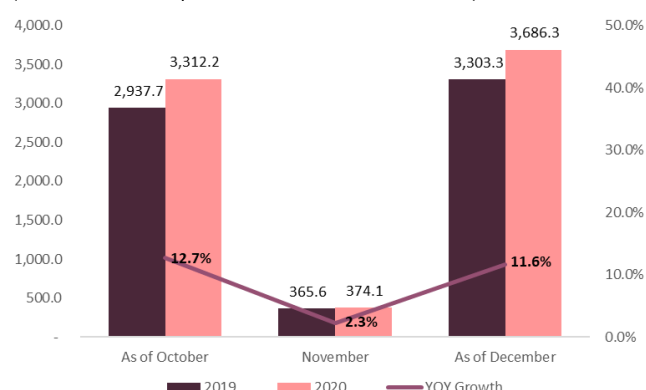


NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF NOVEMBER 2020

National Government spending for the month of November 2020 amounted to P374.1 billion, up by P8.4 billion or 2.3 percent. This was mainly on account of higher maintenance spending, allotment to LGUs, and subsidy and equity to government corporations/ financial institutions. Year-to-date, disbursements reached P3,686.3 billion, higher by P382.9 billion or 11.6 percent compared to the 2019 outturn for the same period as the government carried out health and recovery measures to respond to the COVID-19 crisis.

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



NCA expenditures for the month of November 2020 grew by P6.0 billion or 1.8 percent year-on-year to reach P342.4 billion. Meanwhile, non-NCA disbursements went up by P2.5 billion or 8.4 percent from a year ago to close at P31.6 billion mainly due to higher interest payments. As of end-November 2020, NCA disbursements totaled P3,176.8 billion, up by P392.6 billion or 14.1 percent year-on-year, while Non-NCA disbursements amounted to P509.5 billion, down by P9.7 billion or 1.9 percent from the comparable period in 2019.

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

(Amount in billion pesos, unless otherwise indicated)

| Particulars | As of October | | | | November | | | | As of November | | | |
|---|----------------|---|--------------|-------------|--------------|--------------|------------|------------|----------------|----------------|--------------|-------------|
| | 2019 | 2020 | Inc/(Dec) | | 2019 | 2020 | Inc/(Dec) | | 2019 | 2020 | Inc/(Dec) | |
| | | | Amt | % | | | Amt | % | | | Amt | % |
| NCA | 2,447.8 | 2,834.4 | 386.6 | 15.8 | 336.5 | 342.4 | 6.0 | 1.8 | 2,784.2 | 3,176.8 | 392.6 | 14.1 |
| % of Eff. NCA | 92.7% | 93.0% | | | 81.9% | 77.5% | | | 91.2% | 91.0% | | |
| Non-NCA | 490.0 | 477.8 | (12.1) | (2.5) | 29.2 | 31.6 | 2.5 | 8.4 | 519.1 | 509.5 | (9.7) | (1.9) |
| TOTAL | 2,937.7 | 3,312.2 | 374.5 | 12.7 | 365.6 | 374.1 | 8.4 | 2.3 | 3,303.3 | 3,686.3 | 382.9 | 11.6 |
| Memo Item | | | | | | | | | | | | |
| Effective NCAs issued net of Trust Liabilities, Gross of Working Fund | | | | | | | | | | | | |
| | As of October | | | | November | | | | As of November | | | |
| | 2019 | 2,640.9 | | | 2019 | 410.8 | | | 2019 | 3,051.7 | | |
| | 2020 | 3,049.2 | | | 2020 | 441.8 | | | 2020 | 3,491.0 | | |
| Allotment Releases | | | | | | | | | | | | |
| As of November 2019 | 3,622.2 | 98.9% of the P3,661.6 billion obligation program | | | | | | | | | | |
| As of November 2020 | 4,309.3 | 105.1% of the P4,100.0 billion obligation program | | | | | | | | | | |

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

Allotment Releases

As of November 30, 2020, allotment releases reached P4,309.3 billion, or P209.3 billion more than the P4,100.0 billion obligation program for 2020, owing to various releases for the implementation of COVID-19 programs under the 2020 budget, as well as the *Bayanihan* I and II laws. Specifically, for the month of November 2020, releases amounted to P154.2 billion¹, consisted largely of the following allotments:

¹ Based on SARO Listing for the period November 1 to 30, 2020. Generated from the DBM eBudget System.

