

EXAMINING THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO (BARMM) BUDGET FOR FY 2020

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Access Bangsamoro is an online and social media portal that promotes the free flow of information, analysis, and discussions for the effective implementation of the Bangsamoro Organic Law (BOL) and the successful transition to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM).

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I. INTRODUCTION

The members of the Bangsamoro Transition Authority (BTA) has approved the Php 65.9 billion budget for the fiscal year 2020. The timely approval of the budget before the close of fiscal year 2019 has been seen as one of the milestones of the BTA during its first year of transition period. The challenge remains, however, on the mechanism by which the Bangsamoro Government intends to implement the budget and the manner of budget release by the National Government.

It cannot be emphasized that the BARMM's expenditure plan and budget play an important role to achieving the vision set forth by the BTA for the Bangsamoro through strategic allocation of resources and by having baseline data for evidence-based decision making in budgeting. It is crucial, then, for the BARMM to ensure that its financial resources would be responsive to the primary agenda of economic acceleration and growth in the region. Likewise, the adherence to the budget process must be exercised at all times and in every stage of the process. This ensures that the systems are transparent and participatory, which is a cornerstone of good governance that the BTA should exemplify during the transition phase and beyond.

In the study conducted by the World Bank, it analyzes that Bangsamoro Government has more extensive powers than the defunct ARMM. With the powers given to BARMM, the officials are obliged to implement transparency and accountability mechanisms, and promote the effective use of economic resources to sustain genuine development. The exercise of these values would strengthen the trust between the national government and the BARMM considering that the BARMM's fiscal impact relies on national government budget transfers, particularly the block grant.¹ Indeed, the BARMM Government has wide and sufficient fiscal support from the national government through the following fund sources: (i) block grant, (ii) special development fund, and (iii) expanded revenue sharing. As such, BARMM has been given powers that could be exercised as political and developmental platforms to influence fiscal policy in the region.

To look into the fiscal power of BARMM, this paper provides a general review of the 2020 BARMM Budget. It presents the sources of fund available to BARMM Government, the allocation per ministry and the key programs under it, the issues related to the budget process, emerging challenges in the region, and some recommendations to make the budget process more participatory, transparent, and responsive to the needs of the Bangsamoro people.

¹ (page 56) <http://documents.worldbank.org/curated/en/112671565137912477/pdf/Preparing-for-Effective-and-Robust-Financial-Management-in-the-Bangsamoro-Region.pdf>

II. SOURCES OF FUNDS FOR THE BARMM

The Bangsamoro Government is given the fiscal autonomy to create its own sources of revenues and to levy taxes, fees and charges. Apart from its own sources of revenue, the BOL also provides the following fiscal support to be provided by the national government to BARMM:

1. Annual Block Grant

The National Government shall provide an annual block grant equivalent to 5% of the net national internal revenue.² It shall be released without need of any further action, directly and comprehensively to the Bangsamoro Government, and shall not be subject to any lien or holdback that may be imposed by the National Government for whatever purpose.³

2. Special Development Fund (SDF)

The National Government shall provide a special development fund to the Bangsamoro Government for the rebuilding rehabilitation and development of its conflict-affected communities. The amount equivalent to Php 50,000,000,000 (at Php 5 billion per year for a period of 10 years) will be allocated for this purpose.

3. Other Budgetary Support from the National Government

The Bangsamoro Government includes, among others, the Appropriations and other budgetary allocations from the National Government. Under the FY 2020 National Expenditure Program, the National Government budgetary allocation amounts to Php 8.804 billion.

