGUs.
- iii. **Partnerships for training delivery.** The DBM, through its Capacity Development Division, is coordinating the delivery of capacity-building programs for NGAs, while the DBM regional offices provide support in the conduct of capacity-building programs for LGUs. The DBM is also establishing partnerships with state universities and colleges (SUCs) for a nationwide rollout of PFM capacity-building programs.

Challenges

While these efforts resulted in some key benefits, the following key challenges persist in the current environment:

- i. **Limited rollout of capacity-building programs.** When the DBM started the PFMCP in 2015, the national government had a base number of about 24,000 staff in various PFM roles across the NGAs. This number has increased almost a decade after. On top of this, the situation in LGUs is more concerning as this number would at least be quadrupled assuming there are at least two positions performing PFM roles in each of the 43,743 LGUs.¹⁸ To date, the PFMCP covered only 10%–15% of the national government staff. As a result, further efforts and financial commitment to implement PFM competency programs are needed.
- ii. **Budget constraints.** Insufficient budget allocations remain a key challenge impacting the rollout of capacity-building programs.
- iii. **Overlapping capacity development initiatives across agencies and/or institutions.** Several agencies are currently implementing similar capacity-building programs resulting in overlaps and duplication of efforts.

¹⁸ Provinces, Cities, Municipalities as of March 31, 2023

- iv. The lack of sufficient resource persons limits the scale and speed in capacitating PFM practitioners.
- v. Lack of an integrated learning management system for PFM. The lack of a centralized learning management system and unavailability of training programs in self-learning and digital content format hinders the efficient management and rollout of capacity-building programs.

Transformation Outcome and Interventions

The PFM Reform Strategy aims to enhance the coverage of the PFMCP and related capacity-building programs for PFM workforce across NGAs, GOCCs, and LGUs. This will maximize the opportunities for collaboration across PFM training providers in the government. In particular, the conduct of stocktaking activity among current institutional stakeholders, existing capacity-building programs, resources, and coverage, will pinpoint the means and policies needed for expansion and cooperation.

Table 8 provides the interventions and activities and the target year of implementation. Most of the activities under this focus area are tagged as high priority given the urgency to enhance PFM capacity building across the bureaucracy.

Table 8. Summary of Interventions and Activities on Capacity Development

	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 5	Coverage of capacity-building programs for public financial management (PFM) workforce across national government agencies (NGAs), government-owned and -controlled corporations (GOCCs), and local government units (LGUs) are enhanced				
Intervention 11	Strengthening institutional framework for PFM capacity-building				
Activity 33	Conduct stocktaking activities of current institutional stakeholders, existing capacity-building programs, resources, and coverage	High	2024–2025	Department of Budget and Management (DBM)	Development Academy of the Philippines (DAP), Local Government Academy (LGA), Commission on Audit (COA), Bureau of Local Government Finance (BLGF),

	Activities	Criticality	Year	Agency	Supporting Agencies
					Government Procurement Policy Board-Technical Support Office (GPPB-TSO), and other agencies that provide PFM capacity-building programs
Activity 34	Study the feasibility of establishing a PFM Institute with an independent mandate for coordinating and driving the PFM capacity-building efforts across national, regional, and local government levels.	High	2025	Task team	To be determined
Activity 35	Enroll PFM Capacity-Building Activity under Program Convergence Budgeting starting with the FY 2026 Budget.	High	2025	PFM Committee	DBM, DAP, LGA, COA, BLGF, GP-PB-TSO, and other agencies which provide PFM capacity-building programs
Activity 36	Incentivize agencies to participate in the PFM Capacity-Building Program by establishing an awards system for certified PFM practitioners.	Medium	2027	Inter-Agency on PFM Capacity-Building	

	Activities	Criticality	Year	Agency	Supporting Agencies
Intervention 12	Developing and implementing a comprehensive capacity-building rollout plan. The development of the capacity building shall be initiated in 2024, which shall be implemented during the remainder of the period.	High	2025–2028	To be determined	All PFM capacity development agencies
Intervention 13	Establishing a digital ecosystem for management and rapid rollout of a Public Financial Management Competency Program (PFMCP)				
Activity 37	Establish a database of PFM practitioners with the organization they belong to, role, qualifications, and a list of capacity-building programs conducted and attended .	High	2024	DAP	All with PFM Capacity Development Program
Activity 38	Establish a learning management system to support maintenance of inventory of capacity-building programs, training calendar, facility for enrollment of participants, electronic repository of self-learning materials for each program, links to both internal and external capacity-building programs and content, digital recordings of training programs held across locations, etc.	High	2025	To be determined after stock-taking	All

	Activities	Criticality	Year	Agency	Supporting Agencies
Intervention 14	Developing e-learning materials and tutorials for capacity-building programs, including partnerships with other organizations (development partners) for ready access to the training resources and materials for minimizing efforts and costs in developing such e-learning programs.				
Activity 39	Provide mobile applications and tools for ease of access to the PFM practitioners to the learning programs and resources.	High	2025	To be determined by the task team	All
Intervention 15	Reviewing and updating the current PFMCP and curriculum framework	High	2025–2026	To be determined by the task team	All
Intervention 16	Maximizing external partnership for PFM capacity development				
Activity 40	Assess and establish partnerships with reputable institutions and development partners for sharing the capacity-building programs and resources, including potential financial support, for accelerating the rollout of capacity-building programs.	High	2025–2026	To be determined by the task team	All

CHAPTER 9 | **DIGITAL PFM**

STRATEGIC FOCUS AREA 6

A comprehensive, integrated accounting and financial information system allows: (i) real time, online accounting, monitoring, and control of obligations and disbursements and directly link these to cash management for a more effective financial control and accountability; and (2) facilitate the generation and monitoring of vital information on all aspects of government financial transactions which are crucial for the government to make timely and informed decision.¹⁹

In recognition of the critical need for such a system in the government, EO No. 55 was issued in 2011, directing the integration and automation of government financial management systems.²⁰ To expedite the digitalization and reengineering of PFM processes for seamless government transactions, this commitment was renewed with the issuance of EO No. 29 in 2023.

