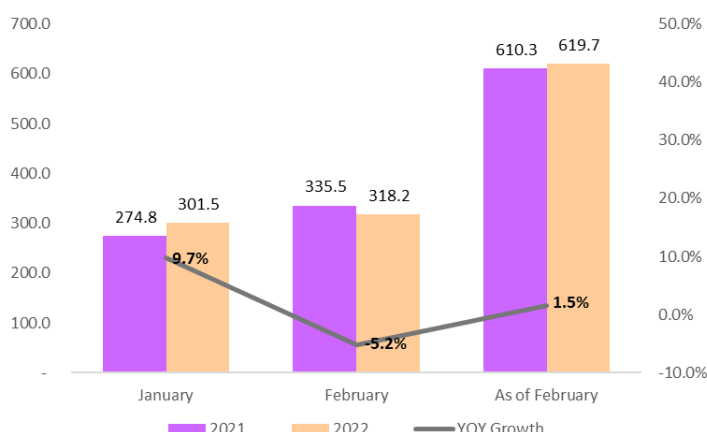


NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE FOR THE PERIOD JANUARY TO FEBRUARY 2022

National Government (NG) disbursements as of end-February 2022 totalled to P619.7 billion, slightly above the level for the same period a year ago by P9.3 billion or 1.5 percent. Spending for the two-month period was mainly driven by higher allotment to LGUs, personnel services (PS) expenditures, and interest payments (*see details in the year-on-year performance discussion*). For the month of February 2022, disbursements declined by P17.3 billion or 5.2 percent primarily due to the completion of the P45.0 billion equity infusion to Government Financial Institutions (GFIs) for their credit assistance and lending programs as part of the recovery measures under the *Bayanihan* II in the previous year. Excluding the said one-time release, February 2022 disbursements grew by P27.7 billion or 9.5 percent year-on-year.

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



By type of disbursement authorities utilized, NCA expenditures as of end-February 2022 stood at P448.8 billion, up by P17.7 billion or 4.1 percent year-on-year, mainly on account of higher National Tax Allotment (NTA) of LGUs and PS expenses. This consisted of the P180.5 billion and P268.3 billion cash disbursements in January and February 2022, respectively, which represented 70.3 percent and 91.2 percent of the effective NCAs for the period. The utilization rate is expected to improve further in March due to the behavior of line departments to accelerate disbursements during the third month of the quarter to avoid the lapsing of quarterly cash allocations.

Meanwhile, Non-NCA disbursements amounted to P170.8 billion for the first two months of the year, down by P8.4 billion or 4.7 percent from the same period in 2021 mostly due to lower check floats. These are payments for which checks have been issued in the previous year but were only presented for encashment in the current year. Hence, these were not part of the current year's NCA releases since their corresponding disbursement authorities have already been issued in the previous year.

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

Particulars	January				February				As of February			
	2021	2022	Inc/(Dec)		2021	2022	Inc/(Dec)		2021	2022	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	150.1	180.5	30.4	20.3	281.0	268.3	(12.7)	(4.5)	431.1	448.8	17.7	4.1
<i>% of Eff. NCA</i>	<i>69.1%</i>	<i>70.3%</i>			<i>89.7%</i>	<i>91.2%</i>			<i>81.2%</i>	<i>81.5%</i>		
Non-NCA	124.7	120.9	(3.8)	(3.0)	54.5	49.9	(4.6)	(8.5)	179.2	170.8	(8.4)	(4.7)
TOTAL	274.8	301.5	26.7	9.7	335.5	318.2	(17.3)	(5.2)	610.3	619.7	9.3	1.5
Memo Item												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	January				February				As of February			
	2021	217.3			2021	313.3			2021	530.6		
	2022	256.7			2022	294.3			2022	551.0		
Allotment Releases												
As of February 2021		3,446.5	76.5% of the P4,506.0 billion obligation program									
As of February 2022		3,055.6	60.8% of the P5,023.6 billion obligation program									

