

PRESS RELEASE
May 3, 2016

FOR IMMEDIATE RELEASE:

Media Contact Information

ELOUISA T. PASTOR, CESO IV
OIC-Regional Director
Contact No. (052) 480-1484

MA. GRACE JOY U. TANGO
Regional Information Officer

Over P15-billion BuB projects benefitting thousands of Filipinos nationwide

Thousands of Filipinos all over the country are now benefitting from 16,576 completed projects amounting to around PhP15.5 billion under the government's Bottom-up Budgeting (BuB) program since the program started in 2013 until 2015, according to the Department of the Interior and Local Government (DILG).

DILG Undersecretary Austere A. Panadero said that of the 16,576 completed BuB projects, a total of 5,391 or 79 percent of the 7,282 funded projects were completed for 2013; 9,455 or 48 percent of the 19,525 projects for 2014; and 1,730 or 12 percent of the 14,349 projects for 2015.

BuB is a program that strengthens participation in national budget formulation and project implementation. Before BuB, decisions were made at the top. Now, local communities with their local government units (LGUs) are given the power to decide on what priority projects should be implemented in their areas.

"BuB as a reform program has its own birth pains since its conceptualization in 2011 and early stages in 2013 and 2014. Understandably and consequently, the completion rate takes time in improving through the years as projects differ in nature ranging from infrastructure to livelihood," said Panadero.

The DILG Undersecretary said that over the said three-year period, a total of PhP51.70 billion has been downloaded by the national government to LGUs for the implementation of a total of 41,156 funded projects.

Aside from the 16,576 completed projects from 2013 to 2015, he said 8,385 are still ongoing, 11,473 are pipelined, and 4,722 have been proposed. The completion rate is 40 percent and the delivery rate is 61 percent.

"We hope for the appreciation not only of completed projects but as well as thousands of ongoing projects that has started and has visually verifiable physical accomplishment," said Panadero.

Gains from BuB

The Undersecretary emphasized the gains of the national government because of the BuB program, "The government has improved delivery of basic service, increased spending of national government funds, increased LGUs' compliance to full disclosure

policy, public finance management, conformity to the policies of the Commission on Audit (COA), improved civil society organization (CSO) engagement, and increased investments in poverty alleviation.”

He said that national government agencies (NGAs) before were identifying what kind of projects are needed on the ground. With BuB, NGAs are now attuned with LGUs.

“In 2015 and 2016, we have fine-tuned the integration of local anti-poverty plans into the national budget. BuB projects for this year are protected in the 2016 General Appropriations Act (GAA). About PhP24.7 billion was set aside to fund 14,324 projects this year,” he shared.

The cities and municipalities covered by BuB program started with 595 in year 2013 and has increased almost three times to 1,514 this year. Next year, it aims to cover all 1,634 cities and municipalities in the country.

Allocated budget for BuB program has also leaped from PhP8.9 billion in 2013 to PhP24.7 billion this year.

Dropped, replaced projects

Panadero said that initially, 49,084 projects have been identified by LGUs that’s why it is the figure appearing in the Open BuB Portal at openbub.gov.ph.

“But only 41,156 projects are completed, ongoing, pipelined and proposed while the remaining 7,928 are either ‘dropped but replaced’ or ‘totally dropped’,” he said.

He explained that the 6,904 ‘dropped but replaced’ projects are part of 41,156 projects that are under implementation. On the other hand, the 1,024 ‘totally dropped’ projects are cancelled and unfunded.

“Significant number of projects was dropped especially in the first two years of BuB program implementation either because projects as proposed were non-feasible or LGUs failed to submit requirements to national government agencies. Non-feasibility of projects may be due to lack of available land, lack of water source, and insufficient budget in the original design,” he pointed out.

Meanwhile, Richard L. Villacorte, Project Manager of the BuB Project Management Office (PMO) housed in the DILG, explained, “The 6,904 ‘dropped but replaced’ should not have been included in the 49,084 total numbers of projects that appear in the Open BuB Portal since this is already included in 41,156 BuB-funded projects. The inclusion of

'dropped but replaced' projects has led to double counting. This is a technical glitch that is now being addressed by the Open BuB portal administrators, housed in the Department of Budget and Management (DBM), and its developers."

He added, "The percentage of dropped projects is 2.49 percent from 2013 to 2015. Dropped projects have significantly been going down, from 7.1 percent in 2013 to 0.3 percent in 2015."

