Bottom-up Budgeting: Backgrounder

Rosario G. Manasan, Senior Research Fellow

Prepared for the Senate Centennial Lecture Series
5 November 2015
Description of BUB

- Launched in March 2012 in time for the preparation of the 2013 National Expenditure Program (NEP) with DBM-DILG-DSWD-NAPC JMC 2012-1
  - Two-fold objective
    - More participatory planning and budgeting processes at national and local level with genuine involvement of grassroot organizations and communities
    - Ensure funding for projects identified by 609 targeted poor LGUs in their Local Poverty Reduction Action Plans (LPRAPs) are included in the budgets of participating national government agencies (NGAs)
Different perspectives on BUB

*BUB has been tagged as:*

- **Budget reform**
  - Make national budget more responsive to local needs

- **Democratic and empowerment reform**
  - Create a venue for people’s participation
  - Generate demand for good governance at local level

- **Local governance reform**
  - Provide incentives for good local governance
Description of BUB

- Apparent changes in BUB over the years
  - Reference to participation of grassroots organizations and communities dropped in favor of participation of basic sectors, basic sector organizations and civil society organizations
  - Introduction of Enhanced BUB process in KC areas involving participation of BDC vice-chairs (community volunteers) in the process
  - BUB renamed Grassroots Participatory Budgeting (GPB) under JMC 4-2013

- JMC 4-2013 and JMC 5-2014 define policies and procedures that govern implementation of BUB as part of the preparation of the FY 2015 NEP and FY 2016 NEP, respectively
## Description of BUB process

### Civil society organizations

<table>
<thead>
<tr>
<th>NGOs</th>
<th>POs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic sector organization</td>
<td>Cooperatives</td>
</tr>
<tr>
<td>Trade unions</td>
<td>Professional associations</td>
</tr>
<tr>
<td>Faith-based organizations</td>
<td>Media groups</td>
</tr>
<tr>
<td>Indigenous people's movements</td>
<td>Foundations</td>
</tr>
</tbody>
</table>

### Basic society organizations

<table>
<thead>
<tr>
<th>Farmers and landless rural workers</th>
<th>Artisanal fisherfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban poor</td>
<td>Indigenous people</td>
</tr>
<tr>
<td>Workers in formal labor and migrant labor</td>
<td>Workers in the informal sector</td>
</tr>
<tr>
<td>Women</td>
<td>Children</td>
</tr>
<tr>
<td>Youth and students</td>
<td>Senior citizens</td>
</tr>
<tr>
<td>Persons with disabilities</td>
<td>Victims of disasters</td>
</tr>
<tr>
<td>Non-government organizations</td>
<td>Cooperatives</td>
</tr>
</tbody>
</table>
Description of BUB process

Participating NGAs

<table>
<thead>
<tr>
<th>DA</th>
<th>DENR</th>
<th>DILG</th>
<th>DOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAR</td>
<td>DOE</td>
<td>DOLE</td>
<td>DTI</td>
</tr>
<tr>
<td>DepEd</td>
<td>DOH</td>
<td>DSWD</td>
<td>TESDA</td>
</tr>
<tr>
<td>NEA</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Coordinating/ oversight agencies

<table>
<thead>
<tr>
<th>DBM</th>
<th>DILG</th>
<th>NAPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSWD</td>
<td>NEDA</td>
<td></td>
</tr>
</tbody>
</table>

Beneficiaries (Number of cities/ munis participating)

| FY 2013 | 609 with 595 actually participating |
| FY 2014 | 1,233 |
| FY 2015 | All |
Description of BUB

- **BUB essentially a source of additional funding to LGUs**
  - Allocation per LGU = PhP 700 x number of poor population based on 2012 small area estimate of poverty incidence
    - Minimum of PhP 15 M; maximum of PhP 50 M

