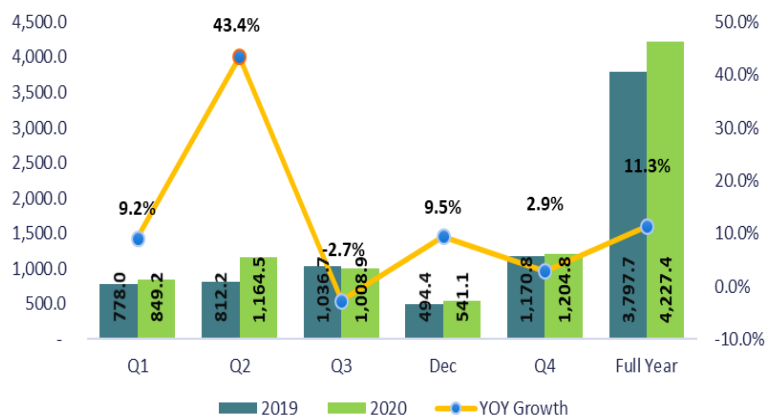


## NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF DECEMBER 2020<sup>1</sup>

The full-year National Government disbursements for 2020 closed at P4,227.4 billion, reflecting 11.3 percent growth, equivalent to P429.7 billion, from a year ago. Spending expanded substantially on account of the COVID-19 expenditures of the government. Notably in Q2, disbursements surged by 43.4 percent year-on-year with the implementation of health-related measures and social protection programs amid the imposition of the Enhanced Community Quarantine (ECQ). The growth of disbursements, however, moderated in the second half of the year (-2.7 percent in Q3, improving to 2.9 percent in Q4) with the base effect of the following: 1) the catch-up spending in the latter part of 2019, 2) the expected lower infrastructure and other outlays in 2020 following the discontinuance of some capital outlay projects to support *Bayanihan* I<sup>2</sup>, and 3) the unintended delays in the execution of other programs because of the pandemic.

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



When compared to the revised full-year program of P4,335.2 billion<sup>3</sup>, disbursements were lower by P107.8 billion or 2.5 percent mainly from the ongoing implementation of recovery measures under the *Bayanihan* II<sup>4</sup>. Nevertheless, spending recovered from the P246.2 billion shortfall (7.5 percent of the P3,268.8 billion program) during the first nine months of the year as major departments committed to drive spending for the rest of the year as agreed during the Economic Development Cluster (EDC) meeting in November 2020.

Meanwhile, for the month of December 2020, spending reached P541.1 billion, increasing by P46.7 billion or 9.5 percent from the same period of the previous year. This was mainly driven by: 1) disbursements for programs/activities/projects (PAPs) under the *Bayanihan* II, and 2) government subsidies to the PHIC for the National Health Insurance Program (NHIP) and to the Land Bank as conduit for the implementation of the Unconditional Cash Transfer (UCT) Program (*see year-on-year performance discussion*).

In terms of the use of disbursement authorities in December 2020 (*see Table 1 next page*), NCA expenditures rose to P477.6 billion, up by 8.3 percent from a year ago owing to higher maintenance spending, subsidy support to government corporations, and allotment to LGUs. On the other hand, Non-NCA disbursements increased to P63.5 billion or by 19.2 percent on account of higher tax expenditures for documentary stamp tax on government securities and net lending.

<sup>1</sup> The report was updated on July 30, 2021 based on the revised Bureau of the Treasury (BTr) Cash Operations Report (COR) for December 2020 dated July 28, 2021. Subsidy for the month of December 2020 was revised downwards, while the disbursements of National Government Agencies (NGAs) increased.

<sup>2</sup> RA No. 11469 or the *Bayanihan* to Heal As One Act.

<sup>3</sup> As reported in the FY 2021 Budget of Expenditures and Sources of Financing (BESF). Consistent with the medium-term macroeconomic and growth assumptions, and fiscal program approved by the DBCC via Ad Referendum dated July 28, 2020.

