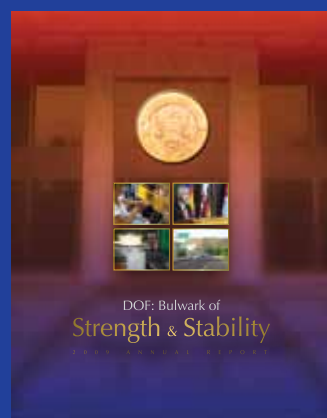




# DOF: Bulwark of Strength & Stability

2 0 0 9   A N N U A L   R E P O R T



## Cover Story

In 2009, the uneven path of global economic recovery cast shadows of doubt about the impact of economic stimulus. For many governments, the timing of an exit strategy became as relevant as the amount of the rescue package.

The cover depicts a holistic approach to economic recovery and sustainable development. Government resources need to be mobilized in order to put up and maintain efficient infrastructure that can attract investment and promote business.

In the Philippines, while there were urgent calls for more government resources and intervention to protect the most vulnerable, the DOF maintained its partnership and kept its commitments with the international community.

Forging alliances, both at the regional and global levels, only hastens the recovery process, and at the same time, advances the country's commitment for the achievement of Millennium Development Goals.

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## Our Mandate

Under Executive Orders 127, 127-A and 292, the Department of Finance is responsible for the following:

- Formulation, institutionalization and administration of fiscal policies in coordination with other concerned subdivisions, agencies and instrumentalities of the government;
- General and management of the financial resources of government;
- Supervision of the revenue operations of all local government units;
- Review, approval and management of all public sector debt, domestic or foreign; and
- Rationalization, privatization and public accountability of corporations and assets owned, controlled or acquired by the government.

## Our Vision

- A strong economy with stable prices and strong growth;
- A stable fiscal situation with adequate resources for government projects and budgetary which could be adequately financed;
- A borrowing program that is able to avoid the crowding-out effect on the private sector, and minimizes costs;
- A public sector debt profile with long maturities and an optimum mix of currencies that minimizes the impact of currency movements;
- A strong economic growth with equity and productivity

## Our Mission

Our economy must be one of the most dynamic and active in the world, globally competitive and onward looking. The DOF shall take the lead in providing a solid foundation for the achievement of this objective, by building a strong fiscal position, through the following:

- formulation, institutionalization and administration of sound fiscal policies;
- improvement of tax collection efficiency;
- mobilization of adequate resources on most advantageous terms to meet budgetary requirements;
- sound management of public sector debt;
- and initiation and implementation of structural and policy reforms.



In mammoth organizations - corporations, conglomerates, multi-nationals, governments - the indispensability of a central finance office to manage and mobilize resources is a truism. Without logistics and financial support "when needed, where needed", operations would be paralyzed in no time.

That the birth of the Department of Finance predated that of the Philippine Republic is testimony to its importance. Founded on 24 April 1897 by the Philippine Revolutionary Government, the DOF has undergone various structural and functional overhauls, but has nonetheless remained a key department. Today, the critical tasks of revenue generation, resource mobilization and fiscal management rest on the shoulder of the Department of Finance.

The government must provide the citizenry with infrastructure, education, health and other basic services; and the DOF must be ready with the funds for them. Likewise, the DOF must steer fiscal programs toward an investment-friendly environment, which is the catalyst for growth.



As the global economy steadily recovers, we, in the DOF will continue to implement a fiscal policy that promotes economic growth while pursuing fiscal consolidation efforts.

## Letter to the President



Her Excellency  
Gloria Macapagal-Arroyo  
President  
Republic of the Philippines  
Malacañang, Manila

Dear Madam President:

We are pleased to submit to Her Excellency the 2009 Annual Report of the Department of Finance (DOF).

Despite the lingering global financial crisis, the economy performed relatively stronger than other countries in the region in 2009, posting a 1.1 percent GDP real growth rate. The robust performance of the services sector coupled with the government's frontloading strategy, which allowed higher government investments and consumption, buoyed the economy and fostered macroeconomic stability.

Fiscal policy played a critical role. The government accommodated higher spending that was within prudent level in order to stimulate the economy, promote employment, and safeguard the vulnerable sectors. Likewise, this fiscal stance was designed to speed up the recovery process and achieve economic growth on a sustainable basis.

As the global economy steadily recovers, we, in the DOF will continue to implement a fiscal policy that promotes economic growth while pursuing fiscal consolidation efforts.

We thank Her Excellency for your leadership during these challenging times. Rest assured of our firm commitment to the pursuit of better life for our people through fiscal strength.

Very truly yours,

MARGARITO B. TEVES  
Secretary  
Department of Finance

## Message of the Secretary

The global economic crisis that started in 2008 continued to drag prospects for a turnaround of the global economy in 2009, as overall economic activities remained weak. The Philippine economy was one of the few countries that escaped recession. We attribute this economic resiliency to the timely fiscal policy response-- the stimulus program -- that we implemented at the height of the crisis. This policy did not only buoy economic growth, but also fostered macroeconomic stability (low interest rate, subdued inflation rate, and stable peso against the US dollar).

We allowed the National Government (NG) budget deficit to grow, and there was a growing concern about the country's weak revenue performance. The tax effort declined to 12.8 percent in 2009 from 14.1 percent in 2008. The weak tax collection stemmed from slower economic growth -- a spillover effect of the global crisis -- and revenue-eroding legislative measures.

The Consolidated Public Sector Financial Position (CPSFP) for 2009 registered a deficit of P248.6 billion or 3.2% of GDP, a reversal from the P27.7 billion surplus registered last year. The National Government (NG) and the 14 monitored non financial government corporations (MNFGCs) contributed mainly to the public sector deficit, posting a deficit of P298.5 billion and P25.9 billion, respectively during the period.

In 2009, the NG debt outstanding, as a percentage of GDP, increased slightly to 57.3 percent compared to 57 percent the previous year. The consolidated public sector debt, which includes the debt of the national government, 14 MNFGCs, BSP net of currency issue, government financial institutions, and CB-BOL, went up 8.1 percent, to P5.7 trillion or 71.6 percent of GDP for 2009 from P5.3 trillion or 71.1 percent of GDP in 2008. The public sector debt to GDP ratio dropped considerably from a high of 92.5 percent in 2005 on account of better financial performance of GFIs and monitored government corporations.

The NG debt burden has improved significantly for the last five years. This is attributed, to a large extent, to gradual improvement in NG's tax effort for the period 2003 to 2008, restraint in spending consistent with expenditure program, and adoption of prudent debt management and financing strategies. Carefully managed debt and prudent borrowing strategy earned for the country the Best Sovereign Bond Deal of the Year by financial publications Asia Money and The Asset.

The year also saw our privatization initiatives taking a less aggressive stance owing to unfavorable market condition. Thus, remittances dipped to P1.4 billion in 2009 from P30.0 billion in 2008, as government deferred the sale of big-ticket items until such time that market situation improves.

The DOF catalyzed economic growth, especially in the countryside, through the provision of funding assistance for programs and projects of low income local government units. Through its Municipal Development Fund Office (MDFO), the DOF committed a total of P4.65 billion as of 2009 for funding of 7 Municipal Development Fund (MDF)–Second Generation Fund (SGF) Financing Windows. Part of the assistance went to projects related to the repair and rehabilitation of infrastructure damaged by typhoons Ondoy and Frank.

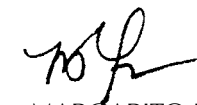
We made headway in our advocacy for good governance, even as we intensified our drive against corruption within the DOF and its attached entities. We continue to do this without let up, to demonstrate our genuine desire to rid the agency of corrupt and dishonest personnel. In 2009, the DOF filed 14 cases against public officials.

Our frontline offices – the Revenue Operations Group and the CENTER – have been vigilant as well in the performance of their respective mandates, implementing strict procedures on the application for tax and duty-free exemption and tax credit by importers and exporters to avoid leakages and

thus preserve revenues for the government. The DOF likewise co-hosted with the Organization for Economic Cooperation and Development (OECD) the 10th Asian Roundtable on Corporate Governance in Manila in September 2009 with the main goal of promoting transparency and accountability among GOCCs and GFIs.

I am grateful to my colleagues in the DOF, our partners from other government agencies, the academe, the business community and the international development agencies, for their continued support to the plans and programs of the DOF. The impact of the crisis is not over yet. Challenges and concerns are plenty, and the road to fiscal strength is still long and winding. One of these is the need to reverse the negative impact of revenue-eroding measures passed by Congress through key tax reforms.

As long as we continue to work together, we will live to see the attainment of our common goal of a prosperous Philippines.



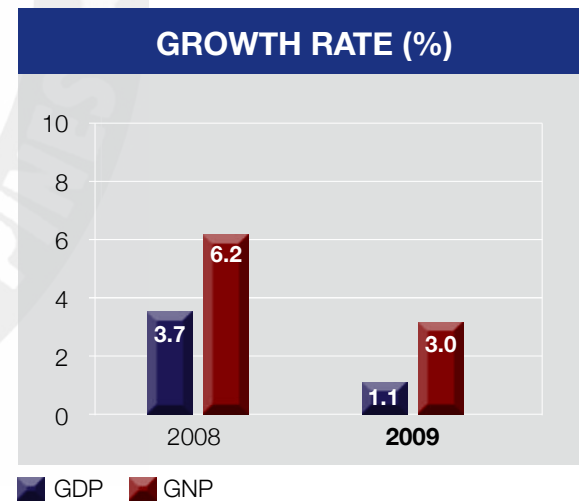
MARGARITO B. TEVES

# 2009 Economic Highlights

In 2009, the Philippine economy felt the full brunt of the global financial crisis. Real GDP growth declined to 1.1 percent from 3.7 percent in 2008. However, this growth rate was better than those of the country's peers in the ASEAN region whose economies contracted, like that of Thailand (-2.3 percent), Singapore (-2.0 percent), and Malaysia (-1.7 percent). The strong performance of the services sector as well as the stimulus program implemented by the government, which fueled higher government consumption and investments, sustained economic growth. The economy also derived strength from the comprehensive economic reforms that were firmly put in place as far back as the 1990s, which have made the economy less vulnerable to external shocks.

By industry, growth was propelled by the services sector which grew by 2.8 percent. Agriculture posted a flat growth (0.0 percent) – weakened by the onslaught of Ondoy and Pepeng; while industry contracted by 0.5 percent compared with 4.4 percent expansion the previous year. Within the industry sector, manufacturing sub-sector shrank by 4.5 percent, a reversal from the 4.3 percent increase in 2008.

By expenditure share, government consumption and personal consumption bannered output expansion and made up for the sluggish performance of exports and investments. The former grew by 10.9 percent from 3.4 percent in 2008, while the latter slowed to 4.1 percent from 4.7 percent in 2008. The significant increase in government consumption reflected the pump priming program implemented by the government in 2009, while the modest slowdown in the growth of personal consumption in the midst of a global crisis and devastating typhoons indicated the substantial cushioning effect of OFW remittances.



