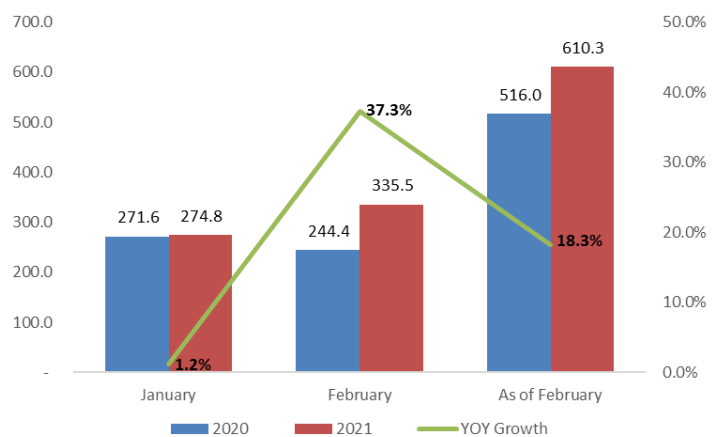


## NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE FOR THE PERIOD JANUARY TO FEBRUARY 2021

National Government (NG) spending for the first two months of the year reached P610.3 billion, 18.3 percent or P94.3 billion more than the outturns for the same period a year ago. Notably, February disbursements posted a 37.3 percent growth rate to reach P335.5 billion from last year's P244.4 billion, and rebounding from the 1.2 percent growth recorded in January. The expansion is mainly credited to the continuing implementation of recovery measures under the *Bayanihan* II<sup>1</sup>, with the release of the P45 billion equity for the credit assistance and lending programs of Government Financial Institutions (GFIs); COVID-19 related programs of the DOH and DOLE; as well as the higher infrastructure and other capital outlays (*see details in the year-on-year performance discussion*).

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



As of end-February 2021, NCA expenditures totalled P431.1 billion, up by P76.5 billion or 21.6 percent year-on-year, primarily due to higher disbursements from government operations and program/project implementation vis-à-vis tax, interest, or debt-related expenses. This consisted of the P150.1 billion and P281.0 cash disbursements in January and February, respectively, which represented 69.1 percent and 89.7 percent of the effective NCAs for the period. These indicate lower utilization rates when compared to the rates recorded in 2020 due in part, to the much larger cash allocations released to spending agencies this year of P530.4 billion compared to P415.0 billion in 2020 (or a 27.8 percent growth). Nonetheless, spending trends indicate that this could improve further in the third month of the quarter before the lapsing of NCAs. Meanwhile, Non-NCA disbursements amounted to P179.2 billion, up by P17.8 billion or 11.1 percent from the comparable period last year.

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

(Amount in billion pesos, unless otherwise indicated)

Particulars	January				February				As of February			
	2020	2021	Inc/(Dec)		2020	2021	Inc/(Dec)		2020	2021	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	143.3	150.1	6.8	4.7	211.3	281.0	69.7	33.0	354.6	431.1	76.5	21.6
% of Eff. NCA	74.5%	69.1%			94.9%	89.7%			85.5%	81.3%		
Non-NCA	128.2	124.7	(3.6)	(2.8)	33.1	54.5	21.4	64.5	161.4	179.2	17.8	11.1
TOTAL	271.6	274.8	3.2	1.2	244.4	335.5	91.1	37.3	516.0	610.3	94.3	18.3
Memo Item												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	January				February				As of February			
	2020	192.4			2020	222.6			2020	415.0		
	2021	217.1			2021	313.2			2021	530.4		
Allotment Releases												
As of February 2020		3,172.5	77.4% of the P4,100.0 billion obligation program									
As of February 2021		3,446.5	76.5% of the P4,506.0 billion obligation program									

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

<sup>1</sup> The availability of appropriations under the *Bayanihan* II was extended up to June 30, 2021 pursuant to RA No. 11519.