Ongoing Initiatives

Since 2011, the government has been embarking on several PFM initiatives to automate PFM processes. This is evident with the existing PFM IT systems as follows:

- i. **Planning and Budgeting.** PIPOL System, OSBPS, Budget Preparation and Management System (BPMS), e-Budget of DBM
- ii. **Budget Execution.** e-Budget of DBM, BTMS, e-MDS, Project Management Information System (PMIS)
- iii. **Cash Management.** TRAMS, NGCDS, BTr NGAS, Online Cash Planning Reporting System
- iv. **Accounting and Reporting.** URS, e-NGAS, e-Budget (COA), and Annual Financial Reporting System (AFRS)

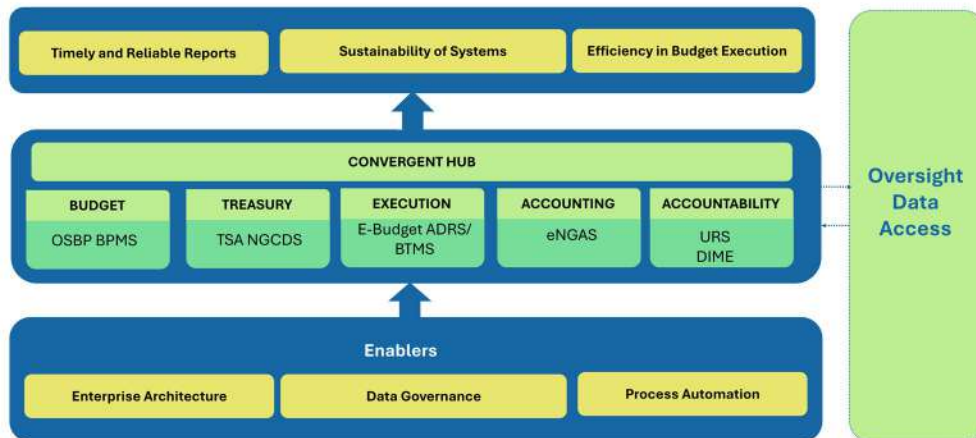
The thrusts to further digitally transform the PFM ecosystem was renewed through the development and implementation of an IFMIS with BTMS at its core.

As illustrated under Figures 2 and 3, the envisioned IFMIS framework for both NGAs and LGUs will use Application Programming Interfaces (APIs) as “highways” to link the existing stand-alone and legacy systems to a “core” central system. This has been adopted as the main strategy for IFMIS to enable processing and consolidation of data for fiscal reporting. This approach aims to ensure minimal disruption to existing agency processes, with NGAs and LGUs able to use their existing systems.

¹⁹ FAQs on the Proposed FY 2024 Budget

²⁰ 2020 Report to the Office of the President: Status of Implementation of Executive Order (EO) No. 55, s. 2011, Directing the Integration and Automation of Government Financial Management Systems.

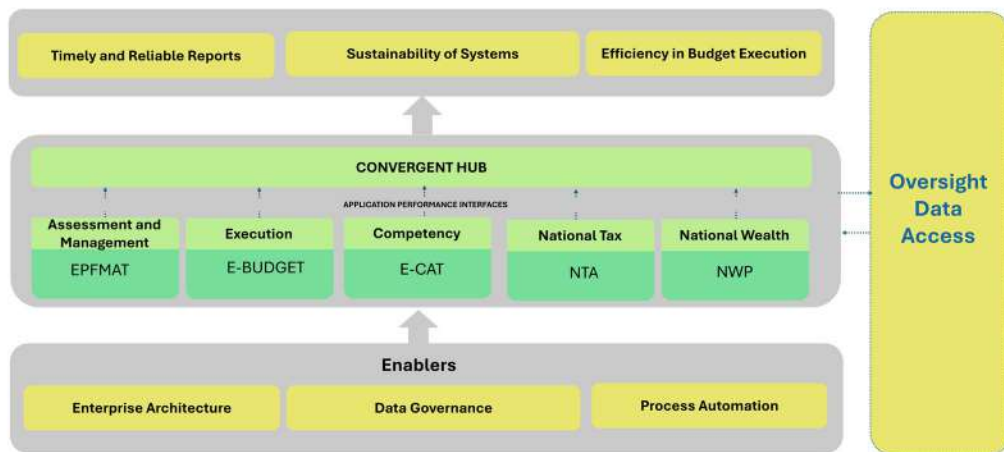
Figure 2. Convergent Hub for National Government Agencies



ADRS= Action Document Releasing System; BPMS= Budget Preparation and Management System; BTMS= Budget and Treasury Management System; DIME= Digital Information for Monitoring and Evaluation; eBudget=Electronic Budget Releasing System; eNGAS= Electronic National Government Accounting System; NGCDS= National Government Collection and Disbursement System; OSBPS= Online Submission of Budget Proposal System; TSA= Treasury Single Account; URS= Unified Reporting System.

