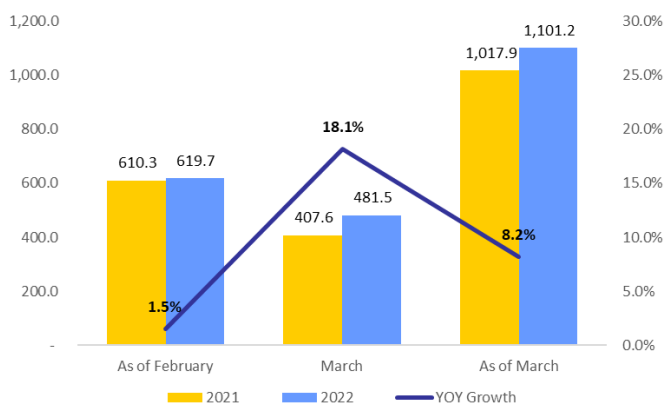


## NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

### AS OF MARCH 2022

National Government spending for the month of March 2022 soared to P481.5 billion, up by P73.9 billion or 18.1 percent from a year ago, on account of higher maintenance and other operating expenses (MOOE), transfers to LGUs, and infrastructure and other capital outlays. This brings the disbursements for the first three months of the year to P1,101.2 billion, increasing by P83.3 billion or 8.2 percent (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



In terms of the use of disbursement authorities, NCA expenditures in March 2022 grew by P67.6 billion or 20.4 percent from last year to reach P398.7 billion, while Non-NCA expenditures went up by P6.3 billion or 8.3 percent to P82.9 billion. Year-to-date, NCA disbursements reached P847.5 billion, P85.3 billion or 11.2 percent more than a year ago brought about by higher transfers to LGUs, particularly the National Tax Allotment (NTA), PS expenditures, MOOE, and capital outlays. On the other hand, non-NCA disbursements amounted to P253.7 billion, slightly down by P2.1 billion or 0.8 percent year-on-year due to lower encashment of check floats.

**Table 1. Comparison of NCA and Non-NCA Disbursements, 2021-2022**

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of February				March				As of March			
	2021	2022	Inc/(Dec)		2021	2022	Inc/(Dec)		2021	2022	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	431.1	448.8	17.7	4.1	331.0	398.7	67.6	20.4	762.1	847.5	85.3	11.2
% of Eff. NCA	81.2%	81.4%			115.1%	117.4%			93.2%	95.1%		
Non-NCA	179.2	170.8	(8.4)	(4.7)	76.6	82.9	6.3	8.3	255.8	253.7	(2.1)	(0.8)
<b>TOTAL</b>	<b>610.3</b>	<b>619.7</b>	<b>9.3</b>	<b>1.5</b>	<b>407.6</b>	<b>481.5</b>	<b>73.9</b>	<b>18.1</b>	<b>1,017.9</b>	<b>1,101.2</b>	<b>83.3</b>	<b>8.2</b>
<b>Memo Item</b>												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
As of February					March				As of March			
	2021	2022			2021	2022			2021	2022		
		530.6				287.5				818.2		
		551.5				339.5				891.0		
<b>Allotment Releases</b>												
As of March 2021		3,514.4	78.0% of the P4,506.0 billion obligation program									
As of March 2022		3,484.6	69.4% of the P5,023.6 billion obligation program									

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

### Allotment Releases

As of end-March 2022, allotment releases totalled P3,484.6 billion, equivalent to 69.4 percent of the P5,023.6 billion obligation program for the year. Releases for the month of March amounted to P429.0 billion, which is composed largely of the following big-ticket items:

- Various capital outlays of the Department of Public Works and Highways (DPWH) – P321.5 billion;
- North-South Commuter Railway (NSCR) System of the Department of Transportation (DOTr) – P17.0 billion;

- iii. Second quarter pension requirements for the Military and Uniformed Personnel (MUP) of the Philippine National Police (PNP) – P10.6 billion;
- iv. Revised AFP Modernization Program (RAFPMP) of the Department of National Defense (DND) – P7.8 billion;
- v. Service Contracting Program of the DOTr – P7.0 billion; and
- vi. Fuel Subsidy Program of the DOTr – P2.0 billion.

