



Republic of the Philippines
COMMISSION ON AUDIT
DEPARTMENT OF BUDGET AND MANAGEMENT
DEPARTMENT OF FINANCE

PUBLIC FINANCIAL MANAGEMENT (PFM) COMMITTEE

Resolution No. 01-2016

WHEREAS, the Public Expenditure and Financial Accountability (PEFA) Measurement Framework was established in 2001 as a multi-donor partnership of seven international development partners including the World Bank, and the International Monetary Fund, to provide a thorough, consistent and evidence-based analysis of the PFM performance of countries at specific points in time;

WHEREAS, the PEFA Measurement Framework was first applied to the Philippines in 2007, resulting in a report published in 2010, identifying major weaknesses in budget credibility, budget predictability, Congressional budget oversight, and, cash management, as well as the poor monitoring of contingent liabilities, and absence of common budgetary and accounting classifications, which hampered results-based budgeting;

WHEREAS, the 2007 PEFA findings led to the creation of the PFM Committee by virtue of Executive Order No. 55, issued in 2011, which acted as oversight in the implementation of a PFM Reform Roadmap adopted in January 2011 to address the weaknesses identified in the country's PFM system;

WHEREAS, in 2015, the World Bank and the Australian Department of Foreign Affairs and Trade conducted the second PEFA Assessment of the country's PFM systems based on a revised framework being piloted by the PEFA Secretariat. As a result of the implementation of PFM reforms by the departments under the PFM Committee, the government posted a good performance rating for 19 out of 31 performance indicators compared to 8 out of 28 performance indicators obtained during the 2007 Assessment. The resulting Assessment Report also indicated the continuing problems to resolve and areas to strengthen;

WHEREAS, the principals and senior officials from the PFM Committee, Congress, and the National Economic and Development Authority participated in and discussed the findings resulting from the PEFA Assessment with the World Bank as well as the action plans that can



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address the continuing weaknesses in the PFM system identified by the PEFA Assessment Report;


WHEREAS, the principals of the PFM Committee, during their meeting on May 31, 2016, agreed to the findings of the 2015 PEFA Assessment Report which was completed that month, and said that these can serve as a basis to update the PFM Reform Roadmap;


NOW THEREFORE, the PFM Committee hereby **RESOLVES** to adopt World Bank's 2016 PEFA Assessment Report as basis for the recalibration and updating of its PFM Reform Roadmap and approve its publication by the World Bank.


Adopted this 25th of August 2016.


LAURA B. PASCUA


Undersecretary
Department of Budget and Management
Chairperson, PFM Committee



GIL S. BELTRAN
Undersecretary
Department of Finance
Member, PFM Committee


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