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

Allotment Releases

Total allotment releases as of February 28, 2022 amounted to P3,055.6 billion, equivalent to 60.8 percent of the P5,023.6 billion obligation program for the year. Aside from the P2,395.2 billion which was comprehensively released at the first working day of 2022¹, some P1,385.6 billion additional releases were made during the first two months of the year, which included the following:²

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
DOH	Procurement of COVID-19 vaccines	P40.8
	One COVID-19 Allowance	P7.9
	Special Risk Allowance	P1.2
NIA	FY 2022 Operating Subsidy (Irrigation Program)	P30.7
DND	1st Quarter Pension	P14.2
	2018 Pension Increase Differential	P5.0
DepEd	PS Requirements, mostly for FY 2020 Performance-Based Bonus (PBB)	P13.0
DPWH	Capital Outlays for later release (FLR)	P11.3
PNP	1st Quarter Pension	P10.6
PSALM	<i>Murang Kuryente</i> Act	P8.0
NFA	FY 2022 Subsidy for the Buffer Stocking Program	P7.0
TESDA	Universal Access to Quality Tertiary Education (UAQTE)	P2.9
CHED	Higher Education Development Fund (HEDF)	P1.0

Year-on-Year Performance, January to February 2022

NG spending for the first two months of 2022 reached P619.7 billion, increasing by P9.3 billion or 1.5 percent year-on-year. The growth in disbursements are largely attributed to the following expenditure items:

- Combined allotment and capital transfers to LGUs soared to P173.3 billion, up by P36.9 billion or 27.0 percent, owing largely to the higher NTA of LGUs compared to the former Internal Revenue Allotment (IRA) with the first year of implementation of the Supreme Court Decision on the *Mandanas-Garcia* petitions.
- Personnel services expanded by P28.9 billion or 18.6 percent to reach P184.1 billion, mainly attributed to the payment of the FY 2020 Performance-Based Bonus (PBB) of employees in the Department of Education (DepEd) and the Department of the Interior and Local Government (DILG), and the release of the 2018 pension differential of military and uniformed personnel (MUP).

Table 2. NG Disbursements for the Period January to February, 2021 and 2022
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to February			
	2021	2022	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	423.5	493.6	70.0	16.5
Personnel Services	155.2	184.1	28.9	18.6
MOOE	73.6	64.6	(9.0)	(12.2)
Subsidy	7.6	8.6	1.0	12.9
Allotment to LGUs	102.3	137.2	34.9	34.1
IP	78.2	93.8	15.6	19.9
TEF	6.7	5.3	(1.4)	(20.3)
CAPITAL OUTLAYS	186.8	126.1	(60.7)	(32.5)
Infra and Other CO	107.4	90.0	(17.5)	(16.3)
Equity	45.3	0.0	(45.3)	(99.9)
Capital Transfers to LGUs	34.1	36.1	2.0	5.9
NET LENDING	0.0	0.0	(0.0)	(26.3)
TOTAL	610.3	619.7	9.3	1.5

¹ Some P2,395.2 billion was comprehensively released under NBC No. 587 or the Guidelines on the Release of Funds for FY 2022 dated January 3, 2022, as part of the government's GAA-As-An-Allotment Order Policy where detailed items in the budget are deemed released. This represents almost 83.0 percent of the P2,893.4 billion regular budgets of agencies.

² Based on SARO Listing for the period January 1, 2022 to February 28, 2022. Generated from the DBM e-Budget System.

- Interest payments rose to P93.8 billion, P15.6 billion or 19.9 percent more than the level for the same period last year on account of discount from reissuances and coupon payment for FY 2021 issuances.

The expansion posted in the aforementioned expenditures, however, was partly tempered by lower equity releases, and infrastructure and other capital outlays. As previously discussed, equity was down by P45.3 billion (99.9 percent) year-on-year due to the one-time release of capital infusions to GFIs in February last year, in line with the continued implementation of *Bayanihan* II. On the other hand, infrastructure and other capital outlays decreased by P17.5 billion (16.3 percent) attributed mainly to the timing of payables for completed projects of the Department of Agriculture (DA), ongoing road infrastructure projects of the Department of Public Works and Highways (DPWH), foreign-funded rail transport projects of the Department of Transportation (DOTr), and releases for the Revised AFP Modernization Program (RAFPMP) under the Department of National Defense (DND).

