OPENNESS THAT TRANSFORMS

Making Fiscal Transparency Work for the People

Sec. Florencio "Butch" B. Abad
Department of Budget and Management
Government of the Philippines

The Philippines as "The Sick Man of Asia"(2010)

"The Philippines is Southeast Asia's Strong Man."

-Bloomberg, January 2015

"Fastest growing economy in Asia: 6.9% Q1 2016 GDP."

-NEDA, May 2016

How was this possible?

1. Strong Leadership
2. Innovative Policies
3. Leveraging Technology

The Aquino Administration

An aggressive anti-corruption and good governance campaign

A determined focus on transparency, accountability, and citizen empowerment

The Aquino 2010 Campaign

A genuine social movement

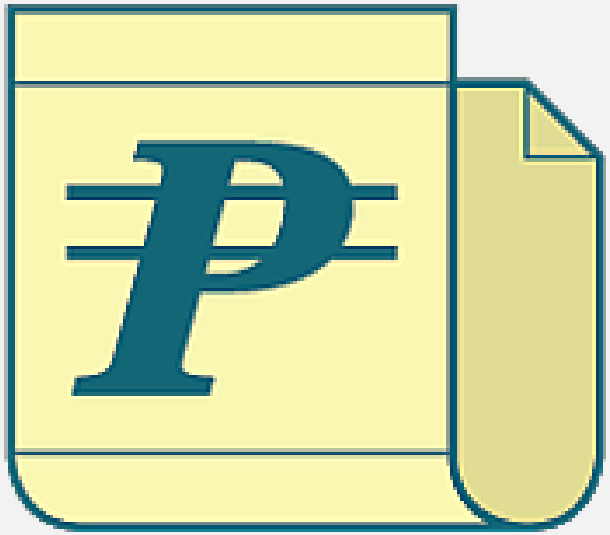
Zero-Based Budgeting

Putting every program and project under a magnifier

No sacred cows

Disaggregating lump-sum funds

Minimizing budget ambiguity



Budget Partnership Agreements

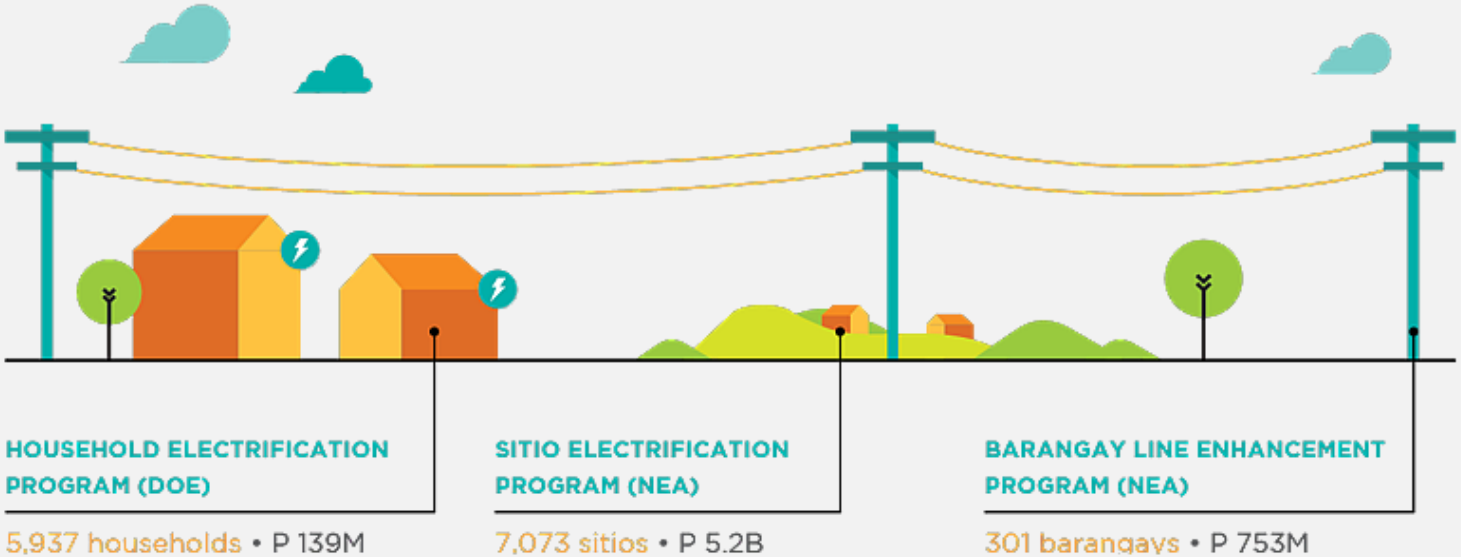
Engaging civil society and fostering partnership with them through budget planning

