



Republic of the Philippines
Development Budget Coordination Committee
Malacañang, Manila

FY 2019 Annual Fiscal Report

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I. Introduction

The Philippine economy grew by 6.0¹ percent in 2019, meeting the lower-end of the Development Budget Coordination Committee (DBCC) target of 6.0-6.5² percent for the year. Overall economic growth settled within the target range, albeit hampered by the weak performance during the first half of the year mainly due to the delayed passage of the 2019 National Budget, compounded by the impact of election-related bans. Nonetheless, the Philippines remained one of the fastest growing emerging market economies in the region, next to Vietnam, and China.

Against domestic and external headwinds, the economy remained resilient, sustained by strong macroeconomic fundamentals; accommodative monetary policy environment; and well monitored catch-up spending strategy. Stable domestic prices and a benign inflation outlook afforded the Bangko Sentral ng Pilipinas (BSP) space to cut policy rates by a total of 75 basis points (bps) which encouraged economic activities and reinforced market confidence. Moreover, the government accelerated infrastructure spending under its catch-up plan to ramp-up growth in the latter half of the year. The full implementation of the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 – streamlining the current systems and procedures of government services – was urged to enable the private sector to actively participate in driving the country's economic growth.

Tax reforms achieved a remarkable headway as the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) law, along with tax administration improvements, brought the revenue and tax effort to their highest levels in the last 20 years. With the sustained revenue flows stemming from the implementation of

¹ The Philippine Statistics Authority released the revised and rebased 2018 National Accounts of the Philippines on April 20, 2020.

² Using the 2000-based National Accounts of the Philippines

the TRAIN law, followed by successive sin tax rate adjustments, total revenues accelerated to its peak of 16.1 percent of Gross Domestic Product (GDP)³ from 15.6 percent revenue effort recorded in 2018.

National Government's disbursement performance in 2019 finished strong despite the delay in the budget approval, posting a 11.4 percent growth to reach P3,797.7 billion, and beating the program by 0.7 percent. Debt as a percentage of GDP continued its decline to 39.6 percent⁴ by the end-2019 from 39.9 percent a year ago, registering better than the programmed debt-to-GDP of 41.7 percent for the year. The improved debt-to-GDP ratio is a result of prudent cash and debt management backed by steady economic growth.

An analysis of the country's performance for fiscal year (FY) 2019 relative to the fiscal, and economic objectives of the National Government (NG) as laid out in the Philippine Development Plan (PDP) 2017-2022 and the 2019 Fiscal Program is presented as follows:

- Objectives of the FY 2019 National Budget
- Macroeconomic Performance
- Fiscal Performance
- Expenditure Performance
- Fiscal Outlook

II. FY 2019 National Government Budget

For the second fiscal year of the Duterte Administration, the 2019 National Government Budget pursued the narrative of change, – “Building a Bright Future for the Philippines and Its People” – to sustain progress towards the Administration's goal of transforming the country into a middle-income society. This budget continued to adhere to the 0+10-Point Socioeconomic Agenda, as it prioritized intensifying infrastructure development through the Build Build Build (BBB) Program; enhancing programs on human capital development, most specially on education and health; building a more peaceful and secure nation; and sustaining reforms in government service delivery.

The 2019 Budget was the first cash-based budget of the National Government. In an effort to speed up the budget implementation of agencies and deliver the increasing volume of government goods and services required to be delivered by government to support the growth targets, it aimed to ensure that budgetary appropriations provided for agency programs and projects will be completed, delivered, inspected and accepted by the end of the fiscal year. This was expected

³ The Philippine Statistics Authority released the revised and rebased 2018 National Accounts of the Philippines on April 20, 2020.

⁴ Ibid.

to ultimately increase the efficiency and effectiveness of government operations – from planning, procurement, implementation and monitoring; incentivizing faster and improved delivery of public services to the Filipino people. However, with the late approval of the budget by mid-April, Congress eventually extended the validity of the 2019 appropriations to the end of 2020 for obligations and to 2021 for disbursements.

While the approved 2019 Budget of P3.662 trillion was lower than proposed given the Presidential veto of some P90 billion Congressional insertions, it remained representing an expansionary fiscal policy, increasing by 10.2 percent from the P3.324 trillion equivalent cash-based appropriations of 2018. Consistent with the priorities of the Administration, the biggest allocation was provided to the social services sector with P1,377.8 billion or 37.6 percent of the total budget, basically for universal education and health service. The economic services sector was allotted with P970.3 billion or 26.5 percent of the budget to provide support for industries such as tourism, manufacturing, agriculture, and construction, mainly for the BBB Program and their multiplier impacts on employment and broad-based growth. The general public services received P710.9 billion or 19.4 percent of the budget for public order and safety. Meanwhile, defense and debt burden were allocated with 5.2 percent and 11.3 percent of the total budget, respectively.

With regard to allocation by expense class, maintenance and other operating expenses (MOOE) took the largest chunk with P1,418.9 billion or 38.8 percent of the total budget, which was mainly provided for programs and services such as the Pantawid Pamilyang Pilipino Program (4Ps), National Health Insurance Program (NHIP), Universal Access to Quality Tertiary Education (UAQTE), and K to 12 Program. This was followed by the personnel services (PS) with P1,138.1 billion allocation with 31.1 percent of the budget, to cover wage increases of government employees and salary adjustment of military and uniformed personnel, among others. Finally, P703.7 billion or 19.2 percent of the budget was provided for Capital Outlays (CO) to fund projects under the BBB Program, while P401.0 billion or 10.9 percent was set aside for financial expenses to pay for interest expenses, and bank charges, among others. Including the infrastructure funds given to government owned and controlled corporations (GOCCs) and local government units (LGUs) in the form of subsidy and equity contributions and tax revenue shares, the total Infrastructure Program amounted to P816.2 billion, equivalent to 4.3 percent of GDP compared to the 6.2 percent given in 2018.

Under the cash budget system (CBS), the National Budget was crafted with greater attention to the implementation readiness of new programs and projects and the budget utilization or absorptive capacity of agencies. Hence, a number of agency appropriations and total budgets declined relative to those provided for the previous year, raising questions in Congress. The Administration proposed a one-year validity of appropriations in terms of obligations with a one year transition

period for implementation and payment for infrastructure projects and a shorter half a year, for maintenance and other capital outlays. This effectively placed a limit on the implementation period of programs and projects which was a fundamental difference from the open-ended implementation period under the obligation budget system. The latter system considered commitments/obligations entered into as the performance indicator, leading to issues of predictability and accountability for programs and projects which were implemented years after the fiscal year when they were budgeted. This was aimed at encouraging agencies to strengthen planning and execution of their budget through the adoption of practises such as better procurement and operational planning and the recourse to the “early procurement short of award” practise before the start of the year, which increased the lead time for procurement activities. The General Appropriations Act (GAA)-as-Allotment Order policy was sustained to ensure a streamlined budget release process and provide greater certainty and predictability to agencies during budget execution. These two budgeting reforms are considered to be game-changers, modernizing the Philippine budgeting system, especially with the adoption of the CBS which is good practise in more than 70 percent of countries under the Organization for Economic Cooperation and Development (OECD).

III. Macroeconomic and Fiscal Performance

III.1 Macroeconomic Environment

Real Sector

The Philippine economy grew by 6.0⁵ percent in 2019, meeting the lower-end of the DBCC target of 6.0-6.5⁶ percent for the year. This was the slowest economic growth in eight years and marked the third consecutive year of slowdown from 6.3 percent in 2018, 6.9 percent in 2017, and 7.1 percent in 2016. Economic growth in the second half of the year returned to within the full year target range, but the weak performance during the first half largely due to the delayed passage of the national budget pulled down overall economic growth.

Nonetheless, the Philippines remained one of the fastest growing emerging market economies in the region. Compared with other major emerging market economies in the region, the country ranked third, following Vietnam’s 7.0 percent and China’s 6.1 percent.

⁵ Ibid.

⁶ Using the 2000-based National Accounts of the Philippines

Table 1. Actual Performance versus Macroeconomic Assumptions, 2018-2019

Particulars	Actual 2018 ^{1/}	2019	
		Actual ^{1/}	Adjusted ^{2/}
Nominal GDP (in Php Millions)			
Low-end	18,265,190	19,516,418	19,082,861
High-end			19,219,545
Real GDP Growth Rate (%)	6.3	6.0	6.0-7.0
Nominal GNI (in Php Millions)			
Low-end	20,212,349	21,457,391	22,840,737
High-end			23,049,836
Real GNI growth rate (%)	5.9	5.2	6.0-7.0

1/ Based on the 2018-based National Accounts of the Philippines

2/ Based on Table A.1 Macroeconomic Parameters of the 2020 BESF (2000 based)

Sources: Department of Budget and Management – Budget of Expenditures and Sources of Financing 2020, and Philippine Statistics Authority

On the expenditure side, growth in domestic demand moderated to 5.5 percent in 2019, slower than the 7.8 percent growth recorded in 2018. This is mainly on account of the significant deceleration in investments during the period (2.5 percent in 2019 from 11.3 percent in 2018) which can be attributed to the reenacted budget in the first four months of the year, compounded by the effects of the election ban. In detail, construction activities by the general government contracted by 3.6 percent in 2019, a reversal from the 20.9 percent growth in the preceding year. In addition, durable equipment (-7.0 percent from 10.0 percent) and breeding stock & orchard development (1.5 percent from 8.0 percent) also pulled down growth in total investments.

Meanwhile, government spending also slowed down in 2019 (9.6 percent from 13.4 percent). The National Economic and Development Authority (NEDA) estimated that the impact on full-year growth of the budget re-enactment in the first four months of 2019 reached 1.0-1.2 percentage points.

On the other hand, household consumption slightly inched up to 5.9 percent in 2019 from 5.8 percent in 2018, on the back of easing consumer prices and benign inflation outlook. Meanwhile, net exports (0.5 percent) marginally grew during the reference year, after its 22.6 percent contraction in the previous year.

Table 2. Recent Economic Performance, 2018-2019
(percent growth rate)

Particulars	2018	2019
GROSS NATIONAL INCOME	5.9	5.2
Net Primary Income	2.0	-2.2
GROSS DOMESTIC PRODUCT	6.3	6.0
<u>By Industrial Origin</u>		
Agriculture, Fishery and Forestry	1.1	1.2
Industry	7.3	4.7
<i>of which: Manufacturing</i>	5.1	3.2
Services	6.7	7.5
<u>By Expenditure</u>		
Household Final Consumption Expenditure	5.8	5.9
Gov't Final Consumption Expenditure	13.4	9.6
Capital Formation	11.3	2.5
<i>of which: Fixed Capital</i>	12.9	3.9
<i>of which: Construction</i>	14.9	8.9
<i>of which: Public Construction</i>	20.9	-3.6
Exports	11.8	2.4
Imports	14.6	1.8

Source: Philippine Statistics Authority

On the production side, the significant deceleration in industry sector growth outweighed the gains in services and agriculture. Industry growth weakened to 4.7 percent in 2019, down from 7.3 percent in 2018. This offset the stronger performance of the two other major sectors: services, which picked up to 7.5 percent from the preceding year's 6.7 percent; and agriculture, which grew marginally by 1.2 percent from 1.1 percent in 2018.

In detail, the moderation in industry sector could be traced mainly to the slower growth in both manufacturing (3.2 percent in 2019 from 5.1 percent in 2018) and construction (7.8 percent from 14.3 percent). In particular, the decline in public construction (-3.6 percent from 20.9 percent) dragged down overall construction performance, even as private construction (13.9 percent from 12.7 percent) continued its double-digit expansion in 2019.

On the upside, the services sector posted strong gains on the back of higher growth in trade and repair of motor vehicles, motorcycles, personal & household goods (8.1 percent from 5.9 percent), financial intermediation (11.9 percent from 8.4 percent), and human health & social work activities (4.1 percent from -0.3 percent). Meanwhile, higher agricultural output was recorded as other animal production (31.8 percent from 9.3 percent) significantly accelerated, while fishing &

aquaculture (2.5 percent from -0.6 percent) and production of corn (3.3 percent from -1.5 percent) rebounded to positive territory.

The weaker economic performance in 2019 was mainly due to domestic challenges arising from the delayed passage of the National Budget and effects of the election ban, among others. Nonetheless, the Philippine economy posted a relatively strong growth of 6.0 percent during the period supported by stable macroeconomic fundamentals and an accommodative monetary policy.

Monetary and External Trade Sectors

Headline inflation averaged at 2.5 percent in 2019, well within the government target range of 3.0 percent \pm 1.0 percentage point for the year as well as the 2019 Budget of Expenditures and Sources of Financing (BESF) assumption. The average inflation for 2019 was lower than both the adjusted assumption of 2.7-3.5 percent for the year (as presented in the 2020 BESF) and the 2018 full-year average of 5.2 percent, attributed mainly to slower price increases of key food items owing to sufficient domestic food supply. At the same time, the decline in domestic prices of petroleum products and electricity rates contributed to the moderation in headline inflation for the year.

The benign inflation outlook provided room for the BSP to reduce its key policy interest rate by a total of 75 bps. At its monetary policy meetings on 9 May, 8 August and 26 September 2019, the BSP reduced its key policy rates by 25 bps each, bringing the overnight reverse repurchase (RRP) rate to 4.0 percent.

Moderating inflationary pressures as well as the 75-bp cumulative policy rate cut by the BSP in 2019 contributed to the decline in 364-day T-bill rates for the year. Furthermore, lower global interest rates amid the US Federal Reserve's shift towards a looser monetary policy stance helped push domestic interest rates down. In turn, the 364-day T-bill rate averaged at 5.2 percent in 2019, slightly lower than the adjusted assumption for 2019 as published in the 2020 BESF. The T-bill rate assumption for 2019 was adjusted from 3.0 – 4.5 percent to 5.5 – 6.5 percent following the upward trend observed in the 364-day T-bill rate in 2018 with the average rate in the primary market auctions hovering above 6.0 percent in Q4 2018. However, the 364-day T-bill rate decreased in 2019, reversing the uptrend in 2018.

Similarly, the 180-day London Inter-Bank Offered Rate (LIBOR) averaged below the adjusted assumption of 2.5 – 3.5 percent in the 2020 BESF as the US Federal Reserve reversed its course of policy normalization in 2018 to a looser policy stance in 2019. The weak global growth outlook and low inflation environment has prompted a more accommodative policy stance among major central banks, thereby contributing to a decline in global interest rates in 2019. Nonetheless, it

could be noted that the average 180-day LIBOR settled within the initial assumption in the 2019 BESF.

Table 3. 2019 Actual Performance versus Macroeconomic Assumptions ^{a/}

Particulars	FY 2019		
	Initial Projections	Adjusted/Updated	Actual
	from 2019 BESF	from 2020 BESF	
Inflation (%), CPI (2012=100)	2.0 – 4.0	2.7 – 3.5	2.5
364-day T-bill rate (%) ^{b/}	3.0 – 4.5	5.5 – 6.5	5.2
Foreign exchange rate (₱/US\$1)	50.00 – 53.00	51.00 – 53.00	51.80
180-day LIBOR (%)	2.0 – 3.0	2.5 – 3.5	2.3
Dubai crude oil price (US\$/barrel)	50.00 -65.00	60.00 -75.00	63.53
Goods exports growth (%) ^{c/}	9.0	2.0	2.7 ^{p/}
Goods imports growth (%) ^{c/}	10.0	7.0	-3.0 ^{p/}

a/ Macroeconomic assumptions adopted by the Development Budget Coordination Committee (DBCC), as published in the annual Budget of Expenditure and Sources of Financing (BESF)

b/ Based on primary market rates

c/ Based on Balance of Payments and International Investment Position Manual, 6th edition (BPM6) concept

p/ preliminary

Note: Actual data for 2019 are annual averages.

