

# A STEP BACK INTO THE DARKNESS

PDAF Watch Report 2009–2010



Caucus of Development NGO Networks (CODE-NGO)  
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PDAF Watch Report 2009 – 2010  
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PDAF WATCH 2009-2010

# PDAF during the Arroyo Administration

## I. Introduction

The Priority Development Assistance Fund (PDAF) and Congressional Allocations (CA) in the budget of the Department of Public Works and Highways (DPWH) are discretionary funds allocated to each Congressman and Senator to be used for the implementation of projects that they identify. More commonly known as “pork barrel funds,” it has also often been used as a tool of the President to influence elected Representatives and Senators. According to news reports made during the 1990s, 20-30% of the Countrywide Development Fund (CDF), the predecessor of the PDAF, was lost to corruption. Filipino citizens have little or no knowledge about how these funds are being spent. The lack of transparency and the perception of wide spread corruption in the use of pork barrel funds have led to calls for the removal of pork barrel fund allocations from various civil society groups.

In response, the Caucus of Development NGO Networks (CODE-NGO) began the Pork Barrel Watch, or the PDAF Watch in late 2005. The PDAF Watch project is a civil society monitoring initiative that looks into the responsiveness, efficiency, and effectiveness of the PDAF and the CA. Its objective is to influence relevant national policies, and the practices and policies of legislators, towards a more responsible and transparent use of these funds. CODE-NGO took on the task of monitoring PDAF and CA, capitalizing on its capacity as the largest network of development non-government organizations (NGOs), people’s organizations (POs), and cooperatives (co-ops) in the Philippines. This effort is done in partnership with the Coalition Against Corruption, an alliance of the business sector, NGOs, and the Church that supports and implements anti-corruption projects in the areas of procurement and delivery of essential public services.

## II. The PDAF (Pork Barrel)

The term “pork barrel” is commonly used to refer to the PDAF and the CA. The term traces its roots back to the 17th century from a practice in the United States where masters would give their slaves salted pork in barrels whenever they were feeling generous. In 1919, a U.S. political commentator wrote: *“Oftentimes, the eagerness of the slaves would result in a rush upon the pork barrel, in which each would strive to grab as much as possible for himself. Members of Congress, in their rush to get their local appropriation items...behaved so much like the slaves rushing to the pork barrel”* (PCIJ, 1998) (CODE-NGO, 2005).

Pork barrel funds today refer to public funds allocated for projects and programs identified by local and national legislators. However, many view pork barrel funds as very susceptible to corruption. This is a major cause for concern, because if we assume that 20-30% of the PDAF/CA is lost due to corruption, this is equal to P4.9 to P7.4 Billion per year.

During the 1990s, the CDF and the Congressional Initiative Allocation (CIA) allocated to the congresspersons and senators for their chosen infrastructure and other projects became the subject of an exposé by a leading newspaper and of heated debates in Congress. It was reported then that 20 to 50% of the CDF/CIA funds were lost to corruption. As a result, Congress renamed the fund the “Priority Development Assistance Fund”, or PDAF, and instituted some reforms, including specifying a “menu” of projects that may be funded by it.

Aside from the PDAF, each legislator is also given a Congressional Allocation, or CA, which is used to implement infrastructure projects identified by the legislators. The CA is lodged within the budget of DPWH. In 2009 and 2010, each congressperson was allocated P30 Million in PDAF and P40 Million in CA per year while each senator was allocated P100 Million in PDAF and P100 Million in CA. In the 2011 budget, CA was removed from the DPWH budget and was instead incorporated into the PDAF budget in order to be more transparent with the discretionary funds of legislators. It amounts to P24.62 Billion, with each congressperson and senator still getting P70 Million and P200 Million, respectively. Also starting in 2011, the Vice-President was given a PDAF of P200 Million.

The process for PDAF fund release and project implementation is presented in Figure 1.

