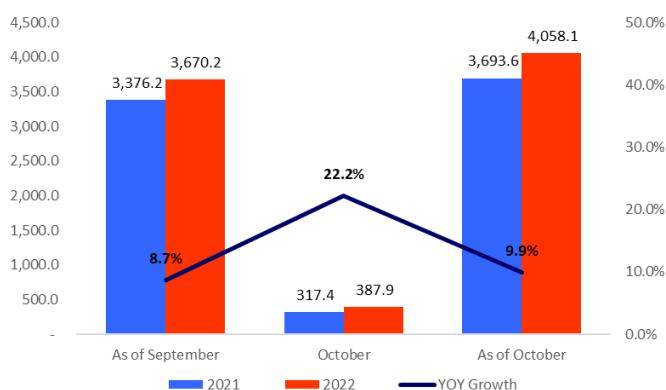


## NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

### AS OF OCTOBER 2022

National Government (NG) spending for the month of October 2022 soared to P387.9 billion, up by P70.6 billion or 22.2 percent year-on-year. The growth was attributed to higher subsidy support to Government-Owned and-Controlled Corporations (GOCCs), transfers to Local Government Units (LGUs), maintenance and other operating expenses (MOOE), and net lending. This brought disbursements for the first ten months of the year to P4,058.1 billion, P364.5 billion or 9.9 percent more than the previous year's outturn.

**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 disbursements, which pertain mostly to the programs and projects implemented by line departments, subsidies to government corporations, and transfers to LGUs, largely accounted for the growth of October 2022 spending. It increased by P71.0 billion or 27.1 percent year-on-year to reach P333.3 billion. On the other hand, non-NCA disbursements declined by P0.4 billion or 0.7 percent from last year as the increase in net lending and interest payments was offset by lower constructive receipts of cash (CRC)<sup>1</sup> payments and tax expenditures. Year-to-date, NCA disbursements totaled to P3,371.1 billion, higher by P328.6 billion or 10.8 percent, while non-NCA disbursements posted at P687.0 billion, increasing by P35.9 billion or 5.5 percent year-on-year.

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

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of September				October				As of October			
	2021	2022	Inc/(Dec)		2021	2022	Inc/(Dec)		2021	2022	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	2,780.2	3,037.8	257.6	9.3	262.3	333.3	71.0	27.1	3,042.5	3,371.1	328.6	10.8
<i>% of Eff. NCA</i>	<i>93.3%</i>	<i>96.7%</i>			<i>68.4%</i>	<i>74.7%</i>			<i>90.5%</i>	<i>93.9%</i>		
Non-NCA	596.1	632.4	36.3	6.1	55.1	54.7	(0.4)	(0.7)	651.1	687.0	35.9	5.5
<b>TOTAL</b>	<b>3,376.2</b>	<b>3,670.2</b>	<b>293.9</b>	<b>8.7</b>	<b>317.4</b>	<b>387.9</b>	<b>70.6</b>	<b>22.2</b>	<b>3,693.6</b>	<b>4,058.1</b>	<b>364.5</b>	<b>9.9</b>
<b>Memo Item</b>												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	As of September				October				As of October			
	2021	2,978.5			2021	383.3			2021	3,361.8		
	2022	3,142.0			2022	446.2			2022	3,588.2		
<b>Allotment Releases</b> <sup>1/</sup>												
As of October 2021	4,390.4		97.4% of the P4,506.0 billion obligation program									
As of October 2022	5,084.8 <sup>2/</sup>		96.5% of the P5,269.1 billion obligation program <sup>3/</sup>									

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

<sup>1/</sup> Based on the Status of Allotment Releases available at <https://www.dbm.gov.ph/index.php/programs-projects/status-of-allotment-releases>.

<sup>2/</sup> Includes additional program releases coming from the Unprogrammed Appropriations and Other Automatic Appropriations.