Source: DBM, 2024.

Figure 3. Convergent Hub for Local Government Units



eBudget=Electronic Budget Releasing System; eCAT=Electronic Competency Assessment Tool; ePFMAT=Enhanced Public Financial Management Assessment Tool; NTA=National Tax Allocation; NWP= National Wealth Portal.

Source: DBM, 2024.

Challenges

The country's financial management systems remain fragmented, with many operating on a stand-alone mode with minimal integration, with the following persistent challenges:

- i. Duplication of efforts in the preparation and submission of financial reports to oversight agencies;
- ii. Manual processing of financial transactions, leading to longer turnaround time and posing tracking and monitoring challenges; and
- iii. Lack of system integration, which makes consolidation of financial management data a challenge.

Transformation Outcome and Interventions

The strategy seeks to consolidate the existing IT systems and to implement an integrated systems framework for PFM, which will achieve the following: (i) digitalization of transaction data at source to minimize post-facto recording of manual transactions in IT systems; (ii) adoption of digital documents and electronic signatures for transaction processing; (iii) digital tools and systems to address the stakeholder needs across all the locations (central offices, regional offices, remote field offices); (iv) minimization of parallel reporting burden on NGAs for addressing the oversight agency reporting requirements; (v) business process reengineering for each PFM function and related processes; and (vi) adoption of emerging technology strategy and tools for PFM.

The Strategic Focus Area on Digital PFM aim to achieve four key interventions.

Table 9 provides the interventions and activities with the target year of implementation. Among the nine (9) activities under this strategic focus area, the (i) procurement of Technology Stack as foundation for BTMS, (ii) conduct of data and systems mapping for BTMS, (iii) revisiting the UACS Code, and (iv) formulation and adoption of policy on data sharing shall be prioritized as critical activities on building the foundations for the envisioned IFMIS.

Table 9. Summary of Interventions and Activities on Digital Public Financial Management

	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 6	Efficiency, transparency, accuracy and timeliness of budget and financial accountability reports are improved to ensure efficient management of revenues and expenditure.				
Intervention 17	Developing and implementing the Budget and Treasury Management System (BTMS) as the interoperable core of the government's Integrated Financial Management Information System				

	Activities	Criticality	Year	Agency	Supporting Agencies
Activity 41	Procure Technology Stack as foundation for the implementation of BTMS	High	2024–2025	Department of Budget and Management (DBM)	Public Financial Management (PFM) committee member-agencies and their resource institutions
Activity 42	Conduct data and systems mapping for BTMS	High	2024–2025	DBM	PFM committee member-agencies and their resource institutions
Activity 43	Revisit the Unified Accounts Code Structure (UACS)	High	2024–2025	DBM	Commission on Audit (COA), Bureau of Treasury (BTr), and Philippine Statistics Authority
Activity 44	Develop the BTMS rollout mechanism on a phased approach	Medium	2024–2025	DBM	PFM committee member-agencies and their resource institutions
Activity 45	Develop a strategy to enable integration of financial management systems across agencies through application programming interfaces	Medium	2025	DBM	PFM committee member-agencies and their resource institutions

	Activities	Criticality	Year	Agency	Supporting Agencies
Intervention 18	Ensuring quality controls are set up for BTMS				
Activity 46	Conduct COA quality assurance on BTMS to determine needed policy changes to facilitate digitalization of financial transactions across the bureaucracy	Medium	2026–2027	COA	PFM committee member-agencies and their resource institutions
Activity 47	Develop and implement a system controls framework in information and communication technology systems for PFM to ensure financial management transactions fully comply with existing budgeting, accounting, and auditing laws, rules, and regulations	Low	2024–2028	COA	DBM
Intervention 19	Sustaining implementation of the eGovPay platform for government payments and collections	Medium	2024–2028	Department of Information and Communications Technology	BTr and Authorized Government Servicing Banks

	Activities	Criticality	Year	Agency	Supporting Agencies
Intervention 20	Implementing an Integrated Project Monitoring and Reporting System				
Activity 48	Conduct cost-benefit analysis to determine the system to adopt for contract management (use of existing or new system)	Low	2026–2028	National Economic and Development Authority (NEDA)	DBM, PS-Philippine Government Electronic Procurement System (PhilGEPS), Department of Public Works and Highways and Department of Agriculture
Intervention 21	Establishing a PFM data management architecture and a comprehensive data lake/warehouse for PFM				
Activity 49	Formulate and adopt a policy framework on PFM data sharing	High	2024–2025	DBM	PFM committee member-agencies and their resource institutions

CHAPTER 10 | PFM POLICY AND LEGAL FRAMEWORK

STRATEGIC FOCUS AREA 7

A comprehensive legal framework on PFM is essential in promoting transparency, accountability, efficiency, and stability in the management of public finances. Three key legislative reforms under this focus area are being proposed as follows:

- i. **PFM Law.** The last comprehensive policy of the Philippines on PFM was issued 37 years ago as Book VI of the Government’s Administrative Code of 1987 (or EO No. 292). The PFM Committee has been advocating the enactment of PFM Law in Congress since 2015 to enable updating and consolidation of PFM policies brought about by digitalization and changes in PFM mechanism.
- ii. **Creation of the Office of the Comptroller General (OCG).** The establishment of the OCG is aimed to further improve the accountability and financial reporting, and overall management of accounting services and financial system of the government. The establishment of the OCG will be patterned on international framework and best practice.
- iii. **New Government Auditing Code.** Presidential Decree No. 1445 issued on June 11, 1978, also known as the Government Auditing Code of the Philippines, has been the country’s auditing code for 45 years. With the changing policies and mechanism in the auditing landscape, specifically the need for (a) adoption of international accounting and auditing standards; (b) incorporation of digital technology in COA’s audit approaches, techniques, and processes; (c) enhancement of anti-corruption capabilities; and (d) enhancement of the public sector’s accountability, its amendment is sought consistent with the President’s call for a New Government Auditing Code during the 2023 State-of-the-Nation-Address (SONA).