<sup>4</sup> RA No. 11494 or the *Bayanihan* to Recover As One Act.

**Table 1. Comparison of NCA and Non-NCA Disbursements, 2019-2020**

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of November				December				As of December			
	2019	2020	Inc/(Dec)		2019	2020	Inc/(Dec)		2019	2020	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	2,784.2	3,136.0	351.7	12.6	441.1	477.6	36.5	8.3	3,225.3	3,613.6	388.3	12.0
% of Eff. NCA	91.2%	89.8%			139.8%	124.4%			95.8%	93.2%		
Non-NCA	519.1	550.3	31.2	6.0	53.3	63.5	10.2	19.2	572.4	613.9	41.4	7.2
TOTAL	3,303.3	3,686.3	382.9	11.6	494.4	541.1	46.7	9.5	3,797.7	4,227.4	429.7	11.3
<b>Memo Item</b>												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	As of November				December				As of December			
	2019	3,051.7			2019	315.5			2019	3,367.2		
	2020	3,492.5			2020	383.9			2020	3,876.4		

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

Year-to-date, NCA disbursements totalled to P3,613.6 billion, up by 12.0 percent year-on-year, and equivalent to 93.2 percent of the total NCAs credited for the year. This is slightly lower when compared to the 95.8 percent rate recorded in 2019 with some programs under the *Bayanihan* II are yet to be fully implemented. Meanwhile, Non-NCA disbursements amounted to P613.9 billion, 7.2 percent higher than the previous year's level.

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

#### For the Month of December 2020

The disbursements for the month of December reached P541.1 billion, up by P46.7 billion or 9.5 percent year-on-year. The sizeable increase is mainly traceable from the growth of maintenance expenditures as the government continued to implement the COVID-19 response and recovery interventions.

Maintenance and other operating expenses surged by P48.9 billion or 75.8 percent to reach P113.5 billion. This is largely attributed to disbursements for the following programs under the *Bayanihan* II:

**Table 2. NG Disbursements for the Month of December, 2019 and 2020**

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	December			
	2019	2020 <sup>1/</sup>	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	300.4	384.2	83.8	27.9
Personnel Services	139.2	144.3	5.2	3.7
MOOE	64.6	113.5	48.9	75.8
Subsidy	25.4	41.2	15.8	62.0
Allotment to LGUs	39.4	50.6	11.2	28.4
IP	29.1	25.3	(3.8)	(13.0)
TEF	2.7	9.2	6.5	242.6
CAPITAL OUTLAYS	193.8	151.0	(42.8)	(22.1)
Infra and Other CO	177.9	132.7	(45.2)	(25.4)
Equity	1.6	1.2	(0.3)	(20.4)
Capital Transfers to LGUs	14.3	17.1	2.7	19.0
NET LENDING	0.2	5.9	5.7	3,185.6
<b>TOTAL</b>	<b>494.4</b>	<b>541.1</b>	<b>46.7</b>	<b>9.5</b>

<sup>1/</sup> Updated based on the revised BTr Cash Operations Report for December 2020.

Department of Labor and Employment (DOLE)	<ul style="list-style-type: none"> <li>Tulong Panghanapbuhay Para sa Ating Displaced/Disadvantaged Workers (TUPAD) Program</li> <li>Abot-Kamay ang Pagtulong (AKAP) Program</li> <li>COVID-19 Adjustment Measures Program (CAMP)</li> </ul>
Department of Health (DOH)	<ul style="list-style-type: none"> <li>Purchase of personal protective equipment (PPEs)</li> <li>Salaries and hazard pay/special risk allowance of job order personnel</li> <li>Accommodation and meals of public and private health workers</li> </ul>
Department of Social Welfare and Development (DSWD)	<ul style="list-style-type: none"> <li>Implementation of Assistance to Individuals in Crisis Situations (AICS)</li> <li>Sustainable Livelihood Program (SLP)</li> </ul>
Department of Agriculture (DA)	<ul style="list-style-type: none"> <li>Ahon Lahat, Pagkain Sapat Kontra sa COVID-19 (ALPAS COVID-19)</li> </ul>

Disbursements for the Universal Access to Quality Tertiary Education (UAQTE) also contributed to the increase recorded in December 2020.

