Philippine Government Action Plan for 2012
Open Government Partnership
1 January to 31 December 2012

Institutionalizing People Power in Governance
To Ensure Direct, Immediate and Substantial Benefits for the Poor

On February 25, 1986, the Filipino People toppled a dictatorship in four days of nonviolent protest. Crying out "*tama na, sobra na!*"[i] the people poured out into the streets after heeding the call of rebel soldiers and religious leaders to end the decades-long reign of Ferdinand E. Marcos, whose leadership was marred by corruption, human rights violations and worsening poverty. The People Power Revolution of 1986 hoisted Corazon C. Aquino—housewife of a martyr[ii] of Martial Law—as President of the Philippines.

Twenty-five years after this historical milestone, the Philippines is presented anew with an opportunity to put the political tradition of People Power back on track. With a resounding mandate[iii], President Benigno C. Aquino III won in the last May 2010 elections in place of an administration marred with allegations of massive corruption, political legitimacy issues and the widening gap between rich and poor. His agenda for *"kung walang corrupt, walang mahirap*[iv]*"* resonated among the majority who hunger for change.

The development plan[v] of the Philippine Government revolves around the President's commitment to fight corruption and patronage, the very reasons for the people's poverty. This plan is anchored upon transparent, accountable and participatory governance as a key ingredient to achieving poverty reduction and economic expansion. Supporting these are strategies to secure an environment conducive for development, particularly, just and lasting peace and environmental integrity.

This plan is anchored upon People Power: a paradigm that the nation's progress will be achieved only with the active and meaningful participation of citizens. The Philippine Government strives to take People Power from the streets and into the halls of government in order to ensure that the benefits of governance reach the poor in a direct, immediate and substantial way. As opposed to secrecy, impunity and collusion in the past, it seeks to widen the spaces for citizens in their very own government.

The Philippine Government sees open government as a way to operationalize and institutionalize People Power. It will take on the grand challenges of **improving public services**, **increasing public integrity** and **more effectively managing public resources**: all in line with the Aquino administration's pursuit of *kung walang corrupt, walang mahirap.* In crafting this Action Plan for the OGP, the Philippine Government consulted with national networks of civil society organizations (CSOs)[vi].

I. Open Government Efforts to Date

Since the new Aquino administration took helm on July 1, 2010, the Philippine Government has embarked on several initiatives to institute transparency, accountability and participation in governance, with the help of information technology.

Starting the Tradition of Transparency

- Mandatory Disclosure of Budget Information. The government has embedded provisions in the 2011 National Budget—its first financial blueprint—that mandate the publication of major information on budgets, finance and performance indicators in the websites of national departments and agencies.[vii]

- Transparency in Local Governance. The Interior department has required in August 2010 all Local Government Units (LGUs) to post in local bulletin boards, newspapers and websites information on their utilization of funds and implementation of projects. As of December 2011, 17% of all LGUs have fully complied with this policy and another 73% have partially complied.[viii]

Jumpstarting Citizen Participation

- Participatory Budgeting. In crafting the 2012 National Budget, six national government agencies and three government corporations have piloted the consultative budget preparation process with CSOs in 2011.[ix]

- The Budget in the People's Language. To support citizen engagement, the Budget department has released a 2011 People's Budget, a summarized and layman version of the 2011 National Budget and the national budget process. The Government has committed that this will be published annually

- Civil Society Monitoring in Public Works. The Public Works department has entered into a Memorandum of Understanding with a coalition of CSOs, faith-based organizations and the academe for the monitoring of public works projects.[x]

- Partnerships for Social Accountability. As of July 22, 2011, the Social Welfare department has entered into an agreement with 222 national and local CSOs and NGOs for the monitoring of the conditional cash transfer program.[xi]

Institutionalizing Public Accountability

- Results-Oriented Fiscal Management. Fiscal reform in the Aquino administration began with the reintroduction of the Zero-Based Budgeting (ZBB) approach in 2010, in crafting the 2011 and 2012 budgets. ZBB enables the government to identify and terminate programs and projects that are no longer delivering intended outcomes, and to realign funding for other priorities especially in education and healthcare.[xii] ZBB, together with the Medium-Term Expenditure Framework (MTEF)[xiii] and the Organizational Performance Indicator Framework (OPIF)[xiv], pave the way for results-oriented fiscal management.