**GDP REAL GROWTH (%)**

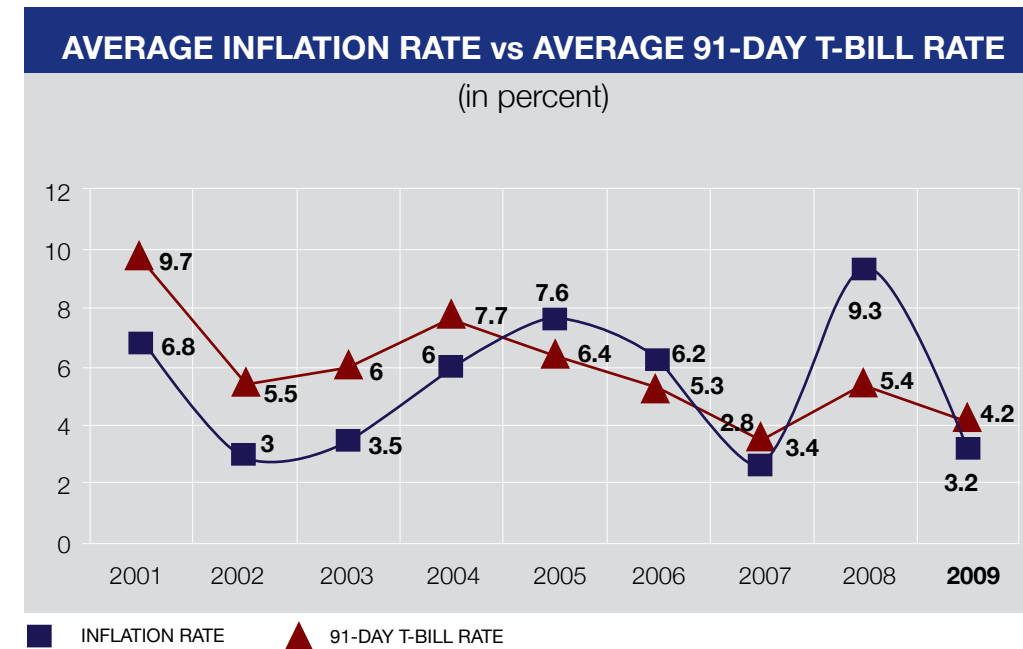
BY INDUSTRY	2008	2009
Industry	4.4	-0.5
o.w. Manufacturing	4.3	-4.5
Agriculture	3.1	0.0
Services	3.1	2.8

**GDP REAL GROWTH (%)**

BY EXPENDITURE SHARE	2008	2009
Investment	2.3	(5.7)
(o.w. Fixed Capital Investment)	2.7	(0.4)
Personal Consumption	4.7	4.1
Government Consumption	0.4	10.9
Exports	(2.1)	(13.4)
Imports	0.8	(1.9)

Average inflation for 2009 fell to 3.2 percent from 9.3 percent in 2008, even with a fourth quarter inflation increase due to weather-related disturbances and oil price increase in the global market. The inflation outcome was well within the Government's target of 2.5-4.5 percent. Stable prices of food and energy-related items in the

The strong performance of the services sector as well as the stimulus program implemented by the government, which fueled higher government consumption and investments, sustained economic growth.



first three quarters of 2009 sustained the inflation downtrend which started in the fourth quarter of 2008.

With tame inflation, interest rates also showed a downtrend, with the benchmark 91-day T-Bill rate posted at an average of 4.2 percent, as against 5.4 percent in previous year. The Bangko Sentral ng Pilipinas (BSP) supported the low rate regime with accommodative monetary policy to inject liquidity into the financial system and help boost the domestic economy.

The Philippine peso averaged P47.64 to the dollar in 2009 compared with P44.47 in 2008. The depreciation was due largely to concerns on increasing world oil prices towards the fourth quarter of 2009, national government fiscal

deficit, and outcome of the GDP. Nevertheless, strong inflows of remittances from Overseas Filipino Workers (OFWs), which reached a record US\$17.3 billion, as well as sustained inflows of foreign direct and portfolio investments tempered the depreciation of the peso.

The fiscal deficit reached P298.5 billion or 3.9 percent of GDP in 2009. While this was largely within expectations of the market which was fully aware of the government's stimulus program, there was a continuing concern about the country's weak revenue performance, as the tax effort declined to 12.8 percent in 2009 from 14.1 percent in 2008. The weak tax collection stemmed from spillovers of the global crisis, lower efficiency gains from tax administration and revenue-eroding legislative measures.

# Fiscal Management

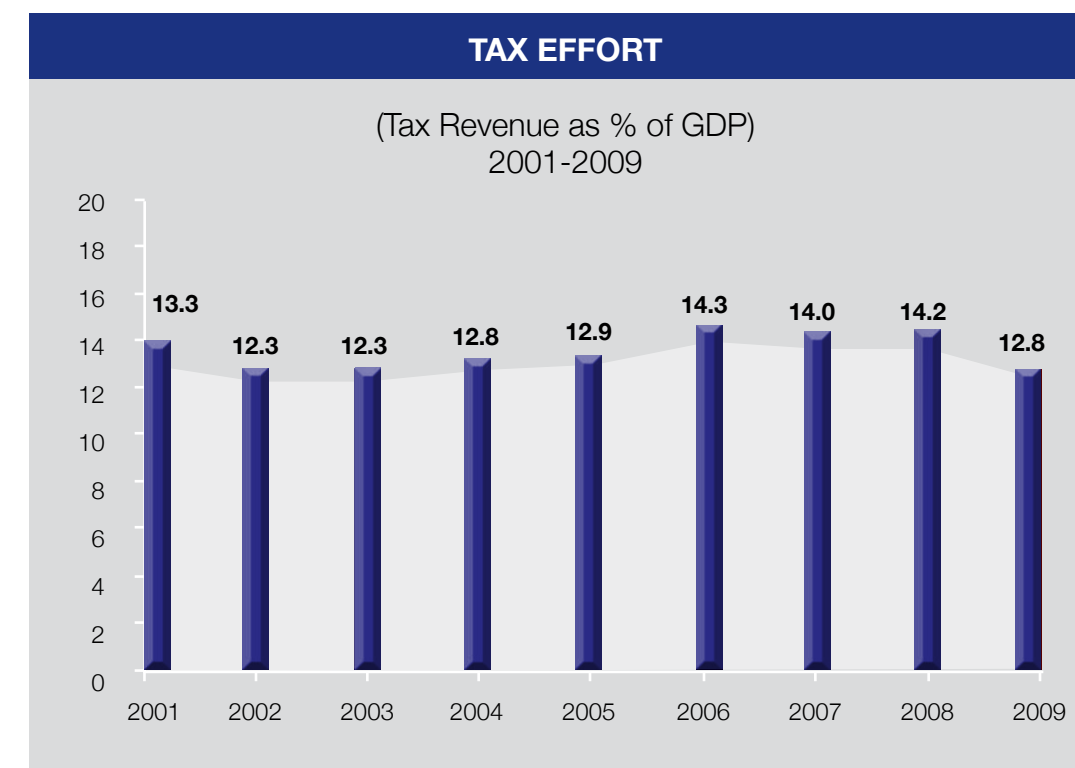
2009 FISCAL PERFORMANCE					
	2008	2009	2009 ACTUAL	GROWTH	
IN BILLION PESOS	ACTUAL	PROGRAM	ACTUAL	VS PROGRAM	RATE (%)
Total Revenues	1,202.9	1,239.2	1,123.2	(116.0)	(6.6)
% of GDP	16.2	16.14	14.6	(1.5)	
<b>Tax Revenues</b>	<b>1,049.2</b>	<b>1,082.6</b>	<b>981.6</b>	<b>(101.0)</b>	<b>(6.4)</b>
% of GDP	14.2	12.5	12.8	0.3	
BIR	778.6	798.5	750.3	(48.2)	(3.6)
BOC	260.2	273.3	220.3	(53.0)	(15.3)
Other Offices	10.4	10.9	11.0	0.1	6.5
<b>Non-Tax Revenues</b>	<b>153.7</b>	<b>156.5</b>	<b>141.6</b>	<b>(14.9)</b>	<b>(7.9)</b>
% of GDP	2.1	1.8	1.8	(0.0)	
BTr Income	63.7	60.1	69.9	9.8	9.8
Fees & Charges	58.6	66.4	70.1	3.7	19.5
Privatization	31.3	30	1.4	(28.6)	(95.6)
Grants	0.1	0	0.2	0.2	52.8
Expenditure	1,271.0	1,489.2	1,421.7	(67.5)	11.9
Surplus/(Deficit)	(68.1)	(250.0)	(298.5)	(48.5)	3.4
% of GDP	(0.9)	(2.9)	(3.9)	(1.0)	

## HIGHER THAN PROGRAMMED DEFICIT IN 2009

The global economic crunch continued to dampen revenue collections even as the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) remained firm in improving tax and duty collections. The fiscal deficit of the National Government (NG) for 2009 stood at P298.5 billion (equivalent to 3.9 percent of GDP), higher by P48.5 billion than the programmed ceiling of P250.0 billion.

Total revenue collections only reached P1,123.2 billion or P115.9 billion lower than programmed, and fell below 2008 levels by 6.6 percent, also because of lower proceeds from privatization.

# Tax Effort



## THE CRISIS WEAKENED TAX EFFORT IN 2009

The country's tax effort, after having risen in the previous five (5) years, reaching 14.2 percent in 2008, fell to 12.8 percent in 2009. The global crisis decimated the tax base and several revenue eroding measures of Congress further restricted tax effort.

BIR missed collection target by P48.2 billion and the BOC by P53.0 billion. This was mainly due to the full effect of the passage of RA 9504 in 2008 that increased income tax exemption for all income earners and additional exemptions for individuals with dependents/children and the reduction this year of the corporate income tax rate from 35 percent to 30 percent pursuant to RA

9337 passed in 2005. The situation was further worsened by the ill-effects of the global economic slowdown that led to lower interest rates and lower volume of imports.

However, non-tax revenues, such as the income generated by the Bureau of the Treasury, which exceeded the program by P9.8 billion, partly compensated for the lower than program tax revenue collections.

# Privatization

Because of legal impediments and unfavorable market conditions, remittance to the Bureau of the Treasury in 2009 of privatization proceeds went down to only P1.4 billion, from P31.3 billion

in 2008. The Privatization and Management Office (PMO) contributed P500 million and the Presidential Commission on Good Government (PCGG) remitted a total of P890 million.

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009
Gross Revenues (billion Php)	0.5	P0.3	1.6	9.4	8.5	22.6	103.2	36.2	1.2
Remittances to National Treasury (billion Php)	2.5	1.5	0.6	9.3	9.7	14.1	90.6	31.3	1.4

## Reform Agenda

### TAX ADMINISTRATION

The DOF continued its effort to improve tax collection performance by carrying on its tax administration reforms that it placed in 2005. The Revenue Integrity Protection Service (RIPS) investigates allegations of corruption in the DOF and its attached agencies. As of end-December 2009, a total of 73 cases have been filed under the Revenue Integrity Protection Service Program (RIPS) involving 144 personnel from DOF, BIR, BOC, Bureau of Local Government Finance (BLGF) and Cooperative Development Authority (CDA). For 2009, 14 personnel were involved in pending cases with the Office of the Ombudsman, 2 from BIR and 12 from BOC.

BIR's Run After Tax Evaders Program (RATE) aims to prosecute high-profile tax evaders. As of 2009, a total of 127 criminal cases for tax evasion were pending for resolution within the Department of Justice and various courts. To complete the

three-pronged crusade of the government against economic saboteurs, BOC through the Run After the Smugglers (RATS) Program, has filed a total of 101 criminal cases involving 507 respondents as of 2009.

### LEGISLATIVE AGENDA

Congress action in 2009 challenged the revenue generation efforts of the government. Five (5) laws were enacted providing tax exemption to activities in the areas of tourism, stock trading and real estate investment. Congress also extended the tax perks of PAGIBIG and approved the creation of Bataan Freeport. It is estimated that these laws will bring about P14.1 billion in revenue losses.

Despite this, DOF continued to pursue the passage of the following legislative bills to increase revenue collections:

# ₱80b

combined surpluses of SSIs, GFIs & LGUs

with an automatic adjustment of the tax rates using relevant National Statistics Office (NSO) established tobacco and alcohol indexes.

### 4. EXCHANGE OF INFORMATION AND TAX MATTERS ACT

The legislative proposal is in compliance with the Internationally Agreed Tax Standard (IATS) for Exchange of Information to more effectively carry out the country's commitments under bilateral tax treaties designed to combat tax abuses.

	Republic Act No.	Estimate of Revenue Impact (P B)
Tourism Incentives	RA 9593	(6.0)
Abolition of DST on Secondary Trading of Stock	RA 9648	(1.4)
Incentives under PAGIBIG Charter	RA 9679	(1.0)
Bataan Freeport	RA 9728	(3.0)
Incentives for Real Estate Investment Trust	RA 9856	(2.7)
<b>TOTAL</b>		<b>(P14.1)</b>

### 1. SIMPLIFIED NET INCOME TAXATION SCHEME (SNITS)

The bill seeks to simplify the taxation of the self-employed by limiting the allowable deductions to expenses which are easily verifiable and are directly expended on the production of goods or in the rendition of services.