Sources: DBM, PSA, BTr, BSP

On the peso-dollar exchange rate, the Philippine peso averaged at ₱51.80/US\$1 in 2019, within the initial and adjusted BESF assumptions for the year. The average peso-dollar exchange rate in 2019 was also lower than the average of ₱52.66/US\$1 in 2018. Easing price pressures and looser monetary policy stance by the US Federal Reserve mainly contributed to peso's nominal appreciation during the year. In addition, improved market sentiment over initial trade negotiations between US and China contributed to appreciation pressures on the peso.

Moreover, the average Dubai crude oil price was lower at US\$63.53 per barrel in 2019 relative to its previous year's average at US\$69.42 per barrel. Despite the decision by the Organization of the Petroleum Exporting Countries' (OPEC) and selected non-OPEC producers to further extend its agreement to reduce output until Q1 2020, concerns over global oil demand amid uncertainties surrounding the external environment, brought about mainly by the trade dispute between the US and China, exerted downward pressure on oil prices during the year. Nonetheless, the average Dubai crude oil prices settled within the initial assumption of US\$50.00 – 65.00 per barrel in the 2019 BESF and the updated assumption of US\$60.00 – 75.00 per barrel in the 2020 BESF.

On the external sector, goods exports grew by 2.7 percent in 2019, substantially weaker relative to the initial 2019 BESF assumption as the pace of global growth turned out to be less vigorous than earlier expected. This could be mainly attributed to the sharp and geographically broad-based deceleration in manufacturing and investment, amid the lingering trade tensions between the US and China. These

developments prompted a revision of the BESF goods exports growth assumption for 2019 to 2.0 percent. Nonetheless, the 2019 actual goods exports growth represents an improvement from the 0.3 percent growth posted in 2018. This was on account of increased shipments of manufactures, mainly electronic products; fruits and vegetables; and mineral products. Increased shipments of fruits and vegetables were due to continued demand from Japan, China and South Korea, while those of mineral products were boosted by higher shipments of gold due to increasing world market price. These gains more than offset the decreased shipments of petroleum, coconut, and other agro-based products.

Imports of goods contracted by 3.0 percent in 2019, significantly lower compared to the 2019 BESF assumption of 10.0 percent and the 2020 BESF assumption of 7.0 percent. This weak performance in goods imports relative to the initial and updated BESF assumptions largely reflects the upward revision in the 2018 actual goods imports data released by the BSP in September 2019, which resulted in a higher base of comparison for the actual 2019 growth in trade-in-goods;⁷ the decline in crude oil prices; and the slowdown in government spending mostly in the first half of 2019. Compared to actual 2018 goods imports growth rate of 11.9 percent, the weaker goods imports for 2019 was on account of the lower importation of raw materials and intermediate goods, and of mineral fuels and lubricant (mainly purchases of petroleum crude) as a result of the decline in both its import volume and international market price. However, the downturns posted in these commodity groups were partially tempered by increased imports of capital goods (mainly telecommunication equipment and electrical machinery) and consumer goods (mostly miscellaneous manufactures).

III.2 Fiscal Performance

In 2019, robust spending outpaced revenue collection in the latter part of the year as government line agencies caught up with their spending targets to make up for the delayed enactment of the budget. Consequently, this brought the NG deficit to P660.2 billion, 6.5 percent higher than the programmed deficit of P620.0 billion and 18.3 percent higher than the P558.3 billion recorded in 2018.

As percent of GDP, the budget gap stood at 3.4 percent, marginally higher than the programmed 3.2 percent for the year and the 3.1 percent achieved in 2018.

⁷ Due to data revisions, the initial assumptions and the actual data in terms of growth rates are not comparable as they are computed from different base data.

III.2.1 Revenue Performance

Total revenues collected by the NG reached P3,137.5 billion in 2019, P12.2 billion (or a mere 0.4 percent) lower than its program of P3,149.7 billion for the year but 10.1 percent higher compared with 2018. Tax revenues amounted to P2.8 trillion in 2019, 4.3 percent or P127.6 billion lower than the program but 10.2 percent higher than the P2.6 trillion collection recorded in the previous year. As percent of GDP, tax revenues increased by 0.5 percentage point compared with 2018 but is one percentage point lower than the collection goal of 15.5 percent.

Table 4. National Government Fiscal Position, 2018-2019

(in billion pesos, unless otherwise stated)

Particulars	2018	2019		Variance (2019 Actual vs Program)	Growth Rate (Actual 2019 vs 2018)
	Actual	Program	Actual		
Total Revenues	2,850.2	3,149.7	3,137.5	-0.4%	10.1%
<i>Revenue Effort</i>	<i>15.6%</i>	<i>16.5%</i>	<i>16.1%</i>		
Tax Revenues	2,565.8	2,955.4	2,827.8	-4.3%	10.2%
<i>Tax Effort</i>	<i>14.0%</i>	<i>15.5%</i>	<i>14.5%</i>		
Non-Tax Revenues	268.7	192.2	308.8	60.6%	14.9%
Privatization	15.7	2.0	0.9	-55.9%	-94.4%
Expenditure	3,408.4	3,769.7	3,797.7	0.7%	11.4%
Surplus/(Deficit)	(558.3)	(620.0)	(660.2)	6.5%	18.3%
<i>% of GDP ^{1/}</i>	<i>-3.1%</i>	<i>-3.2%</i>	<i>-3.4%</i>		

1/ Based on the 2018-based National Accounts of the Philippines

Tax reforms made remarkable headway as the implementation of the TRAIN law, and tax administration improvements, brought the revenue and tax effort to their highest levels in the last 20 years. With the sustained revenue flows stemming from the implementation of the TRAIN law, followed by successive sin tax rate adjustments, total revenues accelerated to its peak of 16.1 percent of GDP from 15.6 percent revenue effort recorded in 2018.

Tax collections from the country's top collecting agencies also fared better compared to its performance in 2018. The Bureau of Internal Revenue (BIR) and Bureau of Customs (BOC) increased collections by 11.5 percent and 6.3 percent, respectively.

Non-tax revenues grew by 14.9 percent to P308.8 billion in 2019 from the 2018 level of P268.7 billion, exceeding the P192.2 billion full-year target by P116.6 billion or 60.6 percent. The double-digit rise in non-tax revenues was mainly due to higher collection of the Bureau of the Treasury (BTr). The BTr generated P146.5 billion in 2019, nearly doubling the P73.9 billion program and 28.3 percent higher than the

P114.2 billion achieved last year. Higher dividends of P53.4 billion from NG shares of stocks and the P35.5 billion NG share from the income of the Philippine Amusement and Gaming Corporation (PAGCOR) contributed to the revenue growth.

Total remittances from the government's privatization program fell short of its target by P1.1 billion and was 94.4 percent lower compared to its performance in 2018. The falloff in privatization proceeds was due to the high base from the one-off remittance in 2018 of bond proceeds from the United Coconut Planters Bank for the Coco Levy fund.

BIR Collection in 2019

BIR collection grew faster than the nominal GDP in 2019, registering an 11.5 percent growth. The Bureau's growth rate resulted from the significant increase in collection from its three largest tax types, namely: taxes on net income and profit, value-added tax, and excise taxes. Moreover, proceeds from the TRAIN law boosted BIR collections by P30.1 billion, exceeding its target by P8.9 billion. In nominal value, total collection reached P2.2 trillion in 2019, P223.6 billion higher than the P2.0 trillion collected in 2018.

Table 5. BIR Collection, Net of Tax Refund, 2018-2019

(in billion pesos, unless otherwise stated)

PARTICULARS ^{1/}	2018	2019		Variance (2019 Actual vs. Program)	Growth (2019 vs. 2018)	Share in 2019 Total Collection
	Actual Collection	Goal ^{2/}	Actual Collection			
Taxes on Net Income and Profit	1035.38	1157.90	1154.34	-0.3%	11.5%	53.1%
Taxes on Property	7.15	55.48	7.22	-87.0%	0.9%	0.3%
Taxes on Domestic Goods and Services	909.32	1057.99	1013.95	-4.2%	11.5%	46.6%
Value-Added Tax	347.66	423.55	396.39	-6.4%	14.0%	18.2%
Excise Taxes	290.61	367.80	317.27	-13.7%	9.2%	14.6%
Percentage Taxes	113.79	94.44	132.61	40.4%	16.5%	6.1%
Franchise Taxes	0.25	0.65	1.24	91.3%	392.6%	0.1%
Documentary Stamp Tax	139.16	161.13	145.95	-9.4%	4.9%	6.7%
Miscellaneous Taxes	17.85	10.43	20.48	96.4%	14.8%	0.9%
Total BIR Collections	1951.85	2271.37	2175.50	-4.2%	11.5%	100.0%

1/ Collection (Net of Tax Refund) by tax type is based on BIR Form No. 1209 reports received from revenue district offices as of February 19, 2020

2/ Goal based on Revenue Memorandum Order No. 18-2019 dated May 22, 2019

Note:

Details may not add-up to totals due to rounding

Income Taxes

Taxes on net income and profits which account for 53.1 percent of total BIR collections, reached P1.2 trillion. This is 11.5 percent higher compared with 2018 and barely missed the target by 0.3 percent. Of this, P465.5 billion came from

individual income tax which grew by 20.5 percent compared with 2018 level despite the tax relief provided under the TRAIN Law. The improved income tax collection performance resulted from the following: increased compliance of companies such as payment of deficiency taxes, expiration of income tax holiday for some firms, and increase in the tax base as a result of higher revenues of corporations in banking, oil and gas extraction, electricity, and companies engaged in distilling of spirits.

The shortfall of 0.3 percent or P3.6 billion is due to reduced/non-declaration of cash dividends of non-resident foreign corporations and domestic corporations, and lower than programmed issuance of government securities which resulted in lower withholding taxes.

Value-Added Tax

VAT collections amounted to P396.4 billion in 2019, P27.2 billion short of the program. It grew by 14.0 percent or P48.7 billion as compared with the 2018 collection. The year-on-year increase in collection comes from the increased number of public works contracts due to the BBB projects of the government and the increase in the VAT base as a result of the growth in sales of some businesses like air transport, hotels and restaurants, real estate, and non-life insurance companies. The incremental revenue of the reform in VAT under the TRAIN law contributed P5.5 billion in revenues.

Percentage and Franchise Taxes

The percentage and franchise taxes registered a total of P133.9 billion. It exceeded the target of P95.1 billion by P38.8 billion or 40.7 percent. It was also up by 17.4 percent compared to its previous year's figures. Robust sales from the insurance sector because of deeper insurance penetration and the introduction of new insurance products contributed to the boost of taxes on insurance premiums, a significant component of other percentage taxes.

Excise Taxes

Collections from excise taxes amounted to P317.3 billion, growing by 9.2 percent from 2018. Although falling short of its target by P50.5 billion, excise tax collections grew relative to previous year's performance due to the implementation of the second round of tax increases for petroleum, alcohol, and tobacco under the TRAIN law.

The increase in collections because of rate increases under the TRAIN Law were offset by the temporary shutdown of major oil refineries resulted in lower excise tax collection by the BIR as oil companies shifted to importation of finished

petroleum products. The inconsistency of the TRAIN law with Presidential Decree No. 972 granting exemption from excise tax to the largest coal manufacturer in the country resulted in a lower than programmed collection from excise on coal as provided in the TRAIN law. The suspension of the operations of some mining companies and expiration of mining contract agreements also resulted in lower excise tax collections.

Other Taxes

Collection from other taxes comprising taxes on property, documentary stamp tax, and miscellaneous taxes amounted to P173.7 billion, P53.4 billion lower than the 2019 program of P227.1 billion but 5.8 percent higher than the P164.2 billion collection in 2018. The higher collection is due to the implementation of tax amnesty on delinquent accounts and estate tax, and higher collection from documentary stamp tax as a result of the increase in tax rates as provided in the TRAIN Law. Lower than programmed availment of tax amnesty and temporary stoppage of operation of a major public service gaming company resulted in lower collection for other taxes.

BOC Collections in 2019

Despite missing its target collection by 4.6 percent or P30.7 billion, the BOC still managed to grow by 6.3 percent compared to 2018, registering P630.3 billion in total actual collections in 2019. The lower ratio of non-dutiable imports to total imports, reduced tax credits application, lower VAT refund, lesser deferred payments, and higher collection from TRAIN boosted the agency's actual collection by P37.2 billion as compared to its collection in 2018.

Table 6. BOC Collection, Net of Tax Refund, 2018-2019

(in billion pesos, unless otherwise stated)

Particulars	2018	2019		Variance (2019 Actual vs Program)	Growth (Actual 2019 vs 2018)
	Actual	Program	Actual		
Import Duties	68.71	62.80	71.85	14.4%	4.6%
Non-Oil	68.71	62.80	71.85	14.4%	4.6%
Oil	0.0034	-	0.0032		-5.7%
VAT	430.39	473.50	426.70	-9.9%	-0.9%
Non-Oil	344.00	389.64	342.26	-12.2%	-0.5%
Oil	86.39	83.86	84.44	0.7%	-2.3%
Crude Oil	38.58	33.98	23.93	-29.6%	-38.0%
Oil Products	47.82	49.88	60.51	21.3%	26.5%
Excise	92.83	123.43	129.80	5.2%	39.8%
Non-Oil	48.86	48.83	44.09	-9.7%	-9.8%
Oil	43.96	74.60	85.71	14.9%	95.0%
Others	1.18	1.33	1.96	15.5%	66.2%
TOTAL BOC Collections	593.11	661.04	630.31	-4.6%	6.3%

VAT, which comprised almost 68.0 percent of the BOC's total collection, registered P426.7 billion in collections in 2019, 0.9 percent lower than the collection in 2018, and P46.8 billion short of its target of P473.5 billion.

In contrast, revenue generated from excise taxes exceeded its target by 5.2 percent, collecting an amount of P129.8 billion in 2019. Likewise, actual collections on excise taxes grew by 39.8 percent compared to the 2018 collection. Higher than programmed revenues for excise taxes under TRAIN contributed P13.5 billion in additional collection.

Import duties exceeded the program amount of P62.8 by 14.4 percent, collecting P71.9 billion in 2019. Moreover, import duties grew by 4.6 percent from the P68.7 billion collected in 2018.

The following macroeconomic factors contributed to the shortfall of the bureau:

- Lower imports, net of crude oil, from the Free On Board (FOB) US\$113.78 billion program as against the actual of FOB US\$103.98 billion;
- Lower volume of crude oil imports, from a program of 72.81 million barrels to actual of 53.66 million barrels;
- Lower price of Crude Oil, from the programmed amount of US\$68.00/bbl to an average of US\$ 63.18/bbl;
- Lower foreign exchange rate, from the programmed amount of P52.00/US\$1 to actual of P51.81/US\$1; and
- Lower average tariff rate on dutiable non-oil imports, from 9.9 percent program to actual of 6.3 percent.

Collections from GOCCs in 2019

For the year 2019, dividend remittance from the Government-Owned or-Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs), amounted to P69.2 billion⁸ which represented a 35.0 percent increase from the P51.4 billion⁹ in 2018. Without considering the dividend retained by the Land Bank of the Philippines (LBP), the Development Bank of the Philippines (DBP) and the Home Guarantee Corporation (HGC), the actual dividend remittance amounting to P52.6 billion was P36.6 billion higher than program for the year.

