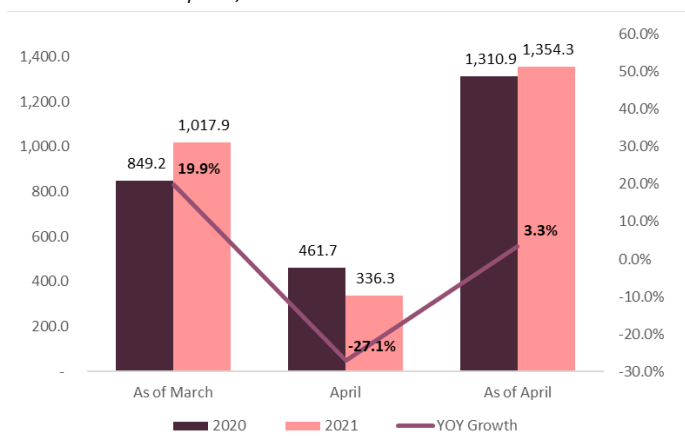


NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF APRIL 2021

National Government spending for the month of April amounted to P336.3 billion, lower by P125.3 billion or 27.1 percent from a year ago, owing to the huge expenditures for the COVID-19 health emergency response and social protection measures at the height of the quarantine restrictions in April last year. Nevertheless, this was tempered by the strong 45.0 percent growth of infrastructure spending, mainly as a result of the continuing rollout of the Department of Public Works and Highways (DPWH) projects.

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



Year-to-date, disbursements ended up at P1,354.3 billion, P43.4 billion or 3.3 percent higher than the spending for the same period last year. This is primarily attributed to the robust performance of infrastructure and other capital outlays, as well as higher equity owing to the capital infusion to Government Financial Institutions (GFIs) under the *Bayanihan* II to offset the reductions in maintenance and other operating expenditures and subsidy.

With respect to disbursement authorities, NCA disbursements for the month of April 2021 reached P298.8 billion, decreasing by P135.3 billion or 31.2 percent. As earlier mentioned, this is due to the base effects of the large requirements for COVID-19-related programs, activities, and projects (PAPs) in April last year. Meanwhile, non-NCA expenditures amounted to P37.6 billion, growing by P10.0 billion or 36.2 percent mainly on account of higher tax expenditures, and disbursements for COVID-19 vaccines which were paid directly to the suppliers by the country's foreign creditors.

As of end-April 2021, NCA disbursements were recorded at P1,060.9 billion, down by P5.0 billion or 0.5 percent year-on-year (y-o-y), while non-NCA disbursements expanded to P293.4 billion, up by P48.4 billion or 19.8 percent.

Table 1. Comparison of NCA and Non-NCA Disbursements, 2020-2021

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of March				April				As of April			
	2020	2021	Inc/(Dec)		2020	2021	Inc/(Dec)		2020	2021	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	631.9	762.1	130.3	20.6	434.1	298.8	(135.3)	(31.2)	1,065.9	1,060.9	(5.0)	(0.5)
% of Eff. NCA	96.6%	93.2%			71.1%	76.0%			84.3%	87.6%		
Non-NCA	217.4	255.8	38.4	17.7	27.6	37.6	10.0	36.2	244.9	293.4	48.4	19.8
TOTAL	849.2	1,017.9	168.7	19.9	461.7	336.3	(125.3)	(27.1)	1,310.9	1,354.3	43.4	3.3
Memo Item												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	As of March				April				As of April			
	2020	654.4			2020	610.4			2020	1,264.8		
	2021	818.0			2021	393.2			2021	1,211.2		
Allotment Releases												
As of April 2020		3,693.9	90.1% of the P4,100.0 billion obligation program									
As of April 2021		3,613.0	80.2% of the P4,506.0 billion obligation program									

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

Allotment Releases

Releases for the month of April 2021 totaled P98.6 billion¹, composed mostly of the following big-ticket allotments: i) P38.5 billion for the procurement of COVID-19 vaccines under the Department of Health (DOH); ii) P12.1 billion for the Revised AFP Modernization Program (RAFPMP) of the Department of National Defense (DND); and iii) P2.9 billion for the FY 2021 Universal Access to Quality Tertiary Education (UAQTE) under Technical Education and Skills Development Authority (TESDA).

This brings the total allotment releases from January to April of this year to P3,613.0 billion, equivalent to 80.2 percent of the P4,506.0 billion obligation program for the year. The rate of releases to the total obligation program this year is lower compared to last year's 90.1 percent. This is mainly attributed to the releases for interest payments for this year which only covered the four-month requirements, vis-à-vis the full year requirement in the previous year.