- Citizen's Charters. The Anti-Red Tape Act of 2007 requires all agencies to craft a Citizen's Charter to simplify procedures and facilitate transactions. As of August 2010, 74% of agencies[xv] have issued a Citizen's Charter.

- Revenue Integrity. The Finance department has intensified its revenue integrity campaigns[xvi]. As of December 2011, 26 cases against suspected corrupt collection employees, 83 cases of tax evasion and 56 cases against suspected smugglers have been filed under the Revenue Integrity Protection Service (RIPS), Run After Tax Evaders (RATE) and Run After The Smugglers (RATS) campaigns, respectively.

- Performance Challenge for Local Governments – The Interior department has launched the LGU Performance Challenge Fund program in 2010 as an effort to institutionalize transparency, accountability, participation and performance in local governance. Under this program, LGUs which exhibit strong performance in key

areas of governance earn a Seal of Good Housekeeping and a chance to avail of additional budgetary support from the Fund. As of 2011, 44 provinces, 60 cities and 758 municipalities have passed the criteria for the Seal of Good Housekeeping.[xvii]

Leveraging Technology and Innovation

- Electronic Procurement – The Philippine Government Electronic Procurement System (PhilGEPS), which started in 2000, is mandated by law as the central electronic portal for government procurement. Key features of PhilGEPS at present include an electronic bulletin board for posting of procurement activities, notices and awards; a registry of more than 47,000 suppliers; automatic bid matching of opportunities with possible suppliers; and a virtual store of common-use supplies available from the Procurement Service, the government's bulk buyer.

- Digitizing Releases from Congressional Allocations – The Budget department has launched on June 2011 an information system that digitizes the processing of releases from Congressional Allocations and supports the timely online disclosure of information of such fund releases.[xviii]

- Online Avenues for Public Feedback – The Finance department has launched its *Pera ng Bayan*[xix] website where citizens can file anonymous reports or leads on possible tax evasion, smuggling and government collusion cases. Various other government agencies have tapped their websites and social media (Facebook and Twitter) in disseminating key information and soliciting public feedback.

II. New Commitments for Open Governance

The above-stated gains pave the way to further escalate transparency, accountability and citizen participation. Open government is seen to narrow the spaces for movement of corrupt officials and political patrons. At the same time, it will be critical in empowering the poor and strengthening the forces for reform.
In pursuit of People Power in governance, the Philippine government shall embark on the following initiatives in 2012.

Improving Compliance with Transparency

- Escalating Fiscal Transparency. By June 2012, improve the compliance rate of departments in the Executive branch to the disclosure their approved budgets, utilization of funds and annual procurement plans to 100%[xx]. Agency compliance will be measured in an index, co-managed with CSOs, to be developed by March.

- Transparent Bidding. Within 360 days, improve the compliance of National Agencies to the disclosure of bid winners through PhilGEPS and via agency websites, from the current 20% to 100%.

- Public Access to Information Initiative. The Aquino Administration will move towards giving citizens greater and freer access to official information in a timely, relevant and meaningful manner, subject to certain limitations such as national security, foreign diplomacy and privacy concerns. This initiative will entail the review, improvement and rectification of current policies on citizen access to information; setting-up public access mechanisms and infrastructure, including information technology systems; and collaboration with stakeholders in broadening the scope of access to information and improving the compliance of agencies to existing standards. The proposed Freedom of Information Act, the Administration of

which has already been submitted to Congress upon instruction of the President, is a critical component of this Initiative. A Roadmap for the improvement of Public Access to Information will be developed within 2012 in consultation with stakeholders.

Deepening Citizen Participation

- Philippine Partnership for Open Governance. The Government, in partnership with the national CSO networks it has already engaged for its first OGP Action Plan, will engage a broader spectrum of CSOs—including regional and local organizations—as well as business groups and the academe, in convening a Philippine Partnership for Open Governance. This Partnership will be tapped in plotting the Government's direction towards deepening open government and pursuing other governance reforms in the medium-term. Such Partnership will be organized by June 2012 and expanded within 2012.

