

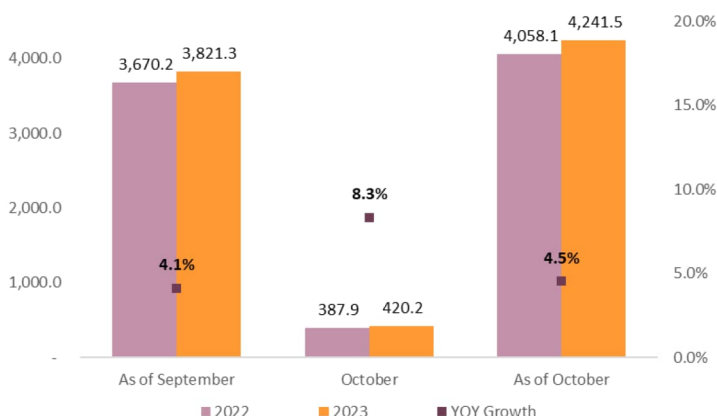
## NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

### AS OF OCTOBER 2023

National Government (NG) disbursements for the month of October 2023 jumped to P420.2 billion, higher by P32.3 billion or 8.3 percent year-on-year. The increase was mainly on account of higher infrastructure and other capital outlays and interest payments, but was partially tempered by lower subsidy and transfers to LGUs. This brought spending for the ten-month period ending October 2023 to P4,241.5 billion, P183.4 billion or 4.5 percent more than the comparable period in the previous year.

**Figure 1. National Government Disbursements**

Amounts in billion pesos, unless otherwise indicated



In terms of disbursement authorities, Notice of Cash Allocation (NCA) or cash disbursements in October 2023 amounted to P341.3 billion, up by P8.0 billion or 2.4 percent year-on-year, mostly due to higher capital outlays and personnel services (PS) expenditures. Similarly, Non-NCA disbursements increased by P24.2 billion or 44.4 percent year-on-year to reach P78.9 billion, owing largely to higher interest payments. Year-to-date, NCA disbursements stood at P3,465.4 billion, P94.3 billion or 2.8 percent more than the previous year's level, while non-NCA disbursements were posted at P776.1 billion, up by P89.1 billion or 13.0 percent year-on-year.

NCA disbursements in October 2023 represented 82.2 percent of all NCAs credited during the month, up from the 74.5 percent rate for the same month in the previous year. Overall, NCA disbursement rate for the ten-month period improved to 96.0 percent from 93.9 percent recorded a year ago, indicative of the continuing efforts of line agencies to undertake catch-up measures to meet their spending commitments for the year.

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

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of September				October				As of October			
	2022	2023	Inc/(Dec)		2022	2023	Inc/(Dec)		2022	2023	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	3,037.8	3,124.1	86.3	2.8	333.3	341.3	8.0	2.4	3,371.1	3,465.4	94.3	2.8
% of Eff. NCA	96.7%	97.8%			74.5%	82.2%			93.9%	96.0%		
Non-NCA	632.4	697.2	64.8	10.3	54.7	78.9	24.2	44.4	687.0	776.1	89.1	13.0
<b>TOTAL</b>	<b>3,670.2</b>	<b>3,821.3</b>	<b>151.1</b>	<b>4.1</b>	<b>387.9</b>	<b>420.2</b>	<b>32.3</b>	<b>8.3</b>	<b>4,058.1</b>	<b>4,241.5</b>	<b>183.4</b>	<b>4.5</b>
<b>Memo Item</b>												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	As of September				October				As of October			
	2022	3,142.0			2022	447.4			2022	3,589.3		
	2023	3,195.0			2023	415.0			2023	3,610.1		
<b>Allotment Releases<sup>a/</sup></b>												
As of October 2022		5,084.8 <sup>b/</sup>	96.5% of the P5,269.1 billion obligation program <sup>c/</sup>									
As of October 2023		5,294.2 <sup>b/</sup>	95.8% of the P5,529.1 billion obligation program <sup>c/</sup>									

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

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

<sup>b/</sup> Includes other releases coming from the Prior Year's Continuing Appropriations, Unprogrammed Appropriations, and/or Other Automatic Appropriations.