A total of 54 GOCCs remitted dividends in 2019. Philippine Amusement and Gaming Corporation was in the forefront with the biggest remittance of P16.2 billion. Other GOCC dividend contributors with at least a billion peso remittance were: Philippine Deposit Insurance Corporation with P10.6 billion; BSP with P4.0 billion; Philippine Ports Authority with P3.5 billion; Civil Aviation Authority of the Philippines with P3.5 billion; Manila International Airport Authority with P3.4 billion; Land Bank of the Philippines with P2.0 billion; and National Power Corporation with P1.4 billion.

Dividend arrears constituted about 20.0 percent of the actual dividend. Collection of dividends in arrears were aggressively pursued in line with Department of Finance's resolve to instill financial discipline in the GOCCs and strictly monitor the financial performance of the GOCCs and the GFIs.

TRAIN Law and Tax Amnesty Revenue Performance in 2019

Actual collections under the TRAIN Law reached P130.7 billion in 2019, with BIR accounting for 23.0 percent or P30.1 billion and BOC constituting 77.0 percent or P100.6 billion. The TRAIN revenues performed well as it grew by 90.9 percent, nearly doubling the 2018 collection of P68.4 billion, while at the same time exceeding the target amount of P108.1 billion by 20.9 percent.

Personal income tax, imported petroleum excise tax, sugar-sweetened beverage (SSB) excise tax, tobacco excise tax, and documentary stamp tax accounted for the majority of the gains in the TRAIN revenue performance.

⁸ The Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP) and Home Guaranty Corporation (HGC) was granted dividend relief amounting to P11.8 billion, P3.8 billion, and P1.0 billion respectively in 2019 corresponding to its 2018 net income, to allow it to recapitalize and better serve the increasing development needs of the country.

⁹ This includes P7.8 billion and P3.2 billion dividends allowed to be retained by LBP and DBP, respectively in 2018, corresponding to 2017 net income for their capitalization, and to better serve the increasing development needs of the country.

Personal income tax recorded an actual loss of P104.2 billion, which is lower than the estimated losses of P128.9 billion or P24.7 billion in savings. This is due predominantly to better compliance, lower unemployment and underemployment rates¹⁰, and an increase in the number of registered taxpayers.

Excise tax on imported petroleum products registered an actual collection of P78.6 billion, outpacing its target by P17.0 billion due to higher volume of imported finished/petroleum products.

The issuance of Revenue Regulations (RR) No. 20-2018 on Sugar and Sweetened Beverages (SSBs) led to improved compliance by the industry as it provided clarity on the imposition and coverage of the new excise tax on SSBs, resulting in better revenue performance. Total SSB excise tax collected surged to P47.1 billion in 2019, with both the BIR and BOC outperforming their respective revenue targets. The increase in SSB consumption also contributed to its improved performance as the combined domestic consumption and importation soared by 38.7 percent relative to 2018.

Tobacco excise tax exceeded the target amount by P1.8 billion as it reached P12.2 billion in actual collections. The improved collection is attributed to better compliance due to the government's continuous commitment to crack down on illicit tobacco trade.

Documentary stamp tax collection amounted to P38.6 billion, attributing the excess P1.4 billion over target to higher transaction values and improved collection efficiency. As compared to 2018, documentary stamp tax collection also increased by 4.9 percent.

Excise taxes of automobiles and locally refined petroleum products, on the other hand, accounted for the major shortfalls in 2019. Automobile excise tax only reached P14.3 billion, coming in short by P6.4 billion due mainly to the lower volume of imports. Meanwhile, the shift to imported finished products meant a decline in the volume of removals and a reduction in excise tax collections on locally refined petroleum products compared to target. Excise tax collections on locally refined petroleum products only reached P34.2 billion, short compared to target by P12.9 billion.

¹⁰ Based on the preliminary results of the 2019 Annual Estimates of Labor Force Survey from the Philippine Statistics Authority.

Table 7. TRAIN and Tax Amnesty Revenue Performance, 2019
(in billion pesos, unless otherwise stated)

Particulars	Actual			Estimate			Variance			Actual to Estimate ratio (%)		
	BIR	BOC	Total	BIR	BOC	Total	BIR	BOC	Total	BIR	BOC	Total
Package 1A/TRAIN	30.1	100.6	130.7	21.2	86.9	108.1	8.9	13.7	22.6	141.9	115.8	120.9
Excise Tax Collections with VAT	94.6	97.5	192.2	107.1	84.1	191.2	(12.5)	13.5	0.9	88.3	116.0	100.5
<i>Petroleum Products</i>	34.2	78.6	112.8	47.1	61.6	108.6	(12.9)	17.0	4.1	72.6	127.7	103.8
<i>Automobiles</i>	2.2	12.0	14.3	3.8	16.9	20.6	(1.5)	(4.9)	(6.4)	60.0	71.2	69.2
<i>Sugar-Sweetened Beverages (SSB)</i>	43.3	3.8	47.1	41.8	3.0	44.7	1.5	0.9	2.4	103.6	130.0	105.3
<i>Tobacco</i>	12.2	NA	12.2	10.4	NA	10.4	1.8	NA	1.8	117.0	NA	117.0
<i>Coal</i>	0.4	3.1	3.5	1.7	2.7	4.4	(1.3)	0.4	(0.9)	22.1	115.5	79.7
<i>Mining</i>	2.4	NA	2.4	2.5	NA	2.5	(0.1)	NA	(0.1)	96.3	NA	96.3
<i>Cosmetic procedures</i>	0.006	NA	0.006	0.004	NA	0.004	0.001	NA	0.001	123.2	NA	123.2
Value Added Tax (VAT)	5.5	3.0	8.6	5.5	2.8	8.3	0.1	0.3	0.3	101.0	108.9	103.7
Personal Income Tax	(104.2)	NA	(104.2)	(128.9)	NA	(128.9)	24.7	NA	24.7	80.8	NA	80.8
Corporate Income Tax (PCSO)	1.5	NA	1.5	0.5	NA	0.5	1.0	NA	1.0	278.8	NA	278.8
FCDU	1.1	NA	1.1	0.9	NA	0.9	0.3	NA	0.3	131.8	NA	131.8
Capital gains of non-traded stocks	1.5	NA	1.5	4.6	NA	4.6	(3.1)	NA	(3.1)	31.7	NA	31.7
Stock transaction of traded stocks	0.9	NA	0.9	0.4	NA	0.4	0.5	NA	0.5	244.0	NA	244.0
Percentage tax increase due to VAT threshold	0.01	NA	0.01	0.0	NA	0.0	0.01	NA	0.01	0.0	NA	0.0
Estate tax	(4.7)	NA	(4.7)	(2.1)	NA	(2.1)	(2.6)	NA	(2.6)	(222.0)	NA	(222.0)
Donor's tax	(4.9)	NA	(4.9)	(1.8)	NA	(1.8)	(3.1)	NA	(3.1)	(270.6)	NA	(270.6)
Documentary Stamp Tax (DST)	38.6	NA	38.6	37.2	NA	37.2	1.4	NA	1.4	103.7	NA	103.7
Adjustment of creditable withholding tax rate	0.0	NA	0.0	(2.2)	NA	(2.2)	2.2	NA	2.2	0.0	NA	0.0
Package 1B/Tax Amnesty	4.0	NA	4.0	27.5	NA	27.5	(23.5)	NA	(23.5)	14.6	NA	14.6
Tax amnesty on delinquencies	3.2	NA	3.2	21.3	NA	21.3	(18.1)	NA	(18.1)	15.1	NA	15.1
Tax amnesty on estate	0.8	NA	0.8	6.3	NA	6.3	(5.4)	NA	(5.4)	13.3	NA	13.3
Total Package 1A and 1B	34.1	100.6	134.7	48.7	86.9	135.6	(14.6)	13.7	(0.9)	70.0	115.8	99.3

Notes: Details may not add-up to totals due to rounding; NA: Not applicable
Sources: BIR and BOC

Tax Amnesty Act

The tax amnesty programs yielded an actual collection of P4.0 billion in 2019, amounting to 14.6 percent of the full-year estimate of P27.5 billion.

Revenue generated from estate tax amnesty reached P0.8 billion or 13.3 percent of the 2019 estimate of P6.3 billion. Additional revenues are also expected in the coming years as the cut-off period to avail estate tax amnesty has been extended to May 2021 or two years from the effectivity date of RR No. 6-2019.

Meanwhile, P3.2 billion or 15.1 percent of the P21.3 billion full-year estimate for 2019 was raised from tax amnesty for delinquent accounts. The deadline for the availment of the tax amnesty on delinquencies was further extended to 8 June 2020 through Revenue Memorandum Circular No. 38-2020 issued on 8 April 2020, allowing more errant taxpayers to affordably settle their outstanding tax liabilities.

III.2.2 Borrowing Performance

National Government Financing

For 2019, the National Government raised P1,015.8 billion in gross borrowing to fund the budget deficit of P660.2 billion and the refinancing requirement of P139.5 billion. The amount raised was lower by P173.1 billion or 14.6 percent compared to the P1,188.9 billion full-year program on account of the government's healthy cash position and the lower-than-programmed deficit turnout for the year. The resulting borrowing mix settled at 32.0 percent external and 68.0 percent domestic.

Table 8. National Government Financing, 2019

(in million pesos, unless otherwise stated)

Particulars	2019			Variance (Actual vs Revised Program)	
	Program ^{1/}	Revised Program ^{2/}	Actual	Amount	%
NET FINANCING	1,042,632	1,046,244	876,296	(169,948)	(16.2)
External Borrowing (Net)	140,003	178,351	184,847	6,496	3.6
External Borrowing (Gross)	282,734	317,540	321,947	4,407	1.4
Project Loans	33,425	32,807	58,064	25,257	77.0
Program Loans	87,309	88,474	78,231	(10,243)	(11.6)
Bonds and Other Inflows	162,000	196,259	185,652 ^{3/}	(10,607)	(5.4)
Less: Amortization	142,731	139,189	137,100	(2,089)	(1.5)
Domestic Borrowing (Net)	902,629	867,893	691,449	(176,444)	(20.3)
Domestic Borrowings (Gross)	906,154	871,348	693,843	(177,505)	(20.4)
Treasury Bills	54,482	54,482	(8,136)	(62,618)	(114.9)
Treasury Bonds	851,672	816,866	701,979 ^{4/}	(114,887)	(14.1)
Less: Net Amortization	3,525	3,455	2,394	(1,061)	(30.7)
Amortization	345,605	345,535	344,475	(1,060)	(0.3)
o/w Serviced by the BSF ^{5/}	342,080	342,080	342,081	1	0.0
GROSS FINANCING	1,188,888	1,188,888	1,015,790	(173,098)	(14.6)
Financing Mix (% of Total)					
External	24%	27%	32%		
Domestic	76%	73%	68%		

1/ Based on BESF 2019 Table D.1

2/ Based on BESF 2020 Table D.1

3/ Includes Global Bonds (USD1.5B), 3Yr Panda Bonds (RMB2.5B=USD359M), 8Yr EURO Bonds (Euro750M=USD829.8M) and Samurai Bonds (JPY92B=USD867.12M)

4/ Includes Retail Treasury (P235.8 billion) and Premyo Bonds (P4.9 billion)

5/ Actual redemption from Sinking Fund

Source: Bureau of the Treasury

Gross domestic borrowing of P693.8 billion was 20.4 percent or P177.5 billion lower than the revised program of P871.3 billion and was sourced primarily through the issuance of treasury bonds including the 22nd tranche of retail treasury bonds (RTB) and Premyo Bonds amounting to P235.8 billion and P4.9 billion, respectively. The RTB program aimed to promote financial inclusion and literacy among retail investors and to encourage Filipinos to directly participate in nation building. The Premyo Bond is an investment that comes with a cash and non-cash reward that will be raffled every quarter on top of the quarterly interests paid to bondholders. Meanwhile, gross treasury bills amounted to P562.1 billion with redemption of P570.2 billion, leaving a net issuance of -P8.1 billion. On the other hand, total domestic amortization amounted to P344.5 billion which includes the P342.1 billion covered by the Bond Sinking Fund (BSF). Principal payments not covered by the BSF were 30.7 percent below program owing to lower actual redemption of Agrarian Reform bonds.

External gross financing as of end-December 2019 reached P321.9 billion, slightly above its full-year revised target due to higher-than-programmed project loans mostly sourced from the Japan International Cooperation Agency (JICA). Fifty-eight percent of the total external financing were obtained from the international market through the issuance of 10Yr US dollar-, 3Yr renminbi-, 8Yr euro-denominated-, and the 4-tranches (3-,5-,7-,10-year) Samurai bonds amounting to P78.0 billion (USD1.5 billion), P18.9 billion (RMB2.5 billion), P43.5 billion (EUR750 million) and P45.3 billion (JPY92 billion), respectively. International issuances were also part of the government efforts to further diversify the investor base and take advantage of healthy market demand. Meanwhile, program loans of P23.3 billion (USD450 million) from the International Bank for Reconstruction and Development (IBRD) for *Improving Fiscal Management Development Policy Loan* comprised the bulk of loan availments, followed by the Asian Development Bank's (ADB) - *Expanding Private Participation in Infrastructure Program2* and ADB - *Inclusive Finance Development Program, SubProgram1*, both worth P15.8 billion (USD300 million) each.

Project loans contributed 18.0 percent of the total with P58.1 billion and almost doubled its program, largely obtained from the JICA and the IBRD with P43.7 billion and P7.3 billion, respectively. Majority of the availments from JICA were used to fund the different infrastructure projects of the Department of Transportation (DOTr) such as the North-South Commuter Railway Project, Metro Manila Subway Project Phase 1 and Metro Rail Transit (MRT) Line 3 Rehabilitation Project. Meanwhile additional financing for the Philippine Rural Development Project and the Kapit-Bisig Laban sa Kahirapan - Comprehensive and Integrated Delivery of Social Services - National Community-Driven Development Program (KALAHI-CIDSS-NCDDP) were funded thru IBRD loans.

For 2020, the NG will continue to borrow primarily from the domestic market thru auction as well as the over-the-counter (OTC) and tap facilities to finance its spending program and other funding requirements while keeping with the strategy of minimizing government exposure to external headwinds and supporting local debt market development. Nevertheless, external borrowings will still remain a significant funding source as it provides investor base diversification. Financing mix is targeted at 75:25 for the year.

National Government Debt

The end-2019 National Government Debt stood at P7,731.3 billion, P438.8 billion or 6.0 percent higher from its end-2018 level. Of the total stock, P2,603.7 billion or 33.7 percent were sourced from external markets while P5,127.6 billion or 66.3 percent were borrowed domestically.

Debt as a percentage of GDP improved to 39.6 percent¹¹ as of end-2019 from 39.9 percent a year ago, beating the programmed debt-to-GDP of 41.7 percent for the year. The improved debt-to-GDP ratio is a result of prudent cash and debt management backed by steady economic growth.

The NG's debt structure has maintained a judicious exposure to market risks. The debt portfolio reflects minimal exposure to interest rates volatility. As of end-December 2019, only 8.9 percent of the debt stock carry floating interest rates, maintaining low variability in interest servicing.

Average residual maturity of 8.59 years is at the mid-point of the 7-10 year target. Average residual maturity has gone down from 10.38 years a year ago in line with rationalizing interest cost and extending maturities in a rising interest environment. From end-2018, average portfolio maturities have decreased slightly to 6.79 years from 7.13 for domestic debt and to 12.14 years from 12.24 for external debt.

Weighted average interest rate remains stable as of end-2019, slightly improved to 5.00 percent from 5.05 percent a year ago reflecting the impact of benign inflation and policy easing measures implemented by the BSP throughout 2019.