Meanwhile, budgetary support to GOCCs climbed to P41.2 billion, P15.8 billion higher than 2019, mostly due to the releases for the payment of health premiums of senior citizens and indigent beneficiaries under the NHIP, as well as the releases for the UCT Program thru the Landbank of the Philippines.

The combined allotment and capital transfers to LGUs reached P67.7 billion in December 2020, P13.9 billion more or 25.9 percent from a year ago on account of the higher IRA shares of LGUs, the annual block grant to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), and the releases from the National Disaster Risk Reduction and Management (NDRRM) Fund for financial assistance to LGUs affected by typhoons.

However, the growth in spending for the month was weighed down by lower infrastructure and other capital outlays. Infrastructure spending reached P132.7 billion, declining by P45.2 billion or 25.4 percent year-on-year attributed due to the discontinuance of capital outlay projects and delays in construction activities at the earlier part of 2020, as noted earlier. This compares to the huge P177.9 billion infrastructure disbursements in 2019 with the catch-up spending plan of the Department of Public Works and Highways (DPWH). It will be noted, however, that the contraction in infrastructure and other capital outlays in December (i.e., 25.4 percent y-o-y) was half the -50.2 percent growth in November and much lower than the -30.6 percent in October, indicative of the improving pace of project implementation and the gradual recovery of the infrastructure sector in general.

#### *For the Fourth Quarter of 2020*

**Table 3. NG Disbursements for the Fourth Quarter, 2019 and 2020**

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	Fourth Quarter						
	2019 Actual	2020		Variance		Increase/(Decrease)	
		Program <sup>1/</sup>	Actual <sup>2/</sup>	Amt	%	Amt	%
CURRENT OPERATING EXP.	785.3	821.1	907.0	86.0	10.5	121.7	15.5
Personnel Services	369.1	339.5	369.4	29.8	8.8	0.2	0.1
MOOE	181.5	203.9	239.5	35.6	17.5	58.0	32.0
Subsidy	44.5	34.3	70.3	36.0	104.9	25.8	58.0
Allotment to LGUs	117.9	144.7	147.2	2.4	1.7	29.2	24.8
IP	67.1	93.3	67.4	(25.9)	(27.7)	0.3	0.5
TEF	5.2	5.3	13.3	8.0	152.2	8.1	154.1
CAPITAL OUTLAYS	384.3	222.8	292.1	69.3	31.1	(92.2)	(24.0)
Infra and Other CO	341.0	178.3	230.0	51.7	29.0	(111.0)	(32.5)
Equity	1.6	0.3	11.4	11.1	3,193.7	9.8	597.0
Capital Transfers to LGUs	41.7	44.1	50.7	6.5	14.8	9.0	21.5
NET LENDING	1.2	22.5	5.6	(16.9)	(75.1)	4.4	386.1
<b>TOTAL</b>	<b>1,170.8</b>	<b>1,066.4</b>	<b>1,204.8</b>	<b>138.4</b>	<b>13.0</b>	<b>33.9</b>	<b>2.9</b>

<sup>1/</sup> Revised FY 2020 Quarterly Fiscal Program approved by the DBCC via Ad Referendum on July 28, 2020.

<sup>2/</sup> Updated based on the revised BTr Cash Operations Report for December 2020.