Transparency Seal

Better disclosure across the bureaucracy

OPEN DATA PHILIPPINES

Giving people meaningful access to key government info



Performance-Informed Budgeting

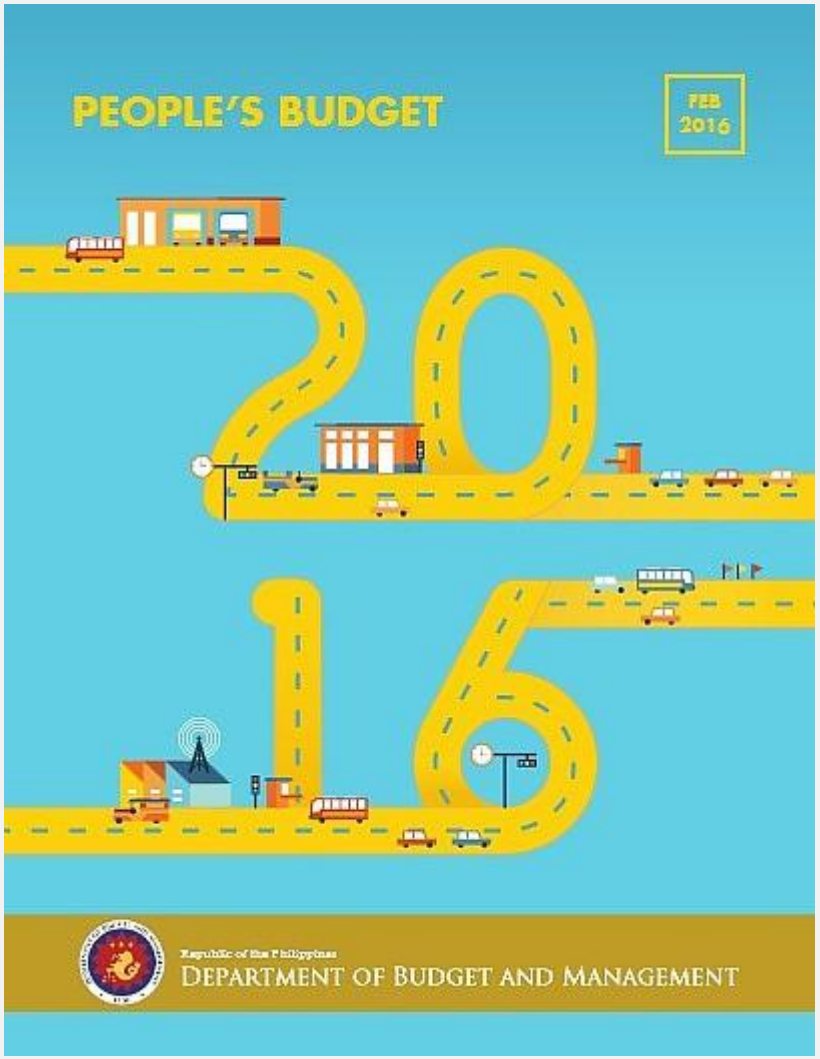
Results-based budget that tells our story of growth

Bottom-Up Budgeting

For the first time, citizens and local gov’ts were given a voice in budget planning, execution, and reporting