## Allotment Releases

Allotment releases as February 28, 2021 reached P3,446.5 billion, equivalent to 76.5 percent of the P4,506.0 billion obligation program for the year. Some of the big-ticket releases for the two-month period, on top of the P2,300.7 billion which was comprehensively released at the first working day of the year<sup>2</sup>, include the following<sup>3</sup>:

DEPARTMENT/GOCC	PURPOSE	AMOUNT
DOF-BTR	Internal Revenue Allotment (IRA) of LGUs	P695.5 billion
LBP, DBP, PHILGUARANTEE	Equity Infusion under <i>Bayanihan</i> II	P45.0 billion
NIA	FY 2021 Operating Subsidy	P28.4 billion
BARMM	Annual Block Grant	P17.9 billion
DND	1st Quarter Pension	P14.0 billion
PNP	1st Quarter Pension	P10.6 billion
DOH	COVID-19 Laboratory Testing	P10.0 billion

## Year-on-Year Performance, January to February 2021

Disbursements as of end-February 2020 amounted P610.3 billion, up by P94.3 billion or 18.3 percent from a year ago. Expenditure items that posted positive growth rates are as follows:

- Equity soared to P45.3 billion owing to the release of the capital infusions to Government Financial Institutions (GFIs) in line with the ongoing implementation of *Bayanihan* II. More specifically, the releases will support wholesale banking and equity infusion of the Development Bank of the Philippines (DBP) and the Land Bank of the Philippines (LBP) for low interest loans to be extended to persons and entities engaged in industries affected by the COVID-19 pandemic, and for the credit guarantee program of the Philippine Guarantee Corporation (PHILGUARANTEE).

**Table 2. NG Disbursements for the Period January to February, 2020 and 2021**  
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to February			
	2020	2021	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	393.0	423.5	30.5	7.8
Personnel Services	145.7	155.2	9.4	6.5
MOOE	61.4	73.6	12.2	19.9
Subsidy	10.5	7.6	(2.9)	(27.7)
Allotment to LGUs	97.0	102.3	5.3	5.5
IP	76.8	78.2	1.4	1.9
TEF	1.7	6.7	5.0	293.5
CAPITAL OUTLAYS	119.2	186.8	67.6	56.8
Infra and Other CO	93.9	107.4	13.6	14.4
Equity	-	45.3	45.3	--
Capital Transfers to LGUs	25.3	34.1	8.8	34.7
NET LENDING	3.8	0.0	(3.8)	(99.5)
<b>TOTAL</b>	<b>516.0</b>	<b>610.3</b>	<b>94.3</b>	<b>18.3</b>

- Combined allotment and capital transfers to Local Government Units (LGUs), likewise, grew by P14.1 billion or 11.5 percent to reach P136.4 billion due to higher IRA of LGUs from the proceeds of taxes, annual block grant of the BARMM pursuant to the Bangsamoro Organic Law, and releases from the Local Government Support Fund (LGSF).

<sup>2</sup> Some P2,300.7 billion was comprehensively released under NBC No. 583 or the Guidelines on the Release of Funds for FY 2021 dated January 4, 2021, as part of the government's GAA-As-An-Allotment Order Policy where detailed items in the budget are deemed released. This represents 87.0 percent of the P2,645.9 billion regular budgets of agencies.

<sup>3</sup> Based on SARO Listing for the period January 1, 2021 to February 28, 2021. Generated from the DBM e-Budget System.