Local currency debt increased its share to 67.7 percent as of end-2019 from 66.9 percent at the end of 2018, mitigating exposure to exchange rate swings. Broken down, USD, JPY, EUR and other currencies account for 25.0 percent, 5.7 percent, 1.0 percent and 0.7 percent of the foreign currency debt, respectively.

¹¹ Revised in line with of the rebasing of the National Accounts of the Philippines using 2018 as base year.

Table 9. National Government Debt, 2018-2019

(in million pesos, unless otherwise stated)

Particulars	Dec 2018	Dec 2019	Y-o-Y	
			Difference	Variance
Total NG Debt	7,292,500	7,731,290	438,790	6.0%
External	2,515,641	2,603,690	88,049	3.5%
Domestic	4,776,859	5,127,600	350,741	7.3%
% of Total				
External	34%	34%		
Domestic	66%	66%		
% of GDP	39.9%	39.6%	-0.31%	
External	13.8%	13.3%	-0.43%	
Domestic	26.2%	26.3%	0.12%	
Total NG Debt by Instrument	7,292,500	7,731,290	438,790	6.0%
Loans	948,209	980,479	32,270	3.4%
Debt Securities	6,344,291	6,750,811	406,520	6.4%
Total NG Debt by Currency	7,292,500	7,731,290	438,790	6.0%
Peso Denominated	4,880,256	5,231,878	351,622	7.2%
Foreign Currency Denominated	2,412,244	2,499,412	87,168	3.6%
Average Maturity (years) a/	10.38	8.59		
External	12.24	12.14		
Domestic	7.13	6.79		
Weighted Ave. Interest Rate	5.05	5.00		
External	4.34	4.03		
Domestic	5.42	5.49		
Interest Rate Mix	100.00%	100.00%		
Fixed	91.01%	90.95%		
Floating	8.90%	8.94%		
Interest Free	0.10%	0.12%		
Total Interest Payments	349,215	360,874	11,659	3.3%
External	105,983	110,576	4,593	4.3%
Domestic	243,232	250,298	7,066	2.9%
% of GDP				
Total Interest Payments	1.91%	1.85%		
External	0.58%	0.57%		
Domestic	1.33%	1.28%		
% of NG Expenditures				
Total Interest Payments	10.25%	9.50%		
External	3.11%	2.91%		
Domestic	7.14%	6.59%		
% of NG Revenues				
Total Interest Payments	12.25%	11.50%		
External	3.72%	3.52%		
Domestic	8.53%	7.98%		
Memo Items				
GDP ^{b/}	18,265,190	19,516,418		
Peso/USD	52.563	50.802		
Expenditures	3,408,443	3,797,734		
Revenues	2,850,184	3,137,498		

a/ Average Maturity measured in years on residual basis

b/ Based on the 2018-based National Accounts of the Philippines

Source: Bureau of the Treasury

III.2.3 Disbursement Performance

National Government's disbursement performance in 2019 finished strong despite the delay in the budget approval, posting a 11.4 percent growth to reach P3,797.7 billion, and beating the program by 0.7 percent.¹² There was a spending surge in the latter part of the year, disbursement growing year-on-year by 17.0 percent in Q3 and 27.4 percent in Q4, compared to the 0.8 percent and minus 2.3 percent posted for the first two quarters, respectively. This resulted from the catch-up spending strategy of the government, specifically by the Department of Public Works and Highways (DPWH) and DOTr. The recovery in government expenditures contributed to the faster economic growth for the year, which clocked in at 6.0 percent¹³, hitting the lower end of the government's program. This compares to the 5.6 percent average for the first two quarters with the execution of the reenacted 2018 budget.

Table 10. National Government Disbursements, January to December 2019
(in billion pesos, unless otherwise stated)

PARTICULARS	2018 Actual	2019		Variance		Inc/(Dec)	
		Program	Actual	Amt	%	Amt	%
CURRENT OPERATING EXP.	2,440.5	2,710.5	2,740.9	30.4	1.1%	300.4	12.3%
Personnel Services	987.2	1,095.9	1,115.0	19.1	1.7%	127.8	12.9%
Maintenance & Other Operating Exp.	525.6	572.4	572.9	0.5	0.1%	47.3	9.0%
Subsidy	136.7	158.7	201.5	42.9	27.0%	64.9	47.5%
Allotment to LGUs	420.2	469.5	463.2	(6.2)	-1.3%	43.1	10.3%
Interest Payments	349.2	399.6	360.9	(38.7)	-9.7%	11.7	3.3%
Tax Expenditure	21.6	14.5	27.3	12.8	88.4%	5.7	26.5%
CAPITAL OUTLAYS	963.1	1,032.1	1,039.8	7.6	0.7%	76.7	8.0%
Infrastructure/Other Capital Outlays	803.6	859.4	881.7	22.3	2.6%	78.0	9.7%
Equity	4.0	2.4	3.3	1.0	40.4%	(0.7)	-16.7%
Capital Transfers to LGUs	155.5	170.4	154.7	(15.6)	-9.2%	(0.7)	-0.5%
NET LENDING	4.8	27.0	17.1	(9.9)	-36.8%	12.2	250.0%
TOTAL DISBURSEMENTS	3,408.4	3,769.7	3,797.7	28.1	0.7%	389.3	11.4%
<i>Memo items:</i>							
Revenues	2,850.2	3,149.7	3,137.5	(12.2)	-0.4%	287.3	10.1%
(Deficit)	(558.3)	(620.0)	(660.2)	(40.2)	6.5%	(102.0)	18.3%
Infrastructure Program	886.2	1,000.1	1,049.9	49.7	5.0%	163.7	18.5%
% of GDP	4.9%	5.2%	5.4%				

Infrastructure outlays were a major driver of government spending, along with PS and MOOE. More specifically, infrastructure and other capital outlays reached P881.7 billion by end-December 2019 mainly on the back of road and transport infrastructure projects, majority of which were implemented during the last two quarters. This disbursement outlay was 9.7 percent higher year-on-year, and 2.6 percent more than the P859.4 billion programmed for the period. Inclusive of the infrastructure component of subsidy and equity contributions to GOCCs, and infrastructure transfers to LGUs, the total infrastructure program for 2019 surged

¹² For the detailed assessment of NG disbursements for 2019, read the report at: https://www.dbm.gov.ph/wp-content/uploads/DBCC/2019/NG_Disbursements_December%202019_for%20posting.pdf

¹³ Based on 2018 series nominal GDP. Philippine Statistics Authority. Quarterly time series data as of August 2020.

to P1,050.0 billion equivalent to 5.4 percent of GDP¹⁴ compared to P886.2 billion (4.9 percent of GDP¹⁵) in 2018. This resulted in the gradual recovery of the construction industry during the last two quarters of the year where the Gross Fixed Capital Formation in Construction grew by an average of 12.8 percent compared to the 5.4 percent in Q1 and Q2.¹⁶ More specifically, public construction expanded by 21.0 percent average in Q3 and Q4, from almost 19.0 percent contraction during the first two quarters of 2019.¹⁷

On the other hand, personnel services amounted to P1,115.0 billion, 12.9 percent larger year-on-year, owing to higher salaries and benefits of government workers under the last tranche of the salary adjustments pursuant to E.O. No. 201 s. 2016. Maintenance expenditures expanded by 9.0 percent from a year ago to P572.9 billion with the implementation of social banner programs such as the *K to 12 Program* of the Department of Education (DepEd), *Universal Access to Quality Tertiary Education Program* of the Commission on Higher Education (CHED), *Universal Healthcare Program* of the Department of Health (DOH), and the *Conditional Cash Transfer Program* of the Department of Social Welfare and Development (DSWD) (*for further discussions, see the expenditure performance of big-spending departments starting in page 24*). The combined PS and MOOE accounted for 44.4 percent of the total government disbursements for 2019, and contributed to the 9.6 percent growth of Government Final Consumption Expenditures for the year¹⁸.

With FY 2019 full year NG revenues reaching P3,137.5 billion, the fiscal deficit stood at P660.2 billion or 3.4 percent of GDP¹⁹, slightly exceeding the 3.2 percent of GDP program due to larger public spending to stimulate economic growth. This is also higher when compared to the 2.1 percent of GDP²⁰ in 2017 and 3.1 percent²¹ in 2018 as the government accelerated budget execution with the intent of catching up with the previous years' underspending.

¹⁴ Based on 2018 series nominal GDP. Philippine Statistics Authority. Annual time series data as of August 2020.

¹⁵ Ibid.

¹⁶ Based on 2018 series nominal GDP. Philippine Statistics Authority. Quarterly time series data as of August 2020.

¹⁷ Ibid.

¹⁸ Based on 2018 series nominal GDP. Philippine Statistics Authority. Annual time series data as of August 2020.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

IV. National Government Expenditure Performance

IV.1 Allotment Releases and Obligations, Disbursements, and Balances

The FY 2019 GAA was passed into law on April 15, 2019, the first reenacted budget after eight (8) years. The P3,662 billion approved 2019 budget, the first one formulated and implemented under the CBS²², is 10.1 percent higher compared to the P3,324 billion cash-based equivalent of the FY 2018 GAA. Inclusive of the P209.9 billion continuing appropriations in 2018, the P71.2 billion releases from the unprogrammed appropriations and other adjustments in automatic appropriations, the total available appropriations for 2019 amounted to P3,932.0 billion (see Table 11 below).

Table 11. Statement of Appropriations, Allotments, Obligations, Disbursements and Balances, 2019

(in billion pesos, unless otherwise stated)

Particulars	Available Appropriations 1/	Allotment Releases 2/	Actual Obligations	Unobligated Balances	Obligation Rate 3/	Disbursements 4/
National Government Agencies	2,666.6	2,596.2	2,371.5	224.7	91.3%	2,600.3 5/
Special Purpose Funds (SPFs)	887.5	861.5	861.1 ✓	0.4	100.0%	819.5
GOCCs	209.8	209.7	209.7	-	100.0%	201.5
ALGUs	639.3	631.7	631.4	0.3	99.9%	618.0
Other SPFs/Cont. Appro.	38.4	20.1	20.0	0.1	99.7%	-
Automatic Appropriations	377.9	377.9	377.9 ✓	-	100.0%	377.9
Net Lending	17.1	17.1	17.1	-	100.0%	17.1
Interest Payments	360.9	360.9	360.9	-	100.0%	360.9
Total	3,932.0	3,835.6	3,610.5	225.1 ✓	94.1%	3,797.7
<i>By Funding Source</i>	<i>3,932.0</i>	<i>3,835.6</i>	<i>3,610.5</i>	<i>225.1</i> ✓	<i>94.1%</i>	<i>-</i>
Current Year	3,722.1	3,635.6	3,462.9	172.7	95.3%	
Continuing Appropriations	209.9	200.0	147.6	52.4	73.8%	

1/Pertains to the FY 2019 GAA, FY 2018 Continuing Appropriations, Automatic Appropriations, and Unobligated Allotments. Includes adjustments per Special Provisions in the GAA, modification of allotment classes, and releases to implementing agencies from SPFs, Unprogrammed, and Automatic Appropriations.

2/Includes FY 2018 Continuing Appropriations.

3/Percentage of obligations vs allotment releases.

4/Based on the Cash Operations Report of the Bureau of the Treasury (BTr). Include prior years' obligations/accounts payable:

5/Includes P27.3 billion Tax Expenditure Subsidy

SOURCES: Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances of the DBM, and Cash

Pursuant to the GAA-As-An-Allotment-Order policy, and various guidelines on the release of FY 2019 funds²³, a total of P3,835.6 billion worth of allotments were released to National Government Agencies (NGAs), GOCCs receiving subsidy/equity from the NG, and LGUs²⁴. Of the said amount, P3,610.5 billion was obligated as of end-December 2019, representing 94.1 percent of the released

²²Pursuant to EO No. 91 dated September 9, 2018.

²³ DBM Circular Letter No. 2019-1 dated January 3, 2019 and Circular Letter No. 2019-7 dated March 26, 2019 or release of funds for the first and second quarters, respectively, under the 2018 Re-enacted Budget; and National Budget Circular No. 577 dated May 2, 2019 or the Guidelines on the Release of Funds for FY 2019 under the enacted FY 2019 GAA (RA No. 11260).

²⁴ Transfers from the NG such as the Internal Revenue Allotment (IRA) and statutory shares from the proceeds of national taxes, and other financial assistance.

allotments. This is slightly lower when compared to the 94.7 percent obligation rate recorded in 2018 mainly attributed to the delay in the approval of the 2019 budget and the lengthening of the validity approved by Congress. It is worth noting however that the P3,610.5 billion obligations is within the P3,662 billion budget program set for the year.

Meanwhile, disbursements for the year totaled P3,797.7 billion based on the BTr Cash Operation Report (COR). Of this amount, P1,866.0 billion pertains to disbursements made by NGAs for the current year based on their submitted Financial Accountability Report (FAR) 1. This represents 78.7 percent of the total P2,371.5 billion NG obligations incurred in 2019. Despite the delays in the 2019 budget approval, this ratio is higher than the percentage of disbursements made over obligations incurred in 2018 of 72.9 percent by various line departments, an auspicious sign for the CBS outcome. Specifically, the two (2) major infrastructure arm of the government, implemented catch up plans and accelerated program/project implementation towards the latter part of the year. For instance, the DPWH and the DOTr posted 56.4 percent and 42.5 percent disbursement rates in 2019, respectively, from 42.9 percent and 40.7 percent in 2018²⁵.

IV.2 Financial and Physical Performance of Selected Major Programs and Projects, by Department, as of December 31, 2019

Department of Agrarian Reform

(in billion pesos)

Department	2018 ^{1/}						2019 ^{2/}					
	Allotment	Obligation	Disbursements	BUR			Allotment	Obligation	Disbursements	BUR		
				Oblig	Disb					Oblig	Disb	
DAR	10.8	9.6	8.1	88.5%	84.0%		9.8	8.6	7.9	87.6%	91.8%	

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. The disbursement performance of the Department of Agrarian Reform (DAR) continued to increase, reporting 91.8 percent in 2019 over 84.0 percent in 2018. The positive growth of DAR's obligations dropped to 87.6 percent in 2019 from 88.5 percent in 2018. However, if the P340.6 million allotment for the Inclusive Partnership for Agricultural Competitiveness project from its Continuing Appropriation is disregarded due to its cancellation, DAR achieved an obligation rate of 90.7 percent in 2019, higher than its 2018 accomplishment.