The People's Budget

Expressing the National Budget in easy-to-understand, layman's terms



HEAT MAP OF PHILIPPINE FISCAL TRANSPARENCY

IMF TFE

ASSESSMENT

Advanced	**7**
Good	**16**
Basic	**8**
Not rated	**1**
Not met	**4**

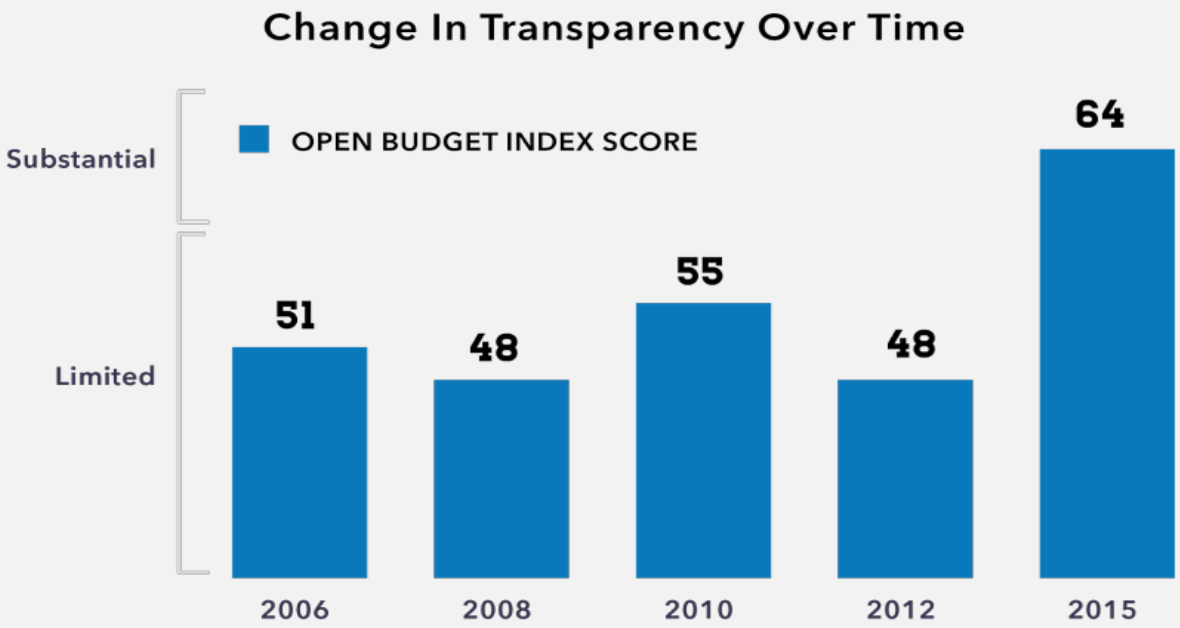
No. of Principles **36**

Pillar I: Fiscal Reporting	Pillar II: Fiscal Forecasting and Budgeting	Pillar III: Fiscal Risk Analysis and Management
Basic – Coverage of Institutions	Good – Budget Unity	Good – Macroeconomic Risks
Advanced – Coverage of Stocks	Good – Macroeconomic Forecasts	Advanced – Specific Fiscal Risks
Advanced – Coverage of Flows	Good – Medium-term Budget Framework	Not Met – Long-term Fiscal Sustainability Analysis
Advanced – Frequency of In-Year Reporting	Good – Investment Projects	Good – Budgetary Contingencies
Good – Timeliness of Annual Fin'l Statements	Advanced – Fiscal Legislation	Not Met – Tax Expenditures
Good – Classification	Good – Timeliness of Budget Documents	Basic – Asset and Liability Management
Good – Internal Consistency	Good – Fiscal Policy Objectives	Not Met – Guarantees
Good – Historical Consistency	Good – Performance Orientation	Basic – Public-Private Partnerships
Basic – Statistical Integrity	Advanced – Public Participation	Good – Financial Sector Exposure
Not Met – Audit of Annual Fin'l Statements	Good – Independent Evaluation	Basic – Natural Resources
Basic – Comparability of Fiscal Data	NR – Supplementary Budget	Advanced – Environmental Risks
	Basic – Forecast Reconciliation	Good – Subnational Governments
		Good – Public Corporations