### 2. RATIONALIZATION OF FISCAL INCENTIVES

The proposed rationalization of fiscal incentives aims to adopt a strategic approach to investment and growth through a fiscal incentives policy that promotes competitiveness and at the same time, ensures cost-efficiency and fiscal sustainability.

### 3. RESTRUCTURING THE EXCISE TAX ON ALCOHOL AND TOBACCO PRODUCTS

The proposed bill seeks to structure the current excise taxes on alcohol and tobacco products by adopting a uniform rate for each tobacco and alcohol products. The recommendation is to keep the specific form of excise taxation

### CONSOLIDATED PUBLIC SECTOR FINANCIAL POSITION

The public sector registered a consolidated deficit of P248.6 billion in 2009, a reversal from the surplus experienced in 2008. The amount is P35.7 billion higher than the programmed deficit of P212.9 billion.

The main contributor to the large deficit was the NG, which posted a deficit of P298.5 billion during the period. The other deficit center was the 14 monitored non-financial government corporations (MNFGCs), which incurred an aggregate deficit of P25.9 billion on account of the National Food Authority's (NFA) financial operations loss amounting to P27 billion.

However, this was partially offset by the better performance of the social security institutions (SSIs), the government financial institutions (GFIs) and the local government units with combined surpluses of P80 billion.

# Government Corporate Sector

## Non-Financial Public Sector Deficit

In 2009, the DOF continued to pursue various fiscal reforms to enhance financial discipline and better resource management among government owned and controlled corporations.

### A. 14 MAJOR NON-FINANCIAL GOVERNMENT CORPORATIONS (MNFCs)

With the abatement of the rice crisis, NFA made substantially less rice imports in 2009. This resulted in the substantial reduction of NFA's deficit from P 61.3 billion in 2008 to P27.0 billion for 2009. Nonetheless, the consolidated net financing deficit of the 14 MNFCs showed a mere P1.3 billion improvement in deficit from the P27.2 billion level in 2008. The reduction in NFA deficit was offset by lower surplus of the power corporations --- National Power Corporation (NPC), Power Sector Assets and Liabilities Management (PSALM) and National

Transmission Corporation (Transco) and the deficit of Philippine National Oil Company (PNOC) (from a surplus in 2008) due to lower privatization proceeds. The privatization proceeds of the power corporations for 2009, while lower compared to 2008, included unexpected payments representing advance and upfront payments from buyers of the generation assets and upfront payment. Overall, the operations of the 14 MNFCs in 2009 resulted in a net deficit position of P25.9 billion, much lower than the programmed P63.6 billion.

### B. GOVERNMENT FINANCIAL INSTITUTIONS (GFIS) AND SOCIAL SECURITY INSTITUTIONS (SSIs)

The consolidated cash surplus of the GFIs - Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP) and the Trade and Investment Development Corporation of the Philippines (TIDCORP, also known as Philippine Export-Import Credit Agency (PhilEXIM) for the year 2009

PARTICULARS (In Billion Pesos)	2008 ACTUAL	FY 2009 PROGRAM	2009 PRELIM ACTUAL	2009 VS 2008
14 MNFCs	(27.2)	(63.6)	(25.9)	1.3
GFIs (DBP,LBP, TIDCORP)	7.5	7.0	10.0	2.5
SSIs (GSIS,SSS, PHIC)	64.0	41.1	39.0	(25.0)

NG SHARE ON GOVERNMENT SECTOR REVENUE ROSE BY

GFIs consolidated cash surplus rose by **33%**

**52%**

increased substantially by 33 percent to P10.0 billion over the 2008 level of P7.5 billion with all of the three GFIs contributing to a favorable financial performance. It is also noteworthy that this was 43 percent or P2.5 billion higher than the 2009 full year program of P7.0 billion.

For SSIs: Government Service Insurance System (GSIS), Social Security System (SSS) and Philippine Health Insurance Corporation (PHIC), the aggregate cash surplus dropped by 39 percent or P25.0 billion from the 2008 surplus of P64.0 billion, thus resulting in a surplus of only P39.0 billion in 2009.

This was mainly due to: increased lending to GSIS members because of improvements in system operations which facilitated loan processing; increased benefits payouts of PHIC; and lower investment income of SSS.

### INTENSIVE FISCAL CONSOLIDATION EFFORTS

The NG collections from the government corporate sector on the implementation of Republic Act 7656 or the Dividend Law, inclusive of other fees and NG share on generated revenues by the Philippine Amusement and Gaming Corporation (PAGCOR) and the Manila International Airport Authority (MIAA), as prescribed by law, rose by 52 percent, from P23.5 billion in 2008 to P35.7 in 2009. Close monitoring of the financial performance of GOCCs and GFIs yielded collections which were higher by P12.2 billion compared to the target of P27.9 billion for the year.

COLLECTIONS FROM GOCCs GOCCs (In Billion)	2008	2009		VARIANCE	
		Actual	Program	Actual	%
A.Dividends					
(a) GOCCs	5.0	6.8	7.8	1.0	15%
(b) BSP	5.0	-	6.0	6.0	-
B.Guarantee Fees	2.5	3.5	6.7	3.2	93%
C.Interest on Advances	0.6	0.4	0.5	0.1	35%
D.Foreign Exchange Risk Cover fee	1.8	1.0	2.2	1.1	111%
E.NG Share-Airport Terminal Fee	0.3	0.3	0.4	0.1	34%
F. NG Shares on Income Received (PAGCOR and MIAA)	12.7	11.5	12.1	0.6	5%
<b>TOTAL COLLECTIONS FROM GOCCs</b>	<b>27.9</b>	<b>23.5</b>	<b>35.7</b>	<b>12.1</b>	<b>52%</b>



## Dividends rose by 103%

Dividend collections surged by 103 percent to P13.8 billion, higher than the P6.8 billion of the previous year. The biggest remittances came from BSP, PNOG and its subsidiary, PNOG-Exploration Corp, LBP, and DBP.

Guarantee fee collections almost doubled to P6.7 billion from 3.5 billion in 2008, owing to NFA's payment of P1.8 billion out of its P2.0 billion charges for the year and PSALM's payment of P2.3 billion.

### REDUCING CONTINGENT LIABILITIES

The DOF supported various liability management initiatives of the GOCCs such as prepayment of loans, bond exchange and other transactions like principal-only-swaps. These initiatives aim to, among others, cushion the GOCCs from financing burden associated with the bunching of maturities, and minimize foreign exchange losses and other financing costs.

As part of its contingent liability management, DOF spearheaded efforts to develop a process, along with the NEDA and DBM, that will allow close monitoring of risks associated with guarantees and performance undertakings, and determine which of these contingent liabilities will become real so that the necessary budget is made available in a timely manner.

### CORPORATE GOVERNANCE INITIATIVES AND ADVOCACY

The DOF, in the pursuit of its mandate to monitor and evaluate the financial performance and operations of GOCCs/GFIs, developed initiatives encapsulated in the acronym F-I-E-S-T-A, which is a program of reform for the government corporate sector.

### GOCC Reforms

- F**- Fair sharing/ contributions in the fiscal consolidation efforts of the National Government (NG)
- I**- Integrity and enhanced corporate governance (CG) in GOCCs/GFIs
- E**- Efficient and effective delivery of public services
- S**- Sustainability
- T**- Transparency
- A**- Accountability

The DOF promoted the improvement in corporate governance (CG) practices in the government corporate sector following the Memorandum from the Office of the President dated 10 April 2007 which calls to "Further Corporate Governance Among GOCCs/GFIs." To translate good governance into improved financial condition of GOCCs/GFIs through meritorious performance of Board and management, and operational efficiency in serving the public while espousing transparency and accountability in managing resources, the DOF embarked on the following:

- co-hosted the 10th Asian Roundtable on CG held in Manila last September 2009 in support of the objective of the Organization for Economic Co-operation and Development (OECD) in promoting CG principles and best practices.
- formed strategic partnership with the Institute of Corporate Directors (ICD) for the conduct of CG orientation and training programs for Board of Directors and senior officials of government corporations, and the development of the CG.

- Developed the Corporate Governance (CG) Scorecard for GOCCs and GFIs, which is considered to be the first in Asia and supported the Office of the Government Corporate Counsel (OGCC) in coming up with the Model Code of Good Public CG to guide GOCCs/GFIs in adopting its Code of CG.

### DEVELOPMENT AND SOCIAL DIMENSION

In view of the linkage of the government corporations with various sectors and in recognition of the important role of GOCCs and GFIs in urban and countryside development, DOF supported the approval and facilitation of financing of major ports, irrigation, rural electrification, environmental, housing projects and loan facility which aim to promote the development of small and medium term enterprises and environment friendly projects.

Along this line, it supported the extension of the term of the water concession agreements in Metro Manila in order to provide Metro Manila consumers long-term reliable water supply and sewerage and sanitation services which would improve the quality of life, health and the environment. This extension would also allow consumers to enjoy lower tariff adjustments, despite increased investments in sewerage and sanitation.

Likewise, with the goal of promoting a competitive and market-oriented power industry in the country, DOF also provided continuous support to the various facets of the implementation of the power sector reform such as the privatization of various NPC-owned and IPP generation assets.



*The 10th Asian Roundtable Discussion on Corporate Governance organized by OECD, co-hosted by the Department of Finance, Phil Institute of Corporate Directors and Philippine Stock Exchange, held on September 9-10, 2010 at The Manila Peninsula Makati City*

# Debt Management

**20.1**  
YEARS AVERAGE  
DEBT MATURITY

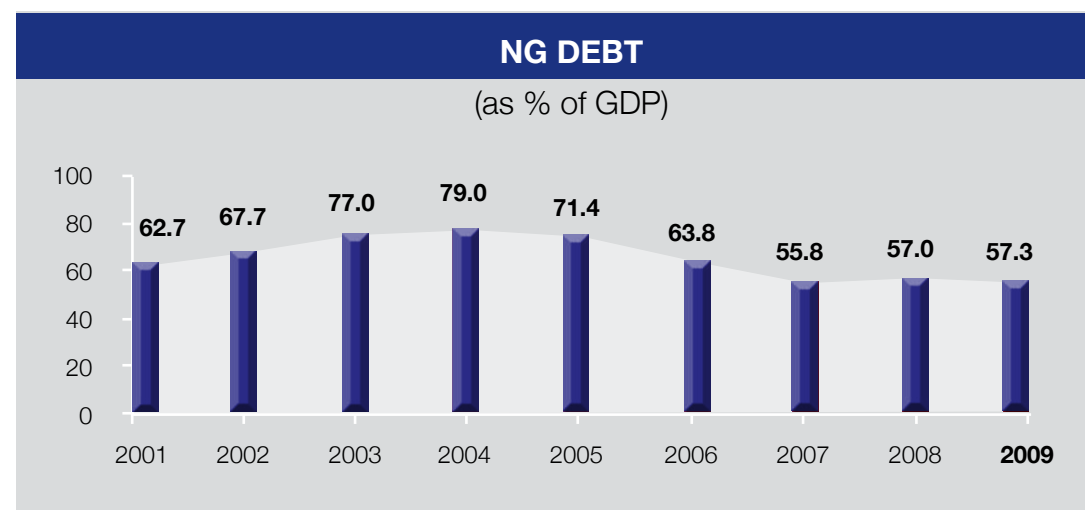
The National Government's outstanding debt rose slightly to 57.3 percent of GDP in 2009, from 57.0 percent in 2008, but significantly lower than the 2003 level of 77 percent.

The gradual improvement in NG's tax effort, restraint in spending consistent with expenditure program, and the adoption of prudent debt management and financing strategies have helped reduce NG debt burden in the last five years.