Outlook for the Rest of the Year

The remaining program balance as of end-February 2021 amounts to P1,968.0 billion³ or 39.2 percent of the total P5,023.6 billion obligation program for the year. This is comprised mostly of the remaining releases for the NTA (P719.3 billion), agency-specific budget (P483.3 billion), interest payments (P384.4 billion) and Special Purpose Funds or SPFs (P346.9 billion). Unreleased allotments from SPFs are composed of program balances from Budgetary Support to Government Corporations (BSGCs), Allocation to Local Government Units (ALGUs), Pension and Gratuity Fund (PGF), National Disaster Risk Reduction and Management Fund (NDRRMF), Miscellaneous Personnel Benefits Fund (MPBF), and Contingent Fund. Meanwhile, the unreleased agency-specific budgets are mainly items considered “for later release” (FLR) which require the submission of special budget request by the concerned agencies as well as other documentary requirements pursuant to the applicable General and Special Provisions of the General Appropriations Act (GAA). This consisted largely of the various infrastructure projects of DPWH, capital outlays of the DOTr, and the UAQTE program of the Commission on Higher Education (CHED) for Academic Year 2022-2023 (programmed in the second semester, consistent with the academic calendar of SUCs).

Spending is likely to improve in March as line agencies are expected to utilize their remaining cash allocations that have been fully credited during the quarter, since the same will lapse on the last working day of the month. However, for the second quarter of the year, the prohibition on public spending for infrastructure and other projects⁴ as mandated by the Omnibus Election Code might temporarily affect the implementation of some programs and projects, and hence could likely result in muted disbursements during the 45-day election ban period. Nevertheless, the COMELEC has granted the petition of some agencies for their respective programs to be exempted from the said ban, such as:

- i. *Tulong Panghanapbuhay sa Ating* Disadvantaged/Displaced Workers (TUPAD), Government Internship Program (GIP); JobStart Philippines Program (JSP); Special Program for Employment of Students (SPES); and the Child Labor Prevention and Elimination Program (CLPEP) of the Department of Labor and Employment (DOLE);⁵

³ Net of the releases for FY 2021 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations accommodated within the total obligation program.

⁴ As promulgated in COMELEC Resolution No. 10747 dated December 16, 2021. Available at: https://comelec.gov.ph/php-tpls-attachments/2022NLE/Resolutions/com_res_10747.pdf. Accessed on April 8, 2022.

⁵ DOLE Press Release. Available at: <https://www.dole.gov.ph/news/tupad-other-dole-programs-exempted-from-comelec-ban/>. Accessed on April 8, 2022.

- ii. Regular social protection services of the Department of Social Welfare and Development (DSWD) such as the *Pantawid Pamilyang Pilipino* Program (4Ps), Sustainable Livelihood Program (SLP), *Kapit-Bisig Laban Sa Kahirapan*-Comprehensive and Integrated Delivery of Social Services, Inclusive and Sustainable Peace (KALAHI-CIDSS), and procurement of information technology equipment;⁶
- iii. COVID-19 immunization program of the Department of Health (DOH);⁷ and
- iv. Fuel subsidy program of the Land Transportation Franchising and Regulatory Board (LTFRB).⁸

⁶ DSWD Press Release. Available at: <https://www.dswd.gov.ph/dswd-affirms-continued-service-and-program-delivery-amid-election-period/>. Accessed on April 12, 2022.

⁷ GMA News. Available at: <https://www.gmanetwork.com/news/topstories/nation/826945/comelec-exempts-doh-s-vax-program-from-the-election-spending-ban-garcia/story/>. Accessed on April 8, 2022.

⁸ CNN Philippines. Available at: <https://www.cnnphilippines.com/news/2022/4/6/Comelec-approves-LTFRB-fuel-subsidy.html>. Accessed on April 8, 2022.