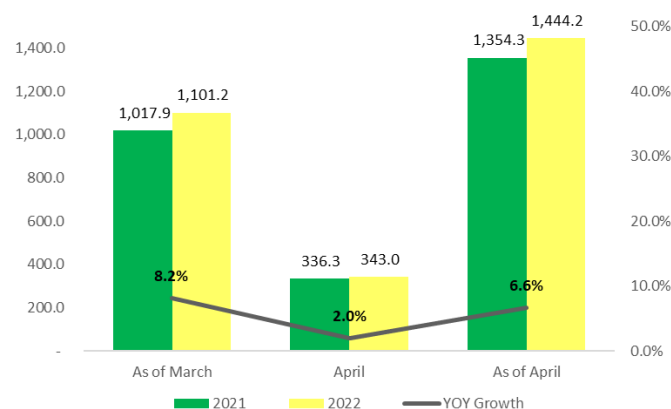


NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF APRIL 2022

National Government (NG) disbursements for the month of April 2022 inched up by P6.7 billion or 2.0 percent year-on-year to reach P343.0 billion. This drove the total disbursements for the first four months of the year to P1,444.2 billion, P89.9 billion or 6.6 percent more than the level recorded in the same period last year, which is mainly attributed to higher personnel services (PS) expenditures, transfers to LGUs, and interest payments.

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



NCA disbursements in April amounted to P287.6 billion, down by P11.1 billion or 3.7 percent from a year ago due to lower subsidy releases and maintenance and other operating expenses (MOOE). Meanwhile, non-NCA disbursements reached P55.4 billion, up by P17.8 billion or 47.3 percent year-on-year largely from higher interest payments (*see year-on-year performance discussion*). Year-to-date, NCA disbursements reached P1,135.1 billion, P74.2 billion or 7.0 percent more than the previous year resulting from higher expenditures for PS and transfers to LGUs. On the other hand, non-NCA disbursements amounted to P309.1 billion, up by P15.7 billion or 5.4 percent year-on-year on account of higher interest payments, net lending, and tax expenditures. This was partly offset by the lower encashment of check floats, or those checks issued late last year but were only presented for payment during the first three months of this year.

Table 1. Comparison of NCA and Non-NCA Disbursements, 2021-2022
(Amount in billion pesos, unless otherwise indicated)

Particulars	As of March				April				As of April			
	2021	2022	Inc/(Dec)		2021	2022	Inc/(Dec)		2021	2022	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	762.1	847.5	85.3	11.2	298.8	287.6	(11.1)	(3.7)	1,060.9	1,135.1	74.2	7.0
<i>% of Eff. NCA</i>	<i>93.2%</i>	<i>95.1%</i>			<i>75.6%</i>	<i>77.9%</i>			<i>87.4%</i>	<i>90.1%</i>		
Non-NCA	255.8	253.7	(2.1)	(0.8)	37.6	55.4	17.8	47.3	293.4	309.1	15.7	5.4
TOTAL	1,017.9	1,101.2	83.3	8.2	336.3	343.0	6.7	2.0	1,354.3	1,444.2	89.9	6.6
Memo Item												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	As of March				April				As of April			
	2021	818.2			2021	395.0			2021	1,213.2		
	2022	891.0			2022	369.2			2022	1,260.2		
Allotment Releases												
As of April 2021	3,613.0		80.2% of the P4,506.0 billion obligation program									
As of April 2022	4,300.3		85.6% of the P5,023.6 billion obligation program									

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

Allotment Releases

As of end-April 2022, allotment releases totaled to P4,300.3 billion, equivalent to 85.6 percent of the P5,023.6 billion obligation program for the year. In April 2022 alone, some P815.8 billion allotment was released, composed largely of the following big-ticket items: i) 2nd to 4th quarter requirements of the FY 2022 National Tax Allotment (NTA) of LGUs – P719.3 billion; ii) 2nd to 4th quarter requirements of the FY 2022 Annual Block Grant to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)

– P50.2 billion; iii) 2nd quarter pension requirements of the Department of National Defense (DND) – P14.1 billion; iv) *Bangko Sentral ng Pilipinas* (BSP) Equity Infusion – P10.0 billion; and v) capital outlay projects of the DND – P3.8 billion.

