

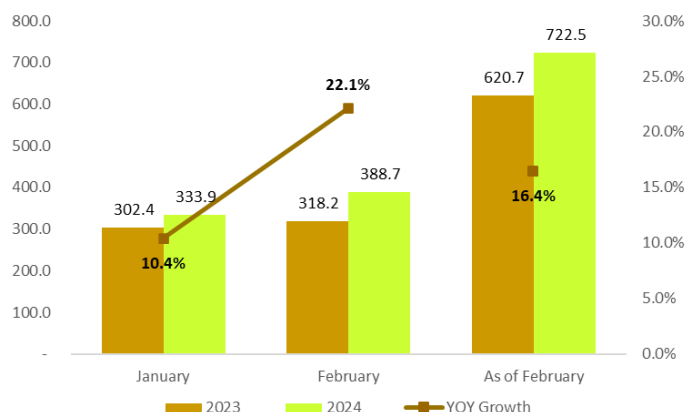
# NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

## FOR THE PERIOD JANUARY TO FEBRUARY 2024

National Government (NG) disbursements as of end-February 2024 amounted to P722.5 billion, marking a 16.4 percent or P101.9 billion increase from the same period a year ago. The significant expansion resulted mainly from higher interest payments, larger transfers to Local Government Units (LGUs), as well as higher maintenance and other operating expenses (MOOE).

By type of disbursements, NCA expenditures for the first two months of 2024 reached P513.4 billion, up by P53.5 billion or 11.6 percent year-on-year owing to the increases in current operating and capital expenditures of the NG and release of prior year's shares of LGUs from the proceeds of national taxes. Meanwhile, Non-NCA disbursements rose to P209.2 billion for the two-month period, increasing by P48.4 billion or 30.1 percent year-on-year due to higher interest payments and check floats.<sup>1</sup>

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



**Table 1. Comparison of NCA and Non-NCA Disbursements, 2023-2024**  
(Amount in billion pesos, unless otherwise indicated)

Particulars	January				February				As of February			
	2023	2024	Inc/(Dec)		2023	2024	Inc/(Dec)		2023	2024	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	204.3	187.5	(16.8)	(8.2)	255.6	325.9	70.3	27.5	459.9	513.4	53.5	11.6
<i>% of Eff. NCA</i>	<i>72.5%</i>	<i>62.6%</i>			<i>103.0%</i>	<i>103.5%</i>			<i>86.8%</i>	<i>83.6%</i>		
Non-NCA	98.1	146.4	48.2	49.2	62.6	62.8	0.2	0.2	160.8	209.2	48.4	30.1
<b>TOTAL</b>	<b>302.4</b>	<b>333.9</b>	<b>31.4</b>	<b>10.4</b>	<b>318.2</b>	<b>388.7</b>	<b>70.5</b>	<b>22.1</b>	<b>620.7</b>	<b>722.5</b>	<b>101.9</b>	<b>16.4</b>
<b>Memo Item</b>												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	January				February				As of February			
	2023	281.8			2023	248.1			2023	529.9		
	2024	299.6			2024	314.8			2024	614.4		
<b>Allotment Releases<sup>a/</sup></b>												
As of February 2023		3,234.8 <sup>b/</sup>	61.4% of the P5,268.0 billion obligation program									
As of February 2024		4,574.4 <sup>b/</sup>	79.3% of the P5,767.6 billion obligation program									

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/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>1</sup> Check floats are payments for which checks have been issued in the previous year but were only presented for encashment in the current year. Hence, these are not part of the current year's NCA releases since their corresponding disbursement authorities have already been issued in the previous year.

## Allotment Releases

As of February 29, 2024, allotment releases totaled P4,574.4 billion or 79.3 percent of the P5,767.6 billion obligation program for the year. Aside from the P3,447.6 billion which was already comprehensively released at the first working day of 2024<sup>2</sup>, an additional P1,062.0 billion worth of allotments was issued, composed mainly of the following big-ticket items<sup>3</sup>:

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
LGUs	National Tax Allotment (NTA) Shares of LGUs for FY 2024	P871.4
Bangsamoro Autonomous Region in Muslim Mindanao	Annual Block Grant for FY 2024, including the 2020 and 2021 prior years' shares	P70.5
Commission on Higher Education	Universal Access to Quality Tertiary Education (UAQTE) - Tertiary Education Subsidy and Free Higher Education	P18.2
Department of National Defense (DND)	1st Quarter Pension	P14.0
Philippine National Police	1st Quarter Pension	P10.4
Power Sector Assets and Liabilities Management Corporation	<i>Murang Kuryente Act</i>	P8.0
Philippine Fisheries Development Authority	National Government subsidy for the construction, rehabilitation, and improvement of fish ports	P6.0
Metropolitan Manila Development Authority	FY 2024 regular operating requirements and locally-funded projects	P5.6
Department of Public Works and Highways (DPWH)	Various capital outlays: mostly to cover the 1st quarter loan proceeds requirements of foreign-assisted projects (FAPs), and the funding requirements of various calamity-related projects which were damaged by Severe Tropical Storm "Maring" and Typhoon "Odette" in 2021	P4.3
Department of Social Welfare and Development (DSWD)	Funding requirements for the implementation of various FAPs under loan agreements (Additional Financing for <i>Kapit-Bisig Laban sa Kahirapan - Comprehensive and Integrated Delivery of Social Services: National Community Driven Development Project; Philippines Multisectoral Nutrition Project; Beneficiary FIRST – Fast, Innovative, and Responsive Service Transformation [Emergency Social Protection Project]</i> )	P4.0
Technical Education and Skills Development Authority	UAQTE	P3.4
Department of Information and Communications Technology	Implementation of Free Internet Wi-Fi Connectivity in Public Places and in State Universities and Colleges	P2.5

<sup>2</sup> Some P3,447.6 billion was comprehensively released under NBC No. 592 dated January 2, 2024, or the Guidelines on the Release of Funds for FY 2024, as part of the government's GAA-As-An-Allotment Order Policy where detailed items in the budget are deemed released. Of this amount, P3,335.4 billion pertains to agency-specific budgets, representing 94.9 percent of the total P3,516.0 billion programmed regular budgets of agencies.

<sup>3</sup> Based on SARO Listing for the period January 1, 2024 to February 29, 2024. Generated from the DBM e-Budget System.

## Year-on-Year Performance, January to February 2024

NG spending for January to February 2024 jumped to P722.5 billion, growing by P101.9 billion or 16.4 percent year-on-year. Disbursements for the period were buoyed by the following expenditure items:

- Interest payments rose to P122.0 billion, P41.0 billion or 50.5 percent higher than last year's level on account of 1) coupon payments for issuances of fixed rate treasury/ benchmark bonds and retail treasury bonds; 2) higher treasury bill rates, and interest in global bonds; and 3) larger foreign interest payments.
- Combined allotment and capital transfers to LGUs increased to P179.9 billion, up by P32.3 billion or 21.9 percent year-on-year owing mostly to the release of the P21.0 billion FY 2023 Special Shares of LGUs in the Proceeds of National Taxes (SSLPNT) – Tobacco Excise Tax in February 2024 pursuant to Local Budget Memorandum No. 89 dated November 10, 2023.

Moreover, the NTA shares of LGUs are higher this year due to the recovery of tax revenues in 2021 – the base year for which the actual FY 2024 NTA shares are determined.<sup>4</sup> This year's total NTA amounts to P871.4 billion compared to the FY 2023 level of P820.3 billion.

- MOOE grew to P99.0 billion, increasing by P14.0 billion or 16.5 percent year-on-year largely attributed to the implementation of social protection programs of the DSWD, namely the *Pantawid Pamilyang Pilipino* Program, the Protective Services for Individuals and Families in Difficult Circumstances, and the Social Pension for Indigent Senior Citizens Program. The utilization of the DSWD's Quick Response Fund for the relief operations in disaster-affected areas in Davao Oriental and Agusan del Sur in the earlier part of the year, as well as the encashment of payouts for various educational grants and subsidy programs of the Department of Education (DepEd), such as the Senior High School Voucher Program and the Educational Service Contracting Program, also contributed to the higher maintenance spending.
- Personnel services expenditure expanded to P186.9 billion, P4.8 billion or 2.6 percent more year-on-year mostly on account of the salaries and benefits of newly hired teaching personnel of the DepEd, and the requirements of higher PhilHealth premium rates and Home Development Mutual Fund (Pag-IBIG Fund) contributions this year. Similarly, the encashment of check floats, or those checks issued in the previous year, representing payments for salaries, pension, and other PS benefits resulted in higher PS disbursements during the two-month period.