Ongoing Initiatives

The DBM, in coordination with the PFM Committee member-agencies, together with the Presidential Legislative Liaison Office (PLLO) continue to actively advocate for the immediate enactment of the Budget Modernization Bill, now known as the Progressive Budgeting for Better and Modernized (PBBM) Governance Bill in the 19th Congress. This is following the President’s call for its enactment during his first SONA and as part of the priority measures of the Legislative-Executive Development Advocacy Council (LEDAC) and PDP 2023–2028.²¹

²¹ Identified under Chapter 11. Ensure Macroeconomic Stability and Expand Inclusive and Innovative Finance; and Chapter 14. Good Governance and Bureaucratic Efficiency as one of the priority legislative agenda.

The PFM Committee endorsed the Administration version of the PBBM Governance Bill to the House of Representatives and the Senate in February 2023. A comprehensive review process ensued between and among the PFM committee member-agencies and their counterparts in Congress through a series of briefings and consultation meetings from February to May 2023.²² As a result, a revised version of the PBBM Governance Bill was endorsed to both chambers of Congress on May 26, 2023. The first public hearing for the Bill was held on July 6, 2023 by the Senate’s Committee on Finance.²³

Meanwhile, the Revised Government Auditing Act under House Bill No. 9674 has passed the Third and Final Reading at the House of Representatives on December 12, 2023, and is being tackled at the Senate. The bill aims to modernize the auditing code to reflect current technologies and practices; and includes provisions in digitalizing transaction audit trails, professionalizing services through international standards, and enhancing accountability and transparency in government operations.

Challenges

Several hurdles were encountered, resulting in delays in the passage of these laws, including

- i. The lack of champions in Congress;
- ii. Change in leadership; and
- iii. Prioritization of other important bills of the Administration.

Transformation Outcome and Interventions

The strategy aims to institutionalize all the reforms through a legislative act or an EO. These laws will enhance efficiency and transparency in managing and auditing the government budget in the Philippines, consolidate the fragmented PFM legal framework, modernize the country’s budgeting process, auditing process and strengthen accountability, transparency, and fiscal responsibility during budget execution.

The creation of the OCG is envisioned to oversee and manage financial reporting across government agencies, including periodic monitoring and annual management regarding accuracy, timeliness, completeness, and compliance to existing rules and regulations; and oversee the operationalization of the IFMIS.

The Strategic Focus Area on PFM Policy and Legal Framework will focus on achieving three key interventions. Activities on each intervention will be discussed and crafted by the task team.

²² A series of Briefing and Consultation Meetings were held on February 23, 2023; March 28, 2023; April 11, 2023; April 17, 2023; April 18, 2023; April 27, 2023; and May 9, 2023. Among those who participated in the review process were, as follows: (i) PFM committee member agencies - Department of Budget and Management, Department of Finance, Bureau of the Treasury, and the Commission on Audit; (ii) Senate Committee on Finance; (iii) Legislative Budget Research and Monitoring Office (LBRMO); and (iv) House of Representatives - Committee on Appropriations.

²³ The hearing aimed to discuss the various bills related to Budget Modernization filed in the 19th Congress, namely: (i) Senate Bill No. 2045 filed by Sen. Imee Marcos; (ii) Administration’s Version of the PBBM Governance Bill as endorsed to the Senate Committee on Finance on May 26, 2023; and (iii) Senate Bill No. 1020 filed by Sen. Jinggoy Estrada.

Table 10. Summary of Interventions on Public Financial Management Policy and Legal Framework

	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 7	Comprehensive and harmonized policies and legislative framework for public financial management (PFM) are established				
Intervention 22	Leading the enactment of the Progressive Budgeting for Better and Modernized (PBBM) Governance Bill in Congress and developing and rollout of the implementing rules and regulations (IRR)	High	2025–2026	Department of Budget and Management (DBM)	PFM committee member-agencies and their resource institutions
Intervention 23	Creation of the Office of the Comptroller General under the Department of Finance, including defining the organizational structure and its functions. Issuance of the executive order (EO) and its IRR	High	2025–2026	DBM/ Department of Finance (DOF)	PFM committee member-agencies and their resource institutions
Intervention 24	Amendment to Presidential Decree No. 1445, also known as the Government Auditing Code of the Philippines and the development of the IRR	High	2025–2026	Commission on Audit (COA)	PFM committee member-agencies and their resource institutions

CHAPTER 11 | PUBLIC PROCUREMENT

STRATEGIC FOCUS AREA 8

Public procurement is a crucial component of public service delivery, good governance, and sustainable economies with inclusive growth. This vital role is evident with the government’s spending around 60% of total budget covered by public procurement—mainly on capital outlays and maintenance and other operating expenses (MOOE). With an efficient procurement process, a substantial amount of government resources is freed up.²⁴

During the last 2 decades, the Philippine Public Procurement System has undergone several reforms, including the: (i) adoption of the Procurement Reform Act (Republic Act No. 9184) and its implementing rules and regulations (IRR) in 2003; (ii) establishment of the Government Procurement Policy Board (GPPB) and its Technical Support Office (GPPB-TSO) as an independent agency to oversee and regulate the public procurement in the Philippines with specific mandate to undertake procurement policy formulation, standardization of procurement documents, capacity building for procurement practitioners, monitoring and oversight, and promotion of best practices in public procurement; and (iii) development and implementation of the Philippine Government Electronic Procurement System (PhilGEPS) to improve transparency and efficiency in public procurement through the publication of procurement opportunities and supplier registration, conduct of electronic bidding, and the inclusion of e-market place for procurement of goods.