4. Internal Revenue Allotment allocation

In addition to the Php 70.6 billion budget for BARMM, the Local Government Units within the BARMM will get their respective Internal Revenue Allotment amounting to Php 31.332 billion and shall be distributed in the following provinces:

Particulars	2020 (NEP)	% of share
Basilan	3,366.50	10.74
Lanao Del Sur	11,038.11	35.23
Maguindanao	8,127.37	25.94
Sulu	5,260.54	16.79
Tawi-Tawi	3,540.38	11.3
TOTAL	31,332.90	100%

Table 1. In billion pesos. Source: 2020 BESF

² Sec. 15 and 16, Article XII, Republic Act No. 11054 "Bangsamoro Organic Law"

³ Sec. 18, *ibid.*

III. THE SPECIFICS OF THE BARMM BUDGET

BARMM Budget By Major Expense Item

From the Php 65.9 billion BARMM Budget, Php 43 billion pesos or 66% of the total budget is allocated to fund the projects and programs of eighteen (18) ministries and offices of the Bangsamoro Government. As indicated in figure 1 below, Php 20.178 or 47% of the total BARMM budget is allocated for Personnel Services. Php 14.376 or 33% goes to MOOE, and Php 8.7 billion for Capital Outlay.

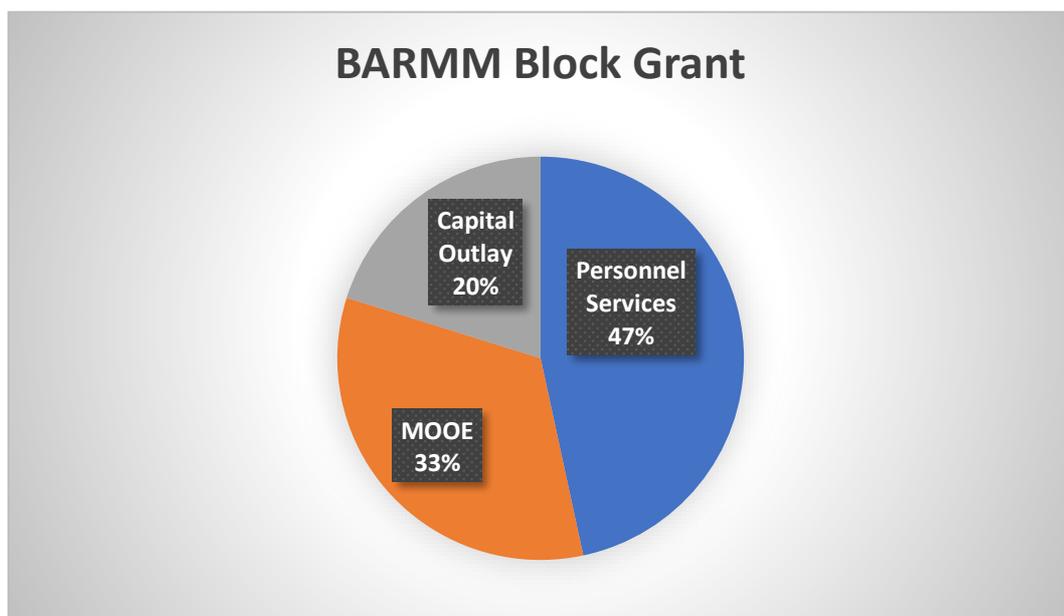


Figure 1
BARMM 2020 Proposed budget by major expense item

BARMM Budget By Ministry

Block Grant explicitly indicates that the Bangsamoro Government shall assign the highest budgetary priority to education, health, and social services as may be provided in its appropriations law.⁴ To see whether this provision from the BOL has been complied with, below are the ministries ranked from highest to lowest according to budget allocation:

	MINISTRY	ALLOCATION
1	Ministry of Basic, Higher and Technical Education	19,056,935,766.67
2	Office of the Chief Minister	7,922,849,141.76

⁴ Sec. 19, *ibid.*

3	Ministry of Public Works	4,089,426,542.06
4	Ministry of Health	3,069,533,195.95
5	Bangsamoro Transition Authority	2,591,131,798.60
6	Ministry of Social Services and Development	2,033,934,622.42
7	Ministry of Interior and Local Government	1,354,637,972.84
8	Ministry of Agriculture, Fisheries and Agrarian Reform	986,810,707.87
9	Ministry of Environment, Natural Resources, and Energy	460,483,910.78
10	Ministry of Finance	454,049,670.50
11	Ministry of Trade and Investment	279,828,934.72
12	Ministry of Transportation	214,911,562.40
13	Ministry of Labor and Employment	193,213,547.26
14	Ministry of Science and Technology	164,560,997.76
15	Ministry of Indigenous Peoples' Affairs	99,635,217.70
16	Ministry of Human Settlement	94,935,427.50
17	Bangsamoro Human Rights Commission	92,262,398.36
18	Ministry of Public Order and Safety	86,808,855.58
19	Office of the Wali	27,809,726.07