The department maintained its good financial performance for its Land Tenure Security (LTS) program for 2019 with an obligation and disbursement rate of 98.1 percent and 97.2 percent, respectively. In addition, it improved the Agrarian

²⁵ Read the *Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances* report on the DBM website. Accessible at <https://www.dbm.gov.ph/index.php/programs-projects/statement-of-allotment-obligation-and-balances>

Reform Beneficiaries Development and Sustainability Program from 88.1 percent to 91.1 percent in its obligation rate and 78.0 to 83.0 percent in its disbursement rate. However, the implementation of its Foreign-Assisted Projects (FAPs) should be improved as obligation rate dropped significantly from 71.2 percent in 2018 to 44.0 percent in 2019 due to the various procurement issue²⁶s encountered in the Italian Assistance to Agrarian Reform Communities Development Support Program and the Convergence on Value Chain Enhancement for Rural Growth and Empowerment (ConVERGE). Conversely, there was notable improvement in the disbursement rate for FAPs, from 51.0 percent in 2018 to 70.3 percent, with ConVERGE reporting the lowest performance among FAPs at a 54.6 percent disbursement rate.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
LAND TENURE SECURITY PROGRAM			
<i>Output Indicators</i>			
1. Number of landholdings with claimfolder (CF) documentation completed	6,008	5,299	88.2%
2. Number of hectares with claimfolder documentation completed	N/A	N/A	
3. Number of hectares with Emancipation Patents/ Certificate of Land Ownership Award (EP/CLOA) registered	41,077	32,241	78.5%
4. Number of hectares actually distributed to agrarian reform beneficiaries (ARBs)	N/A	N/A	
5. Number of generated Certificate of Land Ownership Awards (CLOA) registered (LRA-CARP)*	41,077	17,390	42.3%
6. Number of hectares with approved survey (DENR-CARP)*	31,876	42,767	134.2%
7. Number of subdivided collective CLOAs registered (LRA-CARP)*	13,916	11,695	84.0%
AGRARIAN JUSTICE DELIVERY PROGRAM (AJDP)			
<i>Output Indicators</i>			
1. Resolution rate of agrarian-related cases (DARAB & ALI Cases)	82%	92%	112.2%
2. Percentage of cases handled with agrarian-legal assistance in judicial and and quasi-judicial courts	70%	94%	134.3%
AGRARIAN REFORM BENEFICIARIES DEVELOPMENT AND SUSTAINABILITY PROGRAM			
<i>Output Indicators</i>			
1. Number of Agrarian Reform Beneficiaries (ARBs) trained	345,816	467,890	135.3%
2. Number of ARBs with access to credit and microfinance services	156,129	206,483	132.3%

²⁶ Procurement issues such as delayed procurement by concerned LGUs, difficulties in meeting the documentary requirements, failed biddings, and obtaining a "No Objection Letter (NOL)."

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
3. Number of ARB organizations (ARBOs) provided with technical, enterprise, farm support and physical infra support	2,955	3,547	120.0%
4. Number of farmer beneficiaries and small landowners trained (DTI-CARP)*	41,600	36,609	88.0%
5. Number of Irrigator's Associations (IAs) organized and trained (NIA-CARP)*	50	76	152.0%
6. Number of sites and areas covered for upland development (DENR-CARP)*	100 3,000	115 3,424	115.0% 114.1%
7. Number of irrigation projects completed (NIA-CARP)*	50	42	84.0%
8. Number of Technical and Marketing Assistance provided (DTI-CARP)*	5,995	6,730	112.3%
9. Number of Micro, Small and Medium Enterprises (MSMEs) maintained (DTI-CARP)*	3,700	3,204	86.6%
10. Number of hectares (new and restored areas) provided with irrigation (NIA-CARP)*	2,569	1,954	76.1%

* Corresponding budgetary allocations for CARP were appropriated under the respective department/agency budget.

Source: FY 2021 National Expenditure Program

Physical Performance. DAR was unable to meet its output targets for its LTS program and reported the main causes as the replacement of “problematic” landholdings and erroneous input for survey plans. Nonetheless, the department completed the processing of 5,299 claim folders of landholdings and registered 32,241 hectares of Emancipation Patents/Certificate of Land Ownership Award (EP/CLOA) to Agrarian Reform Beneficiaries (ARB). Complementing DAR’s efforts in implementing the Comprehensive Agrarian Reform Program (CARP), LRA registered 17,390 CLOAs and 11,695 subdivided CLOAs while the Department of Environment and Natural Resources (DENR) surveyed 42,767 hectares of land to determine their proper use.

While targets for the LTS program were unmet, DAR exceeded its provision of support services to ARBs and ARB Organizations (ARBO). Under its Justice Delivery Program, the legal assistance provided by DAR achieved a 92.0 percent resolution rate for DARAB & ALI cases, with DAR providing free legal assistance in 94.0 percent of cases adjudicated in judicial and quasi-judicial courts. For its ARB Development and Sustainability Program, 467,890 ARBs were trained on productive use of their land, with 206,483 provided with access to credit and microfinance services while 3,547 ARBOs were also provided with the necessary

assistance²⁷ to increase agricultural productivity as well as increase engagement in agri-based and related industries. Alongside this, other agencies were provided funds to complement DAR efforts on the implementation of CARP. Specifically, the Department of Trade and Industry (DTI) capacitated 6,730 beneficiaries in terms of technical and market assistance. The department trained 36,609 farm and small landowners on entrepreneurship and helped maintain 3,204 Micro, Small and Medium Enterprises (MSMEs) set-up by ARBOs. Meanwhile, the National Irrigation Administration (NIA) irrigated a total of 1,954 hectares of new and restored areas and completed 42 irrigation projects while also training 76 Irrigator's Associations. Finally, DENR covered 115 sites and 3,424 areas for upland development²⁸.

Department of Agriculture

(in billion pesos)

Department	2018 ^{1/}						2019 ^{2/}					
	Allotment	Obligation	Disbursements	BUR			Allotment	Obligation	Disbursements	BUR		
				Oblig	Disb					Oblig	Disb	
DA	52.1	44.4	32.6	85.1%	73.4%		56.9	48.8	36.8	85.8%	75.3%	

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. The obligation performance of the Department of Agriculture (DA)²⁹ slightly increased to 85.8 percent compared to its 85.1 percent rate in 2018, but has not rebounded to its 2017 rate of 94.5 percent. However, it should be noted that the disbursement rate of DA continued its upward growth from 73.4 percent in 2018 to 75.3 percent in 2019.

The increase in DA's obligation can be attributed to the significant improvement of the Office of the Secretary (OSEC) and the Agricultural Credit Policy Council (ACPC), reporting 100.2 percent and 88.3 percent growth rates, respectively. This was tamed, however, by the drop in the obligation rate of Philippine Center for Post-Harvest Development and Mechanization (PhilMech) from 99.1 percent in 2018 to only 6.1 percent in 2019 largely due to the late enactment of the FY 2019 GAA. Moreover, system limitations caused delays in the initial implementation of the mechanization program of the Rice Competitiveness Enhancement Fund³⁰ (RCEF).

²⁷ Technical assistance, enterprise and farm productivity support, and physical infrastructure

²⁸ For public alien & disposable (A&D) land and non-A&D lands in reserved forestlands

²⁹ Includes the Fertilizer and Pesticide Authority, which was transferred to DA from the Office of the President pursuant to Executive Order No. 62, s. 2018 dated September 17, 2018.

³⁰ The RCEF, mandated by RA No. 11203, appropriates P10.0 billion annually for the next six (6) years with the following components: (1) 50.0 percent for the rice farm machinery and equipment, (2) 30.0 percent for rice seed development, propagation and promotion, (3) 10.0 percent for expanded rice credit assistance, and (4) 10.0 percent for rice extension services.

Major Programs	2018					2019				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DA-OSEC										
National Rice Program (NRP)	11.8	11.6	8.8	98.3%	75.7%	7.6	7.4	5.7	97.9%	76.3%
National Corn Program (NCP)	3.0	2.9	2.1	97.4%	73.8%	1.6	1.6	1.3	97.5%	80.8%
National Livestock Program (NLP)	1.6	1.5	1.1	93.4%	72.0%	1.3	1.2	0.9	95.1%	74.8%
National High Value Crop Development Program (NHVCDP)	3.1	2.9	2.1	93.8%	73.8%	1.7	1.6	1.3	96.3%	76.0%
National Promotion and Development of Organic Agriculture Program (NPDOAP)	0.8	0.8	0.5	96.6%	63.0%	0.6	0.5	0.4	95.4%	74.1%
DA-ACPC										
Agro-Industry Modernization Credit and Financing Program (AFMCFP)										
Administration	1.1	1.1	1.1	100.0%	100.0%	3.4	3.4	3.4	100.0%	100.0%
DA-BFAR										
National Fisheries Program	4.6	4.2	2.9	91.5%	68.9%	5.0	4.6	3.9	93.0%	84.8%

The department banner programs showed a similar performance to 2018, with all obligation rates above 90.0 percent but relatively low disbursement rates. Nonetheless, the banner programs generally reported improved utilization rates, with spending improved in all programs. In particular, the National Fisheries Program reporting significant improvement in its disbursement rates, growing from 68.9 percent in 2018 to 84.8 percent in 2019. Meanwhile, the Agro-Industry Modernization Credit and Financing Program of the ACPC once again maintained its 100.0 percent obligation and disbursement rates.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
TECHNICAL AND SUPPORT SERVICES PROGRAM			
<i>Output Indicators</i>			
1. Number of Provinces and Chartered Cities provided with production support services and support to construct market-related infrastructure	86	27	31.4%
2. Number of group beneficiaries provided with market development services	1,373	1,940	141.3%
3. Number of extension workers trained to support the capacity of LGUs			
a. LGU extension workers trained	15,014	15,568	103.7%
b. Farmers, fisherfolks and other participants	145,562	153,459	105.4%
AGRICULTURAL, MACHINERY, EQUIPMENT, FACILITIES AND INFRASTRUCTURES PROGRAM			
<i>Output Indicators</i>			
1. Number of Provinces and Chartered Cities provided with agricultural machinery, equipment, facilities, and small-scale irrigation projects (SSIP)	85	22	25.9%
2. Number of hectares of service area generated from the establishment and installation of SSIP	15,580.20	9,051.29	58.1%

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
3. Number of kilometers of Farm-to-Market Roads (FMRs) validated for construction/rehabilitation	850.63	850.63	100.0%
4. Percentage of DPWH-constructed FMRs monitored	100%	99.74%	99.7%
AGRICULTURE AND FISHERY REGULATORY SUPPORT PROGRAM			
<i>Output Indicators</i>			
1. Percentage of applications for quarantine and sanitary and phytosanitary (SPS) clearance processed within one (1) day	100%	79%	79.0%
2. Number of agri-fishery standards developed	30	30	100.0%
3. Percentage of new agriculture facilities and products that have been inspected at least once a year	100%	100%	100.0%
LOCALLY-FUNDED AND FOREIGN-ASSISTED PROGRAM			
<i>Output Indicators</i>			
1. Percentage of amount of approved FMR sub-projects to the total amount of FMR allocation	100%	100%	100.0%

Source: FY 2021 National Expenditure Program

Physical Performance. The DA-OSEC performance was mixed with five (5) out of twelve (12) committed targets unmet.

Three (3) out of the four (4) indicators under the Technical and Support Services program were achieved. While the number of provinces and chartered cities serviced was 27, or only 31.4 percent of its 86 target due to failed biddings and the occurrence of natural calamities, this is an improvement over its 7.0 percent accomplishment rate in 2018. Despite this, the program was able to meet all its other targets – it provided 15,568 LGU extension workers and 153, 459 farmers, fisherfolks and other participants with training support services and 1,940 group beneficiaries with market development services. Another of its major programs, the Agricultural, Machinery, Equipment, Facilities and Infrastructure Program contained half of the unmet targets for both 2018 and 2019, with only the validation of Farm-to-Market Roads (FMRs) attaining 100.0 percent.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
ACPC			
AGRICULTURAL CREDIT PROGRAM			
<i>Output Indicators</i>			
1. Amount of loans granted to credit retailers/lenders and to end-borrowers			
a. Credit retailers/lenders	2431.89	2431.9	100.0%
b. End-borrowers	3,531.89	6,781.5	192.0%
2. Number of credit program orientations and credit matching seminars and workshops conducted	16	61	381.3%
3. Number of farmers and fisherfolk organizations provided with institutional capacity building assistance	519	423	81.5%
BFAR			
FISHERIES DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of beneficiaries provided with aquaculture support/supply			
a. Number of individuals	40,518	35,260	87.0%
b. Number of fisherfolk groups	1,909	1,230	64.4%
2. Number of beneficiaries provided with postharvest support/supply			
a. Number of individuals	341	715	209.7%
b. Number of fisherfolk groups	262	210	80.2%
3. Number of beneficiaries provided with environment-friendly fishing gears/paraphernalia			
a. Number of individuals	21,482	20,535	95.6%
b. Number of fisherfolk groups	235	181	77.0%

Source: FY 2021 National Expenditure Program

The Bureau of Fisheries and Aquatic Resources (BFAR) showed a similar performance in its Fisheries Development Program wherein only its indicator for providing individual fisherfolk with post-harvest support/supply was met. The missed targets are attributed to shifts in policy (i.e., focus on credit assistance, prioritizing individual beneficiaries), delayed delivery of contracted goods, and the late release of funds for the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). As with its 2018 performance, however, BFAR was able to achieve all other targets for its Fisheries Regulatory and Law Enforcement Program and Fisheries Extension Program.

In contrast to OSEC and BFAR, the ACPC maintained the achievement of most of its targets, falling behind for only one of its targets. The agency provided loans for credit retailers/lenders and for end-borrowers, exceeding targets for the latter and overcoming the shortfall reported in 2018. In addition, the agency was able to

conduct 61 credit program orientations and credit matching seminars. However, the number of farmers and fisherfolk organizations provided with institutional capacity building assistance fell short of its targets, reporting an 81.5 percent achievement, despite being fully accomplished in 2018. This was attributed to the outsourcing of the capacity building activities to respond to the immediate need triggered by the drop in palay prices and the African Swine Fever (ASF) outbreak.

Department of Education

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DepEd	495.8	471.8	438.9	95.2%	93.0%	544.9	517.9	485.9	95.1%	93.8%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. To support the DepEd's function of providing access to quality formal and non-formal basic education, P544.9 billion worth of allotment was released to the Department in 2019. The amount was broken down as follows: PS - P416.8 billion (76.5 percent); MOOE - P89.8 billion (16.5 percent); and CO - P38.3 billion (7.0 percent). Of the said amount, P19.6 billion was from its 2018 continuing appropriation.

For the period, DepEd obligated P517.9 billion or 95.0 percent of its total allotted budget, achieving a lower obligation rate relatively compared to 2018 (95.2 percent). However, this was still P46.1 billion higher than the P471.8 billion obligated in 2018. The bulk of DepEd's obligation came from its PS requirements amounting to P411.2 billion. Other big-ticket included the Government Assistance and Subsidies (GAS) – P30.2 billion; Provision for Basic Education Facilities (DepEd portion) – P14.0 billion; Provision of learning resources – P13.4 billion; and School-based Feeding Program (SBFP) with P4.1 billion. By the end of the year, P27.0 billion remained unobligated.

As of end 2019, an amount of P485.9 billion or 93.8 percent of the agency's total obligated amount was disbursed. This is 0.8 percent higher compared to its 2018 disbursement rate of 93.0 percent, and 10.7 percent higher than its P438.9 billion disbursement. The undisbursed portion of 6.2 percent as of the cut-off of this report was due to the following: (i) failure of bidding for procurement of basic education facilities, computer sets, and manuscripts of textbooks and instructional materials; (ii) lack of qualified applicants for the vacant teaching positions; and (iii) delayed submission of claims for GAS from private school partners. Overall, for FY 2019, the two (2) key challenges that pushed the department behind its initial plans were primarily the need to operate on a reenacted budget for the first quarter due to the delay in the approval of the 2019 GAA and the further delay brought about by the

imposition of election ban which prohibited the government to award contracts and release funds for different infrastructure projects of the Department.

