



# **JOINT STATEMENT: A CALL FOR A TRANSPARENT AND ACCOUNTABLE BUDGET PROCESS**



Photo courtesy: House of Representatives of the Philippines



**05 February 2025** — President Ferdinand R. Marcos Jr. himself has described the 2025 National Budget as “sub-optimal”. We call for action on the part of the Executive, first, to consider the recommendation of former Senate President Frank Drilon to **classify all Congress-introduced amendments in the 2025 budget as "For Later Release" (FLR)**, so that these amendments will not be used for electioneering. Second, we call for reform in the budget process, so that this situation will be avoided in future.

The President has appointed competent Secretaries to various departments. They work for 9 months to prepare their respective budgets for the following year. The national budget, which is the sum of the departmental budgets, is designed to address the needs of the Filipino people, according to the guidelines set in the Constitution. The majority of the budget must go to social services like education, healthcare, and conditional aid programs that aim to capacitate our people.

This budget was substantially changed by the bicameral committee. They significantly reduced allocations for programmed healthcare, social services and education projects, by over Php 200 billion). In place of these programmed projects, the bicameral committee inserted local infrastructure projects and types of unconditional cash transfers which, we believe, promote a culture of patronage and dependency. These types of programs are vulnerable to politicization and raise concerns of pork barrel practices, especially in light of the upcoming elections. This is the very practice that the Supreme Court ruled unconstitutional in the PDAF case.



We recognize and value the President's veto of Php 26 billion of the net Php 289 billion worth of Congressional insertions into the budget of the Department of Public Works and Highways (DPWH) during the bicameral conference committee. But given the amounts involved, the current state of the 2025 General Appropriations Act still does not address both the short and long term needs of the Filipino people, especially given that many key social services remain defunded.

To ensure that any future budget process is transparent, equitable, and aligned with the nation's priorities in the future, we propose the following:

1. **Call on Congress for transparency in the Bicameral Conference Committee:**

The bicameral process is conducted behind closed doors. The records of the discussions must be released and made accessible to the public, to ensure transparency and accountability.

2. Support conditional cash transfers (4Ps) instead of instituting and expanding unconditional cash transfers. We call on the **Secretary of the DSWD to release a list of beneficiaries per Barangay** as well as the details of the beneficiaries of any cash transfer. On top of this, we urge the creation of institutional safeguards to control the use and allocation of unprogrammed funds. Unprogrammed funds should serve its main purpose which is for emergency/unexpected expenses.



### 3. **Allow Citizen Participation in the Development Budget**

**Coordination Committee (DBCC):** Open the DBCC to public engagement, allowing citizen input on macroeconomic assumptions and budget priorities. This will ensure the budget reflects the real needs of the people.

The undersigned business groups urge policymakers to safeguard the country's long-term economic stability by ensuring that future budgets prioritize the short and long term needs of the Filipino people through the passage of the reforms proposed above. The diversion of programmed funds from priority projects to discretionary spending on local projects with more political than economic purposes will result in adverse long term effects, in particular, affecting the Philippines' credit standing—making future borrowing more expensive and limiting our ability to fund critical programs.

We stand ready to support the government in pursuing these reforms. We offer our expertise and resources to help build a transparent and accountable budget process that truly serves the Filipino people. **(END)**