

**PRESIDENTIAL COMMUNICATIONS OFFICE**  
**News and Information Bureau**

**MALACAÑANG INSIDER**  
**HOSTED BY MS. DAPHNE OSEÑA-PAEZ**  
**WITH DEPARTMENT OF BUDGET AND MANAGEMENT**  
**SECRETARY AMENAH PANGANDAMAN**  
**AUGUST 12, 2024 [11:58 A.M. – 12:29 P.M.]**

**MS. OSEÑA-PAEZ:** Current developments, presidential directives, accurate and reliable updates straight from the Palace. This is Daphne Oseña-Paez, your Malacañang Insider.

Job creation, healthcare, education and infrastructure, these are just a few of the priorities of the Department of Budget and Management. As the leading agency in public expenditure management, the DBM is committed to the efficient, transparent and accountable allocation of government resources to advance national socio-economic plans and programs, driving progress and prosperity for all.

And we have with us today, Department of Budget and Management Secretary Amenah Pangandaman. Good morning, Secretary Amenah.

**SEC. PANGANDAMAN:** Good morning. Good day, Ms. Daphne. And [dialect] to all our viewers.

**MS. OSEÑA-PAEZ:** Wonderful. I know you have some good news for us.

**SEC. PANGANDAMAN:** Yes. Well, first, the President last week signed the Executive Order for the Salary Standardization Law VI. It's an adjustment doon sa ating suweldo ng ating mga kawani ng gobyerno.

And another good news is that, on that day, I asked the team from DBM to already write the Implementing Rules and Regulations, the guidelines. So we are happy to announce that we signed that this morning, the national budget circular and the local budget circular. So we will release it, publish it tomorrow, and the national government agencies can already compute the adjustment of the salary of our workers.

**MS. OSEÑA-PAEZ:** Wow, that's good news! So what we are expecting next? So you signed the implementing rules and guidelines and they can file for it, and when do the people get their money?

**SEC. PANGANDAMAN:** As soon as possible. It will really, actually, depend on the agencies, kung gaano sila kabilis mag-compute ng mga adjustments. So this is the first tranche. Ang adjustment po ay nagsimula mula noong January nitong taon na ito.

**MS. OSEÑA-PAEZ:** Could you give us the numbers? Like, how much they expect to be receiving?

**SEC. PANGANDAMAN:** Well, on average po, from now until the last tranche, it will be in four tranches – it will start this year, 2024; it will end by 2027 – on average po, the total increase will be about 18% for the entire tranche, for the four tranches.

**MS. OSEÑA-PAEZ:** And who is eligible to receive this increase? All of government workers?

**SEC. PANGANDAMAN:** Yes po, lahat po ng nasa executive, legislative, judiciary, and even the constitutional offices and commissions, and GOCCs. Except lang po iyong mga nasa mandato po nila, nasa batas po nila na may sarili silang salary structure, at iyong mga GOCCs din po na kabilang doon sa GCG law.

**MS. OSEÑA-PAEZ:** Okay, wow! And are there any agencies not included or any departments not included?

**SEC. PANGANDAMAN:** Ang hindi po kasama dito ay iyong ating mga ... these are all civilian personnel – iyong ating NUP, hindi po sila kasama dahil may sarili po silang structure. In fact, local government units ay kasama din po dito.

**MS. OSEÑA-PAEZ:** Okay. So no military and uniformed personnel?

**SEC. PANGANDAMAN:** Wala pa po.

**MS. OSEÑA-PAEZ:** May sarili silang ....

**SEC. PANGANDAMAN:** May sarili po sila. If you remember po, nagkaroon na po sila ng adjustment during the previous administration, and kailangan po nito ng batas. So I know that there are a couple bills pending in Congress now for their adjustment so we will just for that.

**MS. OSEÑA-PAEZ:** When passing this, when the President signed the EO, were there any directives that he gave you?

**SEC. PANGANDAMAN:** Ang sinabi lang po ng Presidente is to ensure that whatever adjustment that we do, make it competitive versus the private rates – iyong market rates sa private sector. So we tried our best to make it competitive, ilapit nang kaunti kung magkano po iyong nari-receive ng mga nasa private sector.