Particulars	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
BASIC EDUCATION INPUTS PROGRAM			
<i>Output Indicators</i>			
1. Number of:			
a. new classrooms constructed	4,110	3,213	78.2%
b. textbooks and instructional/learning materials procured for printing and delivery	8.9 M	11.7 M	131.0%
2. Number of equipment distributed:			
a. Science and Math package	2,371	0	0.0%
b. ICT package	3,827	0	0.0%
c. TechVoc Equipment	3,547	2,073	58.4%
3. Number of newly-created teaching positions filled up	10,000	6,882	68.8%
INCLUSIVE EDUCATION PROGRAM			
<i>Output Indicators</i>			
1. Number of schools offering the following programs ³¹ :			
a. ALIVE	4,887	4,418	90.4%
b. IPED	3,025	3,034	100.3%
c. SPED	8,523	17,527	205.6%
d. Multigrade Education Program	1,317	1,293	98.2%
2. Number of Community Learning Centers offering ALS	34,752	27,150	78.1%
SUPPORT TO SCHOOLS AND LEARNERS PROGRAM			
<i>Output Indicators</i>			
1. Number of learners benefiting from the "School Based Feeding Program"	1,836,793	1,796,421	97.8%
2. Number of grantees:			
a. Education Service Contracting (ESC)	1,101,012	1,078,778	98.0%
b. Senior High School (SHS) Voucher	1,314,376	1,284,480	97.7%
c. Joint Delivery Tech-Voc and Livelihood (TVL)	70,000	88,933	127.0%
EDUCATION HUMAN RESOURCE DEVELOPMENT PROGRAM			
<i>Output Indicator</i>			
1. Number of teachers and teaching-related staff trained	95,000	247,966	261.0%

Source: FY 2021 National Expenditure Program

³¹ Revised targets

*Physical Performance*³². For school year (SY) 2019-2020, a total of 27,790,114 learners were enrolled. Of this total, 22,572,923 learners were enrolled in public schools; 4,304,676 learners in private schools; 759,723 learners in Community Learning Centers; 131,006 learners in State and Local Universities and Colleges; and 21,786 learners in Philippine schools overseas. This is comprised of 2,044,745 kindergarten learners; 13,287,961 elementary learners (grades 1-6); 8,503,650 junior high school (JHS) learners (grades 7-10); 3,194,035 senior high school (SHS) learners (grades 11-12); and 759,723 Alternative Learning System (ALS) learners.

Last year, the DepEd also promoted inclusive basic education through its various programs. For SY 2019-2020, some 168,497 Muslim learners were made part of the Arabic Language and Islamic Values Education (ALIVE) program in 4,418 public schools that integrated in the curriculum content and competencies which are relevant and of interest to Muslim learners. This was 9.6 percent short of its 2019 target of 4,887 schools and 9.6 percent lower than its 2018 accomplishment of 4,887 schools. Another 168,634 members of the Indigenous Peoples (IP) were enrolled under the National Indigenous Peoples Education (IPED) Program³³ in 3,034 public schools, which surpassed its 3,025 targeted number of schools and was higher than its 2018 accomplishment of 3,003 schools. Meanwhile, the 2019 target of 8,523 schools implementing the Special Education (SPED) Program was exceeded by 105.6 percent with 17,527 schools accepting SPED learners. Additionally, 278,498 school-aged children had been catered by 1,293 public schools with multi-grade education program in remote communities where enrollment does not warrant the organization of monograde classes. This represents 98.2 percent of its 2019 target and 24 schools less than its 2018 accomplishment of 1,317 public schools with multigrade education program. Similarly, 759,723 out-of-school youths (OSYs) above 15 years old, who did not have access to formal education in schools, were accommodated in 27,150 community learning centers (CLCs) through programs on education, employment, and entrepreneurship in 2019. This outturn showed a 5.2 percent increase from its 2018 accomplishment of 25,804 CLCs even as it fell short and reached only 78.1 percent of its 2019 target of 34,752 CLCs.

For the same period, the Department maintained, if not exceeded, its high performance in retention and completion rates. For retention rate, elementary level hit 99.0 percent (same as target), while the JHS reached 96.0 percent (exceeding its 95.0 percent target). These were almost the same as the accomplishments in 2018 of 99.3 percent and 95.8 percent for elementary and JHS, respectively. On the other hand, the completion rates were recorded at 97.2 percent for elementary (10.0 percent points higher than the 87.2 percent target) and 88.8 percent for JHS (11.1 percentage points higher than the 77.5 percent target). These outturns showed

³² The accomplishments on this report were purely from the FY 2019 current fund. However, other accomplishments were also achieved by the DepEd using the continuing funds from 2018.

³³ The IPED program aims to provide basic education that is responsive to the IP's context, respects their identities, and promotes the value of their indigenous knowledge, skills, and other aspects of their cultural heritage.

significant improvements over its 2018 accomplishments of 92.4 percent (elementary) and 84.4 percent (JHS).

To support the schools and learners, the Department also augmented its basic education inputs in 2019. Under the Basic Education Facilities Program, some 180 standard classrooms were constructed with the funds transferred to DPWH. While this level is significantly higher compared to 11 standard classrooms and 8 Technical-Vocational (TechVoc) laboratories constructed in 2018, these are way below the targeted 4,110 standard classrooms and 1,200 TechVoc laboratories for 2019. The same goes for the DepEd-managed repairs, Gabaldon classrooms restoration, and sets of school seats to be delivered. Some 2,037 standard classrooms were repaired, both way below its 2019 target of 18,575 classrooms and its 2018 accomplishment of 9,351 classrooms. Also, only 9 Gabaldon classrooms were restored, compared to its 2019 target of 250 Gabaldon classrooms and its 2018 accomplishment of 388 Gabaldon classrooms. Finally, 6,258 sets of school seats were procured, compared to the targeted 37,508 sets of school seats to be delivered. Meanwhile, 3,033 standard classrooms and 1,200 TechVoc laboratories are ongoing construction; 14,245 standard classrooms are undergoing repair; and 163 Gabaldon classrooms are undergoing restoration. These under accomplishments were due to the imposition of an election ban, resulting to the delayed release of the Special Allotment Release Order (SARO).

On the other hand, 131.0 percent of the DepEd's 2019 target or 11.7 million textbooks and instructional/learning materials were procured for printing and delivery. This was a big jump from its 40.7 percent accomplishment in 2018.

Meanwhile, the Department was not able to distribute its targeted 2,371 science and math equipment (SME) packages, 3,827 Information and Communications Technology (ICT)/multimedia packages, and 3,547 TechVoc equipment. Reasons for the non-accomplishment include ongoing procurement of SME packages; pending completion of additional requirements set for ICT packages and pending approval of the contract of other suppliers; and TVL packages which are for rebidding and pre-bidding conference. However, 2,882 SME packages and 2,073 TVL packages are ongoing contract implementation; and 3,765 multimedia packages were procured.

In addition, the DepEd filled up 6,882 teaching positions, which was 68.8 percent of the 10,000 newly created teaching positions for 2019. This showed a decline both in relative and absolute terms from its 2018 accomplishment positions (77.9 percent) of 63,168 teaching positions filled up out of the 81,100 newly created teaching positions. The hiring process for the remaining teaching positions is still ongoing, with the lack of qualified applicants remaining a concern for the Department.

Similarly, 247,966 teachers and teaching-related staff were trained last year. While this was lower than the 297,494 teachers trained in 2018, this was 161.0 percent more than its 2019 target of 95,000 teachers and teaching-related staff.

Other efforts to support the learners include the School Based Feeding Program (SBFP) to address malnutrition and short-term hunger among public school children. Through this program, 1,796,421 severely wasted and wasted learners³⁴ were served nutritious meals in 2019, 2.2 percent or 40,372 learners short of its 1,836,793 targeted learners. This compares to the 2,163,222 learners fed in 2018.

Lastly, to further increase the accessibility of education, the Department's GAS benefitted 1,078,778 grantees in private schools through the Education Service Contracting (ESC) Program. This was 2.0 percent less in achieving the 1,101,012 learners targeted for 2019 but slightly higher by 3.5 percent of the 1,042,665 learners granted with vouchers in 2018. Another 1,284,480 SHS learners from Public and Private SHSs availed of the vouchers, almost achieving the 1,314,376 grantees targeted for 2019 and outdoing the 1,269,802 grantees in 2018. The implementation of the Joint Delivery Technical-Vocational-Livelihood (TVL) Program surpassed its target of 70,000 grantees by 27.0 percent with 88,933 actual grantees in SY 2019-2020. The overachievement was due to a decrease in the amount of subsidy from P15,000 per learner to P12,500, but with an additional P550 provision for assessment fee.

Commission on Higher Education

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
CHED	50.5	28.5	19.3	56.5%	67.6%	59.9	33.7	29.0	56.2%	86.2%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. The CHED, being the agency responsible for promoting relevant, quality and accessible higher education, was allotted a total budget of P59.9 billion in 2019, including P21.9 billion from its continuing appropriation. Compared to 2018, the 2019 allotment was P9.4 billion or 18.5 percent more than the P50.5 billion total allotment released in the previous year.

³⁴ Per World Health Organization definition, wasting in children is a symptom of acute undernutrition, usually as a consequence of insufficient food intake or a high incidence of infectious diseases, especially diarrhea. Wasting in turn impairs the functioning of the immune system and can lead to increased severity and duration of and susceptibility to infectious diseases and an increased risk for death.

Meanwhile, the 2019 obligation rate of 56.2 percent or P33.7 billion, of which P19.2 billion was from the prior year's continuing appropriations, was mainly accounted by the following major programs: UAQTE – P27.0 billion; Students Financial Assistance Programs (StuFAPs) – P3.2 billion; K to 12 Transition Program – P1.4 billion; and the Philippine-California Advanced Research Institute (PCARI) – P0.3 million.

Despite the total obligated amount being higher than the P28.5 billion obligated in 2018, this still shows a slight decrease in terms of obligation rate as compared to its 2018 obligation rate of 56.5 percent.

As of end 2019, a hefty amount of P26.2 billion has remained unobligated, mainly attributed to the unsynchronized annual school year and fiscal year for the implementation and disbursement of second semester reimbursements (Free Higher Education) of the UAQTE; non-utilization of some allotment for the Tertiary Education Subsidy (TES) due to time constraints; delayed issuance of SARO due to late compliance of required supporting documents; long process of vetting research proposals; revision of the guidelines for innovation grants of the K to 12 Transition Program; ongoing revision of policies on the grant of scholarships for graduate studies; difficulty in getting technical reviewers/experts in the disciplines concerned and additional requirement for project approval aimed to involve more State Universities and Colleges (SUCs) in the PCARI Project; requirement/s to obtain clearance from the Department of Science and Technology (DOST) councils for Research and Development (R&D) proposals; and lack of manpower to complement workload that affected the review and approval process.

Moreover, P29.0 billion or 86.2 percent of the obligated amount was disbursed in 2019, a significant increase from the 67.6 percent disbursement rate recorded in 2018.

Particulars	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
HIGHER EDUCATION DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of scholarships and student grants awarded	315,228	158,964	50.4%
2. Number of faculty members provided with faculty development grants	5,693	7,781	136.7%
3. Number of research, development and innovation project proposals funded	70	88	125.7%

Source: FY 2021 National Expenditure Program

Physical Performance. In 2019, the CHED surpassed most of its physical targets except for the number of scholarships and student grants awarded. Out of its 315,228 target, only 50.4 percent or 158,964 scholarships and student grants were awarded. This was also 243,405 lower than the 402,369 scholarships and student grants awarded in 2018. Of the total accomplishment, 157,263 student beneficiaries were covered by the StuFAPs comprised of 111,550 (70.9 percent) deserving student beneficiaries of the Tulong Dunong Program; 45,330 (28.8 percent) beneficiaries of the regular StuFAPs (Scholarship Program and Grants-in-Aid Program); and 383 (0.2 percent) dependents and children of sugarcane industry workers and small farmers. The shortfall was attributed to the decrease in the budget for the Program due to the shift of StuFAPs beneficiaries to UAQTE coupled with the increase in financial benefits provided for the beneficiaries per Joint Memorandum Circular No. 2019-004 of the CHED and the DBM.

Likewise, another 1,676,663 students in SUCs, CHED-recognized Local Universities and Colleges (LUCs), and private Higher Education Institutions (HEIs) benefitted from the implementation of Republic Act (RA) No. 10931 or the Universal Access to Quality Tertiary Education Act of 2017 for the first semester of AY 2019-2020. Of this total, 1,335,285³⁵ students were covered by the Free Higher Education which provides free tuition and 13 other school fees to all undergraduate students enrolled in public HEIs. Meanwhile, the TES granted P40,000 subsidy per year to 139,871 students in SUCs and 18,898 students in LUCs; and P60,000 subsidy per year to 253,585 students in private HEIs. In addition, P12,000 subsidy per year was given to 147,512 ongoing grantees of the Tulong Dunong Program³⁶ (TDP) in public and private HEIs.

For the same period, 84.0 percent of the scholarship grantees from CHED completed their degrees in priority programs. This accomplishment exceeded both its 80.0 percent target for 2019 and its 67.0 percent performance in 2018.

The CHED also provided 7,781 faculty members with faculty development grants – 36.7 percent more than its 5,693 target, and 3.6 percent higher than its 2018 accomplishment of providing grants to 7,514 faculty members. As mentioned, no new faculty scholars were approved under the K to 12 Transition Program due to the ongoing revision of policies for the granting of scholarships for graduate studies. Additionally, the long process of vetting research proposals and the revision of the guidelines for innovation grants also affected program implementation.

Moreover, only one (1) new high-end R&D project entitled “Farm-To-Market Profiling of Some Enteric Bacterial Pathogens in Ready-To Eat Salad Vegetables”

³⁵ Includes 218,488 students who also availed of the TES and TDP

³⁶ As provided by Special Provision No. 3 of the CHED in the General Appropriations Act of 2019

was supported through the PCARI Project. This was brought about by the different factors cited earlier.

Furthermore, 88 projects of HEIs were funded through the Higher Education Development Fund. This compares to its 70 targeted projects in 2019 and 179 projects funded in 2018. The project proposals funded focus on the 17 Sustainable Development Goals (SDGs) clustered into six platforms. These are also considered as investments in HEIs in support of the development of their capacity and capability to systematically and sustainably work with communities on development issues such as entrepreneurship/livelihood development; disaster risk reduction; role of women; and community leadership and governance, among other development concerns.

Department of Energy

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DOE	2.4	1.8	1.0	76.0%	56.0%	2.7	2.4	1.2	88.6%	49.3%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. The FY 2019 allotment of the Department of Energy (DOE) totaled P2.7 billion, of which, P1.6 billion was charged against the General Fund while P1.0 billion was sourced from the Special Account in the General Fund (SAGF). The DOE's obligation rate was 88.6 percent, a significant improvement from its FY 2018 obligation rate of 76.0 percent, and equivalent to an unobligated allotment of P301.7 million.

Fund Source	Allotment	Obligation	Disbursements	BUR	
				Obligation	Disbursement
General Fund	1.6	1.4	1.0	87.1%	73.0%
SAGF	1.0	0.9	0.1	91.2%	8.0%

The higher obligation rate of the department can be directly attributed to the better financial performance of its locally-funded projects (LFPs), improving by almost 30.3 percentage points (or about 50.0 percent) compared to last year's 60.9 percent. The bulk of SAGF's unobligated allotment can be traced to two (2) LFPs: Nuclear Energy Program Implementing Organizations and Implementation of Performance Audit and Assessment for All Power Generations, Transmissions, and Distributions Systems and Facilities in the Country, with the former obligating only 19.4 percent while the latter obligating 59.1 percent. Nominally, these sum up to P57.5 million of the P90.2 million unobligated allotment for SAGF.

On the other hand, for programs funded under the General Fund, the main reason for its unobligated allotment was the failed biddings and delayed procurement of its ICT requirements covered by its Information System Strategic Plan.