Ongoing Initiatives

Recent efforts of the government highlight the commitment to digitalize the government’s procurement system to improve and modernize public procurement. The initiatives include, but are not limited to the following:

- i. Memorandum of Agreement with the Landbank of the Philippines in August 2023 for the commencement of the Government Purchase Card Program;
- ii. Green Public Procurement Strategy to reduce environmental impact of procured goods and services;
- iii. Expansion of the eMarketplace to include non-common-use supplies such as government vehicles; and
- iv. Introduction and recent passage of the new Government Procurement Reform Act to simplify, improve, and modernize the government procurement system, thereby amending the decades-old RA No. 9184.

Challenges

While improvements were achieved, the following challenges persist in public procurement as identified by the 2023 Report on the Assessment of Philippine Public Procurement System using the 2018 Methodology for Assessing Procurement Systems (MAPS):

²⁴ Assessment of Public Procurement System for the Philippines’ Report using the Methodology for Assessing Procurement Systems (2023): <https://www.mapsinitiative.org/assessments/MAPS-Assessment-report-philippines-volumel.pdf>

- i. Overall lack of bidder participation in terms of access to bidding documents;
- ii. Increased rate of bidding failures;
- iii. Issue on eligibility requirements on licensing and nationality/establishment, which limits competition, further enabling barriers to entry; and
- iv. Lack of compliance among procuring agencies performing and recording procurement activities in PhilGEPS, resulting in significant gaps in the information available.

Transformation Outcome and Interventions

In support of the passage of the new Government Procurement Reform Act, the strategy for 2024-2028 focuses on furthering the procurement reforms in the country through four interventions, in **Table 11**, to enable **enhanced transparency and streamlined procurement process**.

Such measures will include institutional strengthening for public procurement and sustainability and green procurement measures. The implementation approach and related activities for each intervention shall be finalized by the task team during the implementation.

Table 11. Summary of Interventions on Public Procurement

	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 8	Transparency and efficiency in public procurement processes are enhanced				
Intervention 25	Strengthening the regulatory framework through the enactment of the new Procurement Law and its IRR	Medium	2024–2028	Government Procurement Policy Board-Technical Support Office (GP-PB-TSO)	
Intervention 26	Institutional strengthening for public procurement to enable institutional arrangements necessary to implement the new Procurement Law	Medium	2024–2028	GP-PB-TSO	

	Activities	Criticality	Year	Agency	Supporting Agencies
Intervention 27	Enhancing the Philippine Government Electronic Procurement System (PhilGEPS) and related systems	Low	2025–2028	PS-Phil Geps	
Intervention 28	Designing and implementing measures to deepen green procurement	Medium	2025–2028	GP-PB-TSO	

CHAPTER 12 | **DISASTER RISK REDUCTION AND MANAGEMENT**

STRATEGIC FOCUS AREA 9

The Philippines, being located along the Pacific Ring of Fire and the typhoon belt, is vulnerable to earthquakes and tropical cyclones each year with an estimated annual average loss of Php177 billion or USD3.2 billion. The Philippine Disaster Risk Reduction and Management Act of 2010 (RA No. 10121) provides legal basis for a paradigm shift from disaster preparedness and response to disaster risk reduction and management (DRRM). The DRRM law emphasizes the need for disaster preparedness and response in reducing the exposure of communities to disasters. A National DRRM Plan is prepared to serve as the national guide on achieving sustainable development and building capacities of the communities.

Ongoing Initiatives

Under RA No. 10121, the National DRRM Fund, a Special Purpose Fund was also set up to provide aid, relief, and rehabilitation services to communities and areas affected by human-induced and natural calamities, and repair and reconstruction of permanent structures, including other capital expenditures for disaster recovery and rehabilitation activities. Thirty percent of the fund is allocated to augment the Quick Response Fund lodged in key government agencies (i.e., Department of Education, Department of Agriculture, Department of Public Works and Highways, and Department of Social Welfare and Development) to be used as stand-by fund for relief and recovery programs to help communities stricken by disasters, calamities, epidemics, or complex emergencies to normalize as quickly as possible. For 2024, approximately Php20.5 billion is set aside for the National Disaster Risk Reduction and Management Fund (NDRRMF) for 2024.²⁵

To ensure the fiscal health of the economy during disasters, disaster financing is made available. It is aimed at: (i) maintaining sound fiscal health at the national government level to support long-term rehabilitation and reconstruction needs, (ii) providing sustainable financing mechanisms for LGUs necessary to provide immediate liquidity at the onset of a disaster, and (iii) reducing the impact to the poorest and most vulnerable.

Among the disaster financing mechanisms and programs in place are the Parametric Insurance Program, Catastrophe Bond, and the National Indemnity Insurance Program. The BTr is leading these initiatives and maximizes the use of NARS to inform and link strategies for disaster risk financing. The intervention on NARS is discussed more thoroughly in the Public Asset Management Strategic Focus Area under Chapter 6.