Table 4. Source: Bangsamoro Appropriations Act

Ministry of Basic, Higher, and Technical Education

Consistent to the provision on the block grant, the Ministry of Education gets the lion's share of the BARMM's 2020 budget. Php 19.08B is primarily allocated for the operation of Bangsamoro educational institutions and regular education programs. Php 15.2 billion or almost 80% of which goes to Personnel Services (PS) or the payment of wages and other

compensation for its teaching and non-teaching personnel, 15% or Php 2.9 billion is allocated to MOOE, and 5% or Php 872.4 million is intended for the Capital Outlay.

Based on the above breakdown, there would be less expenditure for educational equipment, furniture, property, and infrastructure in year 2020. On the other hand, Ministry of Education would be able to hire more teaching and non-teaching personnel considering 80% of its budget is allocated for Personnel Services. The Education Ministry could also implement unprogrammed activities, support more personnel development opportunities, and conduct trainings for ministry's teaching and non-teaching personnel from their 2.9 billion allocation for MOOE.

While the primary objective of educational institutions is to achieve education standards, research, however, reveals a significant relationship between academic achievement and the health status of students.⁵ To this end, the Ministry projected that 160,000 enrolled pupils in BARMM would benefit from the 120 days feeding program.⁶

For Higher Education, the Ministry has targeted 15 institutions to receive support for accreditation and 1,400 college student scholars to benefit from the Access to Higher and Modern Education Scholarship Program.

For the Technical Education, the Ministry's budget has projected to support 7,000 students that could be employed at the end of year 2020. Under the Madaris Education Program, the Ministry's budget would be able to train and deploy 2,492 teachers and 150 Madaris School Head trained for Madaris Education standard, policies, and curriculum.⁷

Office of the Chief Minister

The Office of the Chief Minister (OCM) received the second highest budget allocation with a total of Php 7.922 billion, which accounts to 29% of the total BARMM budget. Under the OCM, three key programs would be implemented:

- (i) *Kapayapaan sa Pamayanan (KAPYANAN)* which aims to build 5,000 houses for the Bangsamoro people with an allocation of Php. 2.8 billion pesos;
- (ii) *Quick Response Fund* with Php. 1.6 billion exclusively allocated for the sectors of Agriculture, Social Services, Health and Infrastructure (Buildings); and
- (iii) *Tulong Alay sa Bangsamorong Nangangailangan (TABANG)* with Php. 1.650 billion allocated fund.⁸

⁵ Knopf JA, Finnie RK, Peng Y, Hahn RA, Truman BI, Vernon-Smilely M, et al. School-based health centers to advance health equity: A community guide systematic review. *American Journal of Preventive Medicine*. 2016; 51 (1): 114-126. DOI:10.1016/j.amepre.2016.01.009

⁶ (P36) Bangsamoro Appropriations Act 2020

⁷ *ibid.*

⁸ (P6) *ibid.*

It must be noted that social services programs have been included in OCM's budget, making it then the ministry with 2nd highest allocation. The mandate of this office must be revisited to determine its capacity, in terms of staff and competency, to implement social services program. In the alternative, OCM may also streamline all social services and lodge under appropriate ministry the rolling out of these programs. OCM may then retain the function of steering and monitoring the program implementation.

Moreover, the OCM has an allocation of Php 245 million for its Personnel Services comprising only 3% of the total allocation. Looking at the key social services programs presently lodged under the OCM, there seems to be a disparity in terms of programs to be implemented on one hand and the number of personnel who shall implement and monitor the programs on the other hand. The disparity could cause some delays or compromise on the delivery of services. Moreover, the OCM must identify realistic output indicators for these programs considering the low percentage of human resources it projects to hire.

