

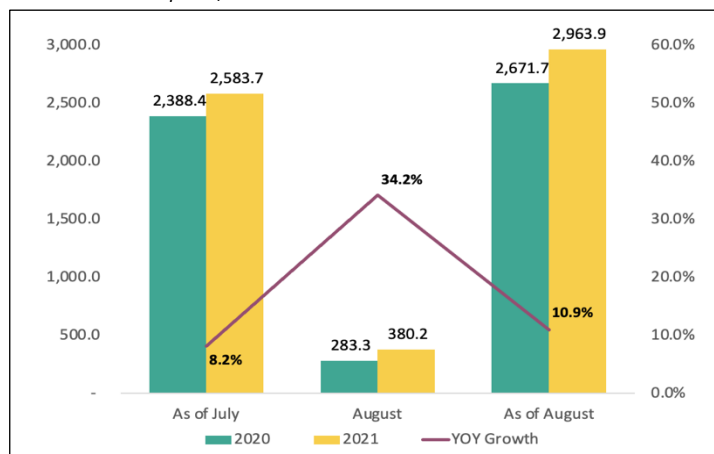
## NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF AUGUST 2021

National Government (NG) disbursements for the month of August 2021 soared to P380.2 billion, increasing by P96.9 billion or 34.2 percent year-on-year mainly from higher subsidy to government corporations and infrastructure and other capital outlays. This brings the total disbursements as of end-August 2021 to P2,963.9 billion, P292.2 billion or 10.9 percent higher than the level recorded for the same period last year.

For the month of August 2021, NCA disbursements amounted to P328.5 billion, higher by P87.1 billion or 36.1 percent year-on-year largely on account of the larger subsidy and capital expenditures. Similarly, non-NCA disbursements increased by P9.8 billion or 23.4 percent from a year ago to reach P51.7 billion. Year-to-date, NCA disbursements posted at P2,434.9 billion, P193.4 billion or 8.6 percent more than the previous year due to higher capital outlays, equity, personnel services, and transfers to LGUs. On the other hand, non-NCA disbursements were recorded at P529.0 billion, up by P98.7 billion or 22.9 percent year-on-year on account of higher constructive receipts of cash payments<sup>1</sup>, interest payments, tax subsidies, and the encashment of check floats.

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



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

(Amount in billion pesos, unless otherwise indicated)

| Particulars   | As of July     |                |  |            | August       |              |             |             | As of August   |                |              |             |
|---|----------------|----------------|--|------------|--------------|--------------|-------------|-------------|----------------|----------------|--------------|-------------|
|   | 2020           | 2021           | Inc/(Dec)  |            | 2020         | 2021         | Inc/(Dec)   |             | 2020           | 2021           | Inc/(Dec)    |             |
|   |                |                | Amt  | %          |              |              | Amt         | %           |                |                | Amt          | %           |
| NCA   | 2,000.0        | 2,106.3        | 106.4  | 5.3        | 241.5        | 328.5        | 87.1        | 36.1        | 2,241.4        | 2,434.9        | 193.4        | 8.6         |
| % of Eff. NCA   | 89.7%          | 88.5%          |  |            | 89.7%        | 109.4%       |             |             | 89.7%          | 90.8%          |              |             |
| Non-NCA   | 388.4          | 477.4          | 88.9   | 22.9       | 41.8         | 51.7         | 9.8         | 23.4        | 430.3          | 529.0          | 98.7         | 22.9        |
| <b>TOTAL</b>  | <b>2,388.4</b> | <b>2,583.7</b> | <b>195.3</b>                                     | <b>8.2</b> | <b>283.3</b> | <b>380.2</b> | <b>96.9</b> | <b>34.2</b> | <b>2,671.7</b> | <b>2,963.9</b> | <b>292.2</b> | <b>10.9</b> |
| <b>Memo Item</b>  |                |                |  |            |              |              |             |             |                |                |              |             |
| Effective NCAs issued net of Trust Liabilities, Gross of Working Fund |                |                |  |            |              |              |             |             |                |                |              |             |
| As of July  |                |                |  |            | August       |              |             |             | As of August   |                |              |             |
|   |                | 2020           | 2,229.9  |            | 2020         | 269.2        |             |             | 2020           | 2,499.2        |              |             |
|   |                | 2021           | 2,381.1  |            | 2021         | 300.3        |             |             | 2021           | 2,681.4        |              |             |
| <b>Allotment Releases</b>   |                |                |  |            |              |              |             |             |                |                |              |             |
| As of August 2020   |                | 3,923.7        | 95.7% of the P4,100.0 billion obligation program |            |              |              |             |             |                |                |              |             |
| As of August 2021   |                | 4,148.1        | 92.1% of the P4,506.0 billion obligation program |            |              |              |             |             |                |                |              |             |