The robust disbursements performance in December led to the rebound in fourth quarter spending. Disbursements grew by P33.9 billion or 2.9 percent from a year ago to reach P1,204.8 billion. This compares to the -2.7 percent growth posted in the third quarter, and accounted for 28.5 percent of the full year disbursements. Maintenance spending was the main growth driver for the period, which accelerated to P239.5 billion (up by P58.0 billion or 32.0 percent y-o-y) following the implementation of health emergency response, social protection services, agriculture and economic stimulus package, and employment assistance measures under the *Bayahinan* II, on top of the regular programs of line agencies.

Disbursements for the fourth quarter also outperformed the P1,066.4 billion program by P138.4 billion or 13.0 percent, largely due to the faster-than-expected spending on infrastructure and other CO, large personnel services expenditures, MOOE, and subsidy support to government corporations:

- Infrastructure and other capital outlays surpassed the program by P51.7 billion or 29.0 percent mainly on account of the additional cash requirements of the DPWH for settlement of accounts payables for completed or partially-completed infrastructure projects.
- Subsidy support to government corporations topped the program by P36.0 billion or 104.9 percent due to the timing of releases to the Landbank for the UCT and to the PHIC for the NHIP.
- Maintenance expenditures overtook the program by P35.6 billion or 17.5 percent largely due to the implementation of programs under the *Bayanihan* II, which were originally programmed in the third quarter of the year.
- Personnel services (PS) exceeded the program for the period by P29.8 billion or 8.8 percent credited to the utilization of Q3 releases/balances in the Miscellaneous Personnel Benefits Fund (MPBF) and Pension and Gratuity Fund (PGF) for requirements such as 1) filling of positions in the DepEd and DOH, and 2) payment for terminal leave/retirement gratuity claims in different agencies. PS expenditures for the period also included the releases for the 2018 pension arrearages of the military and uniformed personnel (MUP) which were charged against the FY 2020 Unprogrammed Appropriations.

**Table 4. NG Disbursements for the Period January to December, 2019 and 2020**

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to December						
	2019 Actual	2020		Variance		Increase/(Decrease)	
		Program <sup>1/</sup>	Actual <sup>2/</sup>	Amt	%	Amt	%
CURRENT OPERATING EXP.	2,740.9	3,475.6	3,326.4	(149.2)	(4.3)	585.5	21.4
Personnel Services	1,115.0	1,177.8	1,178.5	0.7	0.1	63.5	5.7
MOOE	572.9	996.1	885.4	(110.7)	(11.1)	312.5	54.5
Subsidy	201.5	244.1	229.0	(15.0)	(6.2)	27.5	13.6
Allotment to LGUs	463.2	621.6	620.0	(1.6)	(0.3)	156.7	33.8
IP	360.9	421.3	380.4	(40.9)	(9.7)	19.5	5.4
TEF	27.3	14.7	33.1	18.4	125.4	5.8	21.1
CAPITAL OUTLAYS	1,039.8	832.7	878.9	46.2	5.5	(160.9)	(15.5)
Infra and Other CO	881.7	609.3	681.5	72.3	11.9	(200.2)	(22.7)
Equity	3.3	51.2	12.8	(38.4)	(75.0)	9.5	285.7
Capital Transfers to LGUs	154.7	172.3	184.6	12.3	7.1	29.8	19.3
NET LENDING	17.1	26.9	22.1	(4.8)	(17.9)	5.1	29.6
<b>TOTAL</b>	<b>3,797.7</b>	<b>4,335.2</b>	<b>4,227.4</b>	<b>(107.8)</b>	<b>(2.5)</b>	<b>429.7</b>	<b>11.3</b>
<b>Memo Item</b>							
Infra Disbursements <sup>3/</sup>	1,049.9	785.5	869.9	84.5	10.8	(179.9)	(17.1)

<sup>1/</sup> Revised FY 2020 Quarterly Fiscal Program approved by the DBCC via Ad Referendum on July 28, 2020.

<sup>2/</sup> Updated based on the revised BTr Cash Operations Report for December 2020.

<sup>3/</sup> Include estimated NG infrastructure disbursements, and infrastructure components of subsidy and equity to GOCCs and transfers to LGUs.