The program *Tulong Alay sa Bangsamorong Nangangailangan (TABANG)* with an allocation of Php 1.650 billion does not indicate any output or outcome indicator in the Bangsamoro Expenditure Program (BEP) and as well as in the approved budget. The fund for such also falls under Maintenance and Other Operating Expenses (MOOE), which is the fund source for unprogrammed projects. It must be noted that during the launch of the program in 2 September 2019, TABANG was intended to be a humanitarian project created to alleviate the situation of Bangsamoro community and to fulfill the pledge of th Bangsamoro Government of helping people in the grassroots. For program which has been existing since September 2019, the OCM must have already identified output and outcome indicators. This will help OCM measure the success of the program and serve as baseline data for social services they would be able to implement by the end of the fiscal year 2020.

Ministry of Public Works

The 3rd highest budget allocation amounting Php 4.09 billion goes to the Ministry of Public Works. The ministry's budget is heavily allocated to various capital outlay projects such as road and bridge constructions, rehabilitation, concreting, among others.

Of the total amount of Php 4 billion budget allocated, Php 266.4 million or 7% of its total budget is allocated for Personnel Services, and Php 3.3 billion or 83% for Capital Outlay. With this budget, the Ministry has projected to construct 159.97 kilometers of newly-built roads that will provide thoroughfares for main, agricultural, and tourism destinations.⁹ The ministry also projected 75% completion rate by the end of 2020 for these new projects.¹⁰

⁹ (P58) *ibid.*

¹⁰ *ibid.*

Under the Bridge Program, the Ministry sought to build 23 kilometers total length of new bridges and 26 maintained and rehabilitated bridges. At the end of year 2020, the Ministry projected 75% completion rate for the new bridges.¹¹

With the new infrastructure projects for 2020, the ministry must also take into consideration the staff complement and its absorptive capacity to implement and monitor numerous infrastructure projects. The disparity of the number of personnel vis-à-vis projects to monitor may pose a challenge.

Ministry of Health

The Ministry of Health, which is one of the priority sectors of the block grant, has the 4th highest allocation amounting Php 3.06 billion pesos. The Ministry of Health will implement two major programs, namely:

- (i) *Access to Promotive Health Care Services* with a budget of Php 848 million or 31% of the health budget, covering Community and Field Health Care Services and Disease Prevention components.

The Ministry projected 27,545 number of facility-based delivery of health care services, 192,379 number of persons to be given vaccination, and 365,523 persons with diseases to be provided with health intervention.¹²

- (ii) *The Control and Access to Curative and Rehabilitation Health Care Services* which has an allocation of 1.9 billion or 69% of the total budget, primarily to support in-patient and out-patient services for twenty-seven (27) hospitals in the Bangsamoro Autonomous Region. The Ministry projected to provide services to 142,267 in-patients and 426,801 out-patients.¹³

Bangsamoro Transition Authority

The Bangsamoro Transition Authority (BTA), which also supports the interim Parliament, receives an allocation of Php 2.59 billion pesos. The BTA is the office with the 5th highest budget allocation. The budget finances the operation of the 80 Members of Parliament, its legislative work, and the construction of the new Parliament building.

Of the total budget, Php 838 Million has been allocated for Personnel Services, Php 920 Million for MOOE, and Php 832 Million for Capital Outlay. The BTA has targeted 100% completion rate of its legislative work, particularly the enactment of priority laws such as

¹¹ *ibid.*

¹² (P45) *ibid.*

¹³ *ibid.*

Electoral Code, Civil Service Code, Administrative Code, and other legislations that need to be enacted by the Parliament.