- Infrastructure and other capital outlays rose to P107.4 billion, up by P13.6 billion or 14.4 percent. This was accounted mainly by the payments for completed infrastructure projects of the Department of Public Works and Highways (DPWH) which were started late last year, and the mobilization costs for their current year's projects (e.g., road widening, rehabilitation and improvement, flood control). The construction of farm-to-market roads of the Department of Agriculture (DA) under the *Bayanihan* II, as well as the payables related to the provision of farm machineries and equipment (e.g., tillers, tractors, seeders, threshers, rice planters, harvesters) to qualified farmer organizations as provided in RA No. 11203 or the Rice Tariffication Law (RTL) also contributed to the higher infrastructure and other capital expenditures.
- Maintenance spending expanded by P12.2 billion or 19.9 percent to clock in at P73.6 billion mainly due to the implementation of various COVID-19 measures such as: 1) health-related responses and augmentation for operations of the Department of Health (DOH); 2) World Health Organization (WHO) solitary vaccine trial for FY 2021 of the Department of Science and Technology (DOST); and 3) payment of airfare expenses for both domestic and international chartered/sweeper flights and hotel accommodations of returning OFWs.
- Personnel services amounted to P155.2 billion, up by P9.4 billion or 6.5 percent from the same period last year largely due to the releases for the service recognition incentive (SRI) for employees under the Department of Education (DepEd), and the 2018 pension differential of retired military and uniformed personnel (MUPs) under the Philippine National Police (PNP) and the Department of National Defense (DND).

### Outlook for the Rest of the Year

As of end-February 2021, the remaining program balance amounts to P1,059.5 billion or 23.5 percent of the total P4,506.0 billion<sup>4</sup> obligation program for the year. This consists largely of unreleased allotments in Special Purpose Funds or SPFs (P349.2 billion) and in agency-specific budget (P342.6 billion). Unreleased allotments from the SPFs are made up mostly of program balances from subsidy to government corporations, Allocation to Local Government Units (ALGUs), Miscellaneous Personnel Benefits Fund (MPBF) and Pension and Gratuity Fund (PGF). Meanwhile, the program balances under the regular budget of agencies are mostly items considered as "for later release" (FLR) which require the submission of special budget request 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 (FAPs); and iii) approved loan agreements for FAPs.

**Table 3. FY 2021 Agency-Specific Budget Items considered as For Later Release (FLR)**

DEPARTMENT/AGENCY	PURPOSE
Commission on Higher Education (CHED)	<ul style="list-style-type: none"> <li>• Universal Access to Quality Tertiary Education (UAQTE) program for Academic Year 2021-2022 (<i>programmed by CHED in the second semester, consistent with the academic calendar of SUCs</i>)</li> </ul>
Department of Education (DepEd)	<ul style="list-style-type: none"> <li>• New school personnel positions</li> <li>• Construction, repair, and rehabilitation of Basic Education facilities</li> </ul>

<sup>4</sup> Net of FY 2020 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations

Philippine National Police (PNP)	<ul style="list-style-type: none"> <li>• Creation and filling-up of positions</li> </ul>
Department of National Defense (DND)	<ul style="list-style-type: none"> <li>• Revised AFP Modernization Program (RAFPMP)</li> </ul>
Department of Public Works and Highways (DPWH)	<ul style="list-style-type: none"> <li>• Various infrastructure projects</li> </ul>
Department of Transportation (DOTr)	<ul style="list-style-type: none"> <li>• Right-of-way</li> <li>• Rail Transport Program</li> <li>• Aviation Transport Program</li> <li>• Land Public Transport Program</li> </ul>

In terms of disbursements, spending is expected to further pick up in March given the trend of increasing expenditures towards the third month of the quarter before the validity of cash allocations end as earlier mentioned. Disbursements will then steadily ramp up towards the second quarter with the following items as major drivers of spending growth: i) continuous implementation of infrastructure projects which were started late last year, as well as the commencement of other infrastructure activities to take advantage of the summer months; ii) release and distribution of the Social Amelioration Program (SAP) for the 80 percent of low-income population who were affected by the re-imposition of the Enhanced Community Quarantine (ECQ) for the NCR Plus<sup>5</sup> starting March 29, 2021; and iii) the ongoing implementation of *Bayanihan* II.

---

---

<sup>5</sup> Consists of Metro Manila, Laguna, Bulacan, Cavite, and Rizal provinces.