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

## Allotment Releases

As of October 31, 2023, total allotment releases amounted to P5,294.2 billion, equivalent to 95.8 percent of the P5,529.1 billion adjusted obligation program for the year. For the month of October 2023, some P102.5 billion worth of allotments were released, which included the following:

<b>DEPARTMENT/GOCC</b>	<b>PURPOSE</b>	<b>AMOUNT (In billion pesos)</b>
Department of Public Works and Highways (DPWH)	To cover the implementation of various priority infrastructure projects	P22.3
Philippine National Police (PNP)	To cover the PS requirements of the PNP, mostly for the regular pension requirements of uniformed personnel retirees for the period October to December 2023, PS deficiency, and FY 2021 Performance-Based Bonus	P19.2
Department of National Defense (DND)	To cover the regular pension requirements of the military retirees for the period October to December 2023	P13.9
Department of Agriculture	To cover the funding requirements of the Rice Farmers Financial Assistance, as support to rice farmers affected by the Rice Tariffication Law or Republic Act No. 11203	P12.1
Department of Health (DOH)	To cover the funding requirements of the Health Emergency Allowance (HEA) of eligible public and private health care workers (HCWs) and Non-HCWs for the period of July 1, 2021 to July 20, 2023	P4.0
Commission on Higher Education (CHED)	To cover the funding requirements of the CHED Universal Access to Quality Tertiary Education - Tertiary Education Subsidy (UAQTE-TES) for Academic Year 2021-2022	P3.8
Philippine Veterans Affairs Office (PVAO)	To cover the regular pension requirements of the PVAO for the period October to December 2023	P2.5
Department of Transportation (DOTr)	To cover the loan proceeds of the Davao Public Transport Modernization Project and the Infrastructure Preparation and Innovation Facility	P1.9
Philippine Coast Guard	To cover the funding requirements of the procurement of two (2) units of transportation equipment	P1.6
State Universities and Colleges	To cover the funding requirements of the Smart Campus Enhancement Program (Eastern Visayas State University)	P1.5
Bureau of Fire Protection	To cover the regular pension requirements of the uniformed personnel retirees for the period October to December 2023	P1.2
Marawi Compensation Board	To cover the release of the Marawi Siege Victims Compensation Fund for FY 2023	P1.0

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

For the Month of October 2023

NG expenditures for the month of October 2023 reached P420.2 billion, higher by P32.3 billion or 8.3 percent year-on-year. Spending growth was attributed to the following expenditure items:

- Infrastructure and other capital outlays soared to P107.3 billion, up by P46.1 billion or 75.2 percent year-on-year. The substantial increase was largely credited to the disbursements of the DPWH, with the latter citing the following factors:

1. Payment of right-of-way claims;
2. Expedited processing and payment of accounts payables, as well as mobilization fees/advances to contractors;
3. Constant monitoring of project accomplishments through the assigned project engineers; and
4. Continuous reminder to all implementing offices to meet their physical and financial targets/commitments for the year

Similarly, the releases for the Revised AFP Modernization Program (RAFPMP) of the DND contributed to the higher infrastructure spending for the period.

- Interest payments increased to P59.0 billion, P25.8 billion or 77.7 percent larger year-on-year due to coupon payments for Global Bonds and issuances of fixed rate treasury bonds/benchmark bonds in 2022 and 2023, as well as the impact of higher foreign interest rates.
- PS expenditures rose to P94.3 billion, higher by P7.5 billion or 8.6 percent year-on-year. This was on account of the implementation of the fourth tranche of the Salary Standardization Law (SSL) V, the payment of the HEA to plantilla HCWs of the DOH, and the filling-up of positions in the Department of Education.