In recent years, NG has preferred domestic borrowings over foreign borrowing in its financing program to minimize foreign exchange risk even as it continued to tap more of ODA than foreign commercial sources to improve the interest cost profile of the Republic's external debt. Financing mix between foreign and domestic sources changed significantly from 86:14 in 2008 to 56:44 in 2009, with NG tapping domestic borrowings

more than foreign financing. The share of external debt from multilateral and bilateral sources slightly decreased from 41.8 percent in 2008 to 40.6 percent in 2009. Debt from these sources carries concessional rates and grant element, making it more affordable for the country to pay back its external debt.

The government's debt maturity profile remained sound as average maturity improved to 20.1 years in 2009 from 19.8 years in 2008. The share of medium and long term external debt to the total external debt stood at 92.8 percent in end 2009, a big improvement from a decade ago. NG's ability to tap long-term financing demonstrates the confidence of the capital market, both domestic and international, in the ability of the government to pursue economic and fiscal reforms that will move the economy forward to a sustainable growth path.



MATURITY PROFILE	2001	2002	2003	2004	2005	2006	2007	2008	2009
NG External Debt	16.0	16.5	17.0	17.0	17.4	17.6	18.9	19.8	20.1

## National Government Direct Loans Signed in 2009

PROJECT/PROGRAM NAME	EXECUTING AGENCY	AMOUNT	LOAN AGREEMENT SIGNING DATE
Asian Development Bank			
(1) Philippine Energy Efficiency Project	DOE	US\$ 31.1 million	02 March 2009
(2) Countercyclical Support Facility	DOF	US \$500.0 million	26 August 2009
(3) Development Policy Support Program. Subprogram 3	DOF	US \$250 million	16 September 2009
(4) Local Government Budget and Reform Program, Subprogram 2	DOF	US \$225 million	08 December 2009
International Bank for Reconstruction and Development			
(5) Participatory Irrigation Project	NIA	US\$70.4 million	07 August 2009
French Government			
(6) Greater Maritime Access (GMA) Ports	DOTC/PPA	€149.8 million	26 August 2009
Spanish Government			
(7) Bridge Construction and Replacement Project	DPWH	€31.5 million	06 November 2009
The Export-Import Bank of Korea (KEXIM)			
(8) New Bacolod (Sila) Airport Access Project	DPWH	US\$13.06 million	13 July 2009
(9) Gapan-San Fernando-Olongapo Road, Phase II	DPWH	US\$28.3 million	13 July 2009
The Export-Import Bank of China (China EXIM)			
(10) Agno Integrated Irrigation Project	DA-NIA	US\$89.2 million	09 November 2009
(11) Development Policy Support Program (II) (co-financing with ADB)	DOF	JPY 9.3 billion	30 March 2009

## OFFICIAL DEVELOPMENT ASSISTANCE FINANCED INFRASTRUCTURE, AGRICULTURE AND GOVERNMENT FINANCING

On behalf of the National Government, DOF signed loan agreements with bilateral and multilateral partners amounting to US\$2.8 billion in 2009, slightly higher compared with US\$2.05 billion contracted in 2008.

To support the NG's external financing requirements for 2009, the DOF raised US\$450 million in program loans, the proceeds of which were utilized to finance the government's policy-based programs in the areas of food production, fiscal sustainability and Local Government Unit (LGU) support. Moreover, DOF also tapped a US\$500 million-short term fiscal stimulus loan from the Countercyclical Support Facility of ADB to support the government's fiscal stimulus

program to counter the global economic crisis. This loan covered, among others, infrastructure projects and the scaling up of the conditional cash transfer program. Project loans totaling to about US\$880 million were also contracted in 2009 and were used to boost the country's infrastructure and to repair and rehabilitate typhoon-damaged infrastructure and facilities. The project loans include loans from:

- Spanish Government for the construction/rehabilitation of 96 bridges nationwide, which includes those damaged by Typhoon Ondoy and Pepeng;
- French government for the construction of the 70 Roll-On, Roll-Off (Ro-Ro) ports to catalyze trade and tourism within the archipelago in line with the administration's Strong Republic Nautical Highway; and,
- Korean government for financing of key road segments in Central Luzon and Western Visayas to ease traffic congestion and to promote economic activities in the region.

## Global credit markets remained open despite global credit market crunch

### REPUBLIC OF THE PHILIPPINES US\$ 1.5 BILLION GLOBAL BONDS DUE 2019

The Philippine NG reopened the international credit market for Asian borrowers with its public offering of 10-year global bonds on 08 January 2009. It raised US\$1.5 billion in this transaction widely lauded by investors for its snappy and strategic execution, against a market where issuers are met with difficulty of funding since the global credit market has deepened in September 2008.

This issuance is the NG's single biggest global bonds offer in more than 3 years (since its last dual-tranche of US\$2.1 billion transaction back in 2006). The bond, with a coupon of 8.375 percent, fetched a yield of 8.500 percent, pricing the transaction at the tightest end of the price guidance. The deal, a new 10-year benchmark bond from the Southeast sovereign since 2006, was oversubscribed four times, driven by strong interest from global investors as well as support from Philippine domestic bids. The transaction developed and sustained its own momentum, drawing a record number of orders for any deal by the NG and resulting in a massive return of real money to Asian credit. Of the 281 accounts participating in the bond offer, some 58 percent were bond managers, of which there was only one hedge fund, a stark contrast to the fast money books that dominated Asian debt deals in the last three years. Banks bought 20 percent, insurers and pension funds, 16 percent and retail investors, 6 percent. The deal was geographically sold to Asia at 41 percent, Europe at 22 percent and US at 37 percent.

This transaction was voted the Best Sovereign Bond Deal of the Year by financial publications Asia Money and Asset in their capital market awards for the year 2009.

### REPUBLIC OF THE PHILIPPINES US\$1.0 BILLION GLOBAL BONDS DUE 2034

To complete its external financing requirement, NG accessed the international debt capital markets for the third time by offering a \$1.0 billion new benchmark 25-year global bonds on October 16, 2009. The benchmark bonds with a coupon of 6.375 percent were priced to yield 6.425 percent. The transaction was aggressively priced with a mere 5 bps in yield pick up over the secondary trading of the existing ROP bonds due 2032.

The offering was heavily subscribed with over 5.0 billion in demand for 2009 accounts globally. The order book also represented a very high quality accounts and diverse investor categories, including new names and players drawn to participate in the transaction. The bonds were geographically sold to Asia at 50 percent, Europe at 13 percent and US at 37 percent. By category the bond was oversubscribed by banks-55 percent, funds-34 percent and retail accounts-11 percent.

# Global Cooperation

## ASEAN FINANCE MINISTERS MEETING (AFMM)

The Ministers endorsed the establishment of a Macroeconomic, Finance and Surveillance Office (MFSO) at the ASEAN Secretariat. This will enhance regional surveillance, facilitate discussions on regional surveillance and assist in the economic monitoring of ASEAN's integration.

## ASEAN+ 3 FINANCE MINISTERS MEETING (AFMM + 3)

Secretary Margarito B. Teves affixed his signature to the establishment of the Chiang Mai Initiative Multilateralization (CMIM) last 28 December 2009. The objective is to address short-term liquidity difficulties in the region, and to supplement the existing international financial arrangements. Each member country has to contribute to come up with the total fund of US\$ 120 billion. The Philippines will be contributing US\$ 4.55 billion to the fund.

## ASIA PACIFIC ECONOMIC COOPERATION (APEC)

At the 16th APEC Finance Ministers' meeting held in Singapore in November 2009, the Secretary shared the Philippine experience in addressing

the global financial crisis with other APEC member economies. He likewise supported reforms for strong, sustainable and balanced growth as well as reforms to strengthen the financial system.

Likewise, during the peer review session prior to the Ministerial Meetings, the DOF discussed the ASEAN single window initiatives which were incorporated in the Individual Action Plan, one of the major topics concerning customs and trade.

## ASEAN SINGLE-WINDOW TECHNICAL WORKING GROUP (ASW-TWG)

DOF, as member of ASEANASW-TWG, participated in various meetings aimed at developing a regional environment that shall enable communication and exchange of regulatory and economic information required for the functional and operational linkages of National Single Windows (NSWs) of the ten member countries. This hopes to realize strong regional commitments in putting into place a more viable environment for sustainable economic competitiveness and integration in the ASEAN Region.

## 2009 Philippine Development Forum Special Meeting

### PUBLIC-PRIVATE SECTOR DIALOGUE ON POST-DISASTER ASSISTANCE

Brought about by the aftermath of tropical storms "Ondoy and Pepeng", the government, through the DOF, requested the World Bank and the private sector to take the lead in coordinating the implementation of a Post-Disaster Needs Assessment (PDNA) in close cooperation with concerned government agencies and other development partners. The first meeting was held on 09 November 2009 at the Manila Peninsula Hotel, Makati City.

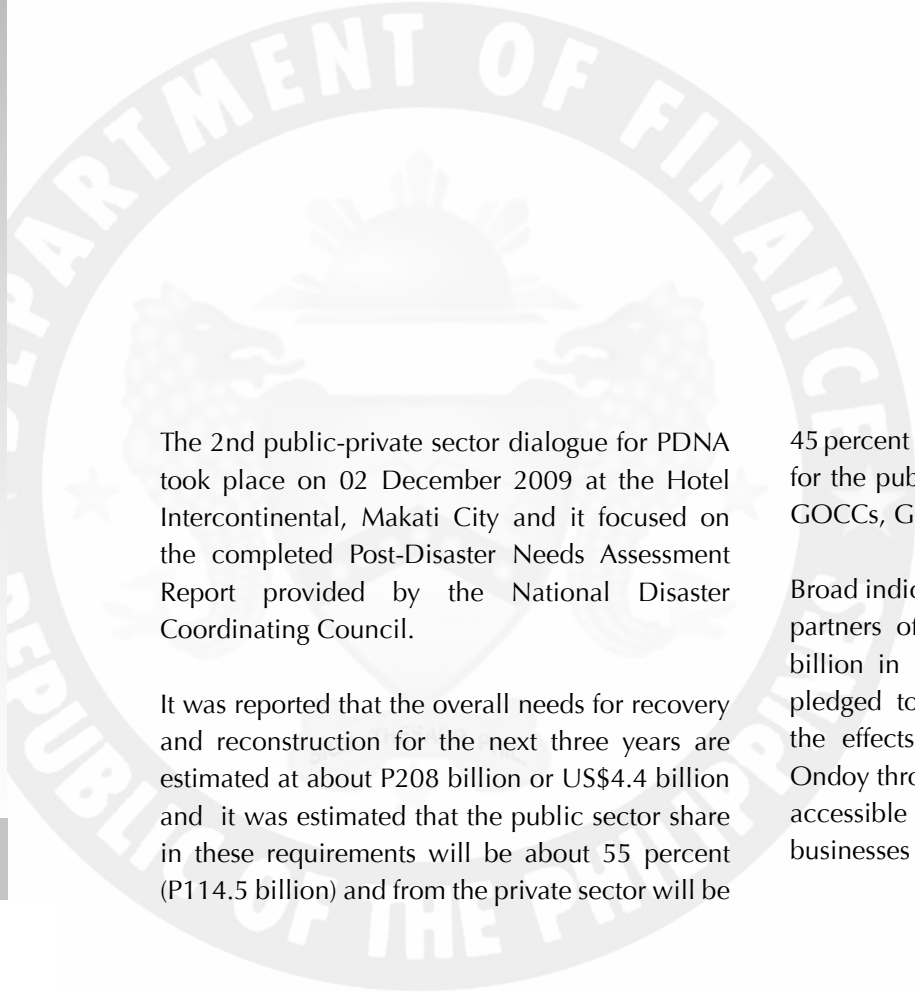


### 1st Meeting

### 2nd Meeting



*Attended by development partners, top officials and executives of public and private sectors, the 2nd Public-Private Sector Dialogue for Post-Disaster Assistance was held on December 2, 2009 at the Hotel Intercontinental, Makati City.*



The 2nd public-private sector dialogue for PDNA took place on 02 December 2009 at the Hotel Intercontinental, Makati City and it focused on the completed Post-Disaster Needs Assessment Report provided by the National Disaster Coordinating Council.

