

NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF NOVEMBER 2023

National Government (NG) spending for the month of November 2023 amounted to P433.6 billion, down by P21.3 billion or 4.7 percent year-on-year mainly due to lower infrastructure and maintenance expenditures, as well as transfers to LGUs. Disbursements for the 11-month period ended up at P4,675.2 billion, P162.1 billion or 3.6 percent more than the 2022 level.

By type of disbursements, Notice of Cash Allocation (NCA) or cash disbursements in November 2023 were recorded at P365.3 billion, decreasing by P37.4 billion or 9.3 percent year-on-year, on account of lower maintenance and other operating expenditures (MOOE), infrastructure and other capital outlays, and allotment to LGUs. On the other hand, Non-NCA disbursements went up by P16.1 billion or 30.7 percent year-on-year to P68.4 billion, resulting from higher interest payments and net lending. Year-to-date, NCA disbursements reached P3,830.6 billion, P56.9 billion or 1.5 percent more than the comparable period in 2022, while non-NCA disbursements totaled P844.5 billion, P105.2 billion or 14.2 percent larger year-on-year.

Figure 1. National Government Disbursements

Amounts in billion pesos, unless otherwise indicated

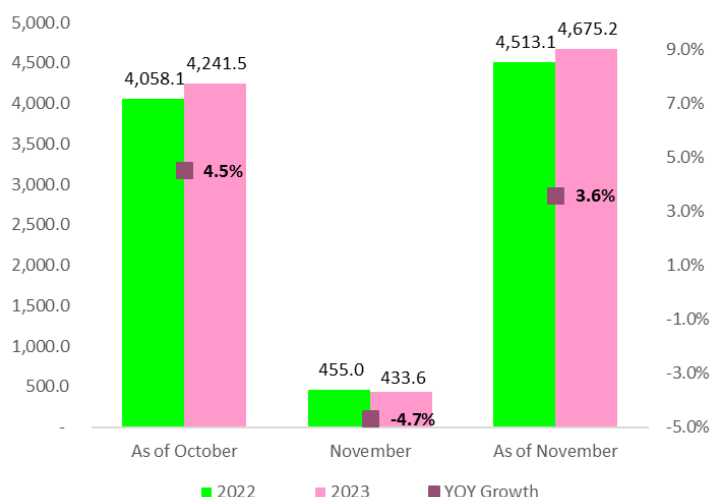


Table 1. Comparison of NCA and Non-NCA Disbursements, 2022-2023

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of October				November				As of November			
	2022	2023	Inc/(Dec)		2022	2023	Inc/(Dec)		2022	2023	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	3,371.1	3,465.4	94.3	2.8	402.7	365.3	(37.4)	(9.3)	3,773.7	3,830.6	56.9	1.5
<i>% of Eff. NCA</i>	<i>93.9%</i>	<i>96.0%</i>			<i>88.9%</i>	<i>83.3%</i>			<i>93.4%</i>	<i>94.6%</i>		
Non-NCA	687.0	776.1	89.1	13.0	52.3	68.4	16.1	30.7	739.4	844.5	105.2	14.2
TOTAL	4,058.1	4,241.5	183.4	4.5	455.0	433.6	(21.3)	(4.7)	4,513.1	4,675.2	162.1	3.6
Memo Item												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	As of October				November				As of November			
	2022	3,589.3			2022	453.1			2022	4,042.4		
	2023	3,610.2			2023	438.2			2023	4,048.5		
Allotment Releases^{a/}												
As of November 2022	5,148.1 ^{b/}	97.4% of the P5,285.0 billion obligation program ^{c/}										
As of November 2023	5,406.2 ^{b/}	97.6% of the P5,537.3 billion obligation program ^{c/}										

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

^{a/} Based on the Status of Allotment Releases available at <https://www.dbm.gov.ph/index.php/status-of-allotment-releases>.

^{b/} Includes other releases coming from the Prior Year's Continuing Appropriations, Unprogrammed Appropriations, and/or Other Automatic Appropriations.

^{c/} Refers to the adjusted program which includes additional program releases coming from the Unprogrammed Appropriations and/or Other Automatic Appropriations.

Allotment Releases

As of November 30, 2023, allotment releases totaled P5,406.2 billion, equivalent to 97.6 percent of the P5,537.3 billion adjusted obligation program for the year. For the month of November 2023, some P61.1 billion worth of allotments were released, which included the following:

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
Department of Education (DepEd)	To cover the funding requirements of newly-filled positions	P17.4
Bureau of the Treasury (BTr)	FY 2023 3 rd quarter requirements for net lending to GOCCs	P10.1
Department of Health (DOH)	To cover the deficiency in personnel services (PS) requirements of the newly hired and promoted employees for FY 2023	P3.9
Department of Social Welfare and Development (DSWD)	For the implementation of Assistance to Individuals in Crisis Situation Program	P3.0
	To cover funding requirements for the continuing response, relief, and early recovery efforts of the DSWD in connection with Typhoons <i>Egay</i> and <i>Falcon</i> in 2023, Typhoon <i>Paeng</i> in 2022, shear-line induced flooding, and Mount <i>Mayon</i> volcanic unrests, as well as the prepositioning of relief resources for disaster response	P1.9
Department of National Defense (DND)	PS requirements of the DND (monetization of leave credits, terminal leave benefits, retirement gratuity benefits, etc.)	P3.7
Philippine Deposit Insurance Corporation (PDIC)	Tax subsidy granted to the PDIC for value-added tax for the 3 rd quarter of FY 2023	P2.1
Department of Agrarian Reform	To cover the additional funding requirements for the implementation of farm-to-market road projects under the Comprehensive Agrarian Reform Program	P1.9
Bureau of Jail Management and Penology	To cover the deficiency in PS due to filling-up of the uniformed personnel positions	P1.6
Philippine National Police (PNP)	PS requirements of the PNP (terminal leave benefits, retirement gratuity benefits, pension claims)	P1.1

Year-on-Year Performance, by Expense Class

For the Month of November 2023

NG spending for the month of November 2023 totaled P433.6 billion, declining by P21.3 billion or 4.7 percent relative to the same period in 2022 due to lower disbursements for the following expenditure items:

- Infrastructure and other capital outlays dropped to P56.7 billion, down by P23.6 billion or 29.4 percent year-on-year. This was mainly due to the different timing of big-ticket disbursements in the Department of Public Works and Highways (DPWH), with the ongoing processing of payments for approved billings and disbursement vouchers for civil works, supplies, and equipment, as well as right-of-way claims. Actual payments for these were expected to be taken up in December 2023 following the release of additional cash allocations in the same month. Similarly, constructive receipts of cash or those payments directly made by development partners for foreign-assisted projects were also lower in November 2023, absent the substantial outlays for various railway projects of the Department of Transportation (DOTr), particularly the Malolos-Clark Railway Project and the North-South Commuter Railway Project. These were, however, partly offset by the payments for capital outlay projects under the Revised Armed Forces of the Philippines Modernization Program of the DND.
- MOOE declined to P69.7 billion, P18.2 billion or 20.7 percent lower year-on-year. The decrease was attributed largely to the i) adjustment in the schedule of payouts for the *Pantawid Pamilyang Pilipino* Program of the DSWD which was expected in December 2023; ii) lower disbursements recorded in the DepEd sans the payments for various PAPs in November 2022, such as the Basic Education – Learning Continuity Plan, school-based feeding programs, and self-learning modules, as well as in the Technical Education and Skills Development Authority for their various scholarship programs. The reduction was moderated by the payments of the DOH for the Public Health Emergency Benefits Allowance and the Medical Assistance to Indigent Patients; as well as the Department of Foreign Affairs for their expenses related to the printing and personalization of passports.
- Transfers to LGUs amounted to P80.2 billion, down by P6.0 billion or 7.0 percent due to the lower National Tax Allotment (NTA) of LGUs¹. This, however, was slightly tempered by the release of the FY 2023 Special Development Fund of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM).

Table 2. NG Disbursements for the Month of November, 2022 and 2023

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	November			
	2022 ^{a/}	2023	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	356.7	351.8	(4.9)	(1.4)
Personnel Services	160.8	162.8	2.0	1.3
MOOE	87.9	69.7	(18.2)	(20.7)
Subsidy	6.2	6.7	0.6	9.2
Allotment to LGUs	68.7	59.1	(9.7)	(14.0)
IP	26.1	48.5	22.5	86.1
TEF	7.1	5.0	(2.1)	(29.9)
CAPITAL OUTLAYS	97.7	77.8	(19.9)	(20.4)
Infra and Other CO	80.2	56.7	(23.6)	(29.4)
Equity	0.0	0.0	0.0	266.7
Capital Transfers to LGUs	17.5	21.2	3.7	20.9
NET LENDING	0.6	4.0	3.5	624.2
TOTAL	455.0	433.6	(21.3)	(4.7)

^{a/} Adjusted based on the full-year 2022 BTr Cash Operations Report (COR).

¹ The tax revenue base, from which the NTA shares of LGUs in 2023 is determined, was the actual tax collections in 2020. Due to the impact of the economic and mobility restrictions at the height of the pandemic, tax revenue collections in 2020 contracted by P323.4 billion or 11.4 percent from the actual outturns in 2019.