The budget for Capital Outlay would finance the BTA building and structures, machinery and equipment, transportation equipment, furniture, fixture, and books. A review of the budget, however, would show that no identified output and outcome for the Capital Outlay allocation. There is also a special provision allowing Php 698 million chargeable against Contingent Fund for supplemental legislative services.¹⁴

Ministry of Social Services

Ranking as the 6th ministry with the highest allocation is the Ministry of Social Services with a budget of Php 2 billion. Php 221 million or 11% of its total budget goes to Personnel Services, Php 1.78 billion or 87% total budget for MOOE, and Php 35.1 million or almost 2% of its total budget has been allocated for Capital Outlay.¹⁵ Under this ministry are five core programs:

- (i) Emergency Assistance Program with 972.3 million budget,
- (ii) Family and Community Welfare Programs with 405.4 million,
- (iii) Older Persons and Persons with Disabilities Welfare Program with 199.1 million,
- (iv) Child and Youth Welfare Programs with 159 million, and
- (v) Women’s and Welfare Program with 71.2 million.

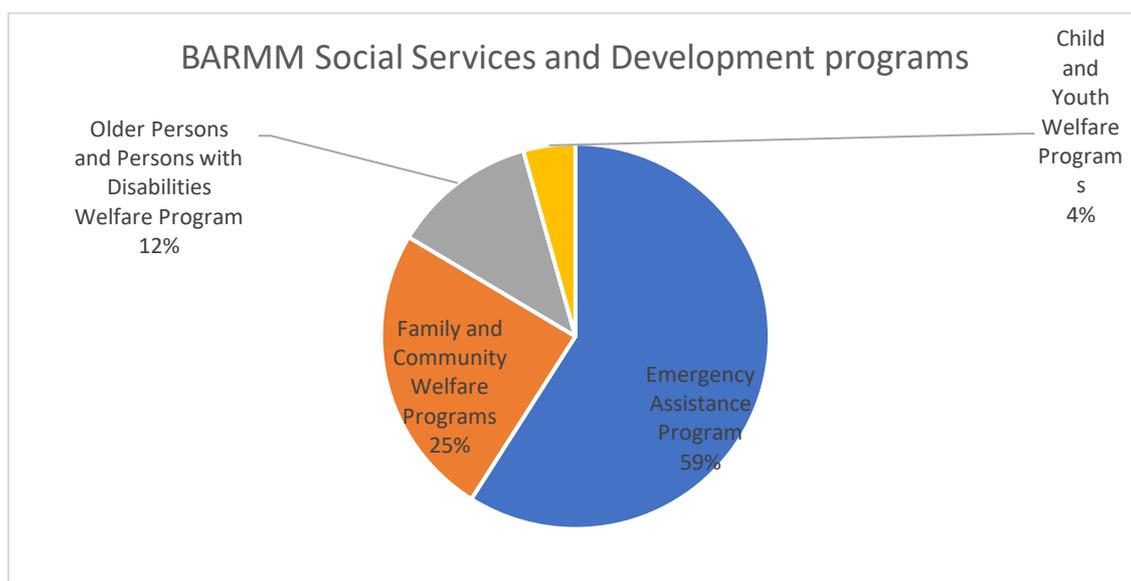


Figure 2
BARMM Social Services and Development programs

¹⁴ (P4) *ibid.*
¹⁵ (P15) *ibid.*

The Ministry of Social Services focuses its programs for the marginalized sectors. A big amount is also allocated to the ministry's MOOE which is expected to fuel the region's poverty reduction efforts.

Looking at BARMM's total budget in terms of major expense items, the 47% total budget allocated for Personnel Services is a reasonable ratio considering the programs and projects to be implemented for year 2020. It is important to note that 6,000 ARMM employees, except those working in education, health, and social services sectors, would gradually be terminated from their designation as ARMM staff.¹⁶ The BARMM Government, particularly the Ministers that will be affected by the phaseout, should take into consideration this factor to ensure that delivery of services will not be hampered.