| DEPARTMENT/GOCC | PURPOSE | AMOUNT |
|-----------------|---|---------------|
| LBP | Subsidy for the Unconditional Cash Transfer Program (UCT) | P36.5 billion |
| DOH | Releases under the <i>Bayanihan</i> II | P20.6 billion |
| DOTr | Right- of-Way Acquisition | P9.0 billion |
| PHIC | Releases for the National Household Targeting System (NHTS), Point of Service (POS) Program, and <i>Payapa at Masaganang Pamayanan</i> (PAMANA) Program | P8.1 billion |
| DepEd | Releases under the <i>Bayanihan</i> II | P4.0 billion |
| | Salary Standardization Law (SSL) V | P1.3 billion |
| DA | Releases under the <i>Bayanihan</i> II | P3.9 billion |
| PNP | December 2020 pension requirements | P3.6 billion |
| DOLE | Releases under the <i>Bayanihan</i> II (TUPAD, CAMP) | P2.3 billion |
| DND | Revised AFP Modernization Program | P2.2 billion |
| TESDA | Releases under the <i>Bayanihan</i> II (TWSP) | P1.0 billion |

Year-on-Year Performance, by Expense Class

For the Month of November 2020

Disbursements for the month of November 2020 amounted to P374.1 billion, P8.4 billion or 2.3 percent more than the level for the same month in 2019. Expenditure items that posted positive growth rates, driving spending are as follows:

- Maintenance spending expanded by P15.1 billion or 27.2 percent to reach P70.7 billion owing to the releases under RA No. 11494 or the *Bayanihan* to Recover as One Act (*Bayanihan* II), mainly for the implementation of various COVID-19 such as: 1) recovery initiatives for the transportation industry; 2) health-related responses and augmentation for operations of the Department of Health (DOH) hospitals; and 3) employment assistance programs namely, *Tulong Panghanapbuhay sa Ating* Disadvantaged/Displaced Workers (TUPAD) and COVID-19 Adjustment Measures Program (CAMP) and *Abot Kamay Ang Pagtulong* (AKAP) Program of the Department of Labor and Employment (DOLE).
- Subsidy support to government corporations reached P22.8 billion, almost twice the outturn in November 2019. This is largely due to the releases to the Land Bank of the Philippines (LBP) for the implementation of the Unconditional Cash Transfer (UCT) Program, and to the Philippine Health Insurance Corporation (PHIC) for the payment of health insurance premiums of indigent beneficiaries.
- Combined allotment and capital transfers to LGUs increased by P11.1 billion or 21.3 percent to reach P63.1 billion on account of the higher Internal Revenue Allotment (IRA) of LGUs from the proceeds of internal revenue collections, and the releases for the annual block grant to the *Bangsamoro* Autonomous Region in Muslim Mindanao (BARMM) pursuant to R.A No. 11054 or the *Bangsamoro* Organic Law. Releases from the Local Government Support Fund, particularly for the Assistance to Disadvantaged Municipalities, also contributed to higher capital transfers to LGUs.

Table 2. NG Disbursements for the Month of November, 2019 and 2020
(Amount in billion pesos, unless otherwise indicated)

| Expenditure Class | November | | | |
|---------------------------|--------------|--------------|---------------------|------------|
| | 2019 | 2020 | Increase/(Decrease) | |
| | | | Amt | % |
| CURRENT OPERATING EXP. | 272.2 | 309.4 | 37.2 | 13.7 |
| Personnel Services | 146.5 | 144.4 | (2.2) | (1.5) |
| MOOE | 55.6 | 70.7 | 15.1 | 27.2 |
| Subsidy | 11.8 | 22.8 | 11.0 | 92.8 |
| Allotment to LGUs | 39.2 | 48.8 | 9.6 | 24.4 |
| IP | 17.3 | 20.0 | 2.7 | 15.9 |
| TEF | 1.7 | 2.7 | 1.0 | 58.0 |
| CAPITAL OUTLAYS | 93.7 | 64.6 | (29.1) | (31.0) |
| Infra and Other CO | 80.9 | 40.3 | (40.6) | (50.2) |
| Equity | 0.0 | 10.1 | 10.1 | 34,703.4 |
| Capital Transfers to LGUs | 12.8 | 14.3 | 1.5 | 11.9 |
| NET LENDING | (0.2) | 0.0 | 0.2 | (103.8) |
| TOTAL | 365.6 | 374.1 | 8.4 | 2.3 |

- Equity soared to P10.1 billion following the capital infusions to Government Financial Institutions (GFIs) in line with the implementation of *Bayanihan* II. More specifically, the releases are intended for the implementation of the COVID-19 Assistance to Restart Enterprises (CARES) Program and other lending programs of the Small Business Corporations (SB Corp), and the subsidies for the payment of interest on new and existing loans secured by LGUs from the Development Bank of the Philippines (DBP) and the LBP.