**MS. OSEÑA-PAEZ:** That's great. And is this something that will be happening occasionally? Like when will be the next?

**SEC. PANGANDAMAN:** It will run for four years, and it starts in 2024; and then second tranche will be on 2025, and then mayroon sa 2026, and then mayroon sa 2027. And then, maybe I can also share that in our next year's budget, included in the EO po iyong tinatawag nating medical allowance. Because, you know, I came from the legislative department po 'no, and doon ay mayroon po kami noong tinatawag naming HMO, iyong medical insurance. But here in the executive, when I first entered the executive, in

DBM, we don't have that. So we are happy that the executive order also provides for a medical allowance for our government personnel. That's 7,000 pesos per employee po that will start next year.

**MS. OSEÑA-PAEZ:** Okay, and what does it cover?

**SEC. PANGANDAMAN:** It covers everyone, the one million three hundred fifty-two thousand government personnel. It's 7,000 per year po of medical allowance.

**MS. OSEÑA-PAEZ:** That's great. And so, this is like on top of what you would get with PhilHealth? It's like a private HMO?

**SEC. PANGANDAMAN:** Yes, yes.

**MS. OSEÑA-PAEZ:** Wow, that's exciting! And everyone will be eligible for that?

**SEC. PANGANDAMAN:** Yes po, civilian personnel po.

**MS. OSEÑA-PAEZ:** Okay. Should we anticipate an increase in taxes once the salary increase takes effect as well?

**SEC. PANGANDAMAN:** Wala po. There's no pending any legislation now on any tax adjustments, except that naturally, in our personal income tax, tuwing tumataas po ang ating income, tumataas din po iyong taxes natin. But with this executive order, we made sure po na even if magkaroon na ng tax iyong mga nasa mababang income bracket, iyong take home pay po nila ay mas malaki pa rin.

**MS. OSEÑA-PAEZ:** And this is retroactive?

**SEC. PANGANDAMAN:** Yes, January 1, 2024.

**MS. OSEÑA-PAEZ:** Wow! This is really good news for government employees.

**SEC. PANGANDAMAN:** Yes po, opo.

**MS. OSEÑA-PAEZ:** Yes. So when the President asked you to calculate this salary standardization to make sure that it's competitive with the private sector, nasa puso ninyo na itong ... this goodwill to make government work at par with private sector?

**SEC. PANGANDAMAN:** Yes po.

**MS. OSEÑA-PAEZ:** To professionalize it?

**SEC. PANGANDAMAN:** Yes, it was one of the first directives of the President when we entered this administration because the last salary standardization law ended last year. So I think it's about time to

also adjust iyong salary because, as you know, we are coming out of the pandemic and because of the global recession and iyong inflation natin medyo mataas po, so I think it's time for us to adjust na rin.

**MS. OSEÑA-PAEZ:** Okay. So moving on from that amazing news, I know you are still in the process of going through the budget hearings. Any updates from that?

**SEC. PANGANDAMAN:** Well, we started our DBCC briefing at the House of the Representatives last Monday. It was a ten-hour marathon. But we're happy to explain our National Expenditure Program. And tomorrow, we will be in the Senate for the next two days to, again, brief our legislators in the Upper House.

**MS. OSEÑA-PAEZ:** We are not expecting any negotiations? Is it going smoothly?

**SEC. PANGANDAMAN:** Yes, I suppose. I mean, if you will look at, kung maaalala ninyo po, sa ating SONA ng ating Presidente, nandoon po, sinabi niya po na ginawa po natin sa executive ang ating budget with utmost care, diligence and meticulously po. And sana po, mag-adhere dito ang ating Kongreso.

**MS. OSEÑA-PAEZ:** Okay. I forgot to ask pala, for the salary standardization, hindi ba cover po iyong contract of service?

**SEC. PANGANDAMAN:** At saka iyong job order? Hindi po sila cover because wala po—sa Civil Service po, nandudoon po kasi nakasulat iyong mga rules kung sino po iyong may plantilla position, job order and contract of service. According to the rules po, iyong mga job order at saka COS po, wala po kasi silang employer-employee relationship.

However po, when we hired JO and COS, we can put a premium of up to 20% po doon sa salary na nari-receive nila.

**MS. OSEÑA-PAEZ:** Wow, okay, that's good news also! Going back to local government, how are they going to implement? Are there any guidelines for them to implement this?

**SEC. PANGANDAMAN:** Yes, when we signed the guidelines today for the national government agencies, we also signed the local budget circular. Sila po, it cannot be done retroactive; they will start po the adjustment kung kailan lumabas iyong executive order – that was August 2 – and they can do it through an ordinance. Kailangan po nilang magpasa ng kani-kanilang mga ordinansa.