On the other hand, the decline in the following expenditures moderated the growth of disbursements for October 2023:

- Subsidy support to government corporations fell to P9.2 billion from P39.9 billion in October the previous year. Releases for October this year were lower mainly due to the timing or schedule of releases (e.g., National Health Insurance Program of the Philippine Health Insurance Corporation [PhilHealth]), as well as the ongoing processing of requests for the release of funds to other government corporations, such as the Bases Conversion and Development Authority (various infrastructure projects), and the National Housing Authority (housing assistance and resettlement projects). These, alongside the subsidy for the operating requirements of other government-owned and -controlled corporations, was expected to have been released for the

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

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	October			
	2022 <sup>a/</sup>	2023	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	302.2	294.8	(7.4)	(2.4)
Personnel Services	86.8	94.3	7.5	8.6
MOOE	72.6	70.7	(1.9)	(2.6)
Subsidy	39.9	9.2	(30.7)	(77.0)
Allotment to LGUs	68.5	59.3	(9.1)	(13.3)
IP	33.2	59.0	25.8	77.7
TEF	1.3	2.3	1.1	82.6
CAPITAL OUTLAYS	79.3	123.4	44.1	55.7
Infra and Other CO	61.2	107.3	46.1	75.2
Equity	0.0	0.1	0.1	246.4
Capital Transfers to LGUs	18.0	16.0	(2.0)	(11.1)
NET LENDING	6.5	2.0	(4.5)	(69.1)
<b>TOTAL</b>	<b>387.9</b>	<b>420.2</b>	<b>32.3</b>	<b>8.3</b>

<sup>a/</sup> Adjusted based on the full-year 2022 BTr Cash Operations Report (COR).

remainder of the year, subject to review/evaluation and submission of complete documentary requirements.

- Combined allotment and capital transfers to LGUs amounted to P75.4 billion, down by P11.1 billion or 12.9 percent primarily on account of the lower National Tax Allotment (NTA) of LGUs<sup>1</sup>. This, however, was slightly offset by the releases for the Local Government Support Fund – Financial Assistance to LGUs.
- Net lending in October this year declined to P2.0 billion from P6.5 billion last year. This was mainly due to the lower NG advances to the National Food Authority amounting to P1.8 billion vis-à-vis the P6.3 billion for the same month last year.
- Maintenance and other operating expenses (MOOE) slightly decreased to P70.7 billion from P72.6 billion in October the previous year. The marginally lower MOOE can be attributed to the timing/schedule of the following expenses:
  1. Disbursements for the *Pantawid Pamilyang Pilipino Program* (4Ps) of the Department of Social Welfare and Development (DSWD) where payouts were taken up in October 2022, but for 2023, payout (period 4) was expected in November<sup>2</sup>;
  2. Payments for the UAQTE and TES of the CHED as some of their obligations were already settled in the second quarter of 2023, while some were still awaiting the submission of complete documentary requirements;

The decrease in maintenance spending, however, was partly offset by the expenses of the Commission on Election for the conduct of the *Barangay* and *Sangguniang Kabataan* Elections held on October 30, 2023.

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<sup>1</sup> 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.

<sup>2</sup> Covering months of August and September 2023, including retroactive payout for revalidated households (HHs). The implementation of 4Ps this year was slightly delayed due to the revalidation/reassessment of HH beneficiaries under the *Listahanan* 3, which aims to ensure that only the poor HHs are eligible.

### For the Period January to October 2023

NG spending for the first ten months of the year grew by P183.4 billion or 4.5 percent year-on-year to reach P4,241.5 billion. In particular, spending growth for the period was driven by the following:

- Infrastructure outlays (up by P183.4 billion or 23.5 percent year-on-year) due to the strong spending performance of the DPWH for its road infrastructure program, as well as the disbursements made for the modernization projects/program of the DND and foreign-assisted railway projects of the DOTr;
- Interest payments (up by P85.9 billion or 19.8 percent year-on-year) due to coupon payment for various issuances, including Global bonds; as well as impact of SOFR<sup>3</sup>, foreign exchange fluctuations, and interest on new loan availments;
- PS (up by P45.5 billion or 4.3 percent year-on-year) due to the implementation of the SSL V, filling up of positions in various agencies, and payment of HEA to plantilla HCWs and non-HCWs of the DOH; and
- MOOE (up by P38.1 billion or 5.7 percent year-on-year) on account of the payment of HEA to non-plantilla HCWs and non-HCWs and the Medical Assistance to Indigent Patients Program of the DOH, as well as the implementation of social protection programs of the DSWD, such as the 4Ps and Assistance to Individuals in Crisis Situations.