NG disbursements for the full year 2020 ended up at P4,227.4 billion, increasing by P429.7 billion or 11.3 percent year-on-year, albeit lower than the P4,335.2 billion program by P107.8 billion or 2.5 percent. As previously discussed, the solid spending momentum in 2020 is credited to the government COVID-19 emergency response and recovery measures, which are seen across all expense classes.

**Table 5. Drivers of Spending Growth, By Major PAPs and COVID-19 Related Expenditures**

Expenditures	Major PAPs and COVID-19 Related Expenditures
MOOE reached P885.4 billion, up by P312.5 billion or 54.5 percent y-o-y.	Health emergency response Social Amelioration Program Livelihood/employment assistance programs (TUPAD, AKAP, CAMP)
PS reached P1,178.5 billion, up by P63.5 billion or 5.7 percent y-o-y.	1st tranche of Salary Standardization Law V Hiring of human resources for health Provision of special risk allowance and hazard pay, among others
Subsidy reached P229.0 billion, up by P27.5 billion or 13.6 percent y-o-y.	National Health Insurance Program Unconditional Cash Transfer Program Small Business Wage Subsidy Program
Equity reached P12.8 billion, up by P9.5 billion or 285.7 percent y-o-y.	Capital infusion to government financial institutions (GFIs) under the <i>Bayanihan</i> II
Combined allotment and capital transfers to LGUs reached P804.5 billion, up by P186.5 billion or 30.2 percent y-o-y.	<i>Bayanihan</i> Grant to the Provinces, Cities, and Municipalities Higher IRA of LGUs Releases for the annual block grant to the BARMM Releases from the LGSF (Assistance to Disadvantaged Municipalities)

However, maintenance spending and equity fell below the program by P110.7 billion (11.1 percent) and P38.4 billion (75.0 percent), respectively. This can be attributed to the ongoing implementation of some social subsidies and lending assistance programs under the *Bayanihan* II. Funds for these programs are yet to be fully utilized and are expected to continue to be implemented in 2021 following the extension of *Bayanihan* II and the FY 2020 GAA by virtue of R.A. Nos. 11519 and 11520, respectively. Moreover, interest payments were short of the program by P40.9 billion or 9.7 percent due to lower actual foreign exchange and interest rates, which in turn generated savings that partially helped fund the requirements of the *Bayanihan* II.

While disbursements for infrastructure and other capital outlays were lower from a year ago at P681.5 billion (-22.7 percent y-o-y), it is worthwhile to note that it surpassed the P609.3 billion program for 2020 by P72.3 billion or 11.9 percent. The greater-than-program infrastructure spending can be attributed principally to the strong performance of the DPWH which, despite the pandemic, completed various projects, in different regions nationwide, such as<sup>5 6</sup>:

- Road construction and improvement
- Bridge construction works, bridge repair, and retrofitting
- Flood control projects
- Local infrastructure projects
- Convergence programs with several government agencies namely, 1) farm-to-market roads, 2) school buildings, 3) tourism road projects, 4) access roads to airports and seaports, 5) evacuation centers, etc.

On the whole, the infrastructure program funded by the NG for the year totalled P869.9 billion, P84.5 billion or 10.8 percent higher than the revised P785.5 billion program<sup>7</sup> when the infrastructure components of subsidy and equity to GOCCs, and transfers to LGUs are accounted for. This is equivalent to a sizeable 4.8 percent of GDP, as compared with the 4.2 percent program for 2020 and the 5.4 percent realized in 2019.

## Full Year 2020 Deficit

The full year fiscal deficit for 2020 was recorded at P1,371.4 billion increasing by 107.7 percent or P711.2 billion, equivalent to 7.6 percent of GDP. This is consistent with the fiscal outlook presented and discussed by the DBCC in December last year as the deficit then was expected to be below the 9.6 percent of GDP revised full-year program<sup>8</sup> pending the full implementation of measures under the *Bayanihan* II. Nonetheless, the fiscal gap widened significantly when compared to the 3.4 percent of GDP outturn in 2019 as revenue collections in 2020 were muted with the economic slowdown because of the pandemic vis-a-vis higher expenditures for various COVID-19 measures.