Year-on-Year Performance, by Expense Class

For the Month of April 2022

NG spending for this period amounted to P343.0 billion, slightly above the previous year's level by P6.7 billion or 2.0 percent, mainly on account of the following:

- PS expenditures surged to P93.9 billion, P13.2 billion or 16.4 percent higher than a year ago. The increase is credited mainly to the implementation of the third tranche of the Salary Standardization Law (SSL) V. Higher PS spending was also recorded in the Department of the Interior and Local Government (DILG) due to filling up of positions and pension requirements, and in the DND with the payment of the 2018 pension differential for the Armed Forces of the Philippines (AFP).
- Infrastructure and other capital outlays climbed to P63.8 billion, P5.7 billion or 9.7 percent more than the outturn last year. This is largely due to the settlement of accounts payables of the Department of Agriculture (DA) for the procurement of farm equipment and machineries under the Rice Competitiveness Enhancement Fund (RCEF) and the Department of Education (DepEd) for its Basic Education Facilities (BEF). The implementation of infrastructure programs of the Department of Public Works and Highways (DPWH) amid the lower COVID-19 Alert Level Systems also contributed to the higher infrastructure expenditures for the month.
- Interest payments soared to P37.3 billion, up by P13.5 billion or 56.6 percent from the same period last year due to discounts and coupon payments from the reissuances of Fixed Rate Treasury Bonds, coupon payments for Global bonds, and the timing of payment for Asian Development Bank (ADB) loans.
- Tax expenditures more than doubled year-on-year to reach P5.6 billion on account of higher documentary stamp taxes on government securities.
- Meanwhile, net lending was recorded at P1.4 billion, composed mainly of the P1.2 billion advances to the National Food Authority (NFA). This is P5.4 billion higher when compared to the same month last year sans the P4.0 billion repayment of NG advances by the Home Guarantee Corporation (HGC).

The expansion recorded in the said expense items, however, was partially trimmed down by lower subsidy to government corporations, maintenance spending, and allotment to LGUs:

- Subsidies were lower by P18.7 billion or 78.5 percent year-on-year due to the timing of releases to the Philippine Health Insurance Corporation (PHIC) for the payment of health insurance

Table 2. NG Disbursements for the Month of April, 2021 and 2022

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	April			
	2021	2022	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	265.5	260.6	(4.9)	(1.8)
Personnel Services	80.7	93.9	13.2	16.4
MOOE	59.2	50.3	(8.9)	(15.0)
Subsidy	23.8	5.1	(18.7)	(78.5)
Allotment to LGUs	75.3	68.4	(6.9)	(9.1)
IP	23.8	37.3	13.5	56.6
TEF	2.7	5.6	2.9	108.6
CAPITAL OUTLAYS	74.9	81.0	6.1	8.1
Infra and Other CO	58.2	63.8	5.7	9.7
Equity	0.1	0.0	(0.0)	(9.6)
Capital Transfers to LGUs	16.7	17.1	0.4	2.7
NET LENDING	(4.0)	1.4	5.4	(135.9)
TOTAL	336.3	343.0	6.7	2.0

premiums of senior citizens, and to the NFA wherein the full-year subsidy for 2021 was released in April of the same year, whereas NFA subsidy requirements for 2022 are programmed for release throughout the year;

- Maintenance and other operating expenditures (MOOE) decreased by P8.9 billion or 15.0 percent year-on-year attributed to the timing of payment for certain expenditures such as the purchase of COVID-19 vaccines, health supplies and materials, and other COVID-19-related expenses. The decline was softened by higher disbursements recorded in the Department of Social Welfare and Development (DSWD) mainly for protective services for individuals and families in especially difficult circumstances, *Pantawid Pamilyang Pilipino Program* (4Ps), and releases from the Quick Response Fund (QRF); and the Commission on Elections (COMELEC) for expenditures in preparation for the National and Local Elections (NLE) and the *Barangay* and *Sangguniang Kabataan* Elections (BSKE).
- Allotment to LGUs decreased by P6.9 billion or 9.1 percent attributed largely to the completion of the one-time P22.9 billion financial assistance to low-income households of LGUs in the NCR Plus¹ placed under the Enhanced Community Quarantine (ECQ) restrictions from March 29 to April 11, 2021. This was partly offset by the higher NTA shares of LGUs this year.

