

# **Planning and Budgeting Linkage at the Local Level: Status, Policy Responses and Prospects**

ALICIA B. CELESTINO\*

*Linking planning and budgeting functions in both national and local governments is important in producing development results and providing a more effective and efficient delivery of goods and services. This article examined the horizontal disconnect in planning and budgeting at the local level, and the vertical disconnect between national and local government planning and budgeting under a decentralized system of governance. The article provides a historical account of the development of the Philippine government's planning and budgeting functions. The study probed how the government addressed the disjoint in planning and budgeting functions through its policies, issuances, and programs that have been enacted and implemented both at the national and local levels. This study also assessed the prospects and opportunities for a strengthened planning and budgeting linkage at the local level with the end view of producing the desired development results and effecting a more efficient and responsive public service delivery system.*

**Keywords:** *budgeting, planning, planning-budgeting linkage, local government, decentralization*

## **Introduction**

Many developing countries, the Philippines included, have a long tradition of development planning that can be traced back after World War II, when comprehensive development plans were formulated as guides for their reconstruction and a precondition for receiving loans and grants from developed countries. There was a widespread belief then that through national planning economic development-related challenges can be overcome (Waterson, 1969). Despite this long history of development planning, the expected development outcome is yet to come, with many of the developing countries still carrying the “developing” tag. Among the reasons cited are the shortage of well prepared projects, failure to establish appropriate policies necessary to fulfill plans during planning

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\*Assistant Professor, National College of Public Administration and Governance, University of the Philippines Diliman.