- **BUB requires counterpart funding from LGUs**

<table>
<thead>
<tr>
<th>For municipalities with combined GPB &amp; Kalahi funding</th>
<th>Required LGU Counterpart</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than or equal to 100% of LDF</td>
<td>10% of LDF</td>
</tr>
<tr>
<td>between 100% and 150% of LDF</td>
<td>15% of LDF</td>
</tr>
<tr>
<td>over 150% of LDF</td>
<td>20% of LDF</td>
</tr>
<tr>
<td><strong>All cities</strong></td>
<td><strong>40% of budget cap</strong></td>
</tr>
</tbody>
</table>
Description of BUB

- BUB planning process at local levels – two modalities
  - Regular BUB process – followed in non-KC areas
  - Enhanced BUB process – followed in 271 municipalities that have either graduated from or currently implementing NCCDP (KC) areas
Steps in Regular BUB process (1)

1. Conduct of CSO General Assembly
   - Election of CSO reps in LPRAT
   - Selection of CSO co-chair of LPRAT and 2 other CSO signatories in LPRAT
   - Reporting on approved list of 2013 LPRAP projects and implementation
   - Poverty situation analysis

2. Conduct of LPRAP workshop to identify strategies and specific priority poverty reduction projects

3. Submission of list of identified projects duly endorsed by LPRAT to DILG RO
Steps in Regular BUB process (2)

4. Consolidation of projects by DILG RO

5. Validation and review of projects by RPRAT and NPRAT and feedback to LGUs

6. LGU submission of revised list of projects with Sanggunian resolution to DILG RO

7. Integration of LGU projects in budgets of NGAs

8. Provision of LGU counterpart

9. Project implementation
Steps in Enhanced BUB process (1)

1. Participatory barangay development planning
   - Conduct of barangay assemblies
   - Selection of sitio community reps and barangay vice-chairs
   - Conduct of participatory situation analysis to arrive at BDP
   - Validation of BDP in barangay assembly

2. Conduct of CSO General Assembly with BDC vice-chairs and CSO reps
   - Election of at least 5 CSO reps in Enhanced LDC
   - Selection of ELDC vice-chairs, one BDC vice-chair and one CSO rep who will be signatories to the LPRAP
   - Reporting of approved list of 2013 LPRAP projects and implementation
   - Poverty situation analysis
Steps in Enhanced BUB process (2)

3. Convening of ELDC to review & approve CDP, LDIP, AIP, and LPRAP prepared by LPRAT
   - ELDC includes all BDC vice-chairs and at least 5 CSO reps elected during CSO assembly

4. Enhanced ELDC constitutes the LPRAT
   - LPRAT comprised of 5 reps representing BDC vice-chairs and 5 reps representing CSOs

5. Conduct of LPRAP workshop – draft LPRAP for confirmation/ approval of ELDC

6. Submission of list of identified projects duly endorsed by LPRAT to DILG RO
Steps in Enhanced BUB process (3)

7. Consolidation of projects by DILG RO
8. Validation and review of projects by RPRAT and NPRAT and feedback to LGUs
9. LGU submission of revised list of projects with Sanggunian resolution to DILG RO
10. Integration of LGU projects in budgets of NGAs
11. Provision of LGU counterpart
12. Project implementation
LPRAT – role and composition

- Role – spearhead formulation and monitoring of LPRAT

- Composition

**Regular process**
- Chair – LCE
- Co-chair – CSO rep
- Chair of Appro Comm of Sanggunian
- LGU dept heads
- Elected CSO reps
- Rep from business group

**Enhanced process**
- Chair – LCE
- Co-chair – CSO rep
- 10 govt reps incl. LCE
- 5 CSO reps
- 5 BDC vice-chairs
Composition of Enhanced LDC

- Chair – LCE
- Vice-chair - CSO rep
- Representatives from govt
  - Chair of Appro Comm of Sanggunian
  - Rep of Congressman
  - All Punong Barangays
- Representatives from CSOs and communities
  - All BDC vice-chairs
  - At least 5 CSO reps
[ Thank you ]

WEBSITE: www.pids.gov.ph
FACEBOOK: facebook.com/PIDS.PH
TWITTER: twitter.com/PIDS_PH
EMAIL: youremail@mail.pids.gov.ph