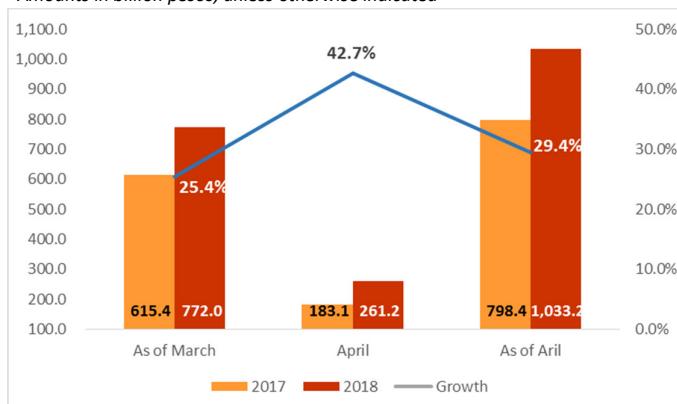


# NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF APRIL 2018

National Government spending in April 2018 registered a significant growth of 42.7 percent to reach P261.2 billion. This reverses the 4.5 percent contraction recorded for the same month in 2017, amidst the base effects of election spending. The growth of disbursements for the month was bolstered by strong Infrastructure and Other Capital Expenditures, which grew to P65.6 billion, nearly twice the level recorded for the same month in 2017. This propelled spending for the first four months of 2018 to P1,033.2 billion, 29.4 percent higher year-on-year.

**Figure 1. National Government Disbursements for the Period Indicated**  
Amounts in billion pesos, unless otherwise indicated



By use of disbursement authorities (*see Table 1*), NCA disbursements in April 2018 increased by P67 billion or 42.1 percent to reach P225.8 billion and equivalent to 87.1 percent of the total NCAs effective for the month. This is up by 15 percentage points from the absorption rate<sup>1</sup> for the same month in 2017 attributed to faster and big-ticket disbursements by the DepEd, DILG-PNP, DND-AFP and DPWH. Non-NCA disbursements, likewise, grew by 46.5 percent year-on-year, closing at P35.5 billion in April 2018, owing mainly to higher interest payments paid during the month. Year-to-date, NCA disbursements ended at P811.7 billion expanding by 34.0 percent, faster than the growth of Non-NCA expenditures, which reached P221.5 billion, posting a 14.9 percent annual increase.

**Table 1. Comparison of NCA and Non-NCA Disbursements, 2017-2018**

Amounts in billion pesos, unless otherwise indicated

Particulars	As of March				April				As of April			
	2017	2018	Inc/(Dec)		2017	2018	Inc/(Dec)		2017	2018	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	446.8	585.9	139.2	31.1	158.9	225.8	66.9	42.1	605.6	811.7	206.1	34.0
% of Eff. NCA	89.2%	92.3%			71.9%	87.1%			83.9%	90.8%		
Non-NCA	168.6	186.0	17.4	10.3	24.2	35.5	11.3	46.5	192.8	221.5	28.7	14.9
TOTAL	615.4	772.0	156.6	25.4	183.1	261.2	78.2	42.7	798.4	1,033.2	234.8	29.4

## Memo Item

NCAs issued effective for the month, net of Trust Liabilities, gross of Working Fund.

	As of March	April	As of April
2017	500.7	220.8	721.6
2018	634.8	259.2	894.1

## Allotment Releases

As of April 2017:	2,718.3 billion or	81.1%	of the P3,350.0 billion obligation program
As of April 2018:	3,264.9 billion or	86.7%	of the P3,767.0 billion obligation program

Sources: Bureau of the Treasury and DBM-Budget Technical Bureau

## Allotment Releases

Total allotments released as of April 30, 2018 amounted to P3,264.9 billion, equivalent to around 87 percent of the P3,767.0 billion obligation program for the year. This rate is higher when compared to the allotment-releases-to-expenditure-program ratio for the same period in 2017 at 81.1 percent due to the continued fleshing out of details in agency-specific budgets as required by the GAA-as-the-Allotment-Order policy. Likewise, this is partly due to the substantial allotment releases in April which amounted to nearly P100 billion, largely to cover the following expenditures: 1) subsidy and equity to Government-Owned and –Controlled

<sup>1</sup> Pertains to total NCA disbursements (negotiated checks) over total NCA releases.

Corporations (P19.0 billion); 2) projects under the AFP Modernization Program of the DND (P18.0 billion); 3) development assistance to LGUs under the *Local Government Support Fund* (13.2 billion); 4) pension and other retirement benefits under the *Pension and Gratuity Fund* (P12.0 billion); and 5) filling of positions and other PS benefits, and purchase of furniture/fixtures under the Basic Educational Facilities Fund of the DepEd (P9.6 billion).

## Year-on-Year Performance, by Expense Class

*For the Month of April 2018*

The major growth drivers of spending for the month of April this year were Infrastructure and Other Capital Outlays, which grew 95.9 percent year-on-year, Maintenance Expenditures (33.1 percent year-on-year), and Personnel Services (23.9 percent year-on-year):