IV. ISSUES AND CHALLENGES IN THE BARMM

Several emerging issues may confront the Bangsamoro Government during the budget execution stage. And how the budget was allocated and programmed would determine whether the Bangsamoro Appropriations Act concretely addresses the issues and challenges. Among the eminent concerns in the BARMM for year 2020 are identified as follows:

1. The persistence of poverty and the need for effective social services

The defunct Autonomous Region in Muslim Mindanao (ARMM) was considered as the poorest region in the span of 25 years despite its rich natural resources. While there was change in the political structure, BARMM would continue to bear this burden of poverty incidence among families in the first semester of 2018 in terms of per capita poverty and food thresholds according to the Philippine Statistics Authority (PSA).¹⁷ Studies show that the drivers of poverty in the Region are poor governance, feudalism, clan feuds, weak infrastructure, land disputes and unstable peace and order.¹⁸

2. Security and Public Order

Despite being "tactically marginalized" the presence of terrorist forces such as the Abu Sayyaf Group and Bangsamoro Islamic Freedom Fighters remains to be a security threat to the BARMM. News report also reveals that at least 600 former MILF and MNLF rebels may lose their source of livelihood. It is important to ensure that employment and

¹⁶ Colcol, E (17 July 2019) 6,000 ARMM employees to lose jobs in new Bangsamoro gov't — workers' group. Retrieved from: <https://www.gmanetwork.com/news/news/nation/660797/6-000-armm-employees-to-lose-jobs-in-new-bangsamoro-gov-t-workers-group/story/>. Accessed last 8 December 2018

¹⁷ (2019). ARMM Poverty Statistics . Philippine Statistics Authority - ARMM. Retrieved December 6, 2019, from <http://rssoarmm.psa.gov.ph/statistics/poverty>. Accessed last 7 December 2019

¹⁸ Dy, R. (2019, February). *The Poverty Challenge of Bangsamoro*. Retrieved from https://business-inquirer-net.cdn.ampproject.org/v/s/business.inquirer.net/264224/the-poverty-challenge-of-bangsamoro/amp?amp_js_v=a2&_gsa=1&usqp=mq331AQCKAE%3D#aoh=15756047259712&referrer=https%3A%2F%2Fwww.google.com&_tf=From%20%251%24s&share=https%3A%2F%2Fbusiness.inquirer.net%2F264224%2Fthe-poverty-challenge-of-bangsamoro Accessed last 7 December 2019

livelihood for former combatants are provided sustainably in BARMM to assure peace and counter the decreasing trend of insurgency in the region.¹⁹

3. Arising threats to Health

One of the threats to public health in the region is the lack of clean water and sanitation in several provinces in the BARMM. Maternal and child mortality has also been noted to be a continuing problem in the region.²⁰

4. Political instability and challenges to local governance

Some political clans who control and occupy local government positions are among the key factors that led to political instability in the region. Several private armies that provoke tension and clan wars led to the absence of state services, lack of accountability, and the presence of fear and corruption.²¹

V. THE BARMM BUDGET: AS BLUEPRINT FOR DEVELOPMENT

Looking at how the funds were allocated on one hand and the emerging issues on the other, the 2020 BARMM Budget could further be examined to assess whether the budget, as enacted, could serve as blueprint for concrete development in Bangsamoro.

Under the Introduction of the Bangsamoro Appropriations Act, it says that the Bangsamoro FY 2020 Budget is anchored on the 12-Point Priority Agenda of the Interim Chief Minister as aligned with the Duterte Administration's 0+10 Socio Economic Agenda. The priority agenda are as follows:

1. Enactment of priority bills;
2. Integration of development plans;
3. Establishment of appropriate bureaucracy;
4. Continuity of existing government services;
5. Special programs for transitioning combatants;
6. Support for the on-going Marawi rehabilitation;
7. Development of enabling policy environment;
8. Activation of job-generating industries;
9. Enhancement of security;
10. Maximizing synergistic partnerships;
11. Ensure environmental compliance; and

¹⁹ Jannaral, J. (20 March 2019) *ASG still top threat to BARMM security*. Retrieved from: <https://www.manilatimes.net/2019/03/20/news/regions/asg-still-top-threat-to-barmm-security/528064/528064/>. Accessed last 5 December 2019.