It was reported that the overall needs for recovery and reconstruction for the next three years are estimated at about P208 billion or US\$4.4 billion and it was estimated that the public sector share in these requirements will be about 55 percent (P114.5 billion) and from the private sector will be

45 percent (P93.4 billion). Financing requirements for the public sector will be secured from LGUs, GOCCs, GFIs and NG.

Broad indication of support from the development partners of the country reached more than \$3 billion in loans and grants. The private sector pledged to assist the government in mitigating the effects of the disaster caused by typhoon Ondoy through priority projects including making accessible access of credit to micro and small businesses to restart business and create jobs.

“ The PDNA provided a meaningful picture of the total damages, losses, and needs arising from typhoons Ondoy and Pepeng. The report would serve as our guidepost in crafting a comprehensive recovery and reconstruction strategy as well as an integrated disaster management strategy to reduce the impact of future disasters on our country and our people.”

-Secretary Gary Teves

## Microfinance Initiatives

2009 was a rewarding year for the efforts of the DOF-National Credit Council (NCC) to provide a robust policy and regulatory environment for microfinance.

Microfinance. Central strategy for poverty reduction in the Philippines under Republic Act 8425 (Social Reform and Poverty Alleviation Act)

A supportive policy environment has enabled microfinance to flourish in the country through the DOF-National Credit Council.

The Economist Intelligence Unit, in its First Annual Global Microfinance Index and Study, recognized the Philippines as the best in the world in terms of its microfinance regulatory framework. The study was an in-depth analysis conducted by the business information arm of The Economist Group (publisher of The Economist) of the microfinance business environment in 55 countries that were selected based on the importance of their existing microfinance sectors or their potential for development.

The index compared the countries across three broad categories: regulatory framework, investment climate and institutional development. The Philippines also landed third place in the world

for its overall performance in the said categories following the consistent microfinance leaders of South America, Peru and Bolivia.

In 2009, the DOF through the NCC, consolidated the headway it has made in crafting innovative policies in microfinance. The DOF-NCC was engaged in the implementation of the two Technical Assistance funded by the Japan Fund for Poverty Reduction (JFPR) administered by the Asian Development Bank (ADB): Developing Financial Cooperatives Project and Developing Microinsurance Project, and with the commencement of the new Technical Assistance, the Microinsurance Innovations Program for Social Security (MIPSS) from the German Technical Cooperation's (GTZ) in January 2009.

### DEVELOPING FINANCIAL COOPERATIVES PROJECT

#### 1. DEVELOPED THE SUPERVISION AND EXAMINATION MANUAL FOR COOPERATIVES WITH SAVINGS AND CREDIT SERVICES (SCC)

The Manual was finalized on January 9, 2009 and was subsequently approved by the Cooperative Development Authority (CDA) Board of

Administrators (BOA) on January 29, 2009. It is an important tool to strengthen CDA's regulatory and supervisory capabilities. It will serve as a guide for CDA cooperative specialists in conducting examination of cooperatives, which adopts a risk-based supervision and examination process for SCCs, as against traditional compliance-based examination. Risk-based supervision focuses on areas that pose the greatest risks to the safety and soundness of SCCs and ascertains that there is an effective assessment of the management process to identify, measure, monitor, and control these risks. Pilot-testing of the Draft Manual was also in progress to ascertain its applicability before its finalization and eventual implementation across the cooperative sector.

## 2. CONDUCTED ADVOCACY FOR FEDERATIONS AND UNIONS

The objective of the activity is to determine and identify the areas of assistance or services that federations/unions can offer as a business proposition, e.g. financial products and services, technical and mentoring services and legal and other services, to capacitate primary cooperatives to comply with the various regulations affecting their operations. Workshops/forums were conducted last February and March 2009 for Northern Luzon, Southern Luzon, Visayas and Mindanao.

## 3. PUSHED FOR THE PASSAGE OF THE PHILIPPINE COOPERATIVE CODE OF 2008

The DOF-NCC, in collaboration with the CDA, advocated for the crafting of the new Cooperative Code which was signed into law by President Gloria Macapagal Arroyo on February 18, 2009 as RA No. 9520, otherwise known

as the Philippine Cooperative Code of 2008. Provisions that strengthen regulatory oversight of CDA over cooperatives are now incorporated under the new law. Writeshop activities on the drafting of circulars and Implementing Rules and Regulations necessary to implement the Cooperative Code conducted in 2009, resulted to the formulation of the following:

- Rules and Regulations Implementing Certain Provisions of the Philippine Cooperative Code of 2008 (Part I) with BLGF Memorandum Circular no.31-2009 (exemption of Cooperatives from the payment of Local Taxes, Fees and Charges);
- Rules and Regulations Implementing Special Provisions of the Philippine Cooperative Code of 2008 (Part II); and
- Joint Rules and Regulations Implementing Articles 60,61 and 144 of the Philippine Cooperative Code of 2008 in Relation to RA No. 8424 or the National Internal Revenue Code, as Amended.

The Economist Intelligence Unit, in its First Annual Global Microfinance Index and Study, recognized the Philippines as the best in the world in terms of its microfinance regulatory framework.



DOF-NCC staff and CDA Regulatory Unit, with the management and staff of the PNAC Cooperative Union, Aborlan, Palawan during the pilot testing of the Supervision and Examination Manual for Cooperatives with Savings and Credit Services



Workshop for the Cooperative Federations' Union to identify areas of assistance or services for the primary cooperatives



Region 1 and Cordillera Administrative Region (CAR) consultation held in Baguio City on July 17, 2009. Seated are members of the Technical Working Group on the Draft Regulatory Framework for Microinsurance from government and the private sector. Below: Region 5 consultation, headed by Undersecretary Gil S. Beltran, held in Tuguegarao on October 8, 2009 after the onslaught of the devastating typhoon Pepeng.



### MICROINSURANCE PROJECT AND PROGRAM

1. Developing Microinsurance Project under TA No. 9118-PHI, a US\$1million technical assistance that was granted in March 2008. The grant is for the development of the microinsurance market in the Philippines with DOF-NCC as the Executing Agency and Insurance Commission (IC) as the Implementing Agency.
2. Microinsurance Innovations Program for Social Security (MIPSS) is a grant from the German Technical Cooperation (GTZ), a three million euros (EUR 3,000,000) technical assistance targeting the low income informal sectors and Micro-small enterprises (MSEs) in the Philippines especially in CARAGA and the Visayas regions where poverty incidence is notably high. This program commenced in January 2009 and will end in 2012.

### MILESTONES

With the help of the aforesaid technical assistance, the DOF-NCC formulated two landmark documents on microinsurance, namely:

1. **Regulatory Framework for Microinsurance** under Component A of the ADB-JFPR Microinsurance, and;
2. **National Strategy for Microinsurance** under Component 1 of the GTZ-MIPSS.

The DOF convened a series of TWG meetings of stakeholders from the government with private insurers, reinsurers and insurance associations from February to June 2009, and regional consultations with various stakeholders from June to October 2009. The meetings and consultations coalesced ideas from various stakeholders into the drafting of these two important documents. Both documents were approved on December 11, 2009 by the members of the Joint Steering Committee comprised of representatives from the DOF, Bangko Sentral ng Pilipinas (BSP), IC, Securities and Exchange Commission (SEC), CDA, National Anti-Poverty Commission (NAPC), Department of Health (DOH) and Philhealth.

The milestone policies complement the microfinance policies established by the government, which have enabled the poor greater access to financial services, particularly microcredit, with the entry of more private financial institutions now actively engaged in microfinance. Microcredit present a vast opportunity for the poor to improve their economic status and overcome poverty, because it allows easier access to credit. From a few hundreds of thousands in 1997, the number of microfinance borrowers has reached 5.7 million as of December 2009, with total new clients of 974,867 in year 2009 alone.

**5.7m**  
Microfinance borrowers

## Local Government Finance

### LGU FINANCIAL PERFORMANCE MONITORING

Local Government Units (LGU's) posted a combined surplus of P36.0 billion in 2009 and an average of P29.6 billion for the last three years, continuing the long-term surplus trend of LGUs.

As of December 2009, Internal Revenue Allotment (IRA) represented 64 percent of total LGU income, while only 36 percent were raised internally. Of the income generated internally, 24 percent came from tax revenue, 10 percent from non-tax revenue and about 1 percent was derived from extraordinary receipts. On the expenditure side, LGUs spent 43 percent of their total budget for general services. Aggregate disbursements for social services represented 2 percent, while releases for health, nutrition, and population control accounted for 10 percent.

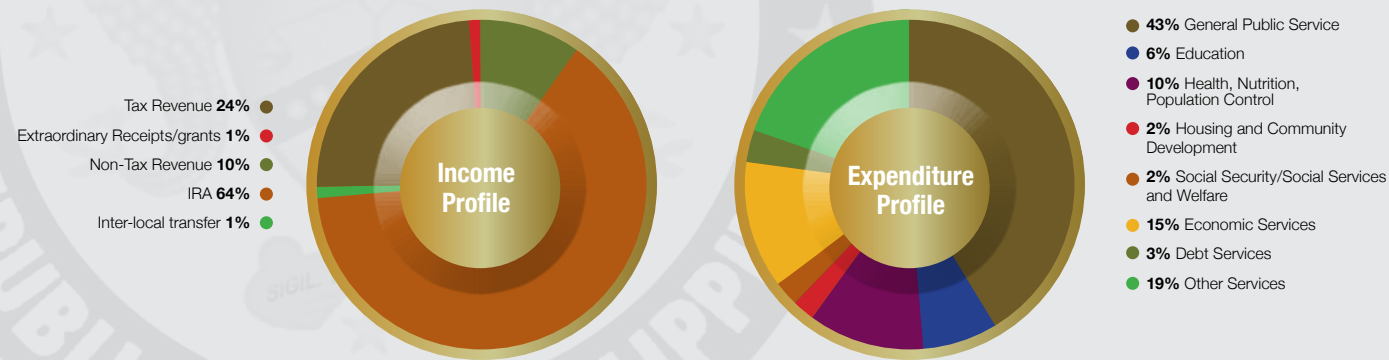
Operational expenses for economic services shared a considerable amount of the expenditures at 15 percent while 3 percent went to debt servicing. A significant amount or 19 percent of the LGU coffers was allotted mainly as development and calamity funds and aid to barangays.

**₱29.6b**  
AVERAGE SURPLUS OF LGUs

LGU INCOME AND EXPENDITURES (in billion pesos)			
	2007	2008	2009*
<b>Income</b>	<b>232.0</b>	<b>269.9</b>	<b>269.4</b>
Local Sources	79.4	89.6	91.9
Allotment & Shares	150.2	176.6	173.3
Other Sources (e.g. Extraordinary Receipts/ Grants, Interlocal Transfers)	2.4	3.8	4.2
<b>Expenditures</b>	<b>210.2</b>	<b>234.3</b>	<b>238.2</b>
<b>Surplus</b>	<b>21.8</b>	<b>35.6</b>	<b>31.3</b>

\*Preliminary as of December, 2009

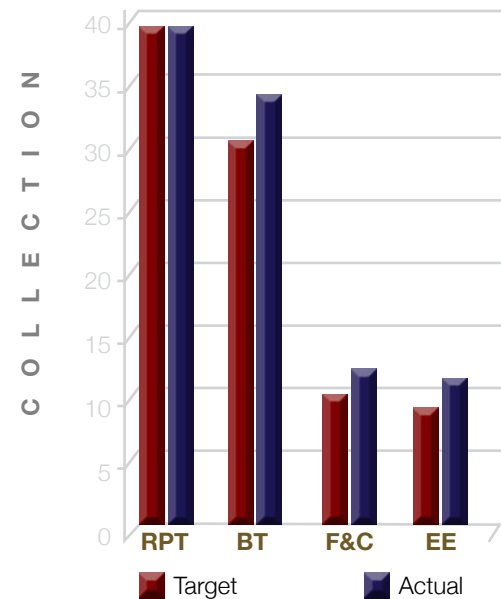
### Income and Expenditure Profile of LGUs for Year 2009



### REVENUE GENERATION PROGRAM LGU Collection Efficiency\* CY 2009 – Preliminary as of December, 2009

#### COLLECTION EFFICIENCY (All LGUs)

<b>Real Property tax (RPT)</b>	<b>99.89%</b>
Target: 39.272 B	
Actual: 39,230.0 B	
<b>Business Tax (BT)</b>	<b>111.09%</b>
Target: 30.291 B	
Actual: 33,651.9 B	
<b>Fees &amp; Charges (F&amp;C)</b>	<b>115.72%</b>
Target: 10.022 B	
Actual: 11,598.2 B	
<b>Economic Enterprise (EE)</b>	<b>120.92%</b>
Target: 9.055 B	
Actual: 10,949 B	
<b>All Sources</b>	<b>107.66%</b>
Target: 88.642 B	
Actual: 95.429 B	



\* Collection efficiency-defined as actual collections against the target collection.