The said increases, however, were partially offset by lower personnel services, and infrastructure and other capital outlays. Personnel services (PS) slightly declined to P144.4 billion (P2.2 billion or 1.5 percent lower year-on-year), mainly from the base effect of the payments made in November 2019 for the pension differential of retired military and uniformed personnel (MUP) pursuant to J.R. No. 1, s. 2018, and for the PS deficiency for the salary and allowances of newly filled positions in the Philippine National Police (PNP).

Meanwhile, infrastructure and other capital outlays were down to P40.3 billion (P40.6 billion or 50.2 percent lower year-on-year) due to the various delays caused by the imposition of community quarantine measures to contain the further spread of the COVID-19 virus in early 2020, as well as the one-time expense in 2019 for the building constructions of the Land Transportation Office (LTO) and the Land Transportation Franchising and Regulatory Board (LTFRB).

For the Period January to November 2020

Total NG disbursements as of end-November 2020 grew by P382.9 billion or 11.6 percent to reach P3,686.3 billion. The strong performance for the period is credited largely to higher maintenance spending as a result of the implementation of COVID-19 measures, and allotment and capital transfers to LGUs from the one-time COVID-19 *Bayanihan* Grant to the Provinces, Cities, and Municipalities, higher IRA of LGUs, and the releases for the annual block grant to the BARMM.

Meanwhile, as expected, infrastructure and other capital outlays were lower year-on-year mainly due to the delays encountered in the implementation of public works during the imposition of COVID-19 community quarantine measures, and the discontinuance or deferment of some capital outlay projects which can no longer be implemented nor completed because of the pandemic pursuant to the *Bayanihan* I Law.

Similarly, net lending was down from the same cumulative period in 2019 owing largely to the conversion of NG advances into subsidy where previous net lending releases are treated as subsidy and at the same time recorded as repayments.

Outlook for the Rest of the Year

Spending for the month of December 2020 is expected to quicken further compared to the earlier months, as line departments fast track the implementation of their programs/projects and settle outstanding payables before the year ends and ahead of the agency closing of books. The full year

Table 3. NG Disbursements for the Period January to November, 2019 and 2020
(Amount in billion pesos, unless otherwise indicated)

| Expenditure Class | January to November | | | |
|---------------------------|---------------------|----------------|---------------------|-------------|
| | 2019 | 2020 | Increase/(Decrease) | |
| | | | Amt | % |
| CURRENT OPERATING EXP. | 2,440.5 | 2,983.1 | 542.6 | 22.2 |
| Personnel Services | 975.8 | 1,034.2 | 58.3 | 6.0 |
| MOOE | 508.3 | 771.9 | 263.6 | 51.8 |
| Subsidy | 176.1 | 228.7 | 52.6 | 29.9 |
| Allotment to LGUs | 423.8 | 569.3 | 145.5 | 34.3 |
| IP | 331.8 | 355.1 | 23.3 | 7.0 |
| TEF | 24.6 | 23.9 | (0.8) | (3.1) |
| CAPITAL OUTLAYS | 846.0 | 727.9 | (118.1) | (14.0) |
| Infra and Other CO | 703.8 | 548.8 | (155.0) | (22.0) |
| Equity | 1.8 | 11.6 | 9.8 | 556.0 |
| Capital Transfers to LGUs | 140.4 | 167.5 | 27.1 | 19.3 |
| NET LENDING | 16.9 | (24.6) | (41.5) | (245.9) |
| TOTAL | 3,303.3 | 3,686.3 | 382.9 | 11.6 |

disbursements for 2020 are expected to settle at P4,233.7 billion, P436.0 billion or 11.5 percent higher than the previous year's level based on emerging estimates as presented during the 178th Development Budget Coordination Committee (DBCC) Meeting on December 3, 2020.

Big-spending departments, particularly the Department of Public Works and Highways (DPWH) and concerned departments implementing COVID-19 recovery measures such as the DOH, Department of Social Welfare and Development (DSWD), Department of Labor and Employment (DOLE), Department of Education (DepEd), Department of Transportation (DOTr), and Department of Agriculture (DA), have committed to implement catch-up plans as agreed upon in the Economic Development Committee (EDC) Meeting held on November 18, 2020. Hence, disbursements are expected to recover from the substantial underspending recorded as of end-September 2020 (P246.2 billion or 7.2 percent of the program for the period), and close at P4,233.7 billion. Albeit still slightly lower when compared to the P4,335.2 billion full year program by P101.5 billion or 2.3 percent with the ongoing implementation of the *Bayanihan* II.

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