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

### For the Month of March 2022

NG disbursements for the month of March posted at P481.5 billion, increasing by P73.9 billion or 18.1 percent from the level recorded a year ago driven by the following expenditure items:

- Combined allotment and capital transfers to LGUs amounted to P94.1 billion, P23.6 billion or 33.5 percent larger than last year's P70.5 billion, resulting mainly from the higher NTA of LGUs (formerly Internal Revenue Allotment) with the first year of implementation of the Supreme Court Decision on the *Mandanas-Garcia* petitions, as well as the annual block grant to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM).
- Maintenance spending rose to 106.9 billion, up by P19.6 billion or 22.4 percent year-on-year. This is accounted by the releases for the Service Contracting Program and the Fuel Subsidy Program of the DOTr, payments for the Government Assistance to Students and Teachers in Private Education (GASTPE) Program of the Department of Education (DepEd) and the Universal Access to Quality Tertiary Education (UAQTE) Program of the Commission on Higher Education (CHED), and expenditures by the Commission on Elections (COMELEC) for preparatory activities for the conduct of the 2022 National and Local Elections (NLE) and the Barangay and Sangguniang Kabataan Elections (BSKE).
- Infrastructure and other capital outlays jumped to P100.2 billion, P12.4 billion or 14.2 percent higher year-on-year. This was largely propelled by the payment for completed and partially completed infrastructure projects of the Department of Public Works and Highways (DPWH) nationwide, the Revised AFP Modernization Program (RAFPMP) of the DND, and the Basic Education Facilities (BEF) and payment for deliveries of learning tools and equipment of the DepEd.
- Interest payments increased by P7.9 billion or 16.5 percent from the previous year's level due to coupon payment for FY 2021 issuances and discount from the reissuance of Fixed Rate Treasury Bonds.
- Subsidies to government corporations went up by P6.9 billion or 180.0 percent to reach P10.7 billion. The growth was mainly credited to the various housing projects and resettlement programs of the National Housing Authority (NHA), as well as accounts payable for the various

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

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	March			
	2021	2022	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	294.9	355.9	61.0	20.7
Personnel Services	104.7	111.6	6.8	6.5
MOOE	87.4	106.9	19.6	22.4
Subsidy	3.8	10.7	6.9	180.0
Allotment to LGUs	51.3	69.8	18.6	36.2
IP	47.7	55.5	7.9	16.5
TEF	0.0	1.3	1.3	4,221.2
CAPITAL OUTLAYS	107.0	124.9	17.9	16.7
Infra and Other CO	87.8	100.2	12.4	14.2
Equity	0.0	0.4	0.4	1,051.3
Capital Transfers to LGUs	19.2	24.3	5.0	26.2
NET LENDING	5.7	0.7	(4.9)	(87.2)
<b>TOTAL</b>	<b>407.6</b>	<b>481.5</b>	<b>73.9</b>	<b>18.1</b>

projects of the Bases Conversion and Development Authority (BCDA). The latter include the development of the New Clark City, Clark Airport Facilities, Military Replication Projects, operation and maintenance of sports facilities in the National Government Administrative Center, construction of sewage treatment plant and access road for the institutional area in Bonifacio Capital District, Taguig City, and construction of facilities/amenities for the National Academy of Sports (NAS) Main Campus.

- PS expenditures inched up by P6.8 billion or 6.5 percent to P111.6 billion. The increase is largely attributed to the grant of the One COVID-19 Allowance to public and private health care workers (HCWs) and non-HCWs in health facilities involved in COVID-19 response, the implementation of the third tranche of the Salary Standardization Law (SSL) V, and the filling up of positions in the Philippine National Police (PNP).