Other DRRM interventions at the local level includes the creation of the Local DRRM Fund and the implementation of the Seal of Good Local Governance (RA No. 11292) with disaster risk preparedness of the LGUs as a performance indicator.

²⁵ FY-2024-NDRRMF-Status-as-of-March-31-2024.pdf (dbm.gov.ph)

Challenges

The following are the key challenges in the DRRM fund management:

- i. The annual allocation for NDRRMF is fluctuating and insufficient as reflected by the need for augmentation every year. From 2016–2021, the NDRRMF received more than P19.3 billion augmentation fund.
- ii. For fiscal year (FY)2016–2021, majority of the funds were allocated for the same types of projects, those that cover post-disaster reconstruction and rehabilitation efforts and are already regularly funded by implementing agencies and LGUs.
- iii. While LGUs’ access to the Fund from 2016–2021 is evident with LGU-requested projects clinching more than half of the total budget, continued efforts are needed to ensure LGUs’ share is fairly distributed.
- iv. There is currently no mechanism to determine whether commitments in the Sendai Framework for DRR and the outcomes in the National DRRM Plan are supported by programs and allocated with funds.

Transformation Outcome and Interventions

The strategy for 2024–2028 will focus on the efficient allocation of DRRM Funds with two interventions, which require a review of existing policy. Designing and implementing a classification and tagging of budget line items for DRRM to support in: (1) tracking the total budget for DRRM and its allocations to agencies, regions, and the GOCCs; and (2) monitoring agency performance and utilization on DRRM Funds.

Table 12 provides the interventions, some identified activities under the transformation outcome, and the target year of implementation. The implementation approach and related activities for each intervention shall be finalized by the task team.

Table 12. Summary of Interventions and Activities on Disaster Risk Reduction and Management

	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 9	Efficiency in releasing, monitoring, and reporting of Disaster Risk Reduction and Management (DRRM) Funds are improved				
Intervention 29	Revisiting the Philippine DRRM Act provision on the Local Disaster Risk Reduction Management Fund (LDRRMF) and its use	Medium	2025–2026	Office of Civil Defense (OCD)	National Disaster Risk Reduction and Management Council (NDRRMC)
Intervention 30	Budgeting guideline, allocation, and release of disaster expenditure streamlined				

	Activities	Criticality	Year	Agency	Supporting Agencies
Activity 50	Review existing budgeting guidelines on allocation, and release of disaster expenditure to streamline procedure both at the national government and LGU level.	Medium	2025–2026	Department of Budget and Management (DBM), Department of Interior and Local Government (DILG)	OCD, Climate Change Commission (CCC)
Activity 52	Design and implement classification and tagging of budget line items for DRRM to support the tracking of the total budget for DRRM, allocations to agencies, regions, and the government-owned and -controlled corporations, and in monitoring its performance and budget utilization.	High	2025–2026	DBM	OCD, CCC, DILG

	Activities	Criticality	Year	Agency	Supporting Agencies
Intervention 31	Developing an integrated system for monitoring and evaluating the development and implementation of the disaster risk management plans, programs, and activities, ensuring space for third party social monitoring mechanism. Activities will be formulated by the task team as soon as they are created for 2025 onward.	Low	2027–2028	DILG	OCD, DBM, CCC

CHAPTER 13 | PFM FOR LGUs

STRATEGIC FOCUS AREA 10

Greater collaboration between the local and national government is among the six crosscutting strategies identified under the PDP 2023–2028 to achieve economic, social, institutional, and environmental transformation across the country.

The PDP seeks to bring local governments as equal partners in the development agenda of the country and accordingly, the budget for 2024 includes Php1.011 trillion for LGUs, equivalent to 17.5% of the 2024 national budget. The implementation of Devolution Transition Plans (DTPs) and allocations for LGUs in the national budget necessitates establishing sound PFM policies, institutional capacities, and systems at LGUs.

Challenges

PFM assessments conducted over the years for LGUs indicated weaknesses such as frequent staff turnover in the finance function, insufficient PFM capacity, and lack of automated tools.

Transformation Outcomes and Interventions

The PFM Reforms Roadmap 2024–2028 will focus on implementing measures to systematically address these challenges.

The strategy aims to enable LGUs to embed sound PFM institutional capacity to support in improving efficiency, transparency, and the overall outcomes in the implementation of local government plans and programs leading to enhanced and sustained institutional capacities for managing PFM at the local government level. Detailed activities will be discussed and crafted by the task team.

Table 13. Summary of Interventions on Public Financial Management for Local Government Units

	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 10	Institutional arrangements for public financial management (PFM) in local government units (LGUs) are enhanced and sustained				
Intervention 32	Reviewing Executive Order No. 138 to provide guidance on the Devolution Transition Plans	Medium	2024–2025	Department of Interior and Local Government (DILG)	Department of Budget and Management (DBM), Department of Finance (DOF), DILG

	Activities	Criticality	Year	Agency	Supporting Agencies
Intervention 33	Strengthening Internal Audit Cadre in LGUs	Medium	2025	PFM Committee	DBM, Bureau of Local Government Finance (BLGF), DILG
Intervention 34	Institutionalizing PFM cadre in LGUs	Medium	2025	PFM Committee	DBM, BLGF, DILG
Intervention 35	Developing a consolidated PFM manual for LGUs	Medium	2025–2026	Task Team	PFM committee member-agencies, DILG
Intervention 36	Embedding a sound PFM capacity development program and rollout plan in LGUs	High	2025–2028	Task Team on Capacity Development	All with PFM Capacity Development Program
Intervention 37	Implementing a Unified Accounts Code Structure system for LGUs	Medium	2025–2026	PFM Committee	DBM, BLGF, DILG
Intervention 38	Implementing digital transformation for LGU PFM	Medium	2026–2028	PFM Committee	DBM, BLGF, DILG

CHAPTER 14 | **MONITORING AND EVALUATION**

STRATEGIC FOCUS AREA 11

The PDP devoted a chapter on monitoring and evaluation (M&E) that highlights the importance of setting the necessary mechanisms to monitor and evaluate results as integral steps in the eventual attainment of the PDP outcomes through a whole-of-government and whole-of-society collaboration of efforts.