<sup>3/</sup> Refers to the adjusted program which includes additional program releases coming from the Unprogrammed Appropriations and Other Automatic

### Allotment Releases

As of end-October 2022, total allotment releases amounted to P5,084.8 billion, equivalent to 96.5 percent of the P5,269.1 billion adjusted obligation program for the year. In October 2022 alone, some P74.0 billion worth of allotments have been issued, which include the following big-ticket releases:

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

DEPARTMENT/AGENCY	PURPOSE	AMOUNT
BTr	Special shares of LGUs from the proceeds of Tobacco Excise Tax	P19.0 billion
DOH	FY 2022 1 <sup>st</sup> Semester One COVID-19 Allowance (OCA)	P11.6 billion
PHIC	FY 2022 Regular Subsidy for the National Health Insurance Program (NHIP)	P10.6 billion
PNP	PS requirements - Terminal Leave Benefits, PS deficiency, FY 2020 Performance-Based Bonus (PBB)	P9.0 billion
NPC	Subsidy for the Missionary Electrification Program	P3.0 billion
DSWD	<i>Kapit-Bisig Laban sa Kahirapan</i> -Comprehensive and Integrated Delivery of Social Services – National Community-Driven Development Project (KC-NCDDP)	P2.9 billion
DPWH	FY 2022 Basic Educational Facilities Fund (BEFF) Batch 2	P2.6 billion

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

#### For the Month of October 2022

Disbursements for the month of October 2022 grew by P70.6 billion or 22.2 percent to reach P387.9 billion, on account of the following expenditure items:

- Subsidy support to government corporations rose to P40.0 billion, higher by P34.8 billion or 668.0 percent. This was largely attributed to the timing of releases to the Philippine Health Insurance Corporation (PHIC) for the National Health Insurance Program (NHIP), where releases for 2022 started in the second half of the year (as compared to 2021 where more than half of the releases were made in the first semester). Similarly, releases for the Irrigation Systems Restoration Program and Irrigation Systems Development Program of the National Irrigation Administration (NIA), Comprehensive and Integrated Housing Program of the National Housing Authority (NHA), Missionary Electrification Program under the National Power Corporation (NPC), and Buffer Stocking Program of the National Food Authority (NFA), contributed to the higher subsidy for the period.

- Combined allotment and capital transfers to LGUs climbed to P86.5 billion, P21.4 billion or 32.9 percent more year-on-year owing mainly to the higher National Tax Allotment (NTA) shares of LGUs this year compared to the former Internal Revenue Allotment (IRA) with the first year of implementation of the Supreme Court decision on the *Mandanas-Garcia* petitions.
- MOOE increased to P72.5 billion, or by P9.1 billion or 14.3 percent year-on-year, mostly due to the payouts for the *Pantawid Pamilyang Pilipino* Program (4Ps) of the Department of Social Welfare and Development (DSWD). Additional disbursements for the One COVID-19 Allowance (OCA) and Health Emergency Allowance (HEA) for contractual and job order employees, and

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

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	October			
	2021	2022	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	242.0	302.2	60.2	24.9
Personnel Services	87.8	86.8	(1.0)	(1.1)
MOOE	63.5	72.5	9.1	14.3
Subsidy	5.2	40.0	34.8	668.0
Allotment to LGUs	51.5	68.5	16.9	32.9
IP	31.5	33.2	1.6	5.2
TEF	2.5	1.3	(1.3)	(49.6)
CAPITAL OUTLAYS	74.7	79.3	4.6	6.1
Infra and Other CO	60.9	61.2	0.3	0.5
Equity	0.2	0.0	(0.2)	(87.2)
Capital Transfers to LGUs	13.6	18.0	4.4	32.8
NET LENDING	0.7	6.5	5.8	865.8
<b>TOTAL</b>	<b>317.4</b>	<b>387.9</b>	<b>70.6</b>	<b>22.2</b>

healthcare workers in private hospitals for the period of January to June 2022 under the Department of Health (DOH), and disbursements for the Universal Access to Quality Tertiary Education (UAQTE) and the Student Financial Assistance Programs (StuFAPs) of the Commission on Higher Education (CHED) also propelled the growth of maintenance spending.

- Net lending went up by P5.8 billion resulting from the NG advances to the National Food Authority (NFA) to service both its short-term and long-term loans.
- Interest payments inched up by P1.6 billion owing to the coupon payments for 2022 issuances, Global Bonds, as well as fluctuations in LIBOR and foreign exchange rates.
- Meanwhile, the growth of infrastructure and other capital expenditures was nearly flat by P0.3 billion or 0.5 percent year-on-year, as the increases recorded in the Department of Public Works and Highways (DPWH) and Department of Transportation (DOTr) for their road and transport infrastructure projects, respectively, were partly offset by the lower capital outlay disbursements for the Armed Forces of the Philippines (AFP) Modernization Program of the Department of National Defense (DND), as well as minimal direct payments made by donor partners for foreign-assisted projects (FAPs).