Expanding the deficit under a sustainable regime was a necessary part of the government's policy responses during the COVID-19 crisis to muster resources for support to public spending for health and social programs, and consequently minimize the socio-economic impact of the pandemic. The

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<sup>5</sup> INQUIRER.net, <https://newsinfo.inquirer.net/1389073/dpwh-says-over-700-projects-completed-in-ilocos-region-despite-pandemic-threat>.

<sup>6</sup> GMA News, <https://www.gmanetwork.com/news/news/regions/778575/dpwh-reports-completion-of-p13-6-b-infra-projects-in-central-visayas/story/>.

<sup>7</sup> As reported in the FY 2021 Budget of Expenditures and Sources of Financing (BESF). Consistent with the medium-term macroeconomic and growth assumptions, and fiscal program approved by the DBCC via Ad Referendum dated July 28, 2020.

<sup>8</sup> As reported in the FY 2021 Budget of Expenditures and Sources of Financing (BESF). Consistent with the medium-term macroeconomic and growth assumptions, and fiscal program approved by the DBCC via Ad Referendum dated July 28, 2020.

country's economy contracted by 9.5 percent for the full year of 2020<sup>9</sup>, just within the government's projected range of minus 9.5 to minus 8.5 percent<sup>10</sup>. As the other segments of the economy contracted due to the imposition of strict quarantine measures and health and safety protocols, public spending was the lone driver, with government final consumption expenditure expanding by 10.4 percent to temper the decline in the country's total economic output.<sup>11</sup>

Major Expenditure Item	Full Year Growth in 2020
Household final consumption expenditure	-7.9 percent
<b>Government final consumption expenditure</b>	<b>10.4 percent</b>
Gross capital formation	-35.8 percent
Exports	-16.7 percent
Imports	-21.9 percent
<b>GDP</b>	<b>-9.5 percent</b>

## Outlook for FY 2021

The FY 2021 National Budget was signed into law by the President on December 28, 2020. This amounts to P4.506 trillion, 9.9 percent higher than the P4.100 trillion FY 2020 National Budget, and equivalent to 22.6 percent of GDP<sup>12</sup>. With the theme “Reset, Rebound, and Recover: Investing for Resiliency and Sustainability”, the FY 2021 National Budget will help the nation address the pandemic, boost infrastructure development and generate job opportunities, and assist communities in adapting to the post-pandemic life:

**Table 6. Spending Priorities under the FY 2021 National Budget**

Purpose	Amount	Remarks
Health-related COVID-19 response programs	P71.4 billion	For the National Health Insurance Program to subsidize the health premiums of indigent families and senior citizens
	P16.6 billion	Deployment of doctors, nurses and other health workers to disadvantaged communities and national hospitals under the Human Resources for Health (HRH) Program
	P9.5 billion	COVID-19 vaccine procurement and logistics
	P7.8 billion	Health infrastructure and equipment
	P4.7 billion	Procurement of personal protective equipment for hospitals, laboratories, and regional swab centers
	P1.0 billion	To supplement the fast and accurate testing of COVID-19 cases
Infrastructure Development	P317.7 billion	DPWH core programs (Asset Preservation Program, Network Development Program, Bridge Program, and Flood Management Program)
	P60.9 billion	Rail Transport Program, Land Public Transportation Program, and Maritime Infrastructure Program of the DOTr
Education Sector	P17.0 billion	Implementation of the Basic Education Learning Continuity Program (BE-LCP) to include the development, reproduction and delivery of learning resources
	P5.9 billion	Expansion of DepEd's Computerization Program which aims to procure multimedia packages for public schools nationwide

<sup>9</sup> Philippine Statistics Authority. National Income Accounts for FY 2020. January 28, 2021.