Despite the significant improvement in the obligation rate of the department, it was offset by its consistently poor, and even worse, disbursement performance. For 2019, the disbursement rate of DOE further dipped to 49.3 percent, 6.7 percentage points (or 12.0 percent) lower than last year's 56.0 percent. This translates to undelivered outputs or unpaid obligations of P1.2 billion. It should be noted that the Total Electrification Program chargeable against the SAGF is accountable to almost half of the Department's unpaid obligations with only P3.6 million disbursement out of its P499.2 million obligation (0.7 percent disbursement rate). Coming in second is the Market Transformation through the Introduction of Energy-Efficient Electric Vehicles Project which was unable to deliver its contractual obligations in the amount of P267.8 million (0 percent disbursement rate). DOE reported that these delays can be attributed to the delay in the procurement activities that cause delay in the awarding of contracts and payment of services rendered; late signing/awarding of Memorandum of Agreement for LFPs; and the delayed submission of billings and statement of accounts from creditors.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
NATIONAL AND REGIONAL ENERGY PLANNING PROGRAM			
<i>Output Indicators</i>			
1. No. of energy plans prepared and updated	2	4	200%
2. No. of statistical research and studies prepared/updated	14	174	1,243%
3. Percentage of project evaluation and monitoring conducted on time	80%	100%	125%
CONVENTIONAL ENERGY DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. No. of contract and/or circulars drafted, prepared and reviewed	13	20	154%
2. No. of information, education, communication, and other promotional activities conducted on conventional energy development	5	22	440%
3. No. of monitoring activities/inspections conducted on conventional energy projects	219	495	226%
RENEWABLE ENERGY DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Percentage of issuances and permits on renewable energy development issued on time	80%	99%	111%
2. No. of information, education, communication, and other promotional activities conducted on renewable energy	14	56	400%
3. No. of inspection conducted on renewable energy development projects	177	145	82%

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
DOWNSTREAM ENERGY DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Percentage of issuances/permits/ standards drafted and issued	100%	100%	100%
2. No. of information, education, communication, and other promotional activities conducted on the downstream oil and gas sector	12	25	208%
3. No. of downstream oil and gas field work and operational monitoring activities conducted	1,073	2,731	255%
ELECTRIC POWER INDUSTRY DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. No. of plans/policies prepared, recommended, and/or adopted	15 policies and 3 plans	46 policies and 19 plans	261%
2. No. of information, education, and communication activities, promotional events, and public consultations conducted	79	125	158%
3. No. of application for COE for investment in the energy sector processed	272	609	224%
ENERGY EFFICIENCY AND CONSERVATION PROGRAM			
<i>Output Indicators</i>			
1. No. of information, education, communication, and other promotional activities conducted on energy efficiency and conservation	12	38	317%
2. Percentage of energy audit in government agencies conducted on time	10%	100%	1,000%
ALTERNATIVE FUELS AND TECHNOLOGIES PROGRAM			
<i>Output Indicators</i>			
1. No. of technical assistance/evaluation completed on time	6	27	450%
2. No. of information, education, communication, and other promotional activities conducted on alternative fuels and technology	12	15	125%
3. Number of policies formulated/permits issued related to alternative fuels and technologies issued on time	3	5	167%

Source: FY 2021 National Expenditure Program

Physical Performance. The DOE continues to uphold its mandate of providing adequate, reliable, and affordable energy to industries to enable them to provide continuous employment and low cost of goods and services, and to the ordinary citizen to enable them to achieve a decent lifestyle. This is evident in DOE's 2019 physical performance where it has achieved almost all of its 20 output indicators except one: inspections conducted under the Renewable Energy Development Program with an accomplishment rate of 86.0 percent.

Despite the better performance of the Department both financially and physically, the mismatch between the two still exists: the DOE continues to report accomplishment rates as high as a thousand percent. Therefore, there still a need to put an effort in eliminating the understatement of targets by revisiting its planning strategies in order to formulate realistic and measurable targets based on historical data and within the control of the agency in order to achieve full utilization of available resources. The Department also needs to formulate strategies and catch-up plans to recoup financial underperformance and undertake early procurement activities in order to fast track the implementation of its ICT projects and LFPs under the SAGF in order to improve its fund utilization and achieve effective delivery of its mandated services.

Department of Environment and Natural Resources

(in billion pesos)

Department	2018 ^{1/}						2019 ^{2/}					
	Allotment	Obligation	Disbursements	BUR			Allotment	Obligation	Disbursements	BUR		
				Oblig	Disb					Oblig	Disb	
DENR	27.0	25.7	20.2	95.2%	78.6%		27.4	26.0	22.5	95.1%	86.7%	

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. For 2019, the DENR reported a 95.1 percent obligation rate, slightly lower than its 95.2 percent in 2018. Similar to 2018, all but one agency reached obligation rates above 90.0 percent. While the Environmental Management Bureau (EMB) brought its obligation rate from 83.0 percent in 2018 to 90.2 percent in 2019, the performance of National Water Resources Board dropped from 94.0 percent to 87.7 percent in the same period due to delays in the issuance of LGU clearances and permits for the installation of groundwater monitoring wells for their Water Resources Vulnerability and Sustainability Assessment Program. Meanwhile, department spending grew from 78.6 percent in 2018 to 86.7 percent in 2019 with OSEC reporting a significant increase from 76.9 percent in 2018 to 87.0 percent in 2019. Despite this, the OSEC and EMB³⁷ were the only two (2) agencies under DENR with disbursement rates lower than 90.0 percent in 2019.

³⁷ FY 2019 disbursement of EMB is 77.1 percent

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
NATURAL RESOURCES ENFORCEMENT AND REGULATORY PROGRAM			
<i>Output Indicators</i>			
1. Number of hectares of open-access/untitled lands of the public placed under appropriate management arrangement/tenure	15% of open-access/untitled lands of the public domain placed under appropriate management arrangement/tenure	85188.12 ha.	
2. Percentage of wildlife permits, certifications and/or clearance applications acted upon within 7 working days from date of receipt	80% of wildlife permit applications acted upon	80%	100%
NATURAL RESOURCES CONSERVATION AND DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of terrestrial protected areas/wetlands/caves			
Inland wetlands	13	54	415.4%
Caves	64	71	110.9%
2. Number of critical habitats established and managed	3 established	6 established 3 managed	300.0%
3. Number of hectares of coral reefs, mangrove forests, and sea grass beds mapped	11169 ha.	2279.10 ha.	20.4%
4. Number of marine protected areas network established	14	11	78.6%
5. Number of residential and land patents issued within the prescribed timeframe	33,040 residential land patents	34,342	103.9%
6. Area of denuded and degraded forestlands/PAs decreased (in ha. Cumulative)	900	2,052	228.0%
7. Number of hectares planted area maintained and protected	353886 ha.	350645 ha.	99.1%
ENVIRONMENT AND NATURAL RESOURCES RESILIENCY PROGRAM			
<i>Output Indicators</i>			
1. No. of DENR offices provided with training on mainstreaming climate change	16 ROs and 2 Bureaus	16 ROs and 6 Bureaus and 3 Attached Agencies	138.9%

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
2. No. of information, education, and communication activities conducted	16 regions	16 regional offices, 6 Bureaus and 3 Attached Agencies	156.3%

Source: FY 2021 National Expenditure Program

Physical Performance. Most of the department's physical targets for FY 2019 were met or exceeded. The Natural Resources Conservation and Development Program, which received a P9.4 billion allotment³⁸ in FY 2019, exceeded four (4) out of its seven (7) targets resulting in the protection of 71 caves; establishment of six (6) and management of three (3) critical habitats; and the timely issuance of 34, 342 residential and land patents. Under the program, the targets for protected inland wetlands and decreased denuded & degraded forestlands were quadrupled and doubled, respectively. In addition, the agency fell short of its targets for the maintenance and protection of planted-areas, establishment of marine protected areas and the mapping of coral reefs, mangrove forests and sea grass beds. The department has yet to provide the justification for the performance of the said targets.

However, it should be noted that the DENR met all targets on ensuring conformity with environmental standards on environmental impact, pollution and mining as the EMB and Mines and Geosciences Bureau (MGB) both met their targets in the timely processing of applications and permits. Monitoring was also conducted for existing projects and operations, with EMB inspecting the compliance of 16,688 projects to their Environmental Compliance Certificates and 65,296 sites/facilities on their impact on environmental quality while the MGB monitored compliance for 940 mining permits/contracts.

At the regional and local level, the DENR capacitated its 16 regional offices, six (6) bureaus, and three (3) attached agencies on mainstreaming climate change while the MGB provided 200 cities/municipalities with information materials on geohazards while 90 cities/municipalities were assessed for groundwater resources and vulnerability.

³⁸ Excluding additional releases from Special Purpose Funds

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
<u>EMB</u>			
ENVIRONMENTAL ASSESSMENT AND PROTECTION PROGRAM			
<i>Output Indicators</i>			
1. Number of projects monitored based on ECC conditions with reports submitted	14,910	16,688	112%
2. Information, Education and Communication materials developed and Disseminated	40,000	51,927	130%
3. Number of environmental research studies conducted for policy purposes	1	1	100%
ENVIRONMENTAL AND POLLUTION CONTROL PROGRAM			
<i>Output Indicators</i>			
1. Percentage of permits, clearances, and certificates issued within the prescribed timeframe	80%	86%	108%
2. Number of sites/facilities or areas that have been inspected with report submitted	50,091	65,296	130%
3. Percentage of cases/complaints acted upon within the prescribed timeframe	96%	96%	100%
<u>MGB</u>			
MINERAL RESOURCES ENFORCEMENT AND REGULATORY PROGRAM			
<i>Output Indicators</i>			
1. Mining applications (including other minings rights approved/denied/endorsed within the prescribed period	3,377	4,529	134%
2. Number of mining permits/contracts monitored	910	940	103%
GEOLOGICAL RISK REDUCTION AND RESILIENCY PROGRAM			
1. Number of cities and municipalities where vulnerabilities and risk assessments were conducted	50%	77.70%	155%
2. Number of LGUs (cities/municipalities) provided with information, education, and communication campaigns on geohazards	200 cities/ municipalities	200 cities/ municipalities	100%
3. Number of LGUs assessed for groundwater resources and vulnerability	90 cities/ municipalities	90 cities/ municipalities	101%

Source: FY 2021 National Expenditure Program

Department of Health

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DOH	110.7	104.5	67.9	94.4%	65.0%	110.4	98.3	72.60	89.1%	73.8%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. For 2019, the DOH was provided a total allotment of P110.4 billion to support the Department's mandated function of providing equitable, sustainable, and quality health for all Filipinos. Obligation for the same year was P98.3 billion or 89.1 percent, which was lower than its obligation rate of 94.4 percent in 2018. Moreover, disbursement rate in 2019 was higher at 73.8 percent as compared to the 65.0 percent in 2018.

By expense class, current operating expenditures account for P84.2 billion or 85.6 percent of the total obligation incurred by the DOH with maintenance and operating expenses at P36.0 billion and personnel services at P48.2 billion. The remaining 14.4 percent of the total obligation represents capital outlays at P14.2 billion.

By implementing agency, the Office of the Secretary (DOH-OSEC) incurred 98.7 percent of the total obligation at P97.1 billion while the National Nutrition Council (NNC) at P436 million or 0.4 percent. In terms of the obligation rates, the NNC registered the highest at 96.9 percent and the DOH-OSEC, 89.0 percent. The NNC also registered the highest disbursement rate at 83.3 percent and the DOH-OSEC at 73.7 percent.

The remaining unobligated allotment for DOH-OSEC mostly pertains to the following: (1) Human Resources for Health - P652.9 million, (2) National Immunization Program - P701.9 million, (3) Family Health and Responsible Parenting - P1.2 billion, (4) Public Health Management - P293.4 million, (5) Rabies Program - P134.7 million, (6) Quick Response Fund - P228 million for Maintenance and Other Operating Expenses, and (7) Health Facilities Enhancement Program - P3.93 billion for Capital Outlays.

Under the DOH-OSEC, P68.8 billion or approximately 70.0 percent of the total obligation of the Department was spent for the implementation of the following major programs in 2019: a) Human Resource for Health (HRH) Deployment - P7.4

billion; b) National Immunization - P7.0 billion; c) Family Health, Nutrition and Responsible Parenting - P2.2 billion; d) Health Facilities Enhancement Program (HFEP) - P13.0 billion; e) Operation of DOH Hospitals in Metro Manila - P8.6 billion; f) Operation of DOH Regional Hospitals and Other Health Facilities - P21.7 billion; g) Operation of Dangerous Drug Abuse Treatment and Rehabilitation Centers - P1.2 billion; and h) Assistance to Indigent Patients either confined or out patients in government hospitals/specialty hospitals/LGU hospitals/Philippine General Hospital/West Visayas State University Hospital - P7.7 billion.

For the NNC, out of the P436.0 million total obligation, 87.2 percent or P380 million was utilized for the implementation of the National Nutrition Management Program, which includes the P114.2 million for the Early Childhood Care and Development for First 1,000 Days (ECCD F1K). The ECCD F1K aims to reduce malnutrition in the country by ensuring proper health and nutrition from pregnancy period up to the first two years of the life of the child.

In addition, around P67.3 billion was released to and obligated by the Philippine Health Insurance Corporation (PHIC) to implement the NHIP in 2019. The total obligation of the PHIC was used to cover the health insurance premiums of the following: a) 12.7 million indigent families under the DSWD's National Household Targeting System for Poverty Reduction (NHTS-PR) – P30.4 billion; b) 6.8 million senior citizens – P33.9 billion; c) 1.2 million financially incapable Universal Health Care (UHC) for Point of Service (POS) patients – P3.0 billion; d) 24,192 families identified by the Office of the Presidential Adviser on the Peace Process (OPAPP) under the Payapa at Masaganang Pamayanan (PAMANA) Program – P58.1 million; and e) 20,062 families identified by the OPAPP under the Bangsamoro Program – P48.2 million.

In addition to the regular subsidy for the NHIP, a total amount of P279.5 million was also released from the Military Camp Sales Proceeds Fund for its three percent (3%) share of the net proceeds from the disposition of Metro Manila military camps under Section 1(d)(4) of the RA No. 7917³⁹ and Section 4.5.4 of the Administrative Order No. 236, s. 1996⁴⁰ and obligated by the PHIC to cover the health insurance premiums of 116,460 indigents under the NHTS-PR.

³⁹ An Act Amending Section 8 of Republic Act Numbered Seventy-Two Hundred and Twenty-Seven, Otherwise Known as the Bases Conversion And Development Act of 1992, Providing for the Distribution of Proceeds from the Sale of Portions of Metro Manila Military Camps, and for Other Purposes

⁴⁰ *Prescribing Rules and Regulations on the Collection, Remittance and Utilization of Sales Proceeds Under Republic Act No. 7227 as amended by Republic Act No. 7917*

Particulars	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
HEALTH SYSTEMS STRENGTHENING PROGRAM			
<i>Output Indicators</i>			
1. Percentage of LGUs provided with technical assistance on local health systems development	100%	96%	96.0%
2. Percentage of priority areas supplemented with Human Resource for Health from DOH Deployment Program	100%	100%	100.0%
PUBLIC HEALTH PROGRAM			
<i>Output Indicators</i>			
1. Percentage of LGUs and other health partners provided with technical assistance on public health programs	80%	100%	125.0%
2. Average percentage of LGUs provided with at least 80% of commodities	80%	0%	0.0%
EPIDEMIOLOGY AND SURVEILLANCE PROGRAM			
<i>Output Indicators</i>			
1. Percentage of outbreak/epidemiologic investigations conducted	90%	100%	111.1%
HEALTH EMERGENCY MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Percentage of LGUs provided with technical assistance on the development or updating of DRRM-H Plans	60%	80.45%	134.1%
HEALTH FACILITIES OPERATION PROGRAM			
<i>Output Indicators</i>			
1. Percentage of samples tested at NRLs	100%	100%	100.0%
2. Number of blood units collected by Blood Service Facilities	65,000	227,975	350.7%
3. Number of in-patient and out-patient drug abuse cases managed	34,958	90,978	260.2%
SOCIAL HEALTH PROTECTION PROGRAM			
<i>Output Indicators</i>			
1. Number of patients provided with medical assistance	1,000,000	1,541,762	154.2%

Source: FY 2021 National Expenditure Program

Physical Performance. Under the Health Systems Strengthening Program, the DOH provided 96.0 percent of its targeted LGUs with technical assistance related to local health systems development. Some of the LGUs were targeted to receive technical assistance more than once within the year. In addition, the DOH was able to provide 100.0 percent of the HRH requirements of its targeted priority areas.

