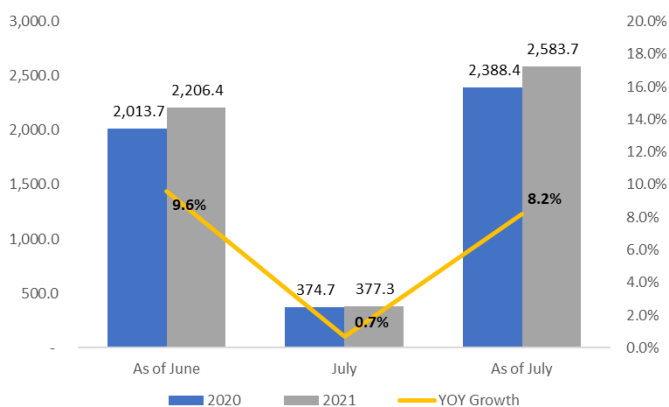


## NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

### AS OF JULY 2021

National Government (NG) spending for the month of July 2021 amounted to P377.3 billion, slightly higher by P2.6 billion or 0.7 percent year-on-year. The uptick resulted from higher PS expenditures and infrastructure outlays being tempered by lower MOOE and subsidy to government corporations. For the first seven months of the year, disbursements totaled P2,583.7 billion, up by P195.3 billion or 8.2 percent owing largely to higher infrastructure and other capital outlays, equity and PS expenditures.

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



NCA disbursements reached P295.6 billion in July, lower by P5.7 billion or 1.9 percent year-on-year mainly due to lower maintenance spending and subsidy. Meanwhile non-NCA disbursements amounted to P81.6 billion, up by P8.3 billion or 11.3 percent from a year ago largely on account of the direct payments made by development partners for the procurement of COVID-19 vaccines. Year-to-date, NCA disbursements reached P2,106.3 billion, reflecting P106.4 billion or 5.3 percent increment over the previous year mostly due to larger capital outlays, equity to Government Financial Institutions (GFIs) for lending assistance/programs, and transfers to LGUs. On the other hand, non-NCA disbursements amounted to P477.4 billion, up by P88.9 billion or 22.9 percent year-on-year on account of higher interest payments, tax subsidies, constructive receipts of cash payments<sup>1</sup>, and the 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 June				July				As of July			
	2020	2021	Inc/(Dec)		2020	2021	Inc/(Dec)		2020	2021	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	1,698.6	1,810.7	112.1	6.6	301.4	295.6	(5.7)	(1.9)	2,000.0	2,106.3	106.4	5.3
<i>% of Eff. NCA</i>	<i>91.3%</i>	<i>93.0%</i>			<i>81.4%</i>	<i>68.2%</i>			<i>89.7%</i>	<i>88.5%</i>		
Non-NCA	315.1	395.8	80.6	25.6	73.3	81.6	8.3	11.3	388.4	477.4	88.9	22.9
<b>TOTAL</b>	<b>2,013.7</b>	<b>2,206.4</b>	<b>192.7</b>	<b>9.6</b>	<b>374.7</b>	<b>377.3</b>	<b>2.6</b>	<b>0.7</b>	<b>2,388.4</b>	<b>2,583.7</b>	<b>195.3</b>	<b>8.2</b>
<b>Memo Item</b>												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	As of June				July				As of July			
	2020	1,859.8			2020	370.1			2020	2,229.9		
	2021	1,946.2			2021	433.7			2021	2,379.9		
<b>Allotment Releases</b>												
As of July 2020		3,855.1	94.0% of the P4,100.0 billion obligation program									
As of July 2021		3,875.5	86.0% of the P4,506.0 billion obligation program									

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

### Allotment Releases

As of end-July 2021, allotment releases totaled to P3,875.5 billion, equivalent to 86.0 percent of the P4,506.0 billion obligation program for the year. In July 2021 alone, some P42.6 billion allotment was released, composed largely of the following big-ticket items: i) third quarter pension requirements of

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

the Philippine National Police (PNP) – P10.5 billion; ii) National ID System of the Philippine Statistics Authority (PSA) – P2.5 billion; and iii) payment of arrears of the Land Transportation Office (LTO) IT services – P2.0 billion.

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

*For the Month of July 2021*

NG disbursements for July 2021 reached P377.3 billion, up by P2.6 billion or 0.7 percent from the previous year's level. Sizable increases were recorded in the following expenditure items contributing to buoyed government spending for the period :

- i. Infrastructure and other capital outlays soared to P72.8 billion, P20.4 billion or 39.1 percent higher than the level recorded a year ago. The increase is mainly attributed to the infrastructure projects of the Department of Public Works and Highways (DPWH) such as the construction, repair and rehabilitation of access, by-pass, and diversion roads, bridges, flood mitigation structures and drainage systems, construction of multi-purpose buildings, and payment for right-of-way. Disbursements for projects under the Revised AFP Modernization Program (RAFPMP) of the Department of National Defense (DND) and accounts payable of the PNP for the delivery of information and communications technology (ICT) equipment and other supplies also contributed to the said expansion.
- ii. PS expenditures climbed to P85.1 billion, P9.6 billion or 12.7 percent more than last year's P75.5 billion. The increase is credited mainly to the implementation of the second tranche of the Salary Standardization Law (SSL) V, payment of the Performance Based Bonus (PBB) particularly in the DepEd, and the release of Special Risk Allowance (SRA) under the Department of Health (DOH).