**MS. OSEÑA-PAEZ:** In your budget hearings though, let's go back to the priorities of this administration, of course we have healthcare, and education, infrastructure, job creation and a very hot topic now disaster resilience and agriculture, yeah. How were you able to make sure that the initiatives and the priorities of this administration would get the right budget?

**DBM SEC. PANGANDAMAN:** When we started the administration, Daphne, we prepared the Medium-Term Fiscal Framework, included in there is our 8-Point Socioeconomic Agenda and at the same time just a couple of months after that we also launched the PDP Plan 2023 to 2028. And in those roadmaps

nakasulat po doon iyong mga sectors na kailangan nating bigyan ng importansiya. And of course, the President was very firm that first we have to take care of our most valuable assets – this is the Filipino people.

So, that's why our budget since day one we have been giving a big amount of budget to our social services sector – that is education, health and provide jobs to our people. So that's important, it's more than 33 percent of our budget.

And then next is infrastructure development. Again, for the past few administrations or past decades we haven't been investing much on infrastructure development. It's usually one to two percent of GDP but now we're utilizing five to six percent of GDP to infrastructure development.

Ang agriculture sector natin, medyo napapabayaang din po iyan noong mga nakaraang taon – less than one percent, there had been no increases sa budget. But when we started, double digit increases po tayo sa ating agriculture sector.

**MS. OSEÑA-PAEZ:** And I believe that results are coming out, benefits of investing in agriculture because I think we're going to have a briefing also with Secretary Laurel soon.

**DBM SEC. PANGANDAMAN:** Yes. Similar with infrastructure po and agriculture, you know hindi po siya mabilis, hindi kaagarang...hindi po natin makikita kaagad iyong mga resulta. But from 2023 sinimulan na po natin iyan sa ating budget na lagyan ng pondo.

**MS. OSEÑA-PAEZ:** Okay. How do you evaluate the proposals that are submitted by the agencies? I know that you received how many?

**DBM SEC. PANGANDAMAN:** Nine point two trillion pesos.

**MS. OSEÑA-PAEZ:** Okay. So, somebody sips through that and sees like which one is viable and...

**DBM SEC. PANGANDAMAN:** Yes. We follow a framework when we do our budget circular, our budget call in the start of the year. First, we make sure again it's consistent with our Medium-Term Fiscal Framework, 8-Point Socioeconomic Agenda and our PDP Plan; second, we look at the budget utilization of each agency if they were to utilize and implement their projects from previous years, we check the specific projects whether these are shoved already projects; next, we have a system with the NEDA that we check all the infrastructure projects again whether it is a readily implementable. So, iyon po, iyon po iyong mga tinitingnan natin.

**MS. OSEÑA-PAEZ:** Is that manually done?

**DBM SEC. PANGANDAMAN:** Yes.

**MS. OSEÑA-PAEZ:** Wow, DBM people are amazing! That's a lot of work. Okay, we still have a lot to discuss and I'm glad you're here, Sec. Mina, but we will be back soon. Up next, paano sinisiguro ng

Department of Budget and Management ang fair, prudent and responsible allocation and utilization of public funds? We will be right back.

[COMMERCIAL BREAK]

**MS. OSEÑA-PAEZ:** [Audio resumes] ... Malacañang Insider with Secretary Amenah Pangandaman of the Department of Budget and Management. Secretary Pangandaman, let's talk about this fair, prudent and responsible allocation and utilization of public funds – what does the DBM mean by that?

**DBM SEC. PANGANDAMAN:** So, it's basically ensuring that the budget we provide in our General Appropriations Act is being used like every centavo of it is being used in the most efficient and quick manner. So, there are a couple of budget reforms that we are doing in the Department of Budget and Management, we started this already. So, first, we have been implementing the cash-based budgeting. Meaning, we only provide budget to those that are, like what I said a while ago, implementation ready. Iyong kaya mo lang matapos sa isang taon. Kasi kung kaya mo iyang tapusin nang isang tatlong taon, ba-budget-an lang namin iyong isang taon lang and then we will use the remaining budget for other projects that can also be used by other departments na kaya nilang matapos, because we want the projects to be felt by the Filipino people immediately – iyan po.

Second, is the public financial management. We have a roadmap that will be issued soon, we will present it to the President – basically, we will use digitalization. A while ago you said, "Lahat ng ito ginagawa ninyo manually?" Yes, for now, I mean even reporting of their budget levels and iyong mga transactions ng national government – lahat iyan manual na binibigay ng mga ahensiya but we want now to digitalize everything.

We will pursue the integrated financial management system and the budget treasury BTMS Budget Treasury Management System the BTMS.