Year-on-Year Performance

For the Month of April 2021

Disbursements for the month of April 2021 reached P336.3 billion, declining by P125.3 billion or 27.1 percent from last year's P461.7 billion, largely from the following expenditure items:

- Maintenance and other operating expenses (MOOE) amounted to only P59.2 billion, decreasing by P117.4 billion or 66.5 percent y-o-y as the huge expenditures under the *Bayanihan* I implemented in April last year were already completed. These included the first tranche of the Social Amelioration Program (SAP) of the Department of Social Welfare and

Table 2. NG Disbursements for the Month of April, 2020 and 2021
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	April			
	2020	2021	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	409.3	265.5	(143.9)	(35.1)
Personnel Services	91.7	80.7	(11.0)	(12.0)
MOOE	176.6	59.2	(117.4)	(66.5)
Subsidy	34.4	23.8	(10.6)	(30.7)
Allotment to LGUs	84.8	75.3	(9.5)	(11.2)
IP	21.9	23.8	1.9	8.9
TEF	0.0	2.7	2.6	6,157.9
CAPITAL OUTLAYS	52.1	74.9	22.7	43.6
Infra and Other CO	40.1	58.2	18.0	45.0
Equity	-	0.1	0.1	--
Capital Transfers to LGUs	12.0	16.7	4.6	38.6
NET LENDING	0.2	(4.0)	(4.2)	(2,411.6)
TOTAL	461.7	336.3	(125.3)	(27.1)

- Development (DSWD), and the COVID-19 Adjustment Measures Program (CAMP) of the Department of Labor and Employment (DOLE). While other similar social protection measures are being implemented under the FY 2021 Budget and the *Bayanihan* II, these are not as substantial when compared to the one-time emergency measures made in April last year.
- Subsidy to government corporations totaled P23.8 billion, down by P10.6 billion or 30.7 percent, sans the P25.5 billion releases for the first tranche implementation of the Small Business Wage Subsidy (SBWS) Program under the Social Security System (SSS) in April 2020. However, this was partly offset by the nearly P9.0 billion releases to the Philippine Health Insurance Corporation (PHIC) for the payment of health insurance premiums of senior citizens.
- Personnel services (PS) expenditures amounted to P80.7 billion, P11.0 billion or 12.0 percent lower y-o-y resulting mainly from the huge releases in the same month last year for the

¹ Based on SARO Listing for the period April 1 to 30, 2021. Generated from the DBM eBudget System.

Performance-Based Bonus (PBB) of the Department of Education (DepEd) and the Department of the Interior and Local Government (DILG), and payout for COVID-19 hazard pay to uniformed personnel frontliners.

- Allotment and to Local Government Units (LGUs) amounted to P75.3 billion, P9.5 billion or 11.2 percent lower than the level recorded for the same period last year. The decline is due to the non-recurring release of P37.0 billion *Bayanihan* Grant to Provinces, Cities, and Municipalities released in April 2020 to support the COVID-19 response of LGUs. However, this was moderated by the release of the P22.9 billion financial assistance to low-income households of LGUs in the NCR Plus².
- Net lending to government corporations was also down by P4.2 billion as a result of the P4.0 billion repayment of NG advances by the Home Guarantee Corporation, and minimal availment by other government corporations.

It is noteworthy that infrastructure and capital outlays grew by P18.0 billion or 45.0 percent to reach P58.2 billion, which helped minimize the contraction of the total disbursements for the month. Infrastructure spending was bolstered largely by the implementation of various infrastructure projects of the DPWH nationwide, such as the i) construction and rehabilitation of access, by-pass and diversion roads, bridges; ii) flood mitigation activities, such as slope/river bank protection and dredging works; iii) design and build of off-site modular hospitals, and construction of linear parks and other government administrative buildings.

Meanwhile, capital transfers to LGUs increased to P16.7 billion, or by P4.6 billion (38.6 percent) largely on account of the releases for the Local Government Support Fund (LGSF), particularly for the Support to the Barangay Development Program to the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC). Similarly, tax expenditures rose to P2.7 billion from last year's P43 million due to the documentary stamp taxes for NG debt issuances.

For the Period January to April 2021

As of end-April 2021, NG disbursements reached P1,354.3 billion, growing by P43.4 billion or 3.3 percent from the comparable period in 2020, attributed mainly to the higher disbursements for infrastructure and equity.

Infrastructure spending, which grew to P253.4 billion or 29.1 percent y-o-y, was propelled by the payments made for completed and partially completed infrastructure projects of the DPWH, and mobilization costs of ongoing construction activities mainly for its road infrastructure program. Payments made related to the foreign-assisted projects of the Department of Transportation (DOTr), such as the Metro Manila Subway Project Phase 1 and North-South Commuter Railway Project, also contributed to the higher infrastructure and other capital outlays for the period.