The National Evaluation Policy Framework (NEPF) in 2015 adopted by NEDA and DBM underscores the need to develop a performance-oriented and evaluative culture in the government in support of good governance, transparency, accountability, and evidence-based decision-making. The framework outlines institutional arrangements for national evaluation policy implementation, which includes (i) an Evaluation Task Force with representation from NEDA, DBM, and the Office of the President-Presidential Management Staff and its Secretariat; (ii) establishment of evaluation units within the implementing agencies; and (iii) an interim TWG to provide strategic direction for policy implementation. The Evaluation Task Force was convened for the first time in October 2023.

Some of the ongoing initiatives under M&E include:

- i. Introduction of Organizational Performance Indicator Framework;
- ii. Adoption of the Results-Based Monitoring, Evaluation and Reporting Policy Framework issued through National Budget Circular No. 565 by DBM in 2016. While fragmented, this circular has guided the conduct of M&E activities of NGAs;
- iii. Adoption of Performance-Informed Budgeting to include the performance information in the budget law;
- iv. Adoption of the program structure in the budget (PREXC-PIB) and the establishment of key performance indicators and targets and monitoring their progress with the budget releases and address gaps;
- v. Adoption of results-based performance management system and performance-based bonus scheme; and
- vi. Creation of a unit in DBM under the Budget Performance Monitoring and Evaluation (BPME) Functional Group (Performance Monitoring and Evaluation Bureau [PMEB]) charged to undertake oversight M&E, which introduced M&E policies for NGAs and initiated the Digital Information for M&E (Project DIME) that undertook monitoring of big-ticket programs and projects using innovative solutions. The PMEB and the BPME Functional Group have been decommissioned since the coronavirus disease (COVID-19) pandemic.

Ongoing Initiatives

The following summarizes the program performance reviews conducted by the oversight agencies:

- i. NEDA, through the Investment Coordination Committee, evaluates and approves projects exceeding Php2.5 billion and established a dedicated unit (Monitoring and Evaluation Staff [MES]) for conducting portfolio reviews of official development assistance projects for reporting to Congress annually;
- ii. DBM conducts biannual desk reviews of NGAs' performance through the Agency Performance Review (APR) exercise using Budget and Financial Accountability Reports to determine the physical accomplishments and budget utilization rates of implementing agencies vis-à-vis their targets as appearing in the General Appropriations Act (GAA); and
- iii. COA institutionalized citizen participatory audit and performance audit methodologies in its auditing framework for public expenditure.

Challenges

Despite having a strong intent, gaps exist in the conduct of M&E activities for government programs and incorporating feedback from such activities into decision-making for budget allocations. The biggest challenge in implementing M&E function and activities is attributable to the notion that it is part of implementation, and thus may not be prioritized given limited resources for program and/or project funds. Some of the initiatives that has not gained traction for several reasons are as follows:

- i. Enactment of M&E law enabling the harmonization of agency specific work, performance, and strategic plans with the development plans, PAPs, and the budget; and
- ii. Creation of M&E positions and units due to resource constraints.

Transformation Outcome and Interventions

The M&E interventions are aimed at addressing **enhanced oversight for public expenditures contributing to the realization of intended PAP outcomes and benefits**. To address the challenges, it is best to do a phased implementation of the interventions in this focus area that will be piloted to several big spending agencies.

Measures will be implemented for scaling up M&E activities within the select agencies, with substantial budget allocations. Such measures will include allocation of budget for conducting M&E for programs, building staff capacity in M&E, and handholding support during pilot evaluations for select programs and to ensure M&E results are addressed through corrective measures and considered during planning and budget allocations.

The strategy for 2024–2028 focuses on strengthening the M&E capacity and mainstreaming the culture of evidence-based decision-making across the oversight and implementing agencies through following targeted interventions. Detailed activities will be discussed and crafted by the task team:

