

GMA budget realignments growing as 2010 nears

Critics have been accusing President Arroyo of taking significant liberties with the national budget to the point of undermining Congress. Now, it appears, they have the proverbial smoking gun: a section in the National Expenditure Program (NEP) called "Over-all Savings" apparently tells the whole story.

The provision sums up allot-

ments from various departments that were realigned and either turned into "savings" or subsequently transferred to other departments and projects, without congressional approval.

The NEP for 2009 shows total realignments made in the 2007 budget to the tune of P106.108

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billion — almost 17 percent of the total new general appropriations (P605 billion) for that year.

Of this amount, P27.669 billion is carried over to this year as continuing appropriations.

While there is nothing inherently wrong with realigning savings in the budget for other pur-

poses, what budget observers are concerned about is the extent to which the budget is being tampered with.

Realignment is "the executive's prerogative," former Arroyo budget Secretary Emilia Borcedin explained. But the sums that were realigned in last year's budget already constitute

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a significant portion of the budget, she added. "It's too big."

Former budget Secretary Benjamin Diokno says the exercise to which the President is using this prerogative already constitutes "abuse of authority." Congress, he points out, is supposed to determine policy. The role of the executive, on the other hand, is to implement policy. "It's wrong because you are changing the prioritization as approved by Congress," according to Diokno.

For instance, among the amounts transferred to "Over-all Savings" is P29.9 billion that was taken from the budget of the office of the secretary of the Department of Education. The amount was probably "embargoed," according to Diokno, because it could not be funded. "I thought education is a priority." He warns that the same thing will happen in 2009.

Savings for the elections?

Diokno points out as well that the amounts shown under "Over-all Savings" are actually merely "a subset" of unutilized portions of the 2008 budget.

The budget for the Department of Public Works and Highways for 2007 shows unused appropriations amounting to P46.637 billion. This includes unused appropriations amounting to P14.395 billion and unobligated allotments amounting to P32.438 billion.

If the administration does this again with the 2008 and the 2009 budget, Bercodin says, this might very well give them additional spending power for the 2010 campaign.

Under the law, the executive is authorized to spend unreleased portions for maintenance and operating expenditures and capital outlay of a particular year's budget until the end of the following year. The only limitation to this, according to Bercodin, is they cannot realign the funds to personnel services.

man Teodoro Guingona III earlier warned that the executive might spend unused appropriations transferred to the "Over-All Savings" section to fund the campaigns of its bets in the 2010 elections.

Guingona said that budgets of certain departments in 2009 may be deliberately bloated so that they can incur savings. Guingona said this will provide Malacañang with disposable funds that may be redirected to other agencies and may be used to advance political ambitions of certain individuals.

Only in the Philippines

This is not the first time President Arroyo tinkered extensively with the budget. What upsets critics is the fact that realigned sums are "getting bigger and bigger," Diokno said. Adjustments of up to three percent of the budget would have been okay, he said.

The 2007 NEP indicated that P103.76 billion of the 2005 budget was realigned to over-all savings and other departments. P54.37 billion of this amount was carried over to 2006.

This level of control over the budget is not typical of other countries, where the power of the purse belongs to Congress, Bercodin said.

In the United States, for instance, the executive has to go back to Congress whenever it needs to make substantial changes in the budget.

While the Philippine Constitution states that Congress has power over the purse, in reality, the executive here "has enormous power over the budget," Bercodin pointed out.

Comparatively, only P1,006 billion was realigned to over-all savings in the 2003 budget, according to the 2003 NEP. The entire amount was used up for that year. No amount was carried over to 2004. Meantime, the provision for "Over-all Savings" was not in the NEP of 2003.