Meanwhile, expenditures which recorded positive growth rates in November 2023 are, as follows:

- Interest payments rose to P48.5 billion, higher by P22.5 billion or 86.1 percent larger year-on-year due to the coupon payment for additional issuances and discount from reissuances of fixed rate treasury bonds/benchmark bonds, coupon payment for retail treasury bonds, and the impact of higher foreign interest rates.
- Net lending rose to P4.0 billion from P0.6 billion in November 2022. This was mostly on account of the payment of the National Food Authority (NFA) for various short-term loans, including interests which matured in November 2023.
- PS expenditures grew to P162.8 billion, increasing by P2.0 billion or 1.3 percent year-on-year, owing to the implementation of the fourth tranche of the Salary Standardization Law (SSL) V, and the release of the year-end bonus of the DepEd. The increase was tempered by lower pension and retirement benefits claims in various agencies.

For the Period January to November 2023

NG expenditures as of end-November 2023 reached P4,675.2 billion, increasing by P162.1 billion or 3.6 percent year-on-year. The expansion for the period was credited to the following: infrastructure and other capital outlays (up by P159.8 billion or 18.5 percent), interest payments (up by 108.4 billion or 23.6 percent), PS expenditures (up by P47.5 billion or 3.9 percent), and MOOE (up by P19.9 billion or 2.6 percent).

Meanwhile, combined allotment and capital transfers to LGUs contracted (down by P106.6 billion or 14.1 percent year-on-year) due to their lower NTA shares. Other expense items which declined during the period include subsidy support to government corporations (down by P15.3 billion or 9.1 percent), tax expenditures (down by P8.7 billion or 24.0 percent), and net lending (down by P3.4 billion or 12.6 percent).

Table 3. NG Disbursements for the Period January to November, 2022 and 2023
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to November			
	2022 ^{a/}	2023	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	3,386.2	3,431.4	45.2	1.3
Personnel Services	1,210.3	1,257.8	47.5	3.9
MOOE	753.3	773.2	19.9	2.6
Subsidy	168.3	153.1	(15.3)	(9.1)
Allotment to LGUs	758.7	652.0	(106.6)	(14.1)
IP	459.3	567.7	108.4	23.6
TEF	36.3	27.6	(8.7)	(24.0)
CAPITAL OUTLAYS	1,099.8	1,220.1	120.3	10.9
Infra and Other CO	861.8	1,021.5	159.8	18.5
Equity	1.0	0.4	(0.6)	(57.4)
Capital Transfers to LGUs	237.1	198.1	(39.0)	(16.4)
NET LENDING	27.1	23.7	(3.4)	(12.6)
TOTAL	4,513.1	4,675.2	162.1	3.6
Memo item:				
Infrastructure Disbursements ^{b/}	1,093.9	1,223.1	129.2	11.8

^{a/} Adjusted based on the full-year 2022 BTR Cash Operations Report (COR).

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

Full-Year 2023 Outlook

As of November 30, 2023, only P131.1 billion² or 2.4 percent of the P5,537.3 billion adjusted obligation program remains to be released. Based on preliminary report of allotment releases in December 2023, some P119.8 billion was released in the same month, contributing to the possible spending drivers for the rest of 2023. These include the following:

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
DPWH	To cover the implementation of various priority projects which are crucial in ensuring the achievement of the President's Eight-Point Socioeconomic Agenda	P38.6
	Capital outlays - mostly for the rehabilitation, renovation, repair, and improvement of elementary and secondary school buildings under the Basic Education Facilities Fund; and the implementation of various calamity-related projects in areas which were damaged by Typhoon "Odette" in 2021	P7.6
PhilHealth	To cover the implementation of Benefit Package Improvement under the Universal Health Care Law	P21.2
DND	Revised AFP Modernization Program	P13.0
Philippine Coast Guard	To cover additional FY 2023 PS requirements	P1.6
	To cover the procurement of various technical and tactical equipment	P1.6
DOH	To cover the funding requirements for the payment of Health Emergency Allowance (HEA) of eligible public and private healthcare workers (HCWs) and non-HCWs for the period July 1, 2021 to July 20, 2023	P3.0
DOTr	To cover the payment of Right-of-Way expenses relative to the implementation of the New Dumaguete Airport Development Project	P1.4
	Service Contracting of Public Utility Vehicle Program	P1.3
BTr	To cover payment of documentary stamp taxes for the period October to November 2023	P2.4
DSWD	For the implementation of Assistance to Individuals in Crisis Situation Program	P2.0
Commission on Higher Education	To cover the additional funding requirements for the implementation of Medical Scholarship and Return Service Program, <i>Tulong Dunong</i> Program, and Tertiary Education Subsidy	P1.8

With the lapsing of cash allocations and agency closing of books by the end of the year, complemented by the implementation of catch-up plans, line agencies are expected to quicken the implementation of their programs and projects in December 2023.

Although the actual full-year 2023 fiscal performance data will still be released between February and March 2024, the recovery of spending performance during the second half of 2023 is notable, particularly the acceleration of infrastructure expenditures. This, alongside the cooling of inflation, will hopefully help buttress a strong 2023 GDP growth outturn and put in place a more enabling macroeconomic environment for 2024.

² Net of the releases for FY 2022 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations accommodated within the total adjusted obligation program.