For the Period January to April 2022

NG disbursements for the first four months of 2022 were recorded at P1,444.2 billion, P89.9 billion or 6.6 percent more than last year's outturn. Spending for the period was mainly driven by the following:

- higher PS expenditures mainly from the implementation of salary adjustment pursuant to SSL V, 2018 pension differential of military and uniformed personnel (MUP), grant of the One COVID-19 Allowance to public and private health care workers (HCWs) and non-HCWs, and the filling up of positions in the DILG;
- combined allotment and capital transfers to LGUs owing to the higher NTA of LGUs compared to the former Internal Revenue Allotment (IRA), as well as the annual block grant to the BARMM; and
- interest payments as a result of the discounts from reissuances of Fixed Rate Treasury Bonds and coupon payment for FY 2021 issuances.

Table 3. NG Disbursements for the Period January to April, 2021 and 2022
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to April			
	2021	2022	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	983.9	1,110.0	126.1	12.8
Personnel Services	340.6	389.5	48.9	14.4
MOOE	220.1	221.8	1.7	0.8
Subsidy	35.3	24.4	(10.9)	(30.8)
Allotment to LGUs	228.9	275.4	46.6	20.3
IP	149.7	186.6	37.0	24.7
TEF	9.4	12.2	2.8	30.3
CAPITAL OUTLAYS	368.7	332.0	(36.7)	(9.9)
Infra and Other CO	253.4	254.1	0.7	0.3
Equity	45.4	0.5	(44.8)	(98.8)
Capital Transfers to LGUs	69.9	77.4	7.5	10.7
NET LENDING	1.7	2.2	0.5	28.8
TOTAL	1,354.3	1,444.2	89.9	6.6
Memo item:				
Infrastructure Disbursements ^{1/}	321.2	331.9	10.6	3.3

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

However, the decline in equity and subsidy tempered the expansion recorded in the previous items. Equity was lower year-on-year due to the completion of the P45.0 billion equity infusion to Government Financial Institutions (GFIs) for their credit assistance and lending programs under the *Bayanihan* II in the previous year; while subsidy went down by P10.9 billion or 30.8 percent due to the timing of releases to the PHIC and NFA, as previously discussed.

¹ Composed of the National Capital Region (NCR) and the provinces of Bulacan, Cavite, Laguna and Rizal.

Outlook for the Rest of the Year

As of end-April 2022, the program balance amounts to P723.3 billion² or 14.4 percent of the P5,023.6 billion obligation program for 2022. This consists mainly of some P158.9 billion agency-specific budget and P283.6 billion allocations from the Special Purpose Fund (SPFs). Both are classified under the “For Later Release” (FLR) portion of the budget and can only be released upon the submission of special budget requests from implementing agencies to be supported by necessary details or documents required by the GAA. Some of the big-ticket program balances under the regular budget of agencies include the following:

- i. requirements for the UAQTE program of the Commission on Higher Education (CHED);
- ii. creation and filling up of teaching positions of the DepEd;
- iii. creation and filling up of positions of the DILG;
- iv. Revised AFP Modernization Program (RAFPMP) of the DND; and
- v. infrastructure projects of the Department of Transportation (DOTr).

Meanwhile, unreleased allotments from the SPFs are made up of program balances from subsidy to government corporations, allotment to LGUs, Pension and Gratuity Fund (PGF), National Disaster Risk Reduction and Management Fund (NDRRMF), Miscellaneous Personnel Benefits Fund (MPBF), and Contingent Fund.

Based on the preliminary report of allotment releases as of May 31, 2022³, some P102.3 billion was released during the said month which includes the FY 2022 regular subsidy for the National Health Insurance Program (NHIP) of the PHIC (P67.3 billion) and releases for the RAFPMP of the DND (P12.3 billion).

However, disbursements in May 2022 are seen to either exhibit a very minimal increase or a slightly lower year-on-year growth owing mainly to the impact of the election ban and timing of subsidy releases. Nonetheless, other expenditure items will continue to post positive growth rates such as PS expenditures due to the release of the mid-year bonus of government employees, transfers to LGUs due to the higher NTA, and MOOE for the expenditures of the COMELEC for the conduct of the NLE.

² Net of the authorized releases under the FY 2021 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations accommodated within the total obligation program for the year per National Budget Circular No. 587.

³ Based on SARO Listing for the period May 1 to 31, 2022. Generated from the DBM eBudget System.