The Revenue Generation Program which was initiated to support the Medium-Term Philippine Development Plan remains the LGUs catalyst in the development and implementation of tax collection enforcement programs aimed at improving their performances in generating locally sourced income. The LGUs collected P95.4 billion over the P88.6 billion target as of December 2009. Various factors contributed to the LGUs' attainment of their respective annual targets. LGU revenue bases were enhanced through programs and projects such as the Real Property Tax Administration Project, conduct of General Revision of Real Property Values, enforcement of administrative remedies in the collection of taxes, installation of computerized systems of collection in LGUs, and the updating of their local revenue codes.

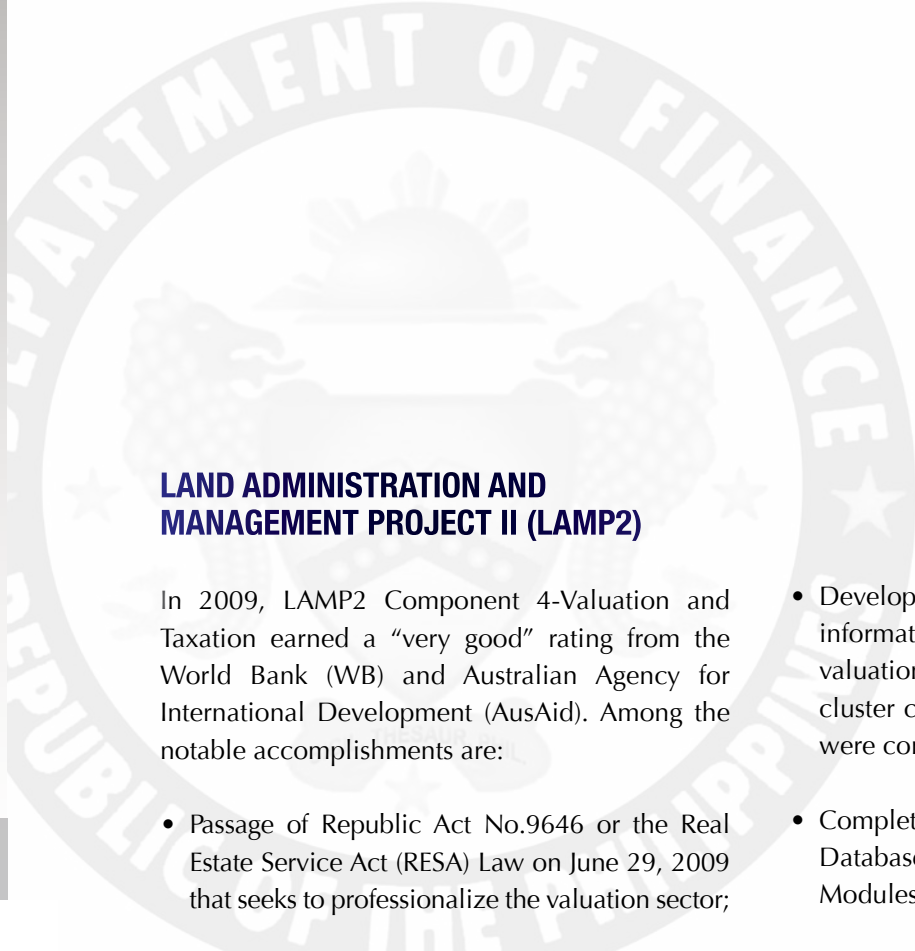
### LGU DEBT MONITORING AND CREDITWORTHINESS RATING SYSTEM

The LGU Debt Monitoring System and the Creditworthiness Rating System are used in conjunction with BLGF's LGU Debt Service Certification System which determines the maximum amount an LGU can allocate for debt service. A total of 701 LGUs were issued certifications for their borrowing and debt service capacities as a requirement for sub-loan projects under the Municipal Development Fund- Foreign Assisted Projects (MDF-FAPS), GFIs, Assessment Loan Revolving Fund and for bond flotation.

As of the year 2009, LGUs borrowed the amount of P89.5 billion, 97 percent of which were loans and the rest were bond flotation. Availments of loan proceeds posted at 87.0 percent or P75.3 billion while bond outstanding was 18.5 percent or P0.5 billion.

LGU LOANS AND BORROWINGS			
GFIs	Loan Amount (in Billion Pesos)	Availment Amount	% Availment
Land Bank	57.3	49.8	86.8%
Phil. Veterans	1.4	1.2	87.7%
Mun. Dev. Fund	5.6	5.6	100.00%
Phil. Nat'l Bank	5.7	5.3	92.2%
DBP	16.4	13.3	81.2%
<b>TOTAL</b>	<b>86.6</b>	<b>75.3</b>	<b>87.0%</b>
LGU BONDS			
	Bond Amount	Bonds Outstanding	%
Phil. Veterans	0.1	0.1	83.6%
LGUGC	2.8	0.4	15.9%
<b>TOTAL</b>	<b>2.9</b>	<b>0.5</b>	<b>18.5%</b>
<b>GRAND TOTAL</b>	<b>89.5</b>	<b>-</b>	<b>-</b>





### LAND ADMINISTRATION AND MANAGEMENT PROJECT II (LAMP2)

In 2009, LAMP2 Component 4-Valuation and Taxation earned a “very good” rating from the World Bank (WB) and Australian Agency for International Development (AusAid). Among the notable accomplishments are:

- Passage of Republic Act No.9646 or the Real Estate Service Act (RESA) Law on June 29, 2009 that seeks to professionalize the valuation sector;
- Development of 24 Philippine Valuation Standards based on the principles of International Valuation Standards (IVS) and promulgated by virtue of Department Order signed by the Secretary of Finance on October 14, 2009;
- Issuance of Executive Order No. 833 by the President of the Philippines on October 13, 2009, creating the Property Valuation Office under the Department of Finance (DOF) that will continue to undertake the valuation and taxation reform initiatives prior to establishment of the proposed National Valuation Authority (NVA). In line with its implementation, two Cluster Centers, one each in Region V and Region VI, were established to implement and coordinate valuation and taxation reform activities within the cluster areas;
- Developed presentations to conduct information caravans to generate interest on valuation and taxation in the LGUs within the cluster center areas. Two Information Caravans were conducted;
- Completion and deployment of Valuation Database and Information System (VDIS) Modules to partner LGUs; and
- Development of Electronic Field Appraisal and Assessment System (eFAAS) software for effective and efficient management of property data of LGUs which is needed for BLGF Compliance Reporting and compliance to e-Commerce Law.

“ LAMP2 Component 4-Valuation and Taxation, earned “very good” rating from World Bank (WB) and Australian Agency for International Development (AusAid).”

## Municipal Development Fund Office

### EFFICIENT MOBILIZATION OF SECOND GENERATION FUND (SGF) TO PROMOTE LGU DEVELOPMENT

The DOF, through the Municipal Development Fund Office (MDFO), continued to provide a mechanism that would enable local government units (LGUs) to avail of funds, both local and international assistance, for their implementation of various social and economic development projects. It likewise provided assistance to LGUs through its programs, projects and activities to help them establish credit worthiness and promote fiscal discipline especially among the less developed ones.

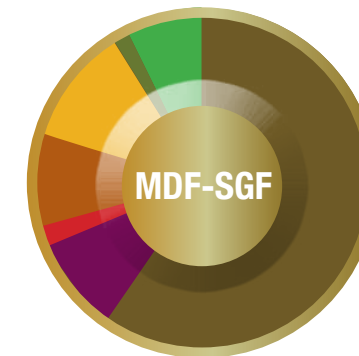
Seven financing windows utilized the MDF-Second Generation Fund (SGF) in 2009. All the projects financed through the MDF-SGF were geared towards the achievement of millennium development goals that encourage good governance, alleviate extreme poverty, promote quality education, advocate environmental protection and preservation, improve health and quality of life.

ALLOCATION OF MDF-SGF BY FINANCING WINDOW	
Financing Windows	Fund (in Million PhP)
Program Lending (PROLEND)	2,000
Millennium Development Goal (MDG) Fund	500
Mindanao Basic Urban Services Sector Project (MBUSSP)	400
Municipal Development Fund Project (MDFP)	500
Philippine Water Revolving Fund (PWRF)	500
Disaster Management Assistance Fund (DMAF)	700
Project Technical Assistance and Contingency Fund (PTACF)	50
<b>TOTAL</b>	<b>4,650</b>

### MDF-SGF 7 windows

- **PROLEND** - Promotes good governance by fostering accountability, transparency, predictability and efficiency in public administration
- **MDG Fund** - Supports LGU initiatives that directly contribute to the attainment of the Millennium Development Goals (MDGs) such as eradication of extreme poverty and hunger, reduction of child mortality and others.
- **MBUSSP** – Provides access to credit facility and technical assistance to LGUs in Mindanao
- **MDFP** – Provides financing to priority development projects of LGUs nationwide.
- **PWRF** – A standby credit facility that provides financing means for utilities to invest in water supply and sanitation infrastructure projects in partnership with the private sector and other donor agencies.
- **DMAF** – Supports disaster relief and recovery needs, disaster mitigation and prevention.
- **PTACF** - Provides optional funding for LGUs in the preparation of Feasibility Studies, Detailed Engineering Design, funding for foreign exchange differentials, technical assistance and other contingency requirements of LGUs that will access financing under MDFO.

Sectoral distribution of MDF-SGF Subprojects



- 59% Public Economic Enterprises
- 9% Health
- 2% Education
- 9% Policy Reform
- 11% Disaster Risk Reduction & Rehabilitation
- 2% TA on Procurement of Heavy Equipment
- 8% Heavy Equipment

### MULTI-SECTORAL REPRESENTATIONS OF DIFFERENT SUBPROJECT TYPES

Fifty-nine percent of the total sectoral subprojects financed through the MDF-SGF facilities were public economic enterprises (or revenue-generating), such as public market, transport terminals, and water supply system level III. LGU subproject loan applications/availments relative to disaster risk reduction and rehabilitation have increased significantly during the last quarter of the year, to repair damages caused by flooding and erosions when typhoons Ondoy and Frank wreaked havoc in different areas of the country. Sharing at 9 percent each of the total sectoral subprojects funded were those related to health (i.e. hospitals, infirmaries, health centers, laboratory & medical supplies/equipments) and policy reforms such as enhancement of local revenue generation and effective fund management through e-governance. Other sectoral subprojects were those related to education, procurement of heavy equipment, and other technical assistance.