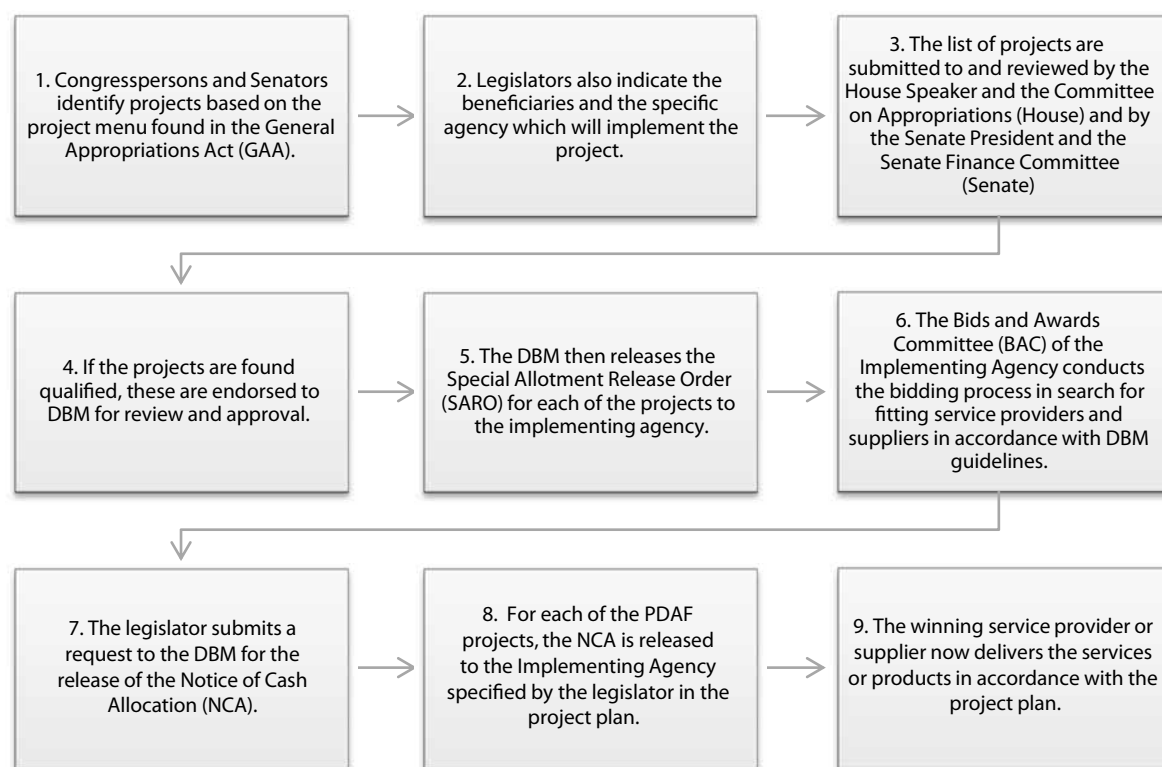


Figure 1. Process of PDAF fund release from appropriation to project implementation (CODE-NGO, 2005)

As presented in Figure 1, the PDAF may only be used for certain project types identified in the menu of projects specified in the GAA. The “hard projects,” which refer to the CA in the DPWH budget, include the construction of roads, bridges, floodways, buildings, and similar infrastructure. On the other hand, “soft projects,” which refer to the PDAF budget, include procurement of items for health or educational purposes, financial assistance to LGUs,

and similar programs and projects, as well as physical infrastructure such as roads and bridges<sup>1</sup>. The DBM checks the PDAF project reports, which should be submitted to them by the implementing agencies.

### III. Methodology

CODE-NGO has previously undertaken PDAF Watch in the years 2005-2006 (Phase 1) and 2007 (Phase 2). PDAF Watch Phase 3 was implemented in the year 2009-2010. During the first phase, a monitoring tool for PDAF/CA funded projects was developed to help enable ordinary citizens to monitor such projects within their respective districts.

Every phase of PDAF Watch begins with the recruitment of volunteer monitors across different regions of the country. These volunteers are trained on how to gather information, interview key informants, and conduct field monitoring of PDAF projects.

While volunteer recruitment and training is on-going, information on the utilization of PDAF is requested from the Department of Public Works and Highways (DPWH), the office which implements PDAF/CA funded infrastructure projects such as roads, bridges, and buildings. Information is also requested from the Department of Budget and Management (DBM), which is responsible for releasing PDAF/CA to implementing agencies such as DPWH, government hospitals, government schools, or local government units. The information requested from these two agencies include the list and status of PDAF funded projects for each district representative, party-list representative and Senator. Aside from the two agencies, all congresspersons and senators are also requested to provide information on their PDAF/CA projects, including their project selection criteria and process.