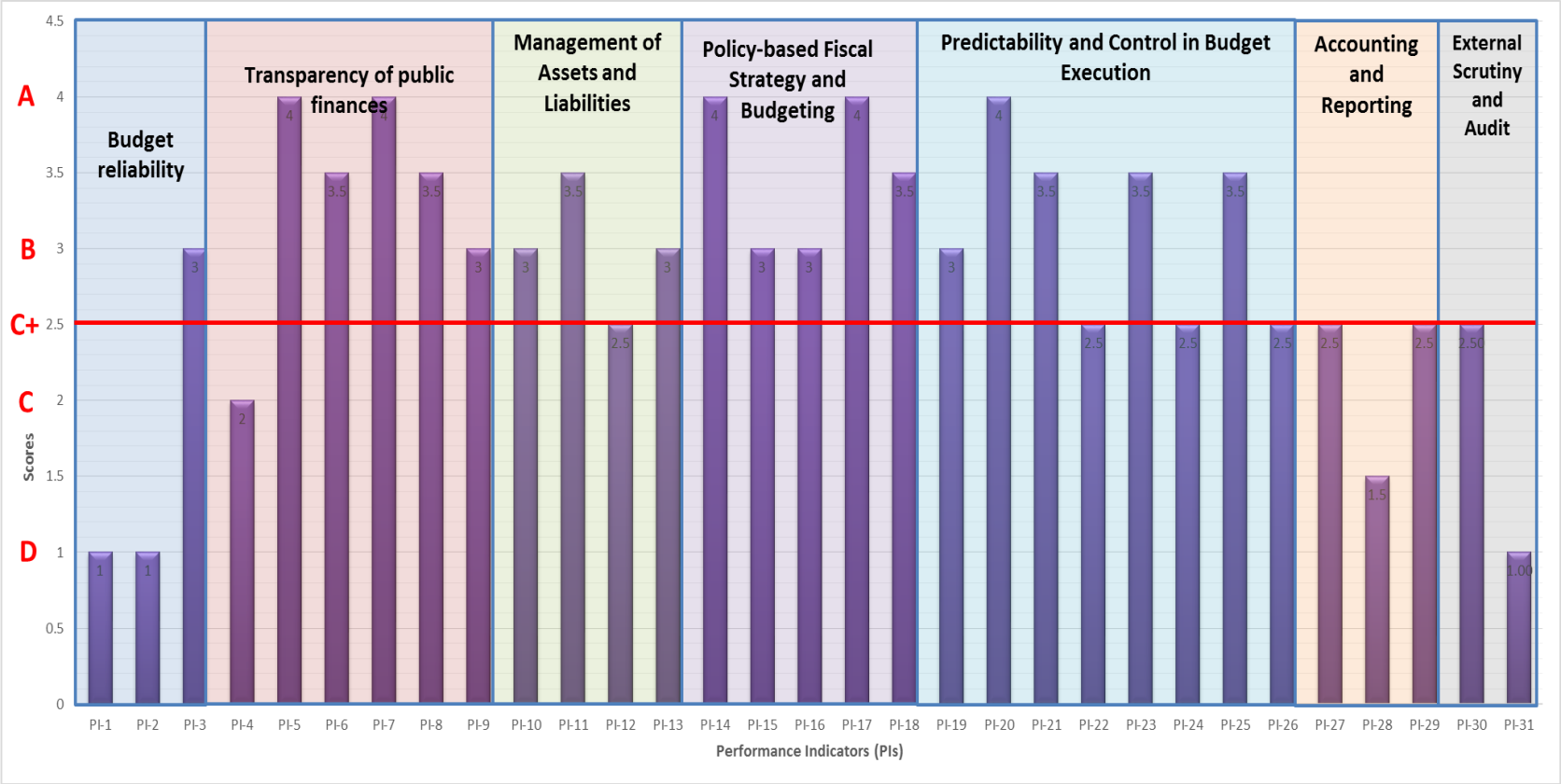
2015 Open Budget Survey Results

from 48 points in 2012 to

64 in 2015



HUGE GAINS IN PEFA ASSESSMENT RESULTS



Good performance in 19 of 31 indicators in 2016 from 8 of 28 in 2010.

Big improvements: Transparency of Public Finances | Policy-based fiscal Strategy and Budgeting | Predictability and Control in Budget Execution.

Big leaps up int'l economic and governance rankings

Third Party Report	2010	Latest	Change
Transparency International 2014 Corruption Perceptions Index	134 / 178	**85**/175	↑49
World Bank 2015 Ease of Doing Business	144 / 183	**95**/189	↑49
World Economic Forum Global Competitiveness Index 2014-2015	85 / 139	**52** / 144	↑33
Basic Requirements Sub-Index			
Pillar 1: Institutions	*125 / 139*	***67*** */ 144*	↑58
Pillar 2: Infrastructure	*104 / 139*	***91*** */ 144*	↑13
Heritage Foundation 2015 Economic Freedom Index	109 / 179	**76**/178	↑33