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

### Allotment Releases

Allotment releases as of end-August 2021 totaled P4,148.1 billion, equivalent to 92.1 percent of the P4,506.0 billion obligation program for the year. Meanwhile, releases for the month of August 2021 amounted to P115.7 billion, composed largely of the following allotments: i) health insurance premiums of indigents under the Philippine Health Insurance Corporation (PHIC) – P30.6 billion; ii) various infrastructure projects of the DPWH – P22.0 billion; iii) financial assistance to individuals and households who were affected by the reimposition of the Enhanced Community Quarantine (ECQ) in NCR, Bataan

<sup>1</sup> Direct payments made to suppliers by development partners for the implementation of Foreign-Assisted Projects.

and Laguna from August 6-20, 2021– P12.4 billion; and iv) funding requirements of the Universal Access to Quality Tertiary Education (UAQTE) under the Commission on Higher Education (CHED) – P8.1 billion.

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

### For the Month of August 2021

NG spending for the month of August went up by P96.9 billion or 34.2 percent year-on-year to reach P380.2 billion, driven mainly by the growth in the following expenditure items:

- i. Subsidy support to government corporations climbed to P42.4 billion, P37.4 billion or 749.1 percent owing mainly to the P30.6 billion releases to the PHIC for the payment of health insurance premiums of indigents, and P6.0 billion to the National Irrigation Administration (NIA) for the settlement of accounts payables for irrigation projects.

**Table 2. NG Disbursements for the Month of August, 2020 and 2021**

(Amount in billion pesos, unless otherwise indicated)

| Expenditure Class         | August       |              |                     |             |
|---------------------------|--------------|--------------|---------------------|-------------|
|                           | 2020         | 2021         | Increase/(Decrease) |             |
|                           |              |              | Amt                 | %           |
| CURRENT OPERATING EXP.    | 217.6        | 289.7        | 72.1                | 33.1        |
| Personnel Services        | 78.5         | 92.7         | 14.2                | 18.1        |
| MOOE                      | 58.2         | 58.4         | 0.2                 | 0.3         |
| Subsidy                   | 5.0          | 42.4         | 37.4                | 749.1       |
| Allotment to LGUs         | 47.5         | 67.1         | 19.6                | 41.3        |
| IP                        | 22.5         | 23.9         | 1.4                 | 6.1         |
| TEF                       | 5.8          | 5.2          | (0.7)               | (11.4)      |
| CAPITAL OUTLAYS           | 61.0         | 85.7         | 24.7                | 40.5        |
| Infra and Other CO        | 44.3         | 70.9         | 26.7                | 60.2        |
| Equity                    | 0.0          | 0.2          | 0.2                 | 1,036.8     |
| Capital Transfers to LGUs | 16.7         | 14.6         | (2.1)               | (12.8)      |
| NET LENDING               | 4.7          | 4.8          | 0.0                 | 0.9         |
| <b>TOTAL</b>              | <b>283.3</b> | <b>380.2</b> | <b>96.9</b>         | <b>34.2</b> |

- ii. Infrastructure and other capital outlays jumped to P70.9 billion, P26.7 billion or 60.2 percent larger than last year's P44.3 billion. The increase is attributed mainly to the implementation of the following:
  - various road infrastructure projects of the Department of Public Works and Highways (DPWH) such as construction/completion/repair/rehabilitation/improvement of government buildings, access, by-pass, and diversion roads, bridges, flood mitigation structures and drainage systems;
  - aviation sector infrastructure projects of the Department of Transportation (DOTr), in particular the Tacloban, Kalibo, and Bukidnon Airport Projects;
  - projects under the Revised AFP Modernization Program (RAFPMP) of the Department of National Defense (DND); and
  - capital outlay projects of State Universities and Colleges (SUCs) such as the Smart Campuses Program
- iii. Allotment to LGUs grew to P67.1 billion, up by P19.6 billion or 41.3 percent than the previous year's level largely as a result of the releases for the "ECQ Ayuda" or the financial assistance for individuals and households affected by the reimposition of the strictest quarantine level in the National Capital Region (NCR), Bataan, and Laguna. The higher IRA of LGUs and the releases for the annual block grant to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) also contributed to the larger allotment to LGUs in August this year.
- iv. PS expenditures amounted to P92.7 billion, P14.2 billion or 18.1 percent more than the level recorded a year ago. The increase is mainly attributed to the implementation of the second tranche of the Salary Standardization Law (SSL) V, the requirement for the increase in the number of filled uniformed personnel of the Department of Interior and Local Government (DILG); the release of Special Risk Allowance (SRA) under the Department of Health (DOH), and payment of the Performance Based Bonus (PBB), particularly in the DND.