Based on the list of PDAF/CA-funded projects, volunteer monitors randomly select three projects in their assigned district. In each phase, project selection is limited to particular types of projects, often based on which types get the most funding, to allow for a nationwide analysis. For example, the random selection of projects in the first two phases was limited to one road project, one computer procurement project, and one LGU priority project for each district.

Once the projects are identified, volunteer monitors gather pertinent documents regarding these projects from the office of the legislator, the district engineer's office and/or the local government unit. Using the monitoring tool as a guide, field monitoring visits are undertaken by the volunteers. They validate the status of the project as reported and also inspect whether project specifications were met. Key informant interviews among officials of the implementing agencies and members of the community are also undertaken to further explore any concerns raised during the field monitoring. Volunteer monitors then prepare a report and submit this to CODE-NGO, which then analyzes all the data and prepares a consolidated report.

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<sup>1</sup>With the integration of the CA into the PDAF in the 2011 GAA, the GAA now states that the PDAF may be used for infrastructure projects (P40 Million each for congresspersons and P100 Million each for senators and the Vice President) and "soft projects" including health, education, social protection, peace and order, forest management and development, history/arts/culture projects, and financial assistance to LGUs, which could include local infrastructure projects (P30 Million each for the congresspersons and P100 Million each for the senators and the Vice President)

PDAF Watch Phase 1 covered 37 congressional districts nationwide, while PDAF watch Phase 2 covered 64 congressional districts nationwide. (CODE-NGO, 2007)

*Looking at the Pork Barrel*, which presents the results and recommendations of PDAF Watch Phase 1 and 2, was published in 2007.

### ***PDAF Watch Phase 3 – Overview***

In November 2009, CODE-NGO initiated the third phase of PDAF Watch. Once again letters were sent to the heads of DPWH and DBM, and to the 269 Representatives and 23 Senators, including the Party-list Representatives, the Speaker of the House, and the Senate President, requesting for information on the PDAF and CA of legislators. The letters specifically requested for information on PDAF and CA allocations in FYs 2007, 2008, and 2009.

Volunteer monitors from Luzon, Visayas, and Mindanao were also trained in early 2010.

However, only a handful of Senators and Representatives replied positively to the letters of request, and there were no written replies from DBM and DPWH under the Arroyo administration. After making follow-up calls, and even visits to the offices of DBM and DPWH, the information requested was not given to CODE-NGO, with the exception of the information from DPWH on the 2007 and 2008 PDAF/CA in the Visayas regions given in late January 2010. There were no further information available for 2007-2008 Luzon and Mindanao PDAF/CA funded projects and the 2009 projects.

Due to the lack of information on the PDAF and CA projects of the legislators from the DBM and DPWH and the legislators themselves, our volunteers were unable to conduct their monitoring work.

This report presents the findings and recommendations of PDAF Watch Phase 3. It presents information on the availability of data on the internet, the transparency of legislators, DBM and DPWH, and an analysis of data that was eventually obtained from DBM and DPWH.

### **IV. PDAF/CA utilization from 2008 to 2009**

Based on the data obtained from DPWH on July 29, 2010 under its new Secretary, Rogelio Singson, most of the CA funds went to multi-purpose buildings (40-42%) and roads and bridges (32-25%) (See Figures 2 and 3 below).

The CA spent for multi-purpose buildings amounted to P2.8 billion in FY 2008, while it was around P2.3 billion in FY 2009. Spending on multi-purpose buildings topped the spending on roads and bridges, which amounted to P2.5 billion in FY 2008 and P1.8 billion in FY 2009.