Investment-Grade Philippines

A succession of positive credit rating actions over the last six years

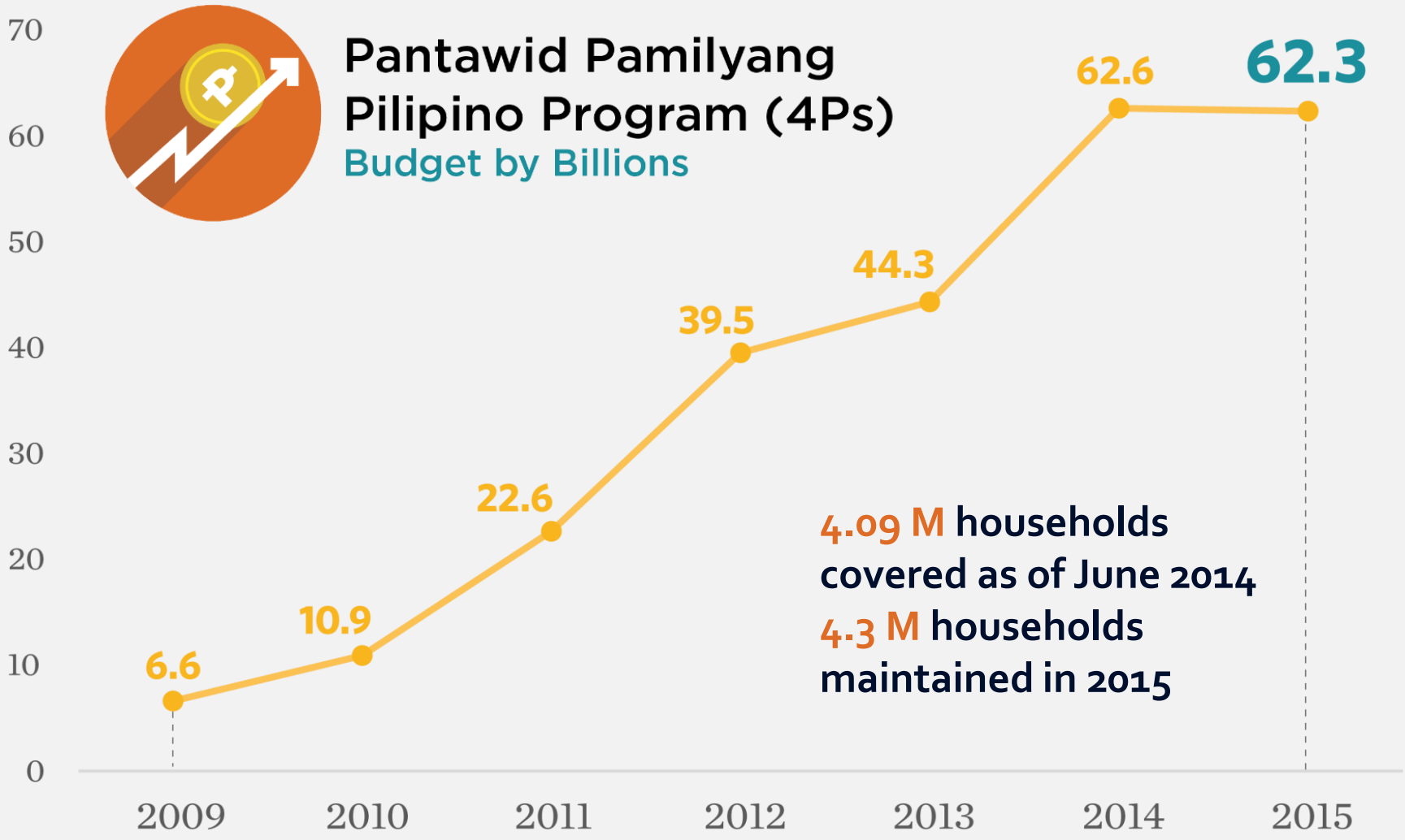
MOODY'S

STANDARD & POOR'S

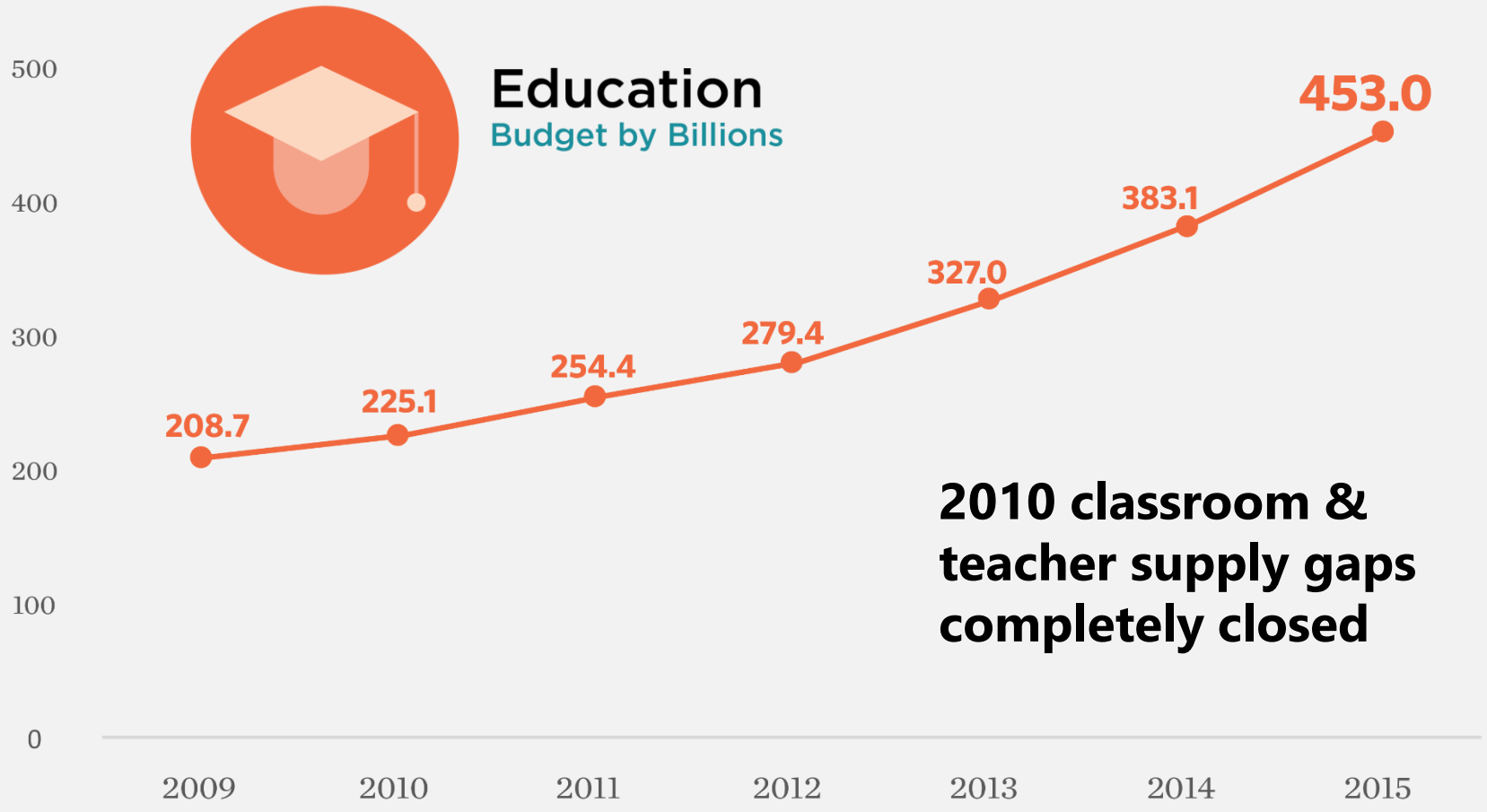
FitchRatings

NICE®

Investing in the People

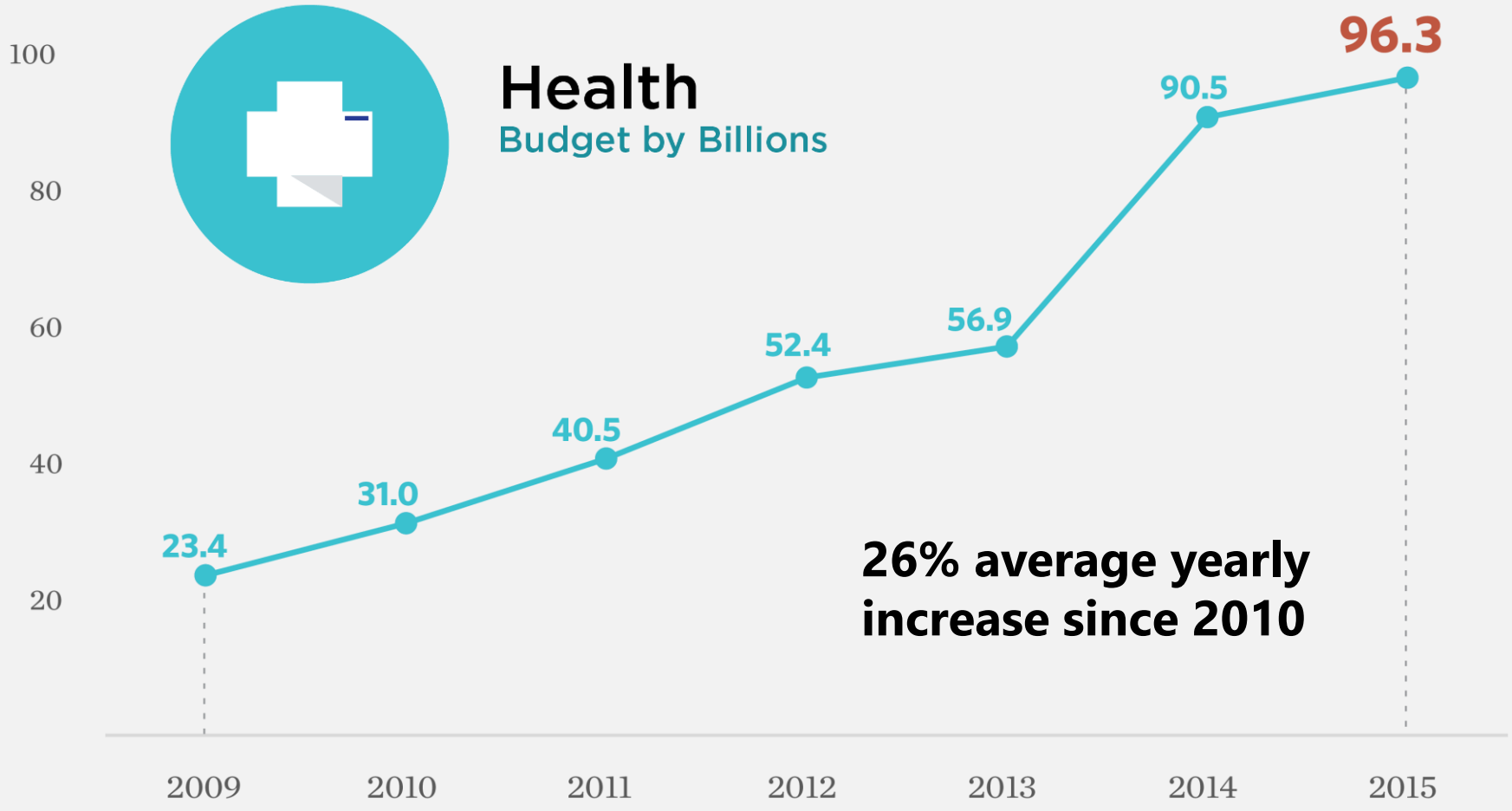


Investing in the People