- Expanded Participatory Budgeting. By June 2012, alongside the preparations for the 2013 National Budget, the Government will expand the coverage of participatory budget preparation and enhance the process to address issues experienced during the pilot consultations. By December 2012, the Government will craft a roadmap to expand participatory budgeting to the other phases of the budget cycle[xxi], in consultation with CSOs.

- Bottom-Up Participatory Planning and Budgeting. The government will seek to push for a stronger collaboration between national agencies and local government units and community organizations as a means of converging and localizing poverty reduction programs. By June 2012, alongside the preparation of the 2013 National Budget, at least 300 city or municipal Local Poverty Reduction Action Plans will be developed and priority poverty reduction programs identified. The Identified projects shall be given serious consideration by national government agencies in crafting 2012 National Budget.

- Empowerment Fund. The Empowerment Fund seeks to provide citizens groups with support in undertaking capacity development and community organizing projects that will empower citizens to demand for better services and governance. This fund will be overseen by a multi-sectoral steering committee composed of government departments and non-government stakeholders. This will be operationalized within 2012.

- Participatory Social Audit for Public Infrastructure Projects. The Commission on Audit, in partnership with Executive departments and CSOs will craft a roadmap to institutionalize social audit for general public works and agriculture infrastructure projects for implementation throughout 2012.

Escalating Accountability to Ethical and Performance Standards

- Harmonize Government Performance Measurement Systems. A single Results-Based Performance Management System (RBPMS) shall be developed, harmonizing the currently-disparate performance monitoring and reporting systems among national government departments and agencies. The President has created a task force to formulate the RBPMS by June 2012. In line with this, the OPIF—which will be a core

framework used in developing the RBPMS—will be reviewed and strengthened by jumpstarting in 2012 a review of its agency outputs and performance indicators.

- Improve Citizen's Charters. Within 360 days, ensure that 100% of national government agencies have published a Citizen's Charter. Furthermore, agencies shall strive to improve their Citizen's Charters—as well as review their processes for frontline and other services—in consultation with CSOs.

- Roll-out Internal Audit and Internal Controls. Within 90 days, the Government will issue a Philippine Government Internal Audit Manual (PGIAM); and within 360 days, the PGIAM and the National Guidelines on Internal Control System (NGICS) will be rolled-out in nine critical departments[xxii]. This is in line with the target of all agencies adopting the PGIAM and NGICS by 2016.

- Embed Accountability in Local Governance. In line with the goal of making all lower-income municipalities and cities[xxiii] pass the Seal of Good Housekeeping by 2016, increase the compliance rate to existing standards from 50% to 70% in the span of 360 days. Furthermore, new standards that link performance in social development areas to the awarding of Seal of Good Housekeeping and to grants under the Performance Challenge Fund would have been developed.

Technology and Innovation

- Single Portal for Information. Within 360 days, the Government, with CSOs, will craft a roadmap for the development of a Single Portal for Government Information, which complies with basic open data standards.

- Integrated Financial Management System. The Government plans to develop a complete Government Integrated Financial Management System (GIFMIS) by 2016. In the interim, within 360 days, the Government will develop a pilot GIFMIS to be initially used by the government's oversight agencies[xxiv].

- Towards Electronic Bidding. In line with the medium-term goal of digitizing the bidding process, develop additional features of PhilGEPS within 360 days, particularly: a facility to enable the online submission of bid documents; a module for CSOs to monitor tenders online; an electronic fee payment system; an expanded supplier registry and a module for agency posting of their annual procurement plans.

- Procurement Cards System. The Government will pilot a system of procurement cards, in lieu of the often-abused system of cash advances, within 180 days.

- Manpower Information System and Central Payroll. To better manage government manpower requirements and improve accountability in the disbursement of funds for personal services, the Government will complete its Government Manpower Information System and develop a Central Payroll System within 360 days[xxv].

- Targeting Beneficiaries with Razor-Sharp Precision. The Government has an existing National Household Targeting System (NHTS) which it uses to identify and locate beneficiaries of targeted poverty reduction programs. Within 360 days, the Government will enhance the NHTS by expanding its coverage from indigent households to other poor sectors, such as rural sector[xxvi], informal sector and indigenous peoples. CSOs will be tapped to ensure the integrity of the NHTS.