Figure 2: CA Distribution 2008

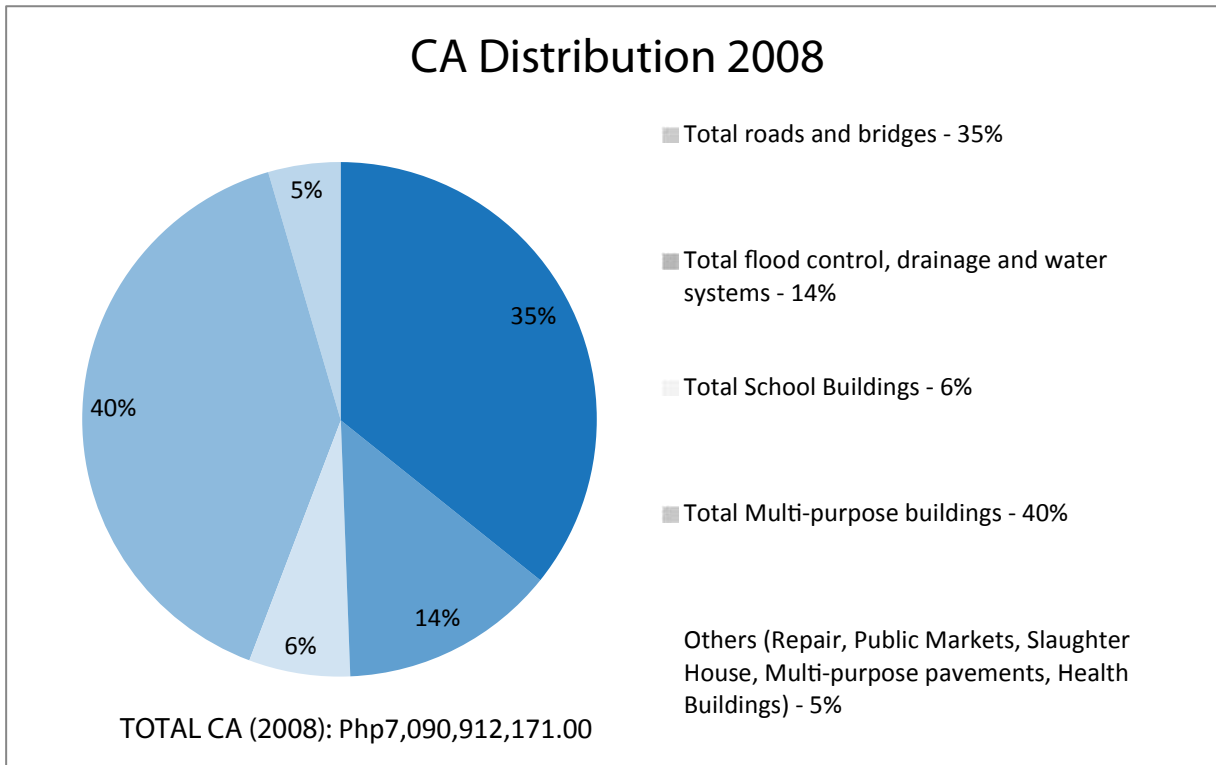
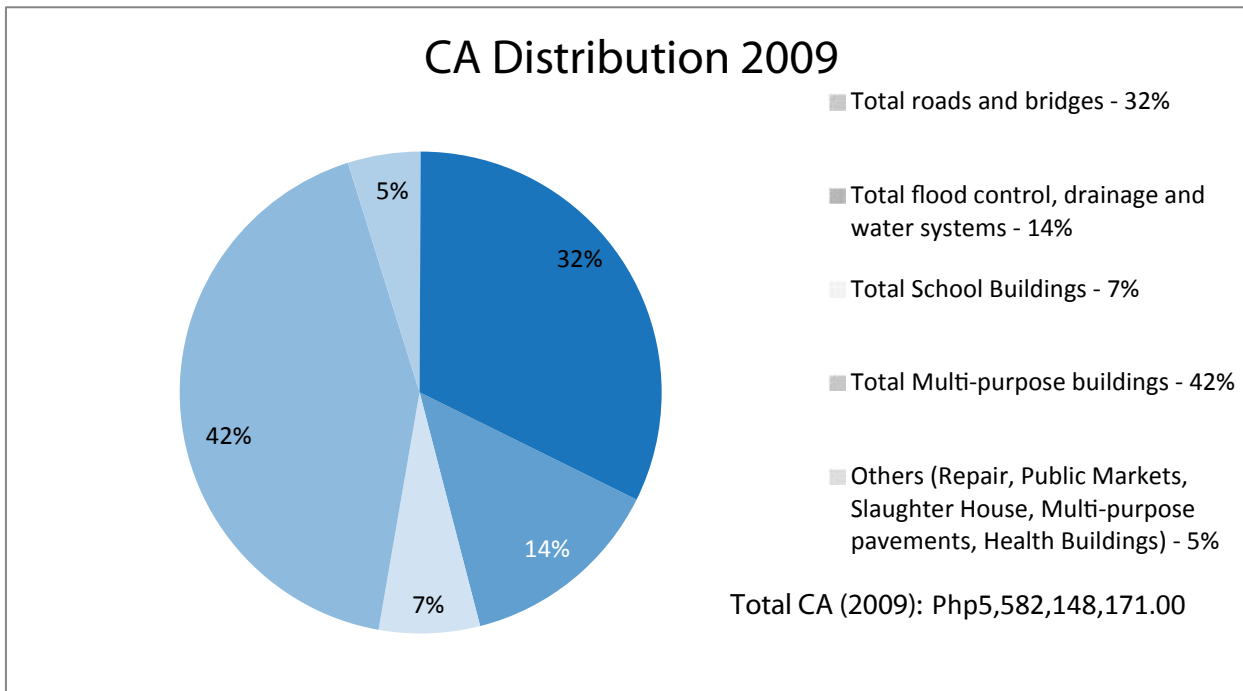