**Table 2. NG Disbursements for the Period January to February, 2023 and 2024**  
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to February			
	2023 <sup>a/</sup>	2024	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	478.1	547.8	69.7	14.6
Personnel Services	182.1	186.9	4.8	2.6
MOOE	84.9	99.0	14.0	16.5
Subsidy	10.5	12.7	2.2	20.9
Allotment to LGUs	118.0	125.6	7.6	6.5
IP	81.1	122.0	41.0	50.5
TEF	1.5	1.6	0.1	5.3
CAPITAL OUTLAYS	142.5	174.7	32.2	22.6
Infra and Other CO	113.0	120.5	7.5	6.7
Equity	0.0	0.0	(0.0)	(18.2)
Capital Transfers to LGUs	29.6	54.2	24.7	83.4
NET LENDING	0.0	-	(0.0)	(100.0)
<b>TOTAL</b>	<b>620.7</b>	<b>722.5</b>	<b>101.9</b>	<b>16.4</b>
<b>Memo item:</b>				
Infrastructure Disbursements <sup>b/</sup>	145.6	153.4	7.8	5.3

<sup>a/</sup> Adjusted based on the full-year 2023 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>4</sup> Based on the Supreme Court (SC) Ruling on the Mandanas Case, LGUs shall have a forty percent (40%) share in the national tax revenues based on the collection of the third fiscal year preceding the current fiscal year. This was a modification of Section 284 of the Local Government Code of 1991 (Republic Act No. 7160) after the SC declared the phrase "internal revenue" as unconstitutional.

- Infrastructure and other capital outlays went up by P7.5 billion or 6.7 percent to P120.5 billion, mainly due to higher disbursements posted by the DPWH and the DND for their road infrastructure program and defense modernization projects, respectively. The DPWH credited its strong spending performance to their expeditious processing and payment of accounts payables; payment of mobilization fees/advances to contractors for projects under the FY 2024 GAA; monitoring of physical and financial accomplishments of their implementing offices nationwide; and fast tracking of implementation and completion of carryover projects. However, the growth of infrastructure spending was moderated by lower cash receipts sans the P10.1 billion direct payments made by the Asian Development Bank for the Department of Transportation's (DOTr) South Commuter Railway Project 1 in February 2023.
- Subsidy support to government corporations amounted to P12.7 billion, P2.2 billion or 20.9 percent more year-on-year largely on account of the Buffer Stocking Program of the National Food Authority.

### Outlook for the Rest of the Year

The program balance as of end-February 2024 amounts to P1,193.2 billion<sup>5</sup> or 20.7 percent of the total P5,767.6 billion obligation program for the year. The remaining releases would mainly be composed of interest payments (P670.5 billion), Special Purpose Funds or SPFs (P341.9 billion), and agency-specific budgets (P155.6 billion).

In terms of agency-specific budgets, the balance consists mostly of the 1) remaining UAQTEA requirements for Academic Year 2024-2025 which were programmed in the second semester consistent with the academic calendar of SUCs; 2) PS requirements of the DepEd, largely for the creation and filling up of teaching positions; 3) requirements for the implementation of the *Ayuda sa Kapos ang Kita* Program and the *PAYapa at MASaganang PamayaNAn* Program of the DSWD; and 4) capital outlays of the DPWH and the DOTr. On the other hand, the unreleased allotments from SPFs are the balances from the Pension and Gratuity Fund, Budgetary Support to Government Corporations, Allocation to Local Government Units, Revised AFP Modernization Program, Miscellaneous Personnel Benefits Fund, National Disaster Risk Reduction and Management Fund, and Contingent Fund. The release of said funds is subject to the submission of special budget requests and documentary requirements by the concerned implementing agencies in compliance with the applicable general and special provisions of the GAA and other pertinent budgeting law, rules, and regulations.

Spending for the year will continue to be underpinned by sizable investments in both public infrastructures and social sector programs acting as fiscal stimulus to help shore up economic growth and secure gains from poverty reduction initiatives. Infrastructure outlays<sup>6</sup> in the FY 2024 budget have been increased to P1.510 trillion from P1.330 trillion in the FY 2023 GAA, while the NGA's budget for MOOE<sup>7</sup> – which largely fund the government's banner programs in the education and health sectors, alongside the agriculture, labor, and social welfare departments – significantly expanded to P1.036 trillion from P854.3 billion in the FY 2023 GAA. PS expenditures, on the other hand, will see minimal growth in 2024 following the completion of the fourth and last tranche of the Salary Standardization Law V in the previous year.

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<sup>5</sup> Net of the releases for FY 2023 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations accommodated within the total obligation program.

<sup>6</sup> Refer to the infrastructure budget as appropriated in the FY 2024 GAA. Based on Table B.3 of the FY 2024 GAA Level BESF Tables. Available at <https://www.dbm.gov.ph/index.php/2024/general-appropriations-act-gaa-fy-2024#fy-2024-gaa-level-besf-tables>. This is different from infrastructure disbursements which are the actual payments for completed infrastructure activities.

<sup>7</sup> Pertain to budgetary allocations for departments, exclusive of the allocations from special purpose funds. Based on Table B.8 of the FY 2024 GAA Level BESF Tables. Available at <https://www.dbm.gov.ph/index.php/2024/general-appropriations-act-gaa-fy-2024#fy-2024-gaa-level-besf-tables>