Number of LGUs per Income Class

Income Class	No. of LGUs	%	Income Class	No. of LGUs	%
1st	8	17%	1st	8	17%
2nd	3	6%	2nd	3	6%
3rd	7	15%	3rd to 6th	37	77%
4th	15	31%			
5th	14	29%			
6th	1	2%			
<b>TOTAL</b>	<b>48</b>	<b>100%</b>	<b>TOTAL</b>	<b>48</b>	<b>100%</b>

DOF, through its MDF-SGF facilities, funded 37 LGUs out of the total 48 LGUs belonging to the lower income levels in 2009, affirming its commitment to promote local fiscal independence among poor LGUS. This is comprised of the following availments: 3rd income class-7 LGUs; 4th income class-15 LGUs; 5th income class-14GUs, and 6th income class-1 LGU.

Financing Windows	Implementation Stages				Total No. of Subprojects	Percentage Share	Total SPLA Costs of Approved, Ongoing & Completed Subprojects (in million pesos)
	Approved	Procurement	Ongoing	Completed			
MBUSSP	2	2	5	1	10	19%	272.3
MDFP	2		1	1	4	7%	136.4
MDGF	5	9	10	1	25	46%	385.8
DMAF	2		2	2	6	11%	66.3
PROLEND	2		2	1	5	9%	478.8
PWRF	1				1	2%	50.
PTACF				1	1	2%	.5
HSRP*			2		2	4%	43.8
<b>TOTAL</b>	<b>14</b>	<b>11</b>	<b>22</b>	<b>7</b>	<b>54</b>	<b>100%</b>	<b>1,433.9</b>

As of end December 2009, a total of P4.65 billion has been committed to fund the 7 MDF-SGF financing windows. The biggest allocations went to two lending facilities that were first implemented in 2008: PROLEND with P2.0 billion and DMAF with P700.0 million.

Fifty four (54) subproject loan availments costing P1.43 billion were already in different implementation stages as of December 2009. Of these subprojects, fourteen (14) were recently approved, while eleven (11) were undergoing procurement processes. A total of P470.56 million has been released to fund 22 ongoing construction activities. Of the 54 subprojects that started implementation since year 2008, seven (7) were already completed.

**37 LGUs**  
FUNDED OUT OF 48

# Frontline Operations

## ONE-STOP-SHOP TAX CREDIT AND DUTY DRAWBACK CENTER

Pursuant to its mandate under Administrative Order No. 266, the OSS-CENTER issued in 2009 a total of P3.7 billion worth of Tax Credit Certificates (TCCs) to over 200 exporters and investors:

Group	Number of TCC	TCC Amount (billion Php)
Investment Incentives Group (IIG/BOI Claims)	408	1.2
Duty Drawback Group (DDG/BOC Claims)	395	1.4
Tax and Revenue Group (TRG/BIR Claims)	580	1.1
<b>Total</b>	<b>1,383</b>	<b>3.7</b>

This represents a decline of 20% from a total of P4.7 billion worth of TCC issuances in 2008. The decline is due to the lackluster export performance as a result of the global financial meltdown.

### TO PROTECT THE INTEGRITY OF THE TAX CREDIT SYSTEM, THE FOLLOWING INITIATIVES WERE DONE IN 2009:

- **Intensified the conduct of plant inspections at its BOI section as part of the efforts to strengthen claimant pre-qualification requirements.**

These plant inspections, were intended to verify the existence of the plant and production facilities of TCC claimants.

- **Expedited Processing of VAT Refund/Credit Claims of Japanese Companies**

Coordinated and facilitated several meetings between BIR officials and Japanese companies in support of the initiative of the Japan-Philippines Economic Partnership Agreement (JPEPA) Sub-Committee on Improvement of the Business Environment.

The meetings helped to clarify requirements for processing VAT refund/claims, resolve certain issues affecting such claims, as well as establish better coordination between the BIR and Japanese companies in facilitating the expeditious processing of pending claims.

- **Use of Electronic Tax Debit Memos (TDM) thru the BOC's Electronic to Mobile (e2M) Customs System**

The OSS coordinated with BOC on the implementation of the Import Assessment System (IAS) component of the e2M project.

The IAS, which is implemented by Customs Memorandum Order No. 27-2009, entails the use of electronic TDMS for faster and more secure processing of payments for importations.

₱3.7b  
TCCs issued

# The Mabuhay Lane

MABUHAY LANE	VALUE OF IMPORTATION	DUTIES	VAT	TOTAL
	In million pesos			
Importation of capital equipment (spareparts and machineries by BOI-registered enterprises under E.O. 226)	28,521.33	855.64	211.76	1,067.40
Importation by non-stock, non-profit educational institutions under Article XIV, Section 4(3) of the New Constitution	569.45	17.08	70.38	87.46
Magazines/Publication Books under YBESCI (Florence), Sec 105 (s) and RA 8047	2,556.13	74.58	74.58	387.08
Importation with NEDA Recommendation for Tax & Duty Entry under Section 105 of the TCCP	624.80	18.74	77.23	95.97
Importation Under Sec. 44 of the Headquarters Agreement Between GOP and ADB	463.91	13.92	57.34	71.26
Importation of personal effects and household goods under EO 206	108.19	3.25	13.37	16.62
Importation of machinery/equipment/spare parts by energy contractor under PD 1442	3,054.02	91.62	377.48	469.10
Importation of machinery/equipment/spare parts by energy contractors under PD 972	4,627.40	138.82	571.95	710.77
Importation of machinery/equipment/spare parts by energy contractors under PD 87	61,597.29	1,847.92	7,613.43	9,461.35
Importation of machinery/equipment/spare parts by mini hydro power under RA 7156	74.48	5.21	9.56	14.77
Importation of machinery/equipment/spare parts by O.S.W. under EO 323	4.17	0.13	0.52	0.65
<b>TOTAL</b>	<b>102,211.18</b>	<b>3,066.91</b>	<b>9,315.51</b>	<b>12,382.42</b>

The Department implements tax exemptions to selected importers as provided by law through the Mabuhay Lane, one of its frontline offices. The Mabuhay Lane attends to tax exemption claims of importers of personal effects and household goods, importers of capital equipment, and contractors for the Department of Energy. The Mabuhay Lane also processes claims of multilateral and non-profit, non-stock, educational institutions.

For the year 2009, total amount of taxes and duties waived increased to P12.38 billion from P3.51 billion in 2008. This was brought about by the increased activities of oil exploration companies, with the commencement of drilling exploration wells in South Sulu Sea which require capital-intensive equipment.

# Management Information System

## DOCUMENT MANAGEMENT AND WORKFLOW SOLUTION

To uphold efficiency in managing documents and enhancing service delivery, DOF awarded the development of a Document Management and Workflow Solution to Questronix to be implemented across various groups within the Department. The objective is to provide a facility that integrates records management, document management, imaging, optical character recognition, full-text indexing search and retrieval, workflow, online document viewer and reporting capabilities.

In 2009, the development of the following applications has started:

- Automated Document Tracking System (ADTS)
- Document Management Workflow System (DMS)
- Tax Exemption System (TES)
- Voucher Tracking System (VTS)
- Records Management System (RMS)/ Digitization Project

## NETWORK INFRASTRUCTURE

DOF has embarked on wireless LAN solution and fiber optic technology. Appropriate security measures and environment were likewise implemented to ensure credibility of the Department's network. Continuous upgrades and improvements were made to ensure a more proactive network responding to various needs of the Department. This includes enhancement of its internet service bandwidth to cope up with increasing data communications requirements of the Department.

## GOVERNMENT ELECTRONIC PAYMENT AND COLLECTION SYSTEM EVALUATION TEAM (GEPCESET)

The DOF chaired and participated in the GEPCESET activities. The 1st roadshow was carried out with the theme "Enhancing Revenue Through Technology" and was participated by almost 40 revenue-generating agencies, a milestone in the pursuit of electronic payment in the Philippine government. The successful efforts marked by this event will allow NG more efficient operations in revenue management and information for policy makers to provide more effective measures in revenue management and mobilization.



*First GEPCESET Roadshow held at the Hotel Intercontinental, Makati City on September 9, 2009.*

# Human Resource Development

## STAFF TRAINING AND DEVELOPMENT

Human resource management at the DOF is transforming itself from being first the rule-making and policing arm of management to being a strategic partner in attaining the objectives of the DOF organization.

The DOF human resource development group provides the environment for work systems in which people succeed and contribute, putting emphasis on employee development, performance development and appraisal systems.

In line with this, qualified staff were chosen to attend the following foreign trainings and seminars to deepen the knowledge skills of DOF staff and enhance the quality of their performance.

TITLE OF COURSE/SEMINAR/TRAINING	COUNTRY
Training for Banking and Finance Development for ASEAN Countries	Singapore
GTC on Chief Information Officer for E-Government Promotion (B)	Okinawa, Japan
Course on Fiscal Management and Reforms	Seoul, Korea
Water Week 2009: Tackling Global Water Challenges	Washington, DC, USA
High-Level Forum on Reducing Vulnerability in the Face of Crisis	Jakarta, Indonesia
MOF/JCIP/WB Workshop on External Debt Management 2009	Tokyo, Japan
OECD-ADBI 10th Tokyo Roundtable on Capital Market Reform in Asia	Tokyo, Japan
5th World Water Forum	Istanbul, Turkey
Course on Macroeconomic Management and Financial Sector Issues	Singapore
Regional Workshop on Promoting Financial Inclusion through Innovation Policies	Tokyo, Japan
Workshop on Innovation Financing in Education, Implication Asia for the East Asia and Pacific Region	Hanoi, Vietnam
Hitotsubashi Executive Program for Macroeconomic Policymakers	Tokyo, Japan
Course on Finance for Macroeconomist	USA
Asia Regional Forum on Policy and Regulation of Financial Inclusion	Kuala Lumpur, Malaysia
Course on Macroeconomic Diagnostics	Singapore
18th Annual seminar on Economic Policies	Japan
Korea-ASEAN Economic Cooperation Forum	Jeju, Korea
Study Visit to STA and Statistics Sweden	Sweden
High Level Tax Policy Seminar for Asian and Pacific Countries on Tax Incentives	Tokyo, Japan
Seminar on Macroeconomic Management for Senior Officials	Singapore
Master in Public Policy	Singapore
18th Seminar on Economic Policies	Tokyo, Japan
OECD Tax Event on the Taxation of Financial Instruments	Seoul, Korea
Risk Management Regional Seminar	Hong Kong, P. R. China
11th JBIC Seminar for International Finance	Tokyo, Japan
Macroeconomic Management and Fiscal Policy	Singapore
Asia Tax Forum Workshop on Alcohol Excise Taxation	Bangkok, Thailand
Workshop on Designing Government Debt Management Strategies	USA
Regional Conference ASIA on Quality Growth	New Delhi, India
Income Tax Workshop	Seoul, Korea
Asian Regional Public Debt Management Summit	Malaysia
Seminar on Financial Development in Asia and Korea	Hong Kong, China
Seminar on Interest Rate Derivatives Intensive	Hong Kong, China
Macroeconomic Implications of Fiscal Issues	Singapore
Long-term: Masters Degree Program in Public Policy and Taxation	Japan
Long-term: Masters Degree in International Development Policy	Korea
Long-term: Master of Public Policy Programme	Singapore

“ Human resources may be defined as the total knowledge, skills, creative abilities, talents and aptitudes of an organization’s workforce, as well as the values, attitudes, approaches and beliefs of the individuals involved in the affairs of the organization. It is the sum total or aggregate of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the persons employed in the organization.”

### Human Resource Management- Nature, Scope, Objectives and Function

By Anjur, Experts Column, July 24, 2009

The DOF likewise conducted the following in-house courses and lectures to foster peer discussion and instill awareness among DOF employees on various economic, political and social issues facing our country:

- Workshop on the Formulation of Citizen’s Charter
- FPPO Quarterly Lecture on DOF in the Global Economic Arena
- Orientation/Seminar on the Revised Kyoto Convention
- Orientation on Anti-Graft and Corruption Laws & Regulations
- FPPO Lecture on Insurance for the Poor: Current Environment, Govt. Initiatives & the Role of DOF
- Briefing on COA Memo No. 2008-05
- CSC Cluster Meeting on Various CSC Issuances
- 7 Habits Applications for Managers Workshop
- Forum on Comparative Security Sector Statistics: The Philippines & other neighboring ASEAN Countries

### PAGC AWARDEE

DOF is a consistent recipient of the Certificate of Recognition by the Presidential Anti-Graft Commission. This award is given to government agencies that are able to comply with the requirements of the Integrity Development Action Plan (IDAP). For the year 2009, the Department ranked 7th among 109 agencies for the First Semester and again, 7th among 177 agencies for the Second Semester.