So, meaning online lahat ng transaksyon ng national government, one platform, real time makikita mo lahat. 'Pag bumili tayo ng ...kunyari nagpa-bid si DPWH ng isandaan, makikita mo doon kung magkano iyong budget niya, magkano niya napa-bid, magkano iyong savings at saka magkano iyong babayaran natin in the coming days.

So, that way mayroong transparency in our government resources and finances. Number three, related to transparency is the President, of course we institutionalize open government partnership, it is the first in the country. We were one of the founding members, pero it was only institutionalize during this administration and because of that, tayo po ang may number one in terms of open budget survey not only in Southeast Asia but in whole of Asia. Tinitingnan po nila tayo, bine-benchmark nila sa atin kung gaano ka-transparent iyong ating pagba-budget.

So, with the executive order, that the President signed two years ago, the national government, the legislative and even the judiciary are using the open, our—kumbaga embracing the open government partnership advocacy. Meaning, all the civil society, the private sector can easily look at the budget on how implement it, on what kind of projects do we provide in the national government.

**MS. OSEÑA-PAEZ:** Where is that published?

**DBM SEC. PANGANDAMAN:** We will soon launch our online platform on that, iyan po ay makikita nila lahat doon ng mga projects and then makikita nila iyong mga implementation timeline lahat ng projects. And in fact, even the public sector and the civil society can comment, whether tama ba iyong ginawang daan, tama ba iyong ginawang bridge, tama ba iyong binigay na ayuda sa mga kababayan. So, we're promoting that also.

**MS. OSEÑA-PAEZ:** So, it's transparent and participatory even, wow!

**DBM SEC. PANGANDAMAN:** Yes, it is a participation, iyan po, and lastly, we are proud of this, the President already signed, sabi ko nga it's the biggest anti-corruption law of our in the modern times, 'di ba iyong national—iyong New Government Procurement Act.

**MS. OSEÑA-PAEZ:** So, the NGPA, the New Government Procurement Act that is the game changer, its' makes, more efficient for the government expend its money?

**DBM SEC. PANGANDAMAN:** Yes, it's a—iyong New Government Procurement Act, it's a 20-year law, it was an amendment from the GPRA before. When we first came in this administration, we talk to our development partners, and sabi nila up to 17% of our budget is put to waste because hindi maganda iyong ating procurement system.

So, iyon 'yung nag-trigger sa atin para i-amend iyong ating procurement system.

So, with our new procurement law, mas mapapabilis natin iyong pag-implement ng ating projects. First, mayroon po tayong tinatawag na early procurement activities, as early as now, when we submitted our national expenditure program to Congress, puwede na pong magpa-bid iyong ating mga departments and agencies ng kanilang mga projects and programs, short of award.

And then, by January 1, when we already have the General Appropriations Act, they can already award it, meaning, puwede ng implement kaagad. So, according to data.

**MS. OSEÑA-PAEZ:** So, it's faster?

**DBM SEC. PANGANDAMAN:** Yes, it's faster, according to data more than 50% of the projects and programs in our government appropriation act can be done to early procurement. And we will try to still work on it, para at least 70% of all the projects can be done through early procurement activities.

Second, ito po lagi natin itong naririnig sa ating mga kasama sa gobyerno, bakit lagi 'pag bumibili tayo, kailangan laging mura? Hindi ba dapat—kasi minsan 'pag mura, edi ibig sabihin pangit iyong quality. So, in our New Government Procurement Act, hindi lang mura, pati quality we take it into consideration.

So, these are a few of the amendments that we did, ah, mayroon pa pong isa, for our common new supplies. Mayroon na po tayong tinatawag na add to cart, it's like Shopee and Lazada, so when you want to buy your common new supplies, mayroon na po tayong online platform diyan. magki-click ka lang add to cart, add to cart and then will tell you kung kailan ready siya for pick-up or kailan siya ide-deliver. And then, automatically then iyong budget niya because were also integrating nga iyong sa BTMS natin at saka [unclear] natin 'no. Ipapasok na iyan kaagad doon sa mga account natin, may tinatawag din tayong e-wallet for our department and agencies. So, automatic na iyan mababawas doon, wala ng mga cash transactions.

**MS. OSEÑA-PAEZ:** Okay, so just select for bond paper and utensil.

**DBM SEC. PANGANDAMAN:** Yes, [unclear] and ball pens.

**MS. OSEÑA-PAEZ:** Oo, mga supplies. Wow! so, in this New Government Procurement Act, maapektuhan iyong mga ibang suppliers and contractors?