Table 14. Summary of Interventions on Monitoring and Evaluation

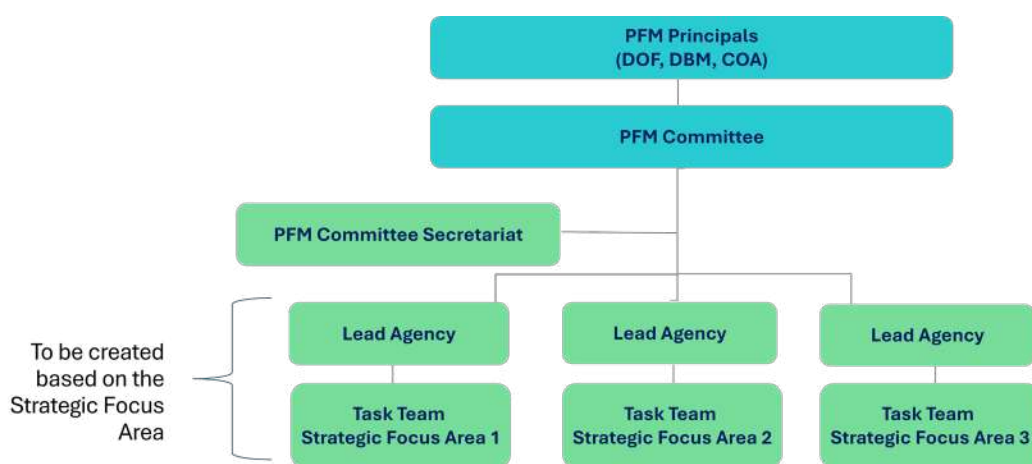
	Activities	Criticality	Year	Agency	Supporting Agencies
Transformation Outcome 11	Oversight for public expenditures is enhanced, contributing to the realization of intended program, activities, and projects (PAP) outcomes and benefits				
Intervention 39	Comprehensive review of the current institutions and mechanisms that support monitoring and evaluation (M&E) practices in the country and intensifying institutional arrangements for M&E, through harmonized and standardized M&E practices/ coverage for national government agencies (NGAs), government-owned and -controlled corporations (GOCCs), and local government units (LGUs)	Medium	2025–2028	National Economic and Development Authority (NEDA), Department of Budget and Management (DBM)	(Presidential Management Staff), implementing agencies
Intervention 40	Strengthening monitoring and evaluation function in NGAs, GOCCs and LGUs. This intervention includes implementing capacity-building programs on M&E of programs, activities, and projects, including performance target setting, M&E target setting, and costing of M&E activities	Medium	2025–2028	NEDA, DBM	PMS, implementing agencies

	Activities	Criticality	Year	Agency	Supporting Agencies
Intervention 41	Enhancing mechanisms and tools to produce and use evaluation findings to feed into priorities-setting, budget allocation, and audit processes	High	2025–2028	NEDA, DBM	PMS, implementing agencies

CHAPTER 15 | INSTITUTIONAL ARRANGEMENTS

The PFM Committee,²⁶ created under EO No. 55, s 2011 and reinstated under EO No. 29, s. 2023, shall oversee the implementation of the PFM Reforms Roadmap 2024–2028. This is in pursuant of the PFM committee’s mandate of managing the implementation of overall reform strategy, prioritization and sequencing of interventions, coordination with the government’s broader governance reform agenda, policy consistency across reforms, and adequacy of overall resourcing.

Figure 4. Institutional Arrangement for the Implementation of the Public Financial Management Reforms Roadmap



Note: Task Team Lead with the concurrence of its members may tap existing Inter-agency bodies/ TWGs.

COA = Commission on Audit, DBM = Department of Budget and Management, DOF = Department of Finance, PFM = public financial management, TWG = technical working group.

Task teams will be created under the PFM Committee composed of various agencies and instrumentalities based on the functional coverage of the strategic focus areas. Each task team shall have **the lead agency/ies** indicated under **Table 15**. The lead agency/ies shall be responsible in steering the task team’s implementation of activities and interventions.

Table 15. Strategic Focus Area and Lead Agency/ies

Strategic Focus Areas	Lead Agency/ies
Planning and Budgeting Linkage	National Economic and Development Authority (NEDA)/Department of Budget and Management (DBM)
Cash Management	Bureau of Treasury (BTr)/ DBM

²⁶ The PFM Committee was established by Executive Order No. 55 in 2011. It consists of representatives from the Commission on Audit (COA), Department of Budget and Management (DBM), Department of Finance (DOF) and Bureau of the Treasury (BTr). The committee’s primary responsibility is to oversee and coordinate the implementation of Public Financial Management (PMF) reforms in the country.

Strategic Focus Areas	Lead Agency/ies
Public Asset Management	DBM/BTr
Accounting and Auditing	Commission on Audit (COA)/ DBM
Capacity Development	DBM/Development Academy of the Philippines
Digital PFM	DBM
PFM Policy and Legal Framework	DBM, Department of Finance, and COA
Public Procurement	Government Procurement Policy Board- Technical Support Office
Disaster Risk Reduction and Management	Office of Civil Defense , Department of Interior and Local Government, and DBM
PFM for LGUs	DBM, Department of Interior and Local Government, and Department of Finance
Monitoring and Evaluation	NEDA/DBM

The task teams shall be responsible for (i) developing and maintaining respective reform workplans; (ii) discussing the activities and/or craft additional activities to achieve the transformation outcome and interventions; (iii) developing capacity development program and conduct training, change management, and communications needed for successful implementation of the interventions; (iv) coordinating with other task teams especially with those crosscutting activities; and (v) submitting periodic reports to the PFM Committee as the basis of reporting to the Office of the President.

Strategic focus areas with existing and active TWGs will be tapped to implement the reforms to avoid duplication of efforts.

In line with the mobilization of the task teams, the following shall be undertaken by the PFM Committee:

- i. Identify existing TWGs and steering committee to which specific reform interventions can be lodged.
- ii. Create the task teams to implement other strategic focus areas.
- iii. Clarify the specific roles and responsibilities of each of the task teams, including identifying the task teams’ secretariat to enable the proper documentation and tracking of the implementation progress.
- iv. Cascade the work plan to mobilize the task teams.

The PFM Committee Secretariat will provide technical support to the PFM committee in overseeing the roadmap implementation and will assist the task teams for coordination needed across the focus areas.





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