The expansion in the abovementioned expenditure items, however, was slightly tempered by lower personnel services (PS) and tax expenditures. PS was slightly down by P1.0 billion or 1.1 percent sans the PS deficiency releases to the DOTr-Philippine Coast Guard (PCG) for the same month last year for its requirements for filling up of positions and promotion. Meanwhile, tax expenditures decreased by P1.3 billion or 49.6 percent due to lower recorded documentary stamp taxes on government securities.

#### For the Period January to October 2022

For the first ten months of 2022, NG spending reached P4,058.1 billion, up by P364.5 billion or 9.9 percent year-on-year. Combined allotment and capital transfers to LGUs continued to be the major driver of spending growth for the period, increasing by P180.7 billion or 24.8 percent year-on-year on account of the higher NTA compared to the former IRA. Other expenditures which posted positive growth rates included infrastructure and other capital outlays (up by P86.5 billion or 12.3 percent), PS expenditures (up by P80.3 billion or 8.3 percent), interest payments (up by P62.3 billion or 16.8 percent), net lending (up by P13.8 billion or 108.8 percent), and subsidy (up by P3.2 billion or 2.1 percent).

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

Expenditure Class	January to October			
	2021	2022	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	2,762.0	3,022.1	260.1	9.4
Personnel Services	969.6	1,049.9	80.3	8.3
MOOE	679.0	665.6	(13.4)	(2.0)
Subsidy	151.1	154.2	3.2	2.1
Allotment to LGUs	559.2	689.9	130.7	23.4
IP	370.9	433.2	62.3	16.8
TEF	32.1	29.3	(2.9)	(8.9)
CAPITAL OUTLAYS	918.9	1,009.5	90.5	9.9
Infra and Other CO	702.4	788.9	86.5	12.3
Equity	46.9	1.0	(46.0)	(98.0)
Capital Transfers to LGUs	169.6	219.6	50.0	29.5
NET LENDING	12.7	26.5	13.8	108.8
<b>TOTAL</b>	<b>3,693.6</b>	<b>4,058.1</b>	<b>364.5</b>	<b>9.9</b>
<b>Memo item:</b>				
Infrastructure Disbursements <sup>1/</sup>	884.3	1,004.5	120.3	13.6

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

On the other hand, equity and maintenance spending were lower than the outturns for the comparable period in 2021. Equity fell by P46.0 billion or 98.0 percent mainly due to the completion of the one-time release of P45.0 billion equity infusion to Government Financial Institutions (GFIs) for their credit assistance and lending programs under the *Bayanihan* II last year. Meanwhile, MOOE contracted by P13.4 billion or 2.0 percent largely attributed to the completed payments for the procurement of COVID-19 vaccines in the previous year. These were partly tempered by the disbursements for other social protection programs of the DSWD, and the Service Contracting and Fuel Subsidy Programs of the DOTr.

## **Outlook for the Rest of the Year**

As of end-October 2022, only P184.3 billion or 3.5 percent of the P5,269.1 billion adjusted obligation program remains to be released. This is composed mostly of some P67.8 billion allocations under the Special Purpose Funds (SPFs), consisting of the Pension and Gratuity Fund or PGF (P36.9 billion), Allocation to Local Government Units (P11.4 billion), National Disaster Risk Reduction and Management Fund or NDRRMF (P8.4 billion), Contingent Fund (6.6 billion), and Budgetary Support to GOCCs (P4.2 billion), as well as some P63.5 billion agency specific budget items. The release of which is subject to the submission of special budget requests and corresponding documentary requirements by the concerned agencies.

Meanwhile, preliminary data show that disbursements for the month of November 2022 grew by more than 10.0 percent, which is attributed to the larger NTA; the capital outlay projects of the Department of Public Works and Highways (DPWH); the releases for the year-end bonus and cash gift of government employees; and payouts for the social protection programs of the DSWD. This robust spending performance is expected to continue for the rest of the year as line agencies catch up on the implementation of their programs and projects and settle outstanding due and demandable obligations before the year ends.

---