- Electronic Transparency for Congressional Allocations and Lump Sum Funds. Within 360 days, the Government will expand the eTAILS so that 1) other often-politicized

lump-sum funds[xxvii] are processed through it; and 2) where citizen reportage on the implementation of projects funded by Congressional Allocations is enabled.

- <u>Interactive Fiscal Transparency</u>. Within 180 days, the Government will develop and launch a *Budget ng Bayan[xxviii]* website, which will serve as an interactive platform for citizens to learn about and find information on the National Budget.

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[i] Roughly translated as "enough is enough!"

[ii] Senator Benigno S. Aquino, Jr., a staunch critic of the Marcos regime, was assassinated on August 21, 1983 upon returning from exile from the United States.

[iii] Candidate Benigno S. Aquino III won as president with 15.2 million votes or 42% of all votes cast; with a lead of 5.7 million from the next contender (there were eight other candidates).

[iv] Roughly translated as "No Corruption, No Poverty."

[v] The Philippine Development Plan 2011-2016, as operationalized by Executive Order No. 43.

[vi] Namely: Caucus of Development NGOs (CodeNGO), Budget Advocacy Group, Alternative Budget Initiative, Transparency and Accountability Network, Affiliated Network for Social Accountability-East Asia, Access to Information Network, People Power Volunteers for Reforms, National Citizen's Movement for Free and Honest Elections, Coalition Against Corruption, Association of Foundations, Pinoy Micro Enterprise Foundation, Makati Business Club and National Competitiveness Council.

[vii] Section 97 of the General Provisions of the 2011 General Appropriations Act (Republic Act No. 10147) requires agencies to post the following information on their official websites: approved budgets, performance measures and targets, major programs and projects to be implemented, annual procurement plan, contracts awarded and names of contractors, targeted and actual beneficiaries, utilization of funds, status of implementation, program/project evaluation reports.

[viii] State of the Nation Address (SONA) 2011 Technical Report, page 4, with updates from DILG

[ix] SONA 2011 Technical Report, page 9-10. Departments which piloted the consultative process were those in the social and economic services sectors with the biggest budgetary allocation, namely: Education, Health, Social Welfare, Public Works, Agriculture and Agrarian Reform. Pilot government corporations were those with large government subsidies, particularly the National Food Authority, National Housing Authority and National Home Mortgage and Finance Corporation.

[x] Ibid.

[xi] Ibid.

[xii] SONA 2011 Technical Report, page 2

[xiii] MTEF is a planning-budgeting framework which provides a three-year perspective to budget preparation.

[xiv] OPIF is an approach to expenditure management that directs resources towards results or major final outputs and measures agency performance by key quality and quantity indicators.

[xv] Of 5,716 national departments and agencies nationwide

[xvi] In particular, the Run After Tax Evaders of the Bureau of Internal Revenue; the Run After The Smugglers of the Bureau of Customs; and the Revenue Integrity Protection Service of the Finance department.

[xvii] SONA 2011 Technical Report, page 4, with updates from DILG.

[xviii] SONA 2011 Technical Report, page 3

[xix] Translated as "People's Money"

[xx] Of 22 Departments of the executive branch, 6 have posted their approved budgets on their websites, 3 have posted their fund utilization reports, and 10 have posted their annual procurement plans.

[xxi] In particular, in the budget legislation, execution and accountability phases.

[xxii] In particular, the Public Works, Education, Finance, Justice, Health, Social Welfare, Budget, Labor and Environment departments.

[xxiii] Lower-income municipalities are those belonging to the 4th-6th classes. There are a total of 619 municipalities under these classes. Lower-income cities are those belonging to the 4th to 5th classes. There are a total of 28 cities under these.

[xxiv] Particularly, the Finance and Budget departments and the Commission on Audit.

[xxv] In accordance with Executive Order No. 31 series of 2011

[xxvi] A Registry of Farmers may be developed as part of NHTS or independent of it.

[xxvii] Modules for the School Building Fund and the Internal Revenue Allotment of Local Governments are slated for development.

[xxviii] Translated as "The People's Budget"