For the Public Health Program, the DOH exceeded its target by 25.0 percent in providing technical assistance on public health programs to LGUs and other health partners. However, there are no accomplishments reported for providing access to health commodities to its targeted LGUs since the commodities delivered in 2019 are the commodities procured in previous years. The procured commodities programmed for 2019 have not been shipped nor delivered to the DOH.

Under the Epidemiology and Surveillance Program, the DOH surpassed its target by 11.1 percent, allowing them to conduct all of its targeted outbreak/epidemiologic investigations. In support of the Health Emergency Management Program, the DOH exceeded its target by 34.1 percent of providing its targeted LGUs with technical assistance on the development or updating of Disaster Risk Reduction Management – Health (DRRM-H) Plans.

For the Health Facilities Operation Program, the DOH accomplished 100.0 percent of samples tested at National Reference Laboratories (NRLs). Accomplishments for the number of blood units collected by Blood Service Facilities were at 227,975, exceeding its target by 250.7 percent, and the number of inpatient and outpatient drug abuse cases managed were at 90,978 or 160.2 percent above its target. Finally, a total of 1,541,762 patients were provided with medical assistance under the Social Health Protection Program, exceeding its target by 54.2 percent. The number of beneficiaries were revised due to the late submission and revisions of reports from the hospitals.

For 2019, the PHIC achieved the following health insurance coverage: a) 82.0 percent or 12.7 million out of the target 15.4 million indigent families listed under the NHTS; b) 124.6 percent or 6.8 million out of the target 5.4 million senior citizens not covered under any existing PhilHealth membership category; c) 98.7 percent or 1.2 million out of the target 1.3 POS patients; d) 94.8 percent or 24,192 out of the target 25,514 families identified under the PAMANA program; and e) 88.3 percent or 20,062 out of the target 22,709 families identified under the Bangsamoro Program.

Department of Information and Communications Technology

(in billion pesos)

Department	2018 ^{1/}						2019 ^{2/}					
	Allotment	Obligation	Disbursements	BUR			Allotment	Obligation	Disbursements	BUR		
				Oblig	Disb					Oblig	Disb	
DICT	5.4	4.5	3.1	83.5%	67.7%		7.9	4.2	2.1	53.5%	49.5%	

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. The Department of Information and Communications Technology (DICT) obligation rates continued to decrease from 94.4 percent in 2017 to 83.5 percent in 2018 and then 53.5 percent in 2019. This can be largely attributed to the ICT Systems and Infostructure Development, Management and Advisory Program, whose allotment comprised more than half of the total department budget for FY 2019. The program obligation rate sat at 45.9 percent or P1.9 billion out of its P4.2 billion allotment due to the slow implementation of its LFPs, specifically for the National Broadband Plan and National Government Portal which reported obligation rates of 2.9 percent and 11.2 percent, respectively. In addition, the ICT Governance program reported the lowest obligation rates among the agency's regular programs at 26.7 percent, or P430.5 million out of its P1.6 billion allotment.

In contrast to its improvement in 2018, total disbursement dropped from 67.7 percent in 2018 to 49.5 percent in 2019 due to the non-completion as of year-end of the project contracts awarded in FY 2019. Notably, disbursements were almost non-existent for the free Wi-Fi projects, with the Free Internet Wi-Fi Connectivity in SUCs reporting no disbursements despite full obligation.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
OSEC			
ICT SYSTEMS AND INFOSTRUCTURE DEVELOPMENT, MANAGEMENT AND ADVISORY PROGRAM			
INNOVATION AND DEVELOPMENT SUB-PROGRAM			
<i>Output Indicators</i>			
1. Number of developed ICT-enabled tools, applications and systems for public use	1 additional authoritative registry developed 100% production ready National Government Portal	3 system; 1 registry; 1 Mobile Operations for Emergency (MOVE): 100% production-ready National Government Portal	100.0%

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
2. Number of interconnected government agencies	Additional 30 government agencies	265	883.3%
3. Number of localities with connectivity	Additional 5,302 sites in 1,368 cities	79 provinces and 800 Municipalities and Cities (1,088 live sites established)	20.5% - live sites; 58.5% - cities & municipalities
IMPLEMENTATION MANAGEMENT AND OPERATIONS SUB-PROGRAM			
<i>Output Indicator</i>			
1. Number of technical services provided	3 government data centers; 9 shared services; and other ICT facilities providing technical services	2 data centers; 11 shared services	66.7% - data centers; 122.2% - shared services
2. Number of government agencies who availed the technical services	120 government agencies (mandated and non-mandated)	2,527	2105.8%
3. Number of operationalized and enhanced infrastructures	Rehabilitation of 12 DICT buildings, 12 DICT towers and 3 Access Roads	27 buildings, 21 towers	225% - buildings; 175.0% - towers; 0.0% - access roads
ICT CAPACITY DEVELOPMENT AND MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of capability development activities conducted	500 capacity development to be conducted nationwide	855 capability development activities conducted	171.0%
2. Number of ICT users trained	12, 500 users trained	42, 018 users trained	336.1%
3. Number of ICT-enabled centers established in the Communities	1,000 ICT-enabled centers established	1,278 ICT-enabled centers established	127.8%

Source: FY 2021 National Expenditure Program

Physical Performance. An improvement from its 2018 performance, the DICT was able to meet or exceed most of its commitments for its regular programs. However, only three (3) out of the seven (7) output targets of its LFPs were met, with only the National ICT Household Survey and National Government Portal from its six (6)

LFPs⁴¹ reporting full accomplishment. Its free Wi-Fi projects once again reported the lowest accomplishments, with the recorded accomplishment rates of the Free Internet Wi-Fi Connectivity in Public Places and Free Internet Wi-Fi Connectivity in SUCs at 20.5 percent and 4.8 percent, respectively. It has since been recommended to the department to review its planning strategies to formulate realistic targets based on historical data and to formulate strategies and catch-up plans, including the conduct of early procurement activities.

On government ICT infrastructure, the department developed three (3) systems, one (1) registry, one (1) unit of Mobile Operations Vehicle for Emergency (MOVE)⁴², and completed the work for a production-ready National Government Portal. Government connectivity was also increased as 256 government agencies were interconnected with 2,527 government agencies capacitated on the use and management of ICT, and the rehabilitation and enhancement of various DICT infrastructure. However, the achievement of public connectivity targets was inconsistent as targets were exceeded for the number of ICT-enabled centers established and ICT users trained, but only 1,088 live sites were established in 800 cities and municipalities versus the targeted 5,302 sites in 1,368 cities.

Department of the Interior and Local Government

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DILG	248.7	244.2	234.4	98.2%	96.0%	294.4	287.6	265.7	97.7%	92.4%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. To continue its commitment of promoting peace and order, ensuring public safety, and strengthening the capability of LGUs, the Department of the Interior and Local Government (DILG) was allotted with P294.4 billion in 2019. Of the said amount, P287.6 or 97.7 percent was obligated within the same year, which is a slight decrease compared to its 98.2 percent obligation rate in 2018. Furthermore, disbursements amounted to P265.7 billion or 92.4 percent of total obligation, which is also a decrease compared to the 96.0 percent disbursement rate in 2018.

By expense class, PS obligation amounted to P246.8 billion or 85.8 percent of the total obligation of the Department. Of the said amount, the Philippine National Police (PNP) accounted for P205.3 or 83.2 percent of the DILG's total PS obligation.

⁴¹ The DICT-OSEC LFPs for FY 2019 are: (1) National ICT Household Survey, (2) National Government Data Center, (3) Free Internet Wi-Fi Connectivity in Public Places, (4) Free Internet Wi-Fi Connectivity in SUCs, (5) National Broadband Plan, and (6) National Government Portal.

⁴² A MOVE is a rapid deployable emergency communications system that aims to provide ICT-enabled support to disaster-stricken areas in the country.

On the other hand, maintenance and other operating expenses and capital outlays comprised 9.9 percent and 4.3 percent of the Department's total obligation, respectively.

By implementing agency, the PNP accounts for P229.0 billion or 79.6 percent of the total obligation. It was followed by the Bureau of Fire Protection (BFP) with P26.0 or 9.0 percent, the Bureau of Jail Management and Penology (BJMP) with P20.2 billion or 7.0 percent, and the DILG-OSEC with P7.3 billion or 2.5 percent. Among the above-mentioned agencies, the PNP had the highest obligation rate at 98.9 percent, followed by the BFP at 98.4 percent, the DILG-OSEC at 88.6 percent, and the BJMP at 88.5 percent.

Physical Performance.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
CRIME PREVENTION AND SUPPRESSION PROGRAM			
<i>Output Indicators</i>			
1. Number of foot and mobile patrol operations conducted	15,976,617	16,185,198	101.3%
2. Percentage change in National Index Crime Rate (NICR)	5.0% <i>reduction</i>	6.16%	123.2%
3. Percentage of crime incidents responded within 15 minutes (in urban areas)	100%	99.11%	99.11%
CRIME INVESTIGATION PROGRAM			
<i>Output Indicators</i>			
1. Number of crime investigations undertaken	554,297	464,661	83.8%
2. Percentage of most wanted persons/high value targets arrested	5% <i>increase</i> (19.37%)	19.37%	100.0%
3. Percentage of arrested persons within 30 days upon the receipt of the Warrant of Arrest	5% <i>monthly</i> <i>arrest</i> (34.7%)	34.7%	100.0%

Source: FY 2021 National Expenditure Program

The PNP exceeded most of its performance targets under its Crime Prevention and Suppression Program in 2019. It conducted a total of 16,185,198 foot and mobile patrol operations, which is 101.3 percent of its target number of 15,976,617 foot and mobile patrols for the year. The PNP also achieved a 6.16 percent reduction in the National Index Crime Rate (NICR), going beyond its target of 5.0 percent reduction

in NICR and recording a 123.2 percent accomplishment rate. However, the PNP was able to respond to only 99.1 percent of crime incidents within 15 minutes, falling short of its 100.0 percent target. It must be noted though that most of the 0.9 percent difference were found to be prank calls.

Under its Crime Investigation Program, the PNP was only able to conduct 464,661 investigations out of its target of 554,297. This translates into an accomplishment rate of 83.8 percent. However, the PNP claims that there were only 464,661 reported crimes in the PNP blotter of all police stations in 2019. Thus, this must also be considered a 100.0 percent accomplishment. Moreover, the PNP was able to achieve a 100.0 percent accomplishment rate upon arresting 19.4 percent of the most wanted persons/high value targets. As to the percentage of arrested persons within 30 days upon the receipt of the warrant of arrest, the PNP also met the baseline target of 34.7 percent.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
INMATES' SAFEKEEPING AND DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Improved safekeeping efficiency	99.98%	99.99%	100.0%
2. Percentage of inmates released within 24 hours of their release date	100%	100%	100.0%
3. Percentage of inmates provided with welfare and development services	80%	94.7%	118.4%

Source: FY 2021 National Expenditure Program

Overall, the BJMP was able to exceed its performance targets for 2019. Under its Inmates' Safekeeping and Development Program, the Bureau recorded a 100.0 percent accomplishment rate in improved safekeeping efficiency, while 100.0 percent of inmates were released within 24 hours of their release date. Moreover, a total of 137,025 inmates benefitted from the BJMP's various welfare and development services, which include spiritual services, livelihood services, educational services, psychological services, and health care services, among others. This is 18.4 percent more than its target of 115,758 inmates for the year.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
FIRE PREVENTION MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Percentage of registered business establishments inspected against the total number of registered business establishments nationwide	100.0%	100.0%	100.0%
2. Percentage of Fire Safety Inspection Certificate (FSIC)-rated buildings and structures that has not been the cause of fire incident (origin of fire) against the total number of FSIC-rated buildings and establishments nationwide	99.98%	99.82%	99.8%
3. Percentage of buildings and establishments inspected within the prescribed time frame i.e., 3 ½ days from the receipt of Inspection Order (IO) of the Fire Safety Inspector (FSI) against the total number of buildings/ establishments inspected nationwide	85.0%	97.76%	115.0%
FIRE AND EMERGENCY MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Percentage of resolved cases with cause and origin determined within the prescribed time	80.0%	92.50%	115.6%
2. Percentage of suspected arson cases filed in court against total number of intentional fire incidents investigated	25.0%	19.14%	76.6%
3. Percentage of households in disaster/calamity-affected barangays rendered with assistance	15.0%	41.99%	279.9%

Source: FY 2021 National Expenditure Program

For its part, the BFP also achieved most of its performance targets under its Fire Prevention Management Program. The BFP inspected 100.0 percent of registered business establishments nationwide. It was also able to inspect 97.8 percent of buildings and establishments within the prescribed time frame, which is 15.0 percent more than its target of 85.0 percent. However, out of all the Fire Safety

Inspection Certificate (FSIC)-rated buildings and structures nationwide by the Bureau, only 99.8 percent (or 99.8 percent of its target) had not been the cause of fire incident (origin of fire). The reported underperformance under this indicator resulted from the increase in the baseline data (number of registered business establishments) due to the additional function of the BFP to inspect Philippine Economic Zone Authority (PEZA) establishments. In addition, these PEZA establishments have already had fire incidents prior to the initial inspection by the BFP.

Under its Fire and Emergency Management Program, the BFP resolved 92.5 percent of cases with cause and origin determined within the prescribed time, which is greater than its 80.0 percent target. Furthermore, the agency provided assistance to 42.0 percent of households in disaster/calamity-affected barangays, greatly surpassing its 15.0 percent target and giving the BFP an astounding 279.9 percent accomplishment rate. On the other hand, the BFP was able to file only 19.1 percent of the suspected arson cases in court against total number of intentional fire incidents investigated, falling short of its 25.0 percent target.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
LOCAL GOVERNMENT EMPOWERMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of LGUs provided with pertinent capacity-building/TA services on various governance areas	1,653 PCMs	1,592 PCMs (excluding BARMM)	96.3%
LOCAL GOVERNMENT PERFORMANCE OVERSIGHT AND RECOGNITION AND INCENTIVES PROGRAM			
<i>Output Indicators</i>			
1. Number of LGUs provided with recognition/incentives in accordance to set timelines	All SGLG passers /PCF qualifiers	380 PCMs	100.0%
2. Number of LGUs assessed on good local governance	1,653 LGUs	1,653 LGUs	100.0%

Source: FY 2021 National Expenditure Program

Likewise, the DILG-OSEC accomplished its performance targets under its Local Government Performance Oversight Program, having provided all 380 provinces, cities, and municipalities (PCMs) that passed the Seal of Good Local Governance (SGLG) or qualified for the Performance Challenge Fund (PCF) with recognition/incentives in accordance to set timelines. It also assessed all of its target 1,653 PCMs on good local governance. However, out of the said target, only 1,592

PCMs (or 96.3 percent) were provided with pertinent capacity-building/technical assistance services under its Local Government Empowerment Program. The observed underperformance may be due to the BARMM PCMs no longer availing of the capacity-building/technical assistance services of the DILG-OSEC, as