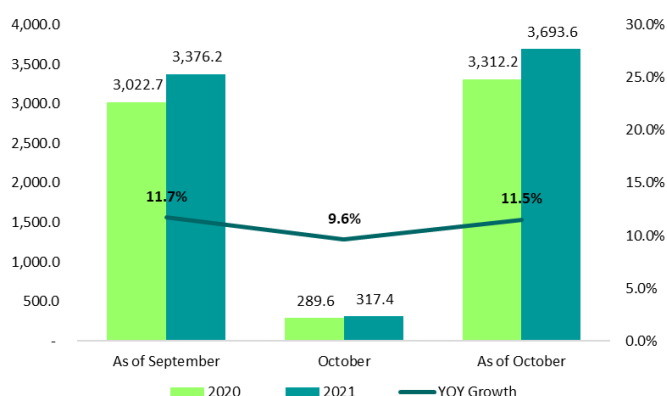


NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF OCTOBER 2021

National Government (NG) disbursements for the month of October 2021 amounted to P317.4 billion, higher by P27.8 billion or 9.6 percent year-on-year. The expansion recorded for the period can be attributed to higher MOOE, PS expenditures, infrastructure and other capital outlays, as well as interest expense. For the first ten months of the year, disbursements reached P3,693.6 billion, up by P381.4 billion or 11.5 percent, owing mainly to larger infrastructure and other capital outlays, PS expenditures, equity, combined allotment and capital transfers to LGUs, and interest payments.

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



In terms of disbursement authorities, NCA expenditures reached P262.3 billion in October, up by P4.3 billion or 1.7 percent year-on-year mainly due to higher PS expenditures and capital outlays. Meanwhile non-NCA disbursements amounted to P55.1 billion, P23.5 billion or 74.4 percent more than last year's level mainly on account of interest payments and constructive receipts of cash (CRC)¹. Year-to-date, NCA disbursements totaled to P3,042.5 billion, increasing by P248.9 billion or 8.9 percent over the previous year mostly resulting from larger capital outlays, PS expenditures, equity to Government Financial Institutions (GFIs) for lending assistance/programs, and transfers to LGUs. On the other hand, non-NCA disbursements amounted to P651.1 billion, up by P132.5 billion or 25.5 percent year-on-year because of higher CRC payments, interest payments, tax subsidies, and encashment of check floats.

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

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of September				October				As of October			
	2020	2021	Inc/(Dec)		2020	2021	Inc/(Dec)		2020	2021	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	2,535.5	2,780.2	244.6	9.6	258.0	262.3	4.3	1.7	2,793.5	3,042.5	248.9	8.9
<i>% of Eff. NCA</i>	<i>92.7%</i>	<i>93.3%</i>			<i>82.1%</i>	<i>68.4%</i>			<i>91.6%</i>	<i>90.5%</i>		
Non-NCA	487.1	596.1	109.0	22.4	31.6	55.1	23.5	74.4	518.7	651.1	132.5	25.5
TOTAL	3,022.7	3,376.2	353.6	11.7	289.6	317.4	27.8	9.6	3,312.2	3,693.6	381.4	11.5
Memo Item												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
As of September												
October												
As of October												
2020 2,734.9 2020 314.3 2020 3,049.2												
2021 2,978.5 2021 383.2 2021 3,361.8												
Allotment Releases												
As of October 2020 4,155.1 101.3% of the P4,100.0 billion obligation program												
As of October 2021 4,390.4 97.4% of the P4,506.0 billion obligation program												

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

Allotment Releases

As of October 31, 2021, allotment releases totaled to P4,390.4 billion, equivalent to 97.4 percent of the P4,506.0 billion obligation program for the year. In October 2021 alone, some P44.3 billion allotment was released, composed mainly of the following big-ticket items: i) various infrastructure projects of

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

the Department of Public Works and Highways (DPWH) – P21.8 billion; ii) Government Assistance to Students (GAS) Senior High School Voucher Program (SHS VP) of the Department of Education (DepEd) – P3.7 billion; and iii) subsidy releases to the National Housing Authority (NHA) under the National Disaster Risk Reduction and Management Fund (NDRRMF) – P2.2 billion.

Year-on-Year Performance, by Expense Class

For the Month of October 2021

NG spending for October 2021 reached P317.4 billion, larger by P27.8 billion or 9.6 percent from a year ago. The following expenditure items posted notable increases for the period:

- i. Maintenance spending soared to P63.5 billion, up by P8.2 billion or 14.8 percent. This is mainly attributed to the implementation of the Emergency Repatriation Program of the Overseas Workers Welfare Administration (OWWA) and the *Tulong Panghanapbuhay sa Ating Disadvantaged / Displaced Workers* (TUPAD) of the Department of Labor and Employment (DOLE); Rice Farmer Financial Assistance of the Department of Agriculture (DA) pursuant to the provisions of the Rice Tariffication Law or R.A. No. 11203; direct payments made by development partners for the COVID-19 vaccine procurement of the Department of Health (DOH); and the hiring of contract tracers of the Department of the Interior and Local Government (DILG).
- ii. PS expenditures climbed to P87.8 billion, P7.1 billion or 8.8 percent more than last year's P80.6 billion. The increase is brought about by the implementation of the second tranche of the Salary Standardization Law (SSL) V; Retirement and Life Insurance Premium (RLIP) requirements of the Department of Education (DepEd) and the Department of Transportation (DOTr) as a result of higher fill-up rates and promotions; creation and filling-up of civilian and uniformed personnel positions of the Bureau of Jail Management and Penology (BJMP), and release of the 2019 Performance-Based Bonus (PBB) of the Department of National Defense (DND).
- iii. Infrastructure and other capital outlays grew by P3.8 billion or 6.7 percent to reach P60.9 billion. The increase is accounted by the implementation of various infrastructure projects of the Department of Public Works and Highways (DPWH) such as the construction, widening, improvement, retrofitting/strengthening, maintenance, repair and rehabilitation of access, bypass, and diversion roads, bridges, flood mitigation structures and drainage systems; and construction of multi-purpose buildings. The direct payments made by development partners for the various foreign-assisted road network and flood control projects of the DPWH and the foreign-assisted rail transport sector projects of the DOTr also contributed to the said increase.
- iv. Interest payments rose to P31.5 billion, P9.5 billion or 42.9 percent year-on-year owing to coupon payments for newly issued Treasury Bonds.