**DBM SEC. PANGANDAMAN:** Yes, I mean, it will make—first it will make it more competitive, so mas maraming suppliers, mas maraming contractors. And then second, mas makikita mo iyong black-listing, malaking problema din pala iyan sa ating procurement system. Hindi alam minsan na blacklist na pala sa isang department, pero nagbi-bid pa siya sa kabilang department. So, iyong black-listing it will also be transparent, na nandidiyan iyan, it will be online, so malalaman mo kung hindi capable iyong isang supplier sa isang project or programa.

**MS. OSEÑA-PAEZ:** Or if nag-re-invent lang sila ng bagong company or pangalan?

**DBM SEC. PANGANDAMAN:** Correct.

**MS. OSEÑA-PAEZ:** So, with digitalization ang dami talagang, it's become so transparent things are gotten faster and it's a very attainable by a lot of people, that accessible. Let's go back to—you as the DBM secretary, you are so hardworking, I always see you running around, delivering everything on time, so fast. But, what are your expectations all your wish for the Filipino people, in order to achieve all of these plans of all our government agencies, so that we can attain Bagong Pilipinas?

**DBM SEC. PANGANDAMAN:** So, as you said, we all work so hard, it is just not me, it's the President. We see him also run around. I mean, running around from one province to another and here from one meeting to another, the entire Cabinet is doing the same, triple time. Previously nga, the President said, he doesn't count by the years, he count by the number of days we are in this administration.

So, we have to—kailangan double-time kami sa pagtatrabaho. So, we are actually trying our best now, to ensure that we provide what is needed by the Filipino people. You know, I wish really is it's seem simple, pero it actually in our medium term physical framework in our Philippine development plan.

First, we want to lower our inflation rate to up to three percent, that's our target. Second, manage our Debt to GDP ratio, bring it down to less than 60% by the end of the administration. Third,



unemployment rates, we are doing our labor, our unemployment rate now is a 3.1% hopefully by the end of the term, mas maraming trabaho less than three percent, that's a big goal for all of us. Not just provide work but the same time quality and green jobs sabi nga ni Secretary Arsi (Arsenio) Balisacan.

Third, pagtibayin pa, palakasin ang ating ekonomiya, we're happy to note that our GDP growth for the second quarter is 6.3% so hopefully 6-7% until the end of administration. What else? Of course, I said this a few weeks ago, iyong credit rating po natin, sana po maging 'A' na eventually, if not next year by 2026 we get credit rating na 'A' po from other credit rating agencies.

**MS. OSEÑA-PAEZ:** I'm listing down all of these wishes, but the number have been very good.

**DBM SEC. PANGANDAMAN:** Yes po.

**MS. OSEÑA-PAEZ:** So, the past two years, you've witness—you know our economy is stabilizing and growing consistently and being recognized by even Western economists it must feel great to be a part of an economic team like that.

**DBM SEC. PANGANDAMAN:** Sabi ko nga, we are all working so hard, but we don't stop there, sabi nga ng ating Presidente, we don't stop there, until maramdaman po noong ordinaryong Pilipino, iyong mga numerong pinapakita natin, these are indicators that well acknowledged by our international and development partners. But then, at the end of the day po gusto natin maramdaman ito ng mga ordinaryong Pilipino, iyon po 'yung pinaka-importante po na magawa natin para sa Bagong Pilipinas.

**MS. OSEÑA-PAEZ:** Oh, that's nice. Okay, on that note, do you have any message to our public?

**DBM SEC. PANGANDAMAN:** Well, first of all, thank you for this opportunity, sa ulitin. And of course, for us in the DBM, we ensure that we protect whatever budget that we have, we respond to the most urgent needs of our Filipino people. We ensure na kung ano po ang nasa ating General Appropriations Act iyan po ay gagastusin natin ng tama, na mas mabilis pa po para po maibigay namin lahat ng mga pangangailangan ng ating mga kababayan.

**MS. OSEÑA-PAEZ:** Well, thank you so much Secretary Pangandaman, I always look forward to talking with you, I learned so much and you're so energetic and I really enjoy our little talks.

Okay, well, to fast track the implementation of government programs and projects, iyan ang layunin ng Department of Budget and Management ang itaguyod ang mga programang magpapabuti sa buhay at kabuhayan tungo sa mas maunlad at mas maayos na kinabukasan ng bawat Pilipino.

We bring you in-depth views of the latest issues and regular Palace updates. I am Daphne Oseña-Paez, your Malacañang Insider. Have a good day.

##