Meanwhile, total transfers to LGUs declined (down by P139.6 billion or 15.3 percent year-on-year) primarily due to their lower NTA shares. Furthermore, subsidies to government corporations were lower (down by P15.9 billion or 9.8 percent year-on-year) largely due to the timing of cash releases to the PhilHealth.

### Outlook for the Rest of 2023

For the remaining two months of 2023, the balance from the P5,294.2 billion adjusted obligation program for the year amounts to P234.9 billion<sup>4</sup>, equivalent to 4.2 percent of the program. This is composed mostly of some P90.4 billion allocations under the Special Purpose Funds (SPFs)<sup>5</sup>, as well as

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

Expenditure Class	January to October			
	2022 <sup>a/</sup>	2023	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	3,029.5	3,079.6	50.1	1.7
Personnel Services	1,049.6	1,095.1	45.5	4.3
MOOE	665.4	703.5	38.1	5.7
Subsidy	162.2	146.3	(15.9)	(9.8)
Allotment to LGUs	689.9	592.9	(97.0)	(14.1)
IP	433.2	519.1	85.9	19.8
TEF	29.3	22.7	(6.6)	(22.5)
CAPITAL OUTLAYS	1,002.1	1,142.3	140.2	14.0
Infra and Other CO	781.5	964.9	183.4	23.5
Equity	1.0	0.4	(0.6)	(60.4)
Capital Transfers to LGUs	219.6	177.0	(42.6)	(19.4)
NET LENDING	26.5	19.6	(6.9)	(25.9)
<b>TOTAL</b>	<b>4,058.1</b>	<b>4,241.5</b>	<b>183.4</b>	<b>4.5</b>
<b>Memo item:</b>				
Infrastructure Disbursements <sup>b/</sup>	997.5	1,145.6	148.1	14.8

<sup>a/</sup> Adjusted based on the full-year 2022 BTR Cash Operations Report (COR).

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

<sup>3</sup> Secured Overnight Financing Rate, which replaced the London Interbank Offered Rate (LIBOR) as the benchmark for foreign interest rate.

<sup>4</sup> Net of the releases for FY 2022 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations accommodated within the total adjusted obligation program.

<sup>5</sup> Consisting of the Pension and Gratuity Fund or PGF (P36.1 billion), Budgetary Support to GOCCs (P22.1 billion), Allocation to LGUs (P12.7 billion), National Disaster Risk Reduction and Management Fund or NDRRMF (P9.5 billion), Contingent Fund (P9.1 billion), the RAFPMP (P0.6 billion), and the Miscellaneous and Personnel Benefits Fund or MPBF (P0.2 billion).

some P73.6 billion agency specific budget items. The release of these items is subject to the submission of special budget requests and corresponding documentary requirements by the concerned agencies.

The Development Budget Coordination Committee (DBCC) in its 186<sup>th</sup> Meeting held on December 15, 2023 estimated the full-year 2023 disbursements at P5,340.2 billion, P180.5 billion or 3.5 percent higher year-on-year. Disbursements are also expected to exceed the program by about P112.0 billion or 2.1 percent. Meanwhile, the overall infrastructure spending (inclusive of the transfers to LGUs and support to GOCCs intended for infrastructure activities) is expected to reach P1,424.2 billion, equivalent to 5.8 percent of GDP. This compares to the 5.3 percent of GDP program and 5.8 percent of GDP outturn in the previous year.

The said projections took into account the actual outturns from January to October 2023 and sustained spending momentum in the last two months of the year amid the implementation of agency catch-up plans and DPWH acceleration of infrastructure programs, activities, and projects. Moreover, the other expenditure items that could have further supported disbursements for the remainder of the year<sup>6</sup> include the following:

1. Payouts for the 4Ps of the DSWD;
2. Educational grants/assistance programs of the CHED (e.g., UAQTE, TES);
3. RAFPMP of the DND; and
4. Requirements for filling-up of positions, terminal leave benefits, and other PS deficiencies in various agencies.

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<sup>6</sup> Based on additional NCA releases for the period December 1 to 13, 2023 generated from the DBM eBudget System.