²⁰ Ni-Rosipan, B. (13 March 2017) *War, Peace and Maternal and Child Health in the ARMM*. Retrieved from: <https://cmfr-phil.org/womensvoices/features/war-peace-and-maternal-and-child-health-in-the-armm/>. Accessed last 5 December 2019

²¹ Abalos, F (23 February 2015) *ARMM: Corruption hinders progress*. Retrieved from: <https://www.philstar.com/the-freeman/cebu-business/2015/02/23/1426760/armm-corruption-hinders-progress>. Accessed last 4 December 2019

12. Exploration of the Bangsamoro economic potentials.²²

These agenda serve not only as a guiding principle, but it can also be treated as action points by which the BTA should funnel its resources and focus its efforts. Thus, to propel the achievement of these agenda, there must be a budget that is responsive to the priority programs geared towards accomplishing the targets and at the same time addressing the issues that may impede the development in the region.

The top three priorities from the 12-point agenda find fiscal support in the 2020 Budget. For instance, the budget allocated to the BTA, which has the 5th highest allocation, amounting to Php 2.5 billion pesos will support the operations of the 80 offices of the Members of Parliament (MPs). The budget would allow the MPs to effectively exercise their functions by hiring additional technical staff that would support their legislative work and by having a conducive office space that is accessible both to the parliament staff and the constituents they serve. The provision of these, while being a matter of operation, would have an impact on the priority agenda of enacting the necessary legislation thereby ramping up the establishment of bureaucracy. There is also special provision under the BTA's allocation that could be accessed to support supplemental legislative services.

Another points in the agenda are the streamlining of economic efforts, such as the activation of job-generating industries, continuous rehabilitation of Marawi, maximizing synergistic partnerships, and exploration of Bangsamoro economic potentials. All these economic efforts have been set to contribute in lowering the poverty rate in the region, which remains to have high record of poverty rate at 63% Poverty Incidence among Population.²³ For this purpose, the Php 7.9 billion budget of Ministry of public works is expected to generate jobs for skilled workers and trigger high demand for infrastructure businesses in BARMM. There are also available job opportunities for civil servants which have been opened for applications since the last quarter of 2019. And as of January 2020, there have been 3069 civil service jobs posted.²⁴ These job vacancies cohere to the BARMM 2020 Budget that has an allocation of Php 20 Billion for Personnel Services. Furthermore, the budget on health and direct social services

Alongside with the implementation of programs intended to bring economic growth is the determination by the Parliament of the economic policies suitable in the BARMM. The Parliament would be able to conduct evidence-based research to support any economic policy proposals that are effective, efficient, and in consideration with the diverse cultural practices and environmental protection.

²² The 12-point agenda of the BARMM published by the Bangsamoro Planning and Development

²³http://rssoarimm.psa.gov.ph/sites/default/files/016%20Poverty%20Statistics%20in%20ARMM%20%281st%20Semester%202018%29_2.pdf (last accessed: 10 February 2020)

²⁴ <https://jobs.bangsamoro.gov.ph>

To address security issues in the region, BARMM could prioritize the enhancement of security efforts and provide special programs to former combatants by providing them livelihood and other economic opportunities with an aim of veering them away from future insurgencies. To address this agenda, the BARMM 2020 Budget has allocated Php 86 Million for the Ministry of Public Order and Safety, which has the mandate to implement SAFE BARMM Programs. Among the projects included are the following: (i) Intelligence and Investigation Program, (ii) Reconciliation and Unification Program, and (iii) Peace Building Towards Normalization. The OCM must also streamline other programs of the different Ministries intended for the former combatants and ensure the necessary support needed by utilizing its Php 279 Million Support to Operations allocation.

While almost all of the programs and projects indicated in the enacted budget have already set a clear output and outcome indicators, there were programs that need to determine its output indicators such as the TABANG program under the OCM and the Php 13 Billion Contingency Fund, which should have a separate guidelines as may be determined when the contingency occurs.

VI. RECOMMENDATIONS

a) Closer Coordination between the Ministries and Parliament.

It is monumental for the BARMM Parliament to convene, deliberate on the allocations of the block grant, and successfully enact a budget law before the close of fiscal year 2019. In a Round-table Discussions conducted by the Access Bangsamoro, some Members of the Parliament and stakeholders noted that the timeline of the budget process was necessarily compressed to meet the deadline. Thus, it resulted to less time opportunity for the Parliament to conduct pre-legislative scrutiny.