BuB-DILG

For the BuB under the DILG, the Department managed projects on provision of potable water supply, local access roads, and disaster risk reduction management (DRRM)-related projects such as evacuation centers, flood controls, equipment and rescue vehicles.

As of March 2016, the DILG completed a total of 2,030 projects since 2013 amounting to a total of PhP9.201 billion, a performance which is even higher than the national average.

In 2013, the Department downloaded a total of PhP1.091 billion to LGUs for the implementation of 694 programmed projects. A total of 629 completed projects were comprised of 615 potable water projects and 14 infrastructure projects on DRRM. The remaining 59 projects are ongoing in implementation and six are on procurement process.

In 2014, the Department completed 1,093 BuB projects out of 1,850 programmed projects. These include 606 local access road projects, 435 potable water projects, and 52 DRRM-related projects. The Department released PhP2.775 billion to LGUs in the said year.

Aside from 1,093 completed projects in 2014, the DILG is also monitoring 432 ongoing projects, 212 projects in procurement stage, 99 projects with approved initial documents, and 14 projects in preparation of feasibility study and other initial documents.

Last year, 308 BuB projects were completed and 648 projects are presently ongoing. The bulk of the projects are still in the pipeline with 749 on procurement, 497 with approved initial documents, and 261 under preparation of initial documents. The DILG downloaded PhP5.659 billion funds to LGUs for the implementation of potable water projects and DRRM-related projects.

BuB Operational and Project Cycle

Furthermore, Panadero pointed out that the projects under the DILG and other government agencies with the corresponding amounts are identified by the representatives of LGUs and CSOs at the Local Poverty Reduction Action Team (LPRAT) level. These projects are then submitted to the Regional Poverty Reduction Action Team (RPRAT) and then to the National Poverty Reduction Action Team (NPRAT). The NPRAT approves the list and endorses it to the DBM for inclusion in the National Expenditure Plan.

For approved BuB projects included in the General Appropriation Act (GAA), the concerned LGUs have to prepare initial documents like feasibility study, program of works (POWs) and cost estimates. Once approved, a Memorandum of Agreement (MOA) between the DILG and the LGU has to be signed prior to the release of funds. This stage takes one to three months to complete.

This is followed by procurement process which takes an average timeline of two to three months.

On the other hand, the actual project implementation for water projects takes 18 months to complete for each project. For other infrastructure projects, it takes six months to two years to be completed.

DILG as oversight of other government agencies on BuB

Apart from the BuB-DILG project being monitored by the Department, Panadero said the DILG houses the BuB PMO which is responsible for the overall coordination of the BuB program with the guidance of the BuB Executive Committee.

The Undersecretary clarified that 14 other government agencies download their funds to the LGUs. These agencies report their project status to the Open BuB Portal, and the Department consolidates the overall BuB status. All BuB participating agencies should be bounded by GAA and exercise due diligence in the implementation.

The DILG is a member of the BuB Executive Committee composed of the heads of the BuB oversight agencies (DBM, DILG, Department of Social Welfare and Development, National Anti-Poverty Commission Secretariat, NAPC Office of the Vice-Chair for Basic Sectors, and National Economic Development Authority). The Committee is responsible for setting BuB policies and overseeing program implementation.

Internationally Recognized

The BuB is a feat for the Philippine government as well as the Filipino people. It is internationally recognized by the Global Initiative for Fiscal Transparency (GIFT) as among the five Best Practices in Fiscal Transparency from around the world and thus given the award in October 2015 in Mexico. The GIFT declares that BuB "has so much demand it would be difficult for future governments to discontinue".

With BuB, the 2015 Open Budget Survey ranks the Philippines first in the ASEAN for fiscal transparency.

BuB also landed in the third place Gold Award during the Open Government Awards conducted in New York City on September 23, 2014 by the Open Government Partnership.

Strengthening BuB

Inspired by the achievements of BuB program, the government is addressing the gaps and challenges such as through the simplification of BuB requirements, strengthening of RPRATs, technical assistance for LGUs thru Regional Project Management Team (RPMT), and capacity development for CSOs. BuB structural improvements may also be done such as the formulation of tools for evaluation; enhancing the online portal; and manualizing BuB processes.

For sustainability, the government is promoting awareness on the beneficial reforms of BuB, its alleviation of poverty and strengthening of social capital, and the vital role of BuB in realizing the country's commitment to the United Nation's Sustainable Development Goals (UN-SDGs). ###