“Role of Parliament in Defence Budgeting: The Case of the Philippines”

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The Philippine Government

The Executive
- 34 Line Agencies
- Dept. of National Defence (AFP, GA, PVAO, NDCP, OCD)

The Legislative
- Committees
  - 58 Standing
  - 12 Special
- Committee on Appropriations
  - 125 members

The Judiciary
- Committees
  - 36 Permanent
  - 32 AdHoc/Oversight
- Finance Committee
  - 17 members
Defence Budgeting
Development Budget Coordinating Committee (DBCC) composed of heads of the Department of Budget and Management (DBM), National Economic Development Authority (NEDA), Department of Finance (DF), Bangko Sentral ng Pilipinas (BSP) and the Executive Secretary

1. Development Budget Coordinating Committee
2. National Budget Call to all Government Agencies Sounded by the Department of Budget and Management (DBM)
3. Budget Review by the DBM Task Force
4. DBM Executive Review of the Proposed Budget Chaired by the DBM Secretary
5. DBM Presentation to the President and the Cabinet
Legal Framework of Defence Budget

Sources of funds:

- National Appropriations Law
  - Line Budget Item for the Dept. of National Defence
  - Special Purpose Fund by virtue of Republic Act 7898 (AFP Modernization Act of 1995)

- AFP Modernization Act Trust Fund
  - created by virtue of RA 7898 (AFP Modernization Act of 1995)

- Military assistance
2007 National Appropriations

- Personnel Services US$1,293,118 77%
- Operations 274,384 16%
- Capital Outlay 112,222 7%
- TOTAL 1,679,725 100%

- 1.22% of the GDP
- 7.16% of the total govt. spending
Distribution of Funds

- Army 51%
- Navy 18%
- Air Force 16%
- GHQ 11%
- Other
  - Civilian Office 4%
- TOTAL 100%
2008 Intelligence Fund = US$ 3.370M (0.18%)

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<th>Agency</th>
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<td>Office of the Secretary</td>
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Internal and External control
Major Challenges
Role of Parliament
Constitutional Mandate on the Role of Congress

- **Section 24, Article VI**
  All appropriations, revenue or tariff bills, authorizing increase of the public debt, bills of local application and private bills shall originate exclusively in the House of Representatives, but the Senate may propose or concur with amendments.

- **Section 25 (1), Article VI**
  The Congress may not increase the appropriations recommended by the President for the operation of the government as specified in the budget. The form, content, and manner of preparation of the budget shall be prescribed by law.
Section 25 (2), Article VI

No provision or enactment shall be embraced in the General Appropriations Bill unless it relates specifically to some particular appropriation therein. Any such provision or enactment shall be limited in its operation to the appropriations to which it relates.

Section 25 (4), Article VI

A special appropriations bill shall specify the purpose for which it is intended, and shall be supported by funds actually available as certified by the National Treasurer, or to be raised by a corresponding revenue proposal therein.
Section 25 (5), Article VI

No law shall be passed authorizing any transfer of appropriations; however, the President, the President of the Senate, the Speaker of the House of Representatives, the Chief Justice of the Supreme Court, and the Heads of Constitutional Commissions may, by law, be authorized to augment any item in the general appropriations law for their respective offices from savings in other items of their respective appropriations.
Section 25 (7), Article VI

If, by the end of any fiscal year, the Congress shall have failed to pass the General Appropriations Bill for the ensuing fiscal year, the General Appropriations Law for the preceding fiscal year shall be deemed re-enacted and shall remain in force and effect until the General Appropriations Bill is passed by the Congress.
Section 22, Article VII

The President shall submit to the congress within thirty (30) days from the opening of every regular session, as the basis of the General Appropriations Bill, a budget of receipts and expenditures and sources of financing, including receipts from existing and proposed revenue measures.
6. DBCC’s Presentation to Congress of the President’s Proposed Budget

7. House of Representatives’ Budget Hearing (Mother Committee, Sub-committee, Plenary)

8. Submission to the Senate by the HOR for Budget hearing

9. BICAM “haggling”, then approval of both chamber of the bicameral report

10. Submission to the President for approval or veto
Major challenges on Defence Budget Oversight

- Lack of independent third party sources of information
- Lack of inter-office cooperation in data sharing
- The issuance of Executive Order 464 which requires prior consent of the President for the congressional appearance of all government personnel
- Limited in-house oversight Reports and Studies
- Logistical limitations for congressional offices to undertake needed research work to guide oversight
- Limited time for individual legislators to study the proposed budget
Specific challenges for Defence Budget Oversight

- Lack of expertise among parliamentarians
- Lack of access to classified budget information, if not delayed access
General Assessment
Daghang Salamat!