However, the growth recorded in the said expense items was partly offset by lower maintenance spending and subsidy to government corporations. MOOE declined by P14.3 billion or 14.5 percent year-on-year mainly from the second tranche implementation of the Social Amelioration Program (SAP) of the Department of Social Welfare and Development (DSWD) which was still ongoing in July last year. Nevertheless, increases were recorded in the Department of Education (DepEd) and Commission on Higher Education (CHED) for the implementation of the Government Assistance to Students and Teachers in Private Education (GASTPE) Program and Universal Access to Quality Tertiary Education (UAQTE) program, respectively, the DOH for its banner health programs, and the Department of Labor and Employment-Overseas Workers Welfare Administration (DOLE-OWWA) for its Emergency Repatriation Program.

Meanwhile, subsidy was lower by P11.9 billion or 66.1 percent due to the timing of subsidy releases to the Philippine Health Insurance Corporation (PHIC) and the National Housing Authority (NHA).

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

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	July			
	2020	2021	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	302.9	289.7	(13.1)	(4.3)
Personnel Services	75.5	85.1	9.6	12.7
MOOE	98.5	84.2	(14.3)	(14.5)
Subsidy	17.9	6.1	(11.9)	(66.1)
Allotment to LGUs	47.8	51.7	3.9	8.1
IP	59.4	59.0	(0.4)	(0.6)
TEF	3.8	3.7	(0.1)	(3.8)
CAPITAL OUTLAYS	71.8	87.7	15.9	22.2
Infra and Other CO	52.3	72.8	20.4	39.1
Equity	0.2	0.0	(0.2)	(92.2)
Capital Transfers to LGUs	19.2	14.9	(4.3)	(22.4)
NET LENDING	0.0	(0.2)	(0.2)	(19,800.0)
<b>TOTAL</b>	<b>374.7</b>	<b>377.3</b>	<b>2.6</b>	<b>0.7</b>

For the Period January to July 2021

NG disbursements as of July 2021 amounted to P2,583.7 billion, P195.3 billion or 8.2 percent more year-on-year. Spending for the period was mainly driven by higher infrastructure and other capital outlays which grew by P149.1 billion or 42.6 percent resulting from the implementation of various infrastructure projects of the DPWH nationwide and capital outlay projects of various departments. The other items that contributed to the growth of spending include:

- i. Equity with the release of capital infusion to GFIs under the *Bayanihan II*;
- ii. Transfers to LGUs owing to the higher IRA of LGUs, releases for the annual block grant to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), and releases from the Local Government Support Fund - Support to Barangay Development Program (LGSF-SBDP) for the construction of farm-to-market roads, water and sanitation systems, etc.;
- iii. PS expenditures mainly from the implementation of salary adjustment pursuant to SSL V, release of mid-year bonus and PBB, and pension and retirement claims;
- iv. Interest payments owing to the coupon payments for bonds issuances; and
- v. Tax expenditure subsidy largely from the documentary stamp taxes on government securities.

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

Expenditure Class	January to July			
	2020	2021	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	1,925.1	1,905.2	(19.8)	(1.0)
Personnel Services	634.7	678.9	44.2	7.0
MOOE	511.5	456.4	(55.1)	(10.8)
Subsidy	146.6	94.4	(52.3)	(35.6)
Allotment to LGUs	374.9	388.7	13.8	3.7
IP	247.1	267.6	20.5	8.3
TEF	10.3	19.3	9.0	87.9
CAPITAL OUTLAYS	452.4	671.9	219.4	48.5
Infra and Other CO	350.3	499.4	149.1	42.6
Equity	0.8	46.0	45.2	5,756.8
Capital Transfers to LGUs	101.4	126.5	25.1	24.7
NET LENDING	10.9	6.6	(4.3)	(39.5)
<b>TOTAL</b>	<b>2,388.4</b>	<b>2,583.7</b>	<b>195.3</b>	<b>8.2</b>
<b>Memo item:</b>				
Infrastructure Disbursements <sup>1/</sup>	461.0	625.2	164.2	35.6

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

However, the decrease in maintenance and other operating expenses, subsidy, and net lending tempered the expansion recorded in the previous items:

- i. Maintenance expenditures with the completion of the Social Amelioration Program (SAP) of the DSWD in the previous year;
- ii. Subsidy to government corporations due to the one-time P51.0 billion Small Business Wage Subsidy (SBWS) Program implemented through the Social Security System (SSS) in April and May last year; and
- iii. Net lending 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

As of end-July 2021, the program balance amounts to P630.5 billion or 14.0 percent of the P4,506.0 billion obligation program for 2021. Based on the preliminary report on allotment releases as of August 31, 2021<sup>2</sup>, some P115.7 billion was released during the said month, which included the following big-ticket items:

- i. Health insurance premiums of indigents under the Philippine Health Insurance Corporation (PHIC) – P30.6 billion;

<sup>2</sup> Based on SARO Listing for the period August 1 to 31, 2021. Generated from the DBM eBudget System.

- ii. Various infrastructure projects of the DPWH which were classified as For Later Release (FLR) or those that are subject to specific conditions and require compliance with certain documentary requirements/ approvals from other authorities – 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 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.

The foregoing releases could further support the growth of disbursements for the rest of the year, together with the payments for completed and partially completed infrastructure projects; releases for the 2020 Performance-Based Bonus; school MOOE and scholarship programs of the DepEd, SUCs, and CHED; expenditures for rehabilitation and recovery activities from damages due to natural disasters and calamities; and the COVID-19 response and recovery measures of the government.

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