PIB
PERFORMANCE-INFORMED BUDGETING
FREQUENTLY ASKED QUESTIONS

PUBLIC FINANCIAL MANAGEMENT
REPUBLIC OF THE PHILIPPINES

1
What is Performance-Informed Budgeting (PIB)?

PIB is the new budgeting approach that uses performance information in the appropriations documents to link funding to results and to provide a framework for more informed resource allocation and management.

2
What does performance information contain?

Performance information typically includes the following:

- Purpose for the funds required
- Outputs that would be produced or the services that would be rendered
- Outcomes that would be achieved by the outputs and/or service
- Cost of the programs and activities proposed to achieve the objectives

3
What is the rationale in adopting the PIB approach?

PIB presents the Budget as a more comprehensible and accessible document to the people.
Performance-Informed Budgeting presents the outputs and outcomes aligned to its planned resources, strengthening the link between the resources to be spent to the results that will be achieved. This further ensures that the deliverables of all agencies are strategically planned along the lines of the Administration's priority goals, objectives and programs.

4
How does performance-informed budgeting differ from the traditional line item-based budgeting?

PIB focuses more on outputs and outcomes and places less emphasis on the inputs. It links funding to results and provides a framework for more informed resource allocation and management.

5
The New PIB structure follows the Results Framework or the Logical Framework established for each department and agency through the Organizational Performance Indicator Framework (OPIF). What does the framework show?

The framework contains the agency's programs, activities and projects (PAPs) and corresponding Major Final Outputs (MFOs). Fulfillment of MFOs contributes to the Organizational and Sectoral Outcomes toward the achievement of the Administration's Key Result Areas and Societal Goals.

6

What are Societal Goals?

Societal goals refer to overall development objectives that an Administration aims for over the medium term as reflected in the Philippine Development Plan.

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What is an Outcome?

Outcomes are the key desired end-results that government seeks to achieve usually over a number of years in line with its socioeconomic development plan, through the delivery by departments and agencies of their outputs and the implementation of programs, activities and projects.

8

What is the difference between Sectoral and Organizational Outcome?

Sectoral Outcomes are the broader outcomes desired from a group of agencies belonging to a sector of society. These are longer-term benefits for the sector from the initiatives of the department/agency. The Philippine Development Plan identifies 18 of these Sectoral Outcomes. Sector outcomes are longer-term benefits for the sector from the initiatives of the department/ agency.

Meanwhile, Organizational Outcomes are the expected outcomes that a Government Agency attains in line with its mandates. These are short- to medium-term benefits to the clients and community as a result of delivering MFOs.

9

What are Programs, Activities and Projects or PAPs?

PAPs are activities undertaken by a department or agency to achieve the purpose for which it is established or created, or to deliver its MFOs.

- Program is an integrated group of activities that contributes to a particular continuing objective of a department/agency.
- Activity is a work process that contributes to a program or sub-program or project.
- Project is a special department or agency undertaking carried out within a definite time frame and intended to result in some predetermined measure of goods and services.

10

How do we measure the success of MFOs through Performance Indicators?

Performance indicators are both financial and non-financial information used to measure an agency's delivery of MFOs. These are also identified together with performance targets, or an agency's committed performance given its budget. There are three types of MFO performance indicators used in Philippine PIB:

- Quantity – used to measure the *number of units or volume of outputs* to be delivered by a department or agency within a specified period of time (for instance, within the fiscal year).
- Quality – used to measure *how well outputs are delivered and how these are judged* by clients.
- Timeliness – used to measure the *availability of outputs as and when required* by clients.