Meanwhile, the rise in equity was credited to the release of capital infusion to GFIs under the *Bayanihan* II, particularly through the provision of low interest loans under the Development Bank of the Philippines (DBP) and the Land Bank of the Philippines (LBP), and the credit guarantee program of the Philippine

² Composed of the National Capital Region (NCR) and the provinces of Bulacan, Cavite, Laguna and Rizal. The financial assistance is intended to the LGUs placed under the Enhanced Community Quarantine (ECQ) restrictions from March 29 to April 11, 2021.

Guarantee Corporation (PHILGUARANTEE). Thus, total releases amounted to P45.4 billion for the purpose covering the first four months of the year.

The combined allotment and capital transfers to LGUs reached P298.8 billion, increasing by P14.4 billion or 5.1 percent largely due to the higher IRA of LGUs from the proceeds of taxes, annual block grant to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) pursuant to the Bangsamoro Organic Law (R.A. No. 11054), and releases from the LGSF.

In addition, PS expenditures amounted to P340.6 billion, P7.9 billion or 2.4 percent more than last year's level owing to the salary adjustment of NG civilian personnel in line with the Salary Standardization Law (SSL) V, payment of Service Recognition Incentive (SRI) for employees of the DepEd, and the pension differential of retired military and uniforms personnel (MUPs) under the Philippine National Police (PNP) and DND.

Interest payments also grew by P7.9 billion or 5.6 percent due to the coupon payment for bonds issued in 2020, while tax subsidies increased by P7.4 billion mainly as a result of the documentary stamp taxes on government debt instruments.

The growth recorded in the aforementioned expense items was dampened, however, by the decline in MOOE (P71.9 billion or 24.6 percent lower y-o-y) and subsidy (P21.6 billion or 38.0 percent lower y-o-y) which is attributed mainly to the base effects of high disbursements last year for COVID-19 measures as previously discussed.

Table 3. NG Disbursements for the Period January to April, 2020 and 2021
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to April			
	2020	2021	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	1,056.7	983.9	(72.8)	(6.9)
Personnel Services	332.7	340.6	7.9	2.4
MOOE	292.0	220.1	(71.9)	(24.6)
Subsidy	56.9	35.3	(21.6)	(38.0)
Allotment to LGUs	231.5	228.9	(2.6)	(1.1)
IP	141.8	149.7	7.9	5.6
TEF	2.0	9.4	7.4	366.3
CAPITAL OUTLAYS	249.2	368.7	119.5	48.0
Infra and Other CO	196.2	253.4	57.2	29.1
Equity	-	45.4	45.4	--
Capital Transfers to LGUs	53.0	69.9	17.0	32.1
NET LENDING	5.0	1.7	(3.3)	(66.1)
TOTAL	1,310.9	1,354.3	43.4	3.3
Memo item:				
Infrastructure Disbursements ^{1/}	246.0	321.2	75.2	30.6

^{1/} Include estimated NG infrastructure disbursements, and infrastructure components of subsidy and equity to GOCCs and transfers to LGUs.

Outlook for the Rest of the Year

As of end-April 2021, the remaining balance from the P4.506 trillion obligation program for FY 2021 amounts to P893.0 billion or 19.8 percent of the program. A total of P124.3 billion³ worth of allotments were released for the month of May 2021, which could drive government spending further. These included the following big-ticket releases:

DEPARTMENT/GOCC	PURPOSE	AMOUNT
PHIC	Health premiums for senior citizens	P36.5 billion
DOH	Procurement of COVID-19 vaccines	P20.0 billion
DND	Payment of pensions in Q2	P14.1 billion
	RAFPMP	P11.6 billion
DOF-BTr	Subsidy for the Coconut Farmers and Industry Trust Fund pursuant to R.A. No. 11524	P10.0 billion

³ Based on SARO Listing for the period May 1 to 31, 2021. Generated from the DBM eBudget System.

DepEd	Basic Educational Facilities Fund (BEFF)	P4.7 billion
DOF-BTr	Various programs/projects under the LGSF	P3.9 billion
CHED	ICT-related projects	P2.5 billion

Preliminary data for the month of May 2021 indicate that spending likely exceeded the growth rate posted for the same month last year. This strong performance is credited to the large infrastructure expenditures of the DPWH, disbursements for the banner programs of the DepEd, DOH, and DILG, as well as transfers to LGUs and releases to GOCCs.