### For the Period January to August 2021

NG disbursements for the first eight months of the year reached P2,963.9 billion, P292.2 billion or nearly 11 percent more than last year's P2,671.7 billion. The large expansion is due mainly to higher infrastructure and other capital outlays, which rose by P175.8 billion or 44.6 percent and accounts for 60.2 percent of the total P292.2 billion growth in spending recorded for the period. The other major drivers of spending growth are personnel services (up by P58.4 billion or 8.2 percent), combined allotment and capital transfers to LGUs (up by P56.3 billion or 10.4 percent), equity (up by P45.4 billion), interest payments (up by P21.9 billion or 8.1 percent), and tax expenditure subsidy (up by P8.4 billion or 51.9 percent).

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

| Expenditure Class                          | January to August |                |                     |             |
|--|-------------------|----------------|---------------------|-------------|
|  | 2020              | 2021           | Increase/(Decrease) |             |
|  |                   |                | Amt                 | %           |
| CURRENT OPERATING EXP.                     | 2,142.7           | 2,194.9        | 52.3                | 2.4         |
| Personnel Services                         | 713.2             | 771.7          | 58.4                | 8.2         |
| MOOE                                       | 569.7             | 514.8          | (54.9)              | (9.6)       |
| Subsidy                                    | 151.6             | 136.7          | (14.9)              | (9.8)       |
| Allotment to LGUs                          | 422.4             | 455.8          | 33.4                | 7.9         |
| IP   | 269.6             | 291.5          | 21.9                | 8.1         |
| TEF  | 16.1              | 24.5           | 8.4                 | 51.9        |
| CAPITAL OUTLAYS                            | 513.4             | 757.6          | 244.1               | 47.5        |
| Infra and Other CO                         | 394.5             | 570.4          | 175.8               | 44.6        |
| Equity                                     | 0.8               | 46.2           | 45.4                | 5,645.3     |
| Capital Transfers to LGUs                  | 118.1             | 141.0          | 22.9                | 19.4        |
| NET LENDING                                | 15.6              | 11.3           | (4.3)               | (27.3)      |
| <b>TOTAL</b>                               | <b>2,671.7</b>    | <b>2,963.9</b> | <b>292.2</b>        | <b>10.9</b> |
| <b>Memo item:</b>                          |                   |                |                     |             |
| Infrastructure Disbursements <sup>1/</sup> | 521.0             | 717.6          | 196.7               | 37.7        |

<sup>1/</sup> Include estimated NG infrastructure disbursements, and infrastructure components of subsidy and equity to GOCCs and transfers to LGUs.

However, the growth recorded in the said expense items was partly offset by the decrease in maintenance and other operating expenses, subsidy, and net lending. Maintenance expenditures declined by P54.9 billion or 9.6 percent year-on-year mainly from the base effect of the completion of the Social Amelioration Program (SAP) of the DSWD in the previous year. Meanwhile, subsidy to government corporations went down by P14.9 billion or 9.8 percent due to the one-time P51.0 billion Small Business Wage Subsidy (SBWS) Program implemented through the Social Security System (SSS) in the first half of the previous year. Lastly, net lending decreased by P4.3 billion or 27.3 percent as a result of the repayment by the Philippine Guarantee Corporation (PhilGuarantee) and minimal availment from other government corporations.

### Outlook for the Rest of the Year

For the remaining four months of 2021, the program balance amounts to P357.8 billion or 7.9 percent of the P4,506.0 billion obligation program for the year. This is composed largely of some P193.0 billion agency specific budget and some P131.3 billion Special Purpose Funds (SPFs). The release of said balance is subject to the submission of special budget requests and pertinent supporting documents.

Based on the preliminary report on allotment releases as of September 30, 2021<sup>2</sup>, some P334.9 billion worth of allotments were released during the said month, which included the following big-ticket items:

- i. FY 2021 Bureau of the Treasury (BTr) interest payments – P223.3 billion;
- ii. Fourth quarter pension requirements for the Military and Uniformed Personnel (MUP) of the Department of National Defense (DND) – P14.2 billion;
- iii. Fourth quarter pension requirements of the Philippine National Police (PNP) – P10.5 billion;
- iv. Financial assistance for rice farmers – P5.5 billion; and
- v. Requirements for the Human Resources for Health (HRH) personnel of the DOH – P2.0 billion.

Meanwhile, based on preliminary bank data, disbursements for the month of September likely posted a positive growth rate vis-a-vis the previous year's 15.5 percent contraction. Although the outturn will also be affected by other expense items such as tax subsidies, interest payments, and net lending assistance

<sup>2</sup> Based on SARO Listing for the period September 1 to 30, 2021. Generated from the DBM eBudget System.

to government corporations, the momentum of spending growth is expected to be sustained for the rest of the year. Infrastructure and other capital expenditures will continue to drive government disbursements for the remaining months as payables for completed and partially completed infrastructure activities become due and demandable, alongside the regular operating expenditures of various line departments. The implementation of social sector programs, particularly by the DepEd and CHED in view of the opening of the new school year in mid-September is also expected to boost spending performance.

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