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

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	October			
	2020	2021	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	213.4	242.0	28.6	13.4
Personnel Services	80.6	87.8	7.1	8.8
MOOE	55.3	63.5	8.2	14.8
Subsidy	6.3	5.2	(1.1)	(17.5)
Allotment to LGUs	47.7	51.5	3.8	8.0
IP	22.1	31.5	9.5	42.9
TEF	1.4	2.5	1.1	76.8
CAPITAL OUTLAYS	76.5	74.7	(1.8)	(2.3)
Infra and Other CO	57.1	60.9	3.8	6.7
Equity	0.1	0.2	0.1	94.6
Capital Transfers to LGUs	19.3	13.6	(5.7)	(29.7)
NET LENDING	(0.3)	0.7	1.0	(304.0)
TOTAL	289.6	317.4	27.8	9.6

Meanwhile, capital transfers to LGUs declined by P5.7 billion or 29.7 percent to reach P13.6 billion mainly on account of the timing of LGSF releases which were already made in the earlier months of the year.

For the Period January to October 2021

NG disbursements as of end-October 2021 amounted to P3,693.6 billion, P381.4 billion or 11.5 percent more year-on-year. Spending for the 10-month period was mainly driven by higher infrastructure and other capital outlays which went up by P193.9 billion or 38.1 percent with the implementation of various infrastructure projects of the DPWH nationwide, and capital outlays of various departments such as the aviation transport infrastructure projects of the DOTr and the Revised AFP Modernization Program (RAFPMP) of the DND.

The other drivers of spending growth included PS expenditures (P79.8 billion or 9.0 percent year-on-year), transfers to LGUs (P55.1 billion or 8.2 percent year-on-year), equity (P45.5 billion year-on-year), interest payments (P35.8 billion or 10.7 percent year-on-year), and tax expenditure subsidy (P10.9 billion or 51.7 percent year-on-year).

The decrease in maintenance and other operating expenses (P22.1 billion or 3.2 percent year-on-year) and subsidy (P14.0 billion or 8.5 percent year-on-year), however, slightly tempered the growth recorded in the previous items. This is mainly attributed to the base effect of the implementation of COVID-19 measures last year under the *Bayanihan* I and II.

Outlook for the Rest of the Year

Based on the allotment releases report as of end-October 2021, only P115.6 billion or 2.6 percent of the P4,506.0 billion obligation program for the year remains to be released. This is composed largely of some agency specific budget items such as the various infrastructure projects under the DPWH and the DOTr, and PS requirements of the Department of Education (DepEd), Department of National Defense (DND), and the Philippine National Police (PNP), as well as some Special Purpose Funds (SPFs) such as the National Disaster Risk Reduction and Management Fund (NDRRMF), subsidy contribution to government corporations, the special shares of LGUs in the proceeds of national taxes, Pension and Gratuity Fund (PGF), and Miscellaneous Personnel Benefits Fund (MPBF). Release of these funds are subject to the submission of special budget requests and supporting documentary requirements by line departments as well as compliance with certain approvals/conditions as may be provided in the FY 2021 General Appropriations Act (GAA).

Meanwhile, preliminary data based on bank reports indicate that the growth of disbursements for the month of November 2021 likely outpaced that of last year largely from the higher disbursements recorded by the DPWH, DND, DOH, DILG, the Department of Social Welfare and Development (DSWD), and the Commission on Higher Education (CHED). This trend will continue for the rest of the year as line agencies have until December 31, 2021 to obligate available funds and could strongly propel spending

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

Expenditure Class	January to October			
	2020	2021	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	2,632.8	2,762.0	129.2	4.9
Personnel Services	889.8	969.6	79.8	9.0
MOOE	701.2	679.0	(22.1)	(3.2)
Subsidy	165.1	151.1	(14.0)	(8.5)
Allotment to LGUs	520.6	559.2	38.7	7.4
IP	335.0	370.9	35.8	10.7
TEF	21.2	32.1	10.9	51.7
CAPITAL OUTLAYS	663.2	918.9	255.7	38.6
Infra and Other CO	508.5	702.4	193.9	38.1
Equity	1.5	46.9	45.5	3,077.6
Capital Transfers to LGUs	153.2	169.6	16.4	10.7
NET LENDING	16.2	12.7	(3.5)	(21.6)
TOTAL	3,312.2	3,693.6	381.4	11.5
Memo item:				
Infrastructure Disbursements ^{1/}	672.7	884.3	211.6	31.4

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

as they try complete the implementation of programs and projects and pay outstanding due and demandable obligations before the end of the year. This should also support the strong growth momentum coming into the fourth quarter as prospect for economic recovery remains sanguine.