Meanwhile, net lending declined by P4.9 billion mainly due to the programming of advances by the NG, particularly for the National Food Authority (NFA) where the bulk is scheduled in the succeeding quarters of the current year. This compares to the P4.9 billion NG advances made to the NFA in March last year.

### For the Period January to March 2022

NG disbursements for the first quarter of 2022 ended up at P1,101.2 billion, growing by P83.3 billion or 8.2 percent year-on-year. Spending for the period was mainly driven by higher allotment and capital transfers to LGUs which increased by P60.5 billion or 29.2 percent year-on-year to reach P267.4 billion. This is mostly due to the higher NTA of LGUs, as previously discussed. Other drivers of spending for the period included PS expenditures (up by P35.7 billion or 13.8 percent y-o-y), interest payments (up by P23.5 billion or 18.7 percent y-o-y), maintenance spending (up by 10.6 billion or 6.6 percent y-o-y), and subsidy (up by 7.9 billion or 69.1 percent y-o-y).

The growth recorded in the said expense items, however, was slightly moderated by lower equity which was down by P44.8 billion or 98.9 percent year-on-year due to the completion of the one-time 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. Similarly, infrastructure and other capital outlays were slightly lower by 2.6 percent year-on-year, largely attributed to the timing of payables for regular infrastructure programs.

### Outlook for the Rest of the Year

As of end-March 2022, the program balance from the P5,023.6 billion obligation program amounts to P1,539.0 billion<sup>1</sup> or 30.6 percent. Based on preliminary report of allotment releases as of April 30, 2022<sup>2</sup>,

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

Expenditure Class	January to March			
	2021	2022	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	718.4	849.5	131.0	18.2
Personnel Services	259.9	295.6	35.7	13.8
MOOE	160.9	171.5	10.6	6.6
Subsidy	11.4	19.3	7.9	69.1
Allotment to LGUs	153.6	207.0	53.4	34.8
IP	125.9	149.3	23.5	18.7
TEF	6.7	6.6	(0.1)	(1.1)
CAPITAL OUTLAYS	293.8	251.0	(42.8)	(14.6)
Infra and Other CO	195.2	190.2	(5.0)	(2.6)
Equity	45.3	0.5	(44.8)	(98.9)
Capital Transfers to LGUs	53.3	60.3	7.0	13.2
NET LENDING	5.7	0.7	(5.0)	(87.0)
<b>TOTAL</b>	<b>1,017.9</b>	<b>1,101.2</b>	<b>83.3</b>	<b>8.2</b>
<b>Memo item:</b>				
Infrastructure Disbursements <sup>1/</sup>	243.0	252.8	9.8	4.0

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

<sup>1</sup> Net of FY 2021 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations

<sup>2</sup> Based on SARO Listing for the period April 1 to 30, 2022. Generated from the DBM eBudget System.

some P815.8 billion worth of allotments have been issued in April which included the following big-ticket releases: i) FY 2022 2nd to 4th Quarter NTA – P719.3 billion; ii) FY 2022 2nd to 4th Quarter annual block grant to the BARMM – P50.2 billion; iii) 2nd Quarter pension requirements of the DND – P14.1 billion; iv) *Bangko Sentral ng Pilipinas* (BSP) Equity Infusion – P10.0 billion; and v) capital outlays of the DND, mostly for the RAFPMP – P3.8 billion.

However, disbursements are expected to slow down in April and May following the 45-day election ban on certain public expenditures pursuant to Section 261 (v) and (w) of the Omnibus Election Code (B.P. Blg. 881) in connection with the conduct of the 2022 National and Local Elections (NLE). Spending is seen to normalize towards the end of May once the ban ends. Among the expected drivers of spending growth for the second quarter are the release of the mid-year bonus of government employees, expenditures incurred by the COMELEC for the conduct of the 2022 NLE, payables for completed/partially-completed capital outlay projects, and various educational assistance and social protection programs.

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