<sup>10</sup> Consistent with the medium-term macroeconomic and growth assumptions, and fiscal program approved by the DBCC during its 178<sup>th</sup> meeting on December 3, 2020.

<sup>11</sup> Philippine Statistics Authority. National Income Accounts for FY 2020. January 28, 2021.

<sup>12</sup> Computed using nominal GDP of P19,913.6 billion, consistent with the assumptions and targets approved during the 178<sup>th</sup> DBCC on December 3, 2020.

Purpose	Amount	Remarks
Agriculture and Fishery Sector	P31.7 billion	Irrigation services activities of the National Irrigation Authority
	P15.5 billion	National Rice Program
	P10.0 billion	Rice Competitiveness Enhancement Program
	P3.9 billion	National Fisheries Program
Recovery of MSMEs and Local Businesses	P20.4 billion	Livelihood and Emergency Employment Program of the DOLE
	P4.1 billion	Training for Work Scholarship Program
	P2.4 billion	MSME Development Program of the DTI
	P1.0 billion	Tulong Trabaho Scholarship Program
Social Protection	P106.8 billion	Pantawid Pamilyang Pilipino Program
	P23.5 billion	Social Pension for Indigent Senior Citizens
	P4.3 billion	Sustainable Livelihood Program
	P3.8 billion	Supplementary Feeding Program
Nationwide and Local Registration	P4.3 billion	Philippine Identification System (PhilSys)
	P85.0 million	Community Based Monitoring System

Source: DBM Press Release dated December 28, 2020<sup>13</sup>

As mentioned previously, the availability of appropriations under the *Bayanihan* II and the FY 2020 GAA was extended pursuant to R.A. Nos. 11519 and 11520, respectively. Appropriations under the *Bayanihan* II shall be available for release, obligation, and disbursement until June 30, 2021, while appropriations under the 2020 GAA shall be available for release, obligation, and disbursement until December 31, 2021. The available appropriations under the said expenditure laws should contribute to the fiscal stimulus for this year, aside from the FY 2021 budget. These are already considered in the fiscal projection for FY 2021 as discussed and approved by the DBCC in December last year.

Consequently, the DBM issued National Budget Circular (NBC) No. 585<sup>14</sup> to provide guidelines on the treatment of released allotment and release of funds for FY 2021 pursuant to R.A. Nos. 11519 and 11520. A total of P2,300.7 billion, equivalent to nearly 87.0 percent of the P2,646.0 billion agency specific budget under the FY 2021 GAA, was released under the “For Comprehensive Release” (FCR) portion of the budget as early as the first working day of 2021. The FCR pertains to those specific appropriation items that shall be released through the GAA as the Allotment Order (GAAAO).<sup>15</sup> The release of the said funds, complemented by the early procurement activities of spending agencies, should kick-start the timely implementation of PAPs during the year and aid in the country’s much-needed economic recovery.

Meanwhile, the remaining P2,205.3 billion of the P4,506.0 billion budget for the year is classified as “For Later Release” which is subject to the submission of special budget requests by the concerned agencies, as well as documentary requirements such as: i) list of validated claims for right-of-way and contractual obligations; ii) project profile for new locally-funded projects (LFPs) and foreign-assisted projects; and iii) approved loan agreements for foreign-assisted projects (FAPs).

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<sup>13</sup> DBM, <https://dbm.gov.ph/index.php/secretary-s-corner/press-releases/list-of-press-releases/1778-prrd-signs-the-p4-506-trillion-national-budget-for-fy-2021>.

<sup>14</sup> DBM, <https://www.dbm.gov.ph/wp-content/uploads/Issuances/2021/National-Budget-Circular/NATIONAL-BUDGET-CIRCULAR-NO-585.pdf>.

<sup>15</sup> For specific listing, see Schedule 1 of NBC No. 585 dated January 4, 2021.