### ANTI-GRAFT AND CORRUPTION INITIATIVES:

- Incorporation of Integrity Check in recruitment and promotion of DOF personnel
- Roll-out of the implementation of National Guidelines on Internal Control Systems (NGICs) at DOF as a pilot agency
- Continuous implementation of Department Order/GAAM provision on the required net take home pay of P3,000.00 of borrowers on the granting of loans from various institutions
- Launching of the DOF Citizen’s Charter in December 2009

### GENDER AND DEVELOPMENT

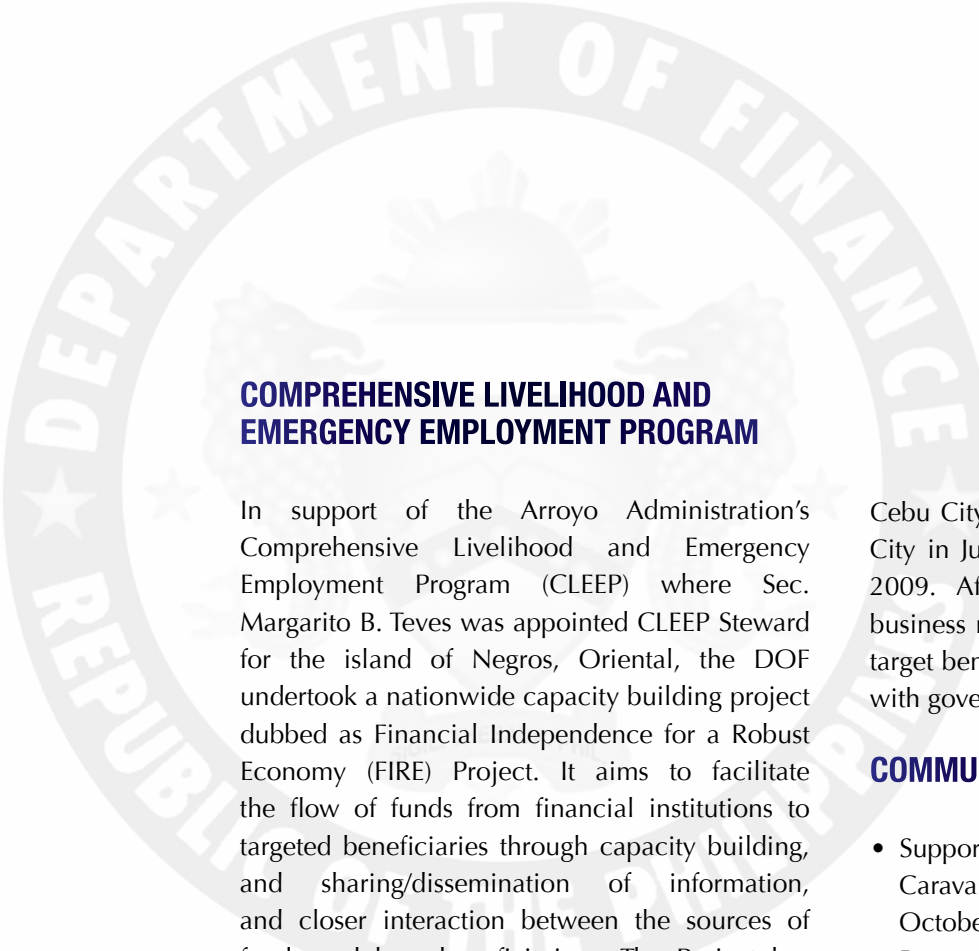
Gender and Development (GAD) initiatives made its initial steps in its regional GAD mainstreaming efforts in 2009. GAD Awareness and Sensitivity Seminars were conducted, first in Cebu City on May 22, 2009 with the National Commission on the Role of Filipino Women (NCRFW) Executive

Director as resource person and second, in Cagayan de Oro City on 10 December 2009 with speakers from the provincial office of NCRFW. The seminars were attended by women from DOF attached agencies, LGUs, non-government organizations and cooperatives. The seminars were organized in coordination with the Women’s Movement for an Empowered Nation (WOMEN), Inc. (an association of employees from DOF and its attached agencies engaged in social services) and concerned Bureaus under the DOF.

Due to the above initiatives, DOF received NCRFW’s appreciation and commendation for the Department’s commitment in mainstreaming GAD in the bureaucracy.

### OTHER GAD ACTIVITIES INCLUDED THE FOLLOWING:

- Briefing on IDAP and Seminar on Health and Income Opportunities held on 29 January 2009 at the National Tax Research Center;
- Sending of DOF delegation to the GO NEGOSYO Summit held on 02 March 2009 at the World Trade Center, Pasay City as part of the celebration of the International Women’s Day;
- Health and Financial Wellness Seminar held on 21 October 2009 at the Insurance Commission.



## COMPREHENSIVE LIVELIHOOD AND EMERGENCY EMPLOYMENT PROGRAM

In support of the Arroyo Administration's Comprehensive Livelihood and Emergency Employment Program (CLEEP) where Sec. Margarito B. Teves was appointed CLEEP Steward for the island of Negros, Oriental, the DOF undertook a nationwide capacity building project dubbed as Financial Independence for a Robust Economy (FIRE) Project. It aims to facilitate the flow of funds from financial institutions to targeted beneficiaries through capacity building, and sharing/dissemination of information, and closer interaction between the sources of funds and loan beneficiaries. The Project has four (4) components:

- Financial Literacy
- Assistance to target beneficiaries to have access to Microfinance and LGU Lending Facilities
- Assistance to target beneficiaries on project identification and selection, preparation of business plans and business development services, including business registration and licensing, market pooling, enhancement of business processes, retooling and training of employees, etc.
- Facilitation of flow of funds

Series of seminar on Financial Literacy with Savings Advocacy and Microfinance were conducted under Project FIRE. The maiden launch was in

Cebu City in May 2009 followed by Dumaguete City in June 2009 and Bacolod City in October 2009. After each seminar a business clinic/business matching activity was conducted where target beneficiaries had one-on-one consultations with government agencies and GFIs.

### COMMUNITY SERVICES:

- Support and participation in the People's Caravan of Relief Assistance and Services on October 13, 2009 led by the National Anti-Poverty Commission (NAPC)
- Malacañang's "Sama-Samang Pagtulong Relief Caravan for Luzon" conducted on October 29, 2009 led by the Department of Social Welfare and Development
- Financial and material support in the form of relief goods and old clothes were extended to DOF employees and janitorial staff who were victims of Typhoons "Ondoy" and "Pepeng"
- The Municipal Development Fund Office mobilized its Disaster Management Assistance Fund (DMAF) process to financially assist Local Government Units that were badly hit by Typhoons "Ondoy" and "Pepeng"

## Independence Day Celebration



The Philippine flags were simultaneously hoisted by the head of agencies of the government in the key cities where they were born during the 111th Independence Day Celebration in 2009. They represented President Gloria Macapagal-Arroyo in this celebration which was highlighted by CLEEP related activities such as conduct of nationwide Mega Job and Livelihood Fairs. Secretary Teves headed this activity in Dumaguete City, Negros Occidental where he led the awarding of Employment Contracts, Livelihood Checks and Training Certificates to the recipients of the program.

## Gender and Development



GAD focal persons from the DOF and attached agencies with some participants in the seminar on Financial Literacy with Savings and Microfinance held in Bacolod City in October 2009.

DEPARTMENT OF FINANCE

# Officials



**MARGARITO B. TEVES**  
Secretary

## Undersecretaries



**GIL S. BELTRAN**  
Domestic Finance Group and Policy  
Development & Management Services Group

**JEREMIAS N. PAUL JR.**  
Corporate Affairs Group

**CRISANTA S. LEGASPI**  
Privatization Group

**ESTELA V. SALES**  
Revenue Operations Group

**ROSALIA S. DE LEON**  
Chief of Staff  
Office of the Secretary

## ASSISTANT Secretaries



**ROBERTO D. GEOTINA**  
Revenue Operations Group

**MA. ELEANOR F. DELA CRUZ**  
Special Concerns

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**CHARISSA P. HIPOLITO**  
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Duty Drawback center

**ROMEO D. TOMAS**  
Revenue Integrity  
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OIC, Central Management  
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## HEADS OF Attached Bureaus



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Commissioner  
Bureau of Internal Revenue



**NAPOLEON L. MORALES**  
Commissioner  
Bureau of Customs



**ROBERTO B. TAN**  
Treasurer of the Philippines  
Bureau of the Treasury

## HEADS OF Attached Agencies



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Commissioner  
Insurance Commission



**LECIRA V. JUAREZ**  
Chairperson  
Cooperative Development Authority



**GUILLERMO N. HERNANDEZ**  
Chief Privatization Officer  
Privatization Management Office

## HEADS OF Attached Corporations



**MA. PRESENTACION R. MONTESA**  
Executive Director  
Bureau of Local  
Government Finance



**LINA D. ISORENA**  
Executive Director  
National Tax Research Center



**CESAR S. GUTIERREZ**  
Chairman  
Central Board of Assessment Appeals



**FRANCISCO S. MAGSAJO**  
President  
Philippine Export-Import Credit Agency



**JOSE C. NOGRALES**  
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Philippine Deposit Insurance Corporation

2009 ANNUAL REPORT  
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<b>CORPORATE AFFAIRS GROUP</b>	
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Corporate Operations Office	523-9938; 527-3826; 525-7309
<b>DOMESTIC FINANCE GROUP</b>	
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Developing Financial Cooperatives Projects	525-0487; 525-0497
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International Finance Policy Office	(TL) 523-9911 to 14 loc 110; 400-7446
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Central Management Information Office	525-4451; 526-8467; 525-4697
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Privatization Office	524-1633
<b>REVENUE OPERATIONS GROUP</b>	
Revenue Office	526-7490; 526-8458; 526-8476; 526-7311
Legal Affairs Office	526-7490; 526-8449
One-Stop-Shop Tax Credit and Duty Drawback Center	526-8178; 526-0076; 526-1781; 523-9217
OSS-BIR	526-8849
OSS-BOC	256-0751
MUNICIPAL DEVELOPMENT FUND OFFICE	
Office of the Director	523-9935; 525-9185; 523-7192, 525-9188

## Directory of DOF Attached Agencies

AGENCY NAME/OFFICE	TELEPHONE NUMBER/S	WEBSITE
Bureau of Customs (BOC)	526-63-55; 527-45-11	www.customs.gov.ph
Bureau of Internal Revenue (BIR)	921-04-30; 922-32-93	www.bir.gov.ph
Bureau of Local Government Finance (BLGF)	527-27-80; 522-87-73	www.blgf.gov.ph
Bureau of the Treasury (BTr)	527-31-84; 527-31-78; (TL) 522-81-22	www.treasury.gov.ph
Central Board of Assessment Appeals (CBAA)	525-14-11; 525-14-10; 526-74-85	
Cooperative Development Authority (CDA)	371-20-77; 527-20-62	www.cda.gov.ph
Fiscal Incentive Review Board (FIRB)	527-20-71; 527-20-62	
Insurance Commission (IC)	525-20-15; 523-8461 to 70	www.insurance.gov.ph
National Tax Research Center (NTRC)	527-20-71; 527-20-62	www.ntrc.gov.ph
Philippine Deposit Insurance Corporation (PDIC)	818-69-06; 817-14-45	www.pdic.gov.ph
Philippine Export-Import Credit Agency (PhilExim)	893-46-32; 893-48-09 (TL) 848-19-00	www.philexim.gov.ph
Privatization and Management Office (PMO)	893-23-83; 893-12-09	www.pmo.gov.ph



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