

Statement on Behalf of Governance and Security Working Group

As Secretary Abad has noted, policies in support of good and open governance are at the top and center of the President's Social Contract with the Filipino People.

A cornerstone of good governance is adherence to the rule of law. It is the rule of institutions administering a system of laws instead of reliance on personal considerations.

The Philippines has a well-deserved reputation for having excellent laws. It, unfortunately, also has a reputation for weak implementation and enforcement of these legal frameworks.

At the heart of this challenge there are weaknesses in institutional capacity and inter-institutional coordination. The Government's recognition of this is reflected in its focus on systematic reforms aimed at strengthening rule of law, public financial management and procurement systems.

Public financial management. While weaknesses in institutional capacity in the public sector are in part attributable to a lack of adequate resources, agencies can often also do more to make effective use of available resources. Central to this effort have been reforms in the area of budget process led by the Department of Budget and Management—notably the introduction and government-wide rollout of performance budgeting frameworks within a medium-term context.

Building on these reforms, the Government is in the process of developing an integrated financial management information system which will revolutionize and integrate budgeting with accounting, cash management, reporting and auditing. The Working Group lauds and supports this ambitious interagency effort requiring close coordination and collaboration between the Department of Budget and Management, the Bureau of Treasury and the Commission on Audit. The effective collaboration of these agencies will allow for a systematic and coordinated approach to reforms in this area as reflected in the recently approved Public Financial Management Roadmap. We look forward to the downloading of this coordinated effort by oversight agencies to the local government units to enhance efficiency, transparency, accountability, and economy supportive of the better delivery of services.

Public procurement. Greater efficiency and effectiveness in the use of public resources has likewise been supported by significant and ongoing reforms in the area of public procurement underpinned by the Government Procurement Reform Act. The law has helped streamline government procurement, harmonizing it with international standards and practices, and reducing opportunities for graft and corruption.

Implementation of the law has been supported by the creation of the Government Procurement Policy Board attached to the Department of Budget and Management, the standardization of bidding documents and procurement manuals and the promotion of e-procurement through the Philippine Government Electronic Procurement System—all important initiatives aimed at improving transparency and efficiency.

The development partners are pleased to support the Government in the planned improvement through amendment of the Government Procurement Reform Act. Moreover, we are supportive of the Government Procurement Policy Board initiative to monitor and evaluate the procurement performance of procuring entities, and would like to see more use of the Country Procurement System in foreign funded procurement of projects.

Justice sector reform.

Weaknesses in capacity and coordination also underpin many of the core issues facing the justice sector. Delays in resolving cases, the high cost of litigation, and the long and arduous legal process and issues with respect to contract enforcement have resulted in the erosion of public trust in the government and the justice system, with a direct bearing on the investment climate and economic growth—and by extension, poverty reduction.

Inevitably also, those most affected by delays in justice delivery and the high cost of access to justice are the poor who cannot afford the high costs of litigation. Barriers to justice for the poor include cumbersome procedures for small claims and the impact of long litigation period on livelihoods and income generation for those in jail awaiting trial and their families.

ADB has been working with development partners to support implementation of key reform initiatives in the area of public financial management, procurement and rule of law. We will continue to sustain the momentum – bilaterally, and also collectively.