- Infrastructure and Other Capital Expenditures reached P65.6 billion from P33.5 billion in April 2017 mainly on account of various road infrastructure projects of the DPWH nationwide, which include: 1) improvement, upgrading and widening of roads and bridges; 2) construction and improvement of access roads leading to declared tourism destinations under the *Program Convergence Budgeting*; 3) construction of flood control/mitigation structures and drainage systems; 4) preventive maintenance projects; and 5) payment of Right-of-Way claims. Various capital outlay projects of the SUCs, specifically the UP system for the purchase of laboratory and IT equipment, and construction of academic buildings and other facilities; and construction of police stations, as well as procurement of equipment under the *Capability Enhancement Program* of the DILG-PNP have likewise contributed to higher Infrastructure and Other Capital Outlays.
- Maintenance Spending amounted to P33.4 billion, up from P25.1 billion a year ago due mainly to the operating requirements of DepEd schools nationwide; payment of tuition fees of student beneficiaries through the *Higher Education Support Fund*, and release of allowances and benefits of student and teacher beneficiaries of various scholarship assistance, grants and incentives provided by the CHED; as well as the implementation of *Kapit Bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services* (KALAH-CIDSS), a community-driven poverty alleviation program of the DSWD, which promotes projects that improve access to basic public services and capacitates local communities to increase livelihood opportunities.
- Personnel Services expenditures reached P71.8 billion compared to P58.0 billion in April 2017, resulting from the third tranche implementation of Compensation Adjustment per EO No. 201, s2016 and higher pay of the military and uniformed personnel (of the DND, PNP, BJMP, BFP, PPSC, PCG and NAMRIA) pursuant to JR No. 1, s2018, as well as from filling of positions in the DepEd, SUCs and DOH.

Other expenditure items which saw substantial increases year-on-year were: 1) Capital Transfers to LGUs (P25.6 billion; 48.7 percent year-on-year) on account of releases from the *Local Government Support Fund* for the Assistance to Municipalities (P9.8 billion) and the Conditional Matching Grants to Provinces for Road Repair, Rehabilitation and Improvement (P4.0 billion); and 2) Interest Payments (P23.2 billion; 71.9 percent year-on-year) due to payments for the 25-year Fixed Rate Treasury Bonds taken up in April instead of March 2018 in view of the holidays, coupon payments for bonds issued in the previous year, and the effect of foreign exchange rate fluctuations.

**Table 2. NG Disbursements for the Month of April, 2017-2018**

*Amounts in billion pesos, unless otherwise indicated*

Expenditure Class	April		Increase/(Decrease)	
	2017	2018	Amt	%
CURRENT OPERATING EXP.	132.3	170.1	37.8	28.6
Personnel Services	58.0	71.8	13.8	23.9
MOOE	25.1	33.4	8.3	33.1
Subsidy	2.2	3.9	1.7	80.2
Allotment to LGUs	32.5	35.3	2.8	8.7
Interest Payments	13.5	23.2	9.7	71.9
Tax Expenditure Fund	1.1	2.5	1.4	134.0
CAPITAL OUTLAYS	50.7	91.1	40.4	79.7
Infra and Other CO	33.5	65.6	32.1	95.9
Equity	0.0	0.0	(0.0)	(62.5)
Capital Transfers to LGUs	17.2	25.6	8.4	48.7
NET LENDING	0.1	0.0	(0.1)	(78.3)
<b>TOTAL</b>	<b>183.1</b>	<b>261.2</b>	<b>78.2</b>	<b>42.7</b>

*For the Period January to April 2018*

National Government spending as of end-April 2018 reached P1,033.2 billion, P234.8 billion or 29.4 percent more than the level from the comparable months in 2017. Infrastructure and Other Capital Outlays for the first four months of the year were solid at P222.7 billion, up by nearly P72 billion or about 48 percent year-on-year. This makes up 30.5 percent of the P234.8 billion increase in total disbursements for the period. Personnel Services (P278.4 billion) and Maintenance Expenditures (P144.4 billion), which increased by 22.9 percent and 26.2 percent year-on-year, respectively, have similarly sustained the growth of disbursements from January to April this year.

**Table 2. NG Disbursements for the Period January to April, 2017-2018**

*Amounts in billion pesos, unless otherwise indicated*

Expenditure Class	January to April		Increase/(Decrease)	
	2017	2018	Amt	%
CURRENT OPERATING EXP.	606.8	739.9	133.1	21.9
Personnel Services	226.5	278.4	51.9	22.9
MOOE	114.4	144.4	30.0	26.2
Subsidy	21.8	49.2	27.3	125.3
Allotment to LGUs	129.9	140.7	10.8	8.3
Interest Payments	111.3	120.3	9.0	8.1
Tax Expenditure Fund	2.8	6.9	4.1	144.7
CAPITAL OUTLAYS	193.3	293.5	100.2	51.9
Infra and Other CO	151.0	222.7	71.7	47.5
Equity	0.0	2.0	2.0	4,168.8
Capital Transfers to LGUs	42.2	68.7	26.5	62.9
NET LENDING	(1.6)	(0.2)	1.4	(86.7)
<b>TOTAL</b>	<b>798.4</b>	<b>1,033.2</b>	<b>234.8</b>	<b>29.4</b>

**Outlook for the Rest of the Year**

The remaining program balance for the next eight months of 2018 amounts to P502.1 billion or 13.3 percent of the P3,767.0 billion obligation program for the year. This is composed largely of the P214.9 billion agency-specific budgets equivalent to less than 10 percent of the P2,294.7 billion programmed regular budget of line agencies, and some P241.8 billion in Special Purpose Funds (SPFs) or about 50 percent of the P491.5 billion total SPFs programmed for the year. The release of these items are subject to compliance to certain conditions and submission of required documentary requirements as stipulated in the GAA. Based on preliminary allotment releases report<sup>2</sup>, some P62 billion worth of allotments have been issued covering the first four weeks of May 2018. This is expected to shore up disbursements in May and in the succeeding months of the year. Among the expected drivers of government spending in May are the release of mid-year bonus, payments for completed infrastructure projects of the DPWH, release of cash assistance under the *Pantawid Pamilyang Pilipino Program*, and operating requirements of various line agencies.

<sup>2</sup> Based on SARO Listing generated from the DBM e-Budget System as of May 24, 2018.