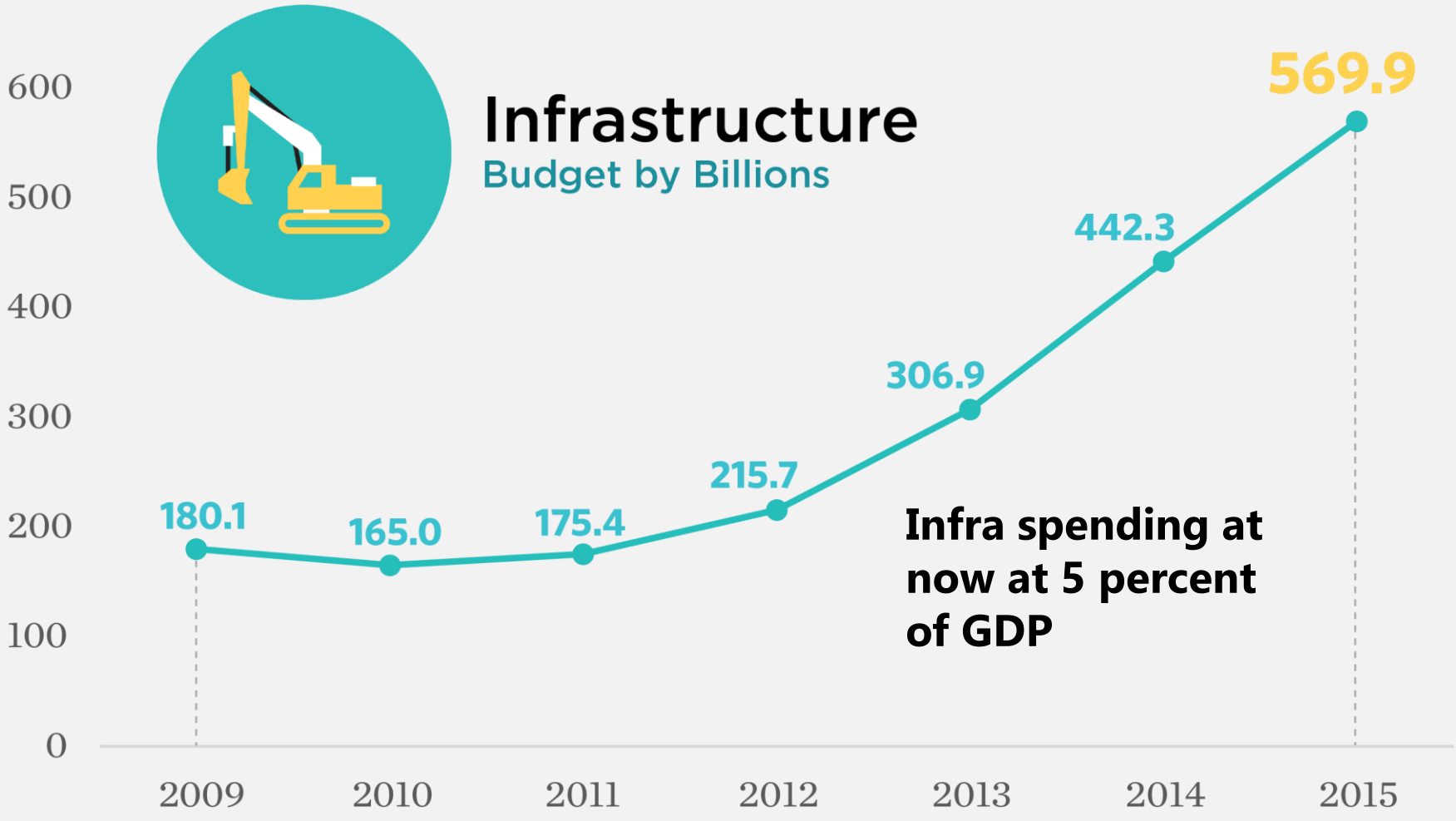


2010 classroom & teacher supply gaps completely closed

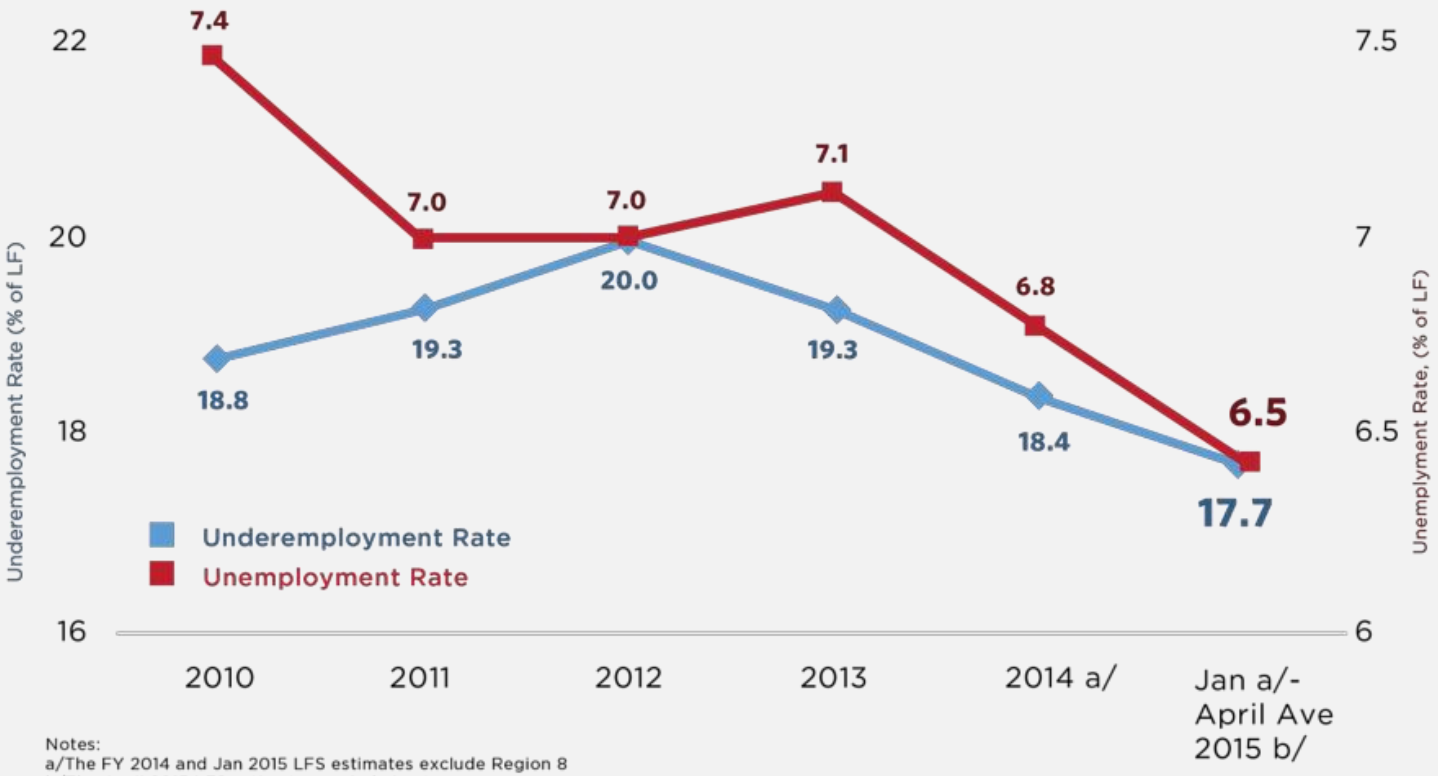
Investing in the People



Investing in Inclusive Growth



Unemployment the lowest in 10 years

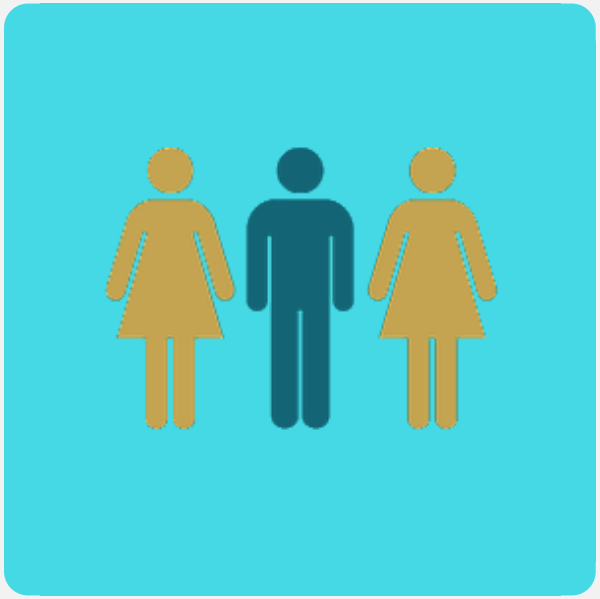


Notes:
a/The FY 2014 and Jan 2015 LFS estimates exclude Region 8
b/The April 2015 LFS estimates exclude Leyte
*1997-2005: Adoption of population projection benchmark is based on the results of the 1995 Census
**2006-current: Adoption of population projection benchmark based on the results of the 2000 Census

Source: Philippine Statistics Authority

GIFT

GLOBAL INITIATIVE FOR FISCAL TRANSPARENCY



Open Government Partnership

The active support of our people and of international organizations was key to our achievements.

OPENNESS THAT TRANSFORMS

Making Fiscal Transparency Work for the People

Sec. Florencio "Butch" B. Abad
Department of Budget and Management
Government of the Philippines