Figure 3: CA Distribution 2009



Figures 2 and 3 are based on the SAROs that DPWH compiled for fiscal year (FY) 2008 and FY 2009. The pie charts are based on the funds released in most of the administrative regions. Information provided by DPWH did not include information on CA released in the provinces of Bukidnon, Lanao del Norte, Lanao del Sur, Misamis Oriental, and Misamis Occidental for FY 2008, while there was no information on CA released in all provinces of Region 5 (Bicol Region) for FY 2008 and FY 2009.

While we have data on the CA spent on infrastructure projects, we have yet to analyze the data on the “soft projects” that PDAF may support, such as IT-related projects for schools or priority projects or programs of the legislator. Data on the soft projects had just been recently made available by DBM on its website.

## V. Transparency of the PDAF/CA

Transparency is required before one can determine if PDAF and CA are being utilized efficiently, effectively, and responsibly. Transparency will enable citizens to access information with which they can evaluate if the allocated funds are being used in the right way. Under the Arroyo administration, it was very difficult to access information from the executive department, as well as from legislators themselves.

### *Legislators*

Beginning in November 2009, CODE-NGO wrote to 269 congresspersons and 23 senators requesting for information on their PDAF and CA and made follow up calls in early 2010. However, only 7 Congresspersons and 2 Senators replied to our letters as of June 2010. Eight (8) of them replied by written letters, while one (1) replied with a text message. Thus, only 9% of the 23 senators and 3% of the 269 congresspersons replied.

The following is a list of those who replied with some remarks:

- 1) **Rep. Elpidio F. Barzaga, Jr.**, 2nd District of Cavite, provided data
- 2) **Rep. Juan Edgardo M. Angara**, Lone District, Aurora Province, provided data
- 3) **Rep. Mauricio G. Domogan**, Lone District, Baguio City, provided data
- 4) **Atty. Marilyn B. Yap**, Secretary General of the HoR, on behalf of Speaker Prospero Nograles stated that information on the PDAF of the Congresspersons is available on their website
- 5) **Rep. Cresente C. Paez**, COOP-NATCCO Party List, has not received PDAF yet since his stint as Congressperson started only in 2009
- 6) **Rep. Diosdado Macapagal Arroyo**, 1st District of Camarines Sur, said that comprehensive information concerning PDAF is available in the HoR website
- 7) **Sen. Joker P. Arroyo** stated that he has no PDAF
- 8) **Sen. Manuel A. Roxas III** said that DBM did not release his PDAF
- 9) **Rep. Oscar D. Francisco**, ARC Party List, texted that since he began his term only in 2009, he has received no PDAF yet



In summary, out of the 9 legislators who replied, 3 have not received their PDAF, 1 does not have PDAF, 2 referred us to the HoR website, and only 3 provided information/data.

As stated by Speaker Nograles thru Atty. Yap and by Rep. D. Macapagal-Arroyo, there are PDAF pages within the website of the House of Representatives which show some information on the Representatives' PDAF. These pages were added in 2007, after CODE-NGO came out with its PDAF Watch report, *Looking at the Pork Barrel*.

However, a closer look at the HoR website shows that out of the 269 Representatives, only 109 or 41% submitted their project highlights for 2007 and this went down to only 37 (14%) for 2008.