While this circumstance is a reasonable scenario during transition period, a closer coordination for the next budget cycle between the Ministries and Parliament could further be enhanced. In particular, the Ministry of Finance, in coordination with the Members of Parliament, can co-craft a synchronize budget timeline and processes. This will prompt different Ministries to be more prepared during the deliberation of their budget and at the same time allow the MPs to have sufficient opportunity to carefully examine the budget proposal. Moreover, the pre and post-legislative scrutiny that the Parliament would exercise will help establish working fiscal institutions in BARMM and it will ensure that budget would be more responsive to the needs of the people, transparent, and efficiently allocated.

b) Development Plans and Expenditure Framework as Basis of Program Allocation.

The 2020 BARMM budget generally addresses the emerging issues earlier identified and the same is responsive to the 12 point agenda of the region. The budget was allocated heavily on education, health, social services, and infrastructure projects.

However, the strategic allocation of resources by using baseline data for the Parliament's evidence-based decision is an area that could be enhanced and later on regularly practiced. The BARMM Development Plan, which is expected to be finalized and published, should shape BARMM's budget priorities and should serve as basis for the Ministry of Finance in crafting BARMM's Budget Framework. The Budget Framework Document²⁵ shall provide the link between BARMM Government's overall policies as identified in the BARMM Development Plan and its annually submitted budget. The articulation of the link between fiscal policy and budget allocation promotes evidence-based budgeting and serves as baseline data to measure targets.

c) Balance Between Adherence to Budget Process and Demand for Agile Budget Enactment.

The sharp contrast of the budget process from the previous ARMM fiscal system is that the BARMM has more autonomy in budget preparation. Previously, ARMM was treated similar to National Government Agency that proposes budget and the Department of Budget and Management reviews the same. In the present structure, BARMM Ministries prepares the budget proposal for the Parliament to review, negotiate, debate, and thereafter enact. Such process requires pre and post legislative scrutiny to ensure that budget is consistent with the development plan and responsive to the priority agenda of the region.

While the BARMM government is on its first year of transition phase, flexibility from the rigid budget process and legislative scrutiny are expected. However, level of flexibility should diminish over time to give way to a more transparent, participatory, and by-the-rules process.

d) The Equitable Budget Distribution Per Sector and Geographical Area.

There is a need to further indicate the equitable distribution of the budget in various sectors and geographical areas in the BARMM. The Budget Framework Document would show the distribution of the allocation in the budget per sector and per geographical area. The lack of such Framework would make budgeting susceptible to political accommodation for politicians who would exercise strong influence to channel resources in favor of certain geographical area or sector.

²⁵ It should contains information on: macro-economic assumptions and plans; fiscal strategy, such as revenue projections; overall priority interventions (identified within the National Development Plan) and proposed sectoral expenditure plans.

While this is expected in political arena such as the Parliament, the Framework Document would serve as a tool to temper the highly politicized and arbitrary budgeting. At the same time, the equitable budget distribution will ensure that areas which are distantly far from the mainland, such as Basilan, Sulo, and Tawi-tawi, could have equitable share in the budget.

e) Budget Research and Monitoring Office.

Given the technical requirements required in analyzing the multi-fold programs and budget items in the expenditure program, the BARMM Parliament could establish a research and monitoring office which can provide assistance to the MPs. This office can also assist the Parliament in monitoring the implementation of the budget as part of its inherent “power of the purse” and its oversight functions. Moreover, the monitoring office would be able to assist the Parliament track the target commitments of the different ministries and ensure that funds allocated would be obligated.

f) Participation of Civil Society Organizations.

To ensure a more responsive and grounded budget, the BARMM Government must employ mechanisms that will promote participation of the Civil Society Organizations (CSOs). As end-users of the programs, CSOs can help improve budget allocation by providing information on public needs and priorities through their experience with citizens, communities, and sectors on the ground. Furthermore, budget process becomes more transparent when there are organizations that keenly serve as watchdogs.