The Senate website does not contain any information about the PDAF/CA projects of the Senators.

**Table 1 - Number of Representatives who have Reports in the HoR Website for 2007 (as of Sept. 2010)**

Representatives	Reported for 2007	Total Number	Percentage
ALL	109	269	40.52%
Balance of Luzon	47	89	52.81%
Visayas	16	46	34.78%
Mindanao	23	52	44.23%
NCR	13	30	43.33%
Party List	10	52	19.23%

Calculated based on data in the House of Representatives website: <http://www.congress.gov.ph>

**Table 2 - Number of Representatives who have Reports in the HoR Website for 2008 (as of Sept. 2010)**

Representatives	Reported for 2008	Total Number	Percentage
ALL	37	269	13.75%
Balance of Luzon	17	89	19.10%
Visayas	10	46	21.74%
Mindanao	6	52	11.54%
NCR	3	30	10.00%
Party List	1	52	1.92%

Calculated based on data in the House of Representatives website: <http://www.congress.gov.ph>

### **DBM and DPWH**

CODE-NGO also wrote to the heads of DBM and DPWH in November 2009 to request for information on the PDAF/CA of the legislators, including the list of all projects funded by PDAF/CA during FY 2007, 2008, and 2009.

After failing to receive responses from the DBM and DPWH, a second letter was sent in January 2010 to follow up the request for information.

After weekly and eventually daily follow-up calls, data was obtained from the DPWH on the PDAF/CA projects implemented in the Visayas in late January 2010. However, despite repeated follow up calls and some visits and their repeated promises, the department failed to provide the requested information for Luzon and Mindanao until the end of the Arroyo Administration in June 2010. A DPWH staff later informed us that they had in fact already prepared the requested data, but could not release it without the approval of the DPWH Secretary.

The DBM on the other hand had no response to our request as no approval for the release of the data was given. After repeated calls, Director Carmencita Delantar of Bureau G (in charge of PDAF and to whom our letter was referred) asked us in late February 2010 to re-send the letter of request to the then newly installed DBM Secretary Joaquin Lagonera. We faxed the letter on February 25, 2010 and a follow-up letter on March 4, 2010. We also delivered this letter to DBM on March 16. We called the DBM repeatedly in March-April 2010 as well.

On June 7, 2010, we were able to talk to Director Delantar again and she informed us that the DBM was in the process of encoding all the information we asked for which they will again upload in their website, thus they would be unable to provide us with the information until the encoding process is finished – and since another unit is in charge of this, she could not say when this would be completed<sup>2</sup>. We requested that we be given an “advance copy” – either photocopy or diskette copy – of the information since the PDAF watch volunteers we had trained in early 2010 needed the data, and she said that she would bring this up with Sec. Lagonera.

#### IV. Signs of Hope

A new administration under President Benigno Simeon Aquino III was ushered in on June 30, 2010. This Administration’s campaign platform is centered on fighting corruption and poverty which is captured by its campaign slogan of “Kung walang corrupt, walang mahirap.”

On July 29, 2010, we finally received the requested information from DPWH under the leadership of Sec. Rogelio Singson.

The new Secretary of Budget and Management, Florencio “Butch” Abad, has stated several times that in cooperation with the leadership of the Senate and the House of Representatives, they would institute measures to make the PDAF more transparent and more effective in addressing problems and needs of the country in line with the priorities of the new administration. Partnerships between the DBM and civil society organizations (CSOs) to make the budget more transparent, participatory, and accountable were discussed and agreed upon at a DBM-CSO workshop last September 3, 2010.

Under Sec. Abad’s leadership, the DBM put up in its website the Electronic Transparency and Accountability Initiative for Lump Sum Funds (e-TAILS) which shows to the public real-time information on the releases of lump

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<sup>2</sup> DBM had stopped the practice of posting PDAF project information on their website in 2006. At that time, DBM officials could not give a clear reason why. Notably, this non-practice of posting information was after the resignation of Sec. Emy Boncodin together with other Cabinet Secretaries in July 2005.

sum funds, starting with the PDAF of legislators. e-TAILS was launched on July 21, 2011.

DBM has also published a “People’s Budget,” a booklet that explains the highlights of the 2011 GAA, showing the priorities of the Aquino administration in terms of the national budget.

Department of Interior and Local Government (DILG) Secretary Jesse Robredo issued on August 31, 2010 the DILG’s Full Disclosure Policy which requires local government units (LGUs) to make publicly available through their website or bulletin boards various budget, financial and other documents, including the PDAF projects that went to the LGU.

A new initiative led by Senator Teofisto “TG” Guingona III called the “Open Budget Partnership” aims to make the national budget more popular and understandable among citizens, while a full-disclosure policy was included in the 2011 General Appropriations Act, compelling all government agencies and offices to disclose budgetary and financial documents, including the PDAF of legislators.

These are the signs that hopefully will lead to greater transparency, and efficient, effective, and responsive use of government funds, particularly the PDAF.

## V. Recommendations and Conclusions

PDAF Watch will be a continuing effort of citizens to ensure efficiency in delivery of services by exacting accountability from government agencies and officials. This third phase provided us with important lessons which we must bring to the succeeding rounds of monitoring PDAF and projects of government. Transparency, effectiveness, and responsiveness of use remain to be concerns with regards to the PDAF. What are our recommendations now to the new leadership of the House of Representatives, the Senate and the DBM, DPWH and other government agencies?

### 1) For the House of Representatives (HoR)

- 1.1) Include a link to the DBM website where PDAF releases and accomplishments are reported in the HoR Website
- 1.2) Require the congresspersons to submit annual reports on their PDAF/CA projects to their constituents by providing copies to the municipal/city/provincial developments councils; these reports should be distributed to the members of these councils, including the NGO/PO representatives, discussed at a council meeting for comments/suggestions, and posted at the municipal/city/provincial halls for at least 3 months

For Party-List congresspersons, copies of their reports should be provided to all provincial and regional development councils, distributed to the members of these councils, including the

NGO/PO representatives, discussed at a council meeting for comments/suggestions, and posted at the provincial halls and the NEDA regional office for at least 3 months

1.3) Require that all PDAF/CA projects of the congresspersons be part of the approved comprehensive development plan and annual investment plan of the concerned barangay/municipality/city/province or endorsed by the concerned local development council to ensure that the projects are coordinated with the other projects in the locality

2) For the Senate

2.1) Include a link to the DBM website where PDAF releases and accomplishments are reported in the Senate website

2.2) Require the senators to submit annual reports on their PDAF/CA projects to all provincial and regional development councils; these reports should be distributed to the members of these councils, including the NGO/PO representatives, discussed at a council meeting for comments/suggestions and posted at the provincial halls and the NEDA regional office for at least 3 months

2.3) Require that all PDAF/CA projects of the senators be part of the approved comprehensive development plan and annual investment plan of the concerned barangay/municipality/city/province or endorsed by the concerned local development council to ensure that the projects are coordinated with the other projects in the locality

3) For the DBM

3.1) Require that all PDAF/CA projects of the congresspersons and senators should be part of the approved comprehensive development plan and annual investment plan of the concerned LGU or endorsed by the concerned local development council to ensure that the projects are coordinated with the other projects in the locality

3.2) Include in the guidelines that the PDAF/CA implementing agencies should give a copy of the program of work/project information, including the total budget and breakdown per major component and work schedules to the barangay captain and the NGO/PO members of the barangay development council or to the appropriate government agency and NGO/PO (e.g. school principal and PTA)

4) For the DPWH

4.1) Include updated and complete information on the public works projects funded by the PDAF/CA of the legislators in the DPWH website

- 4.2) Ensure that project billboards are put up and maintained during the construction of the project and that these emphasize the project name, amount, timetable, and name of the contractor rather than the name of the sponsoring legislator
- 5) For the Office of the President
  - 5.1) Include in the Administration's priority legislation the Freedom of Information (FOI) Bill
  - 5.2) While awaiting the approval of the FOI Bill, issue an executive order, based on the FOI Bill, which will promote transparency and access to information among government agencies and clarify the rules for such access to information, including the appropriate penalties for the government officials who fail to comply with these rules

With these recommendations, we hope that the PDAF/CA funds of the legislators will become more transparent, that citizens would become more involved in the identification and monitoring of these projects and that all these would eventually lead to making the PDAF/CA more effective in addressing the pressing problems and concerns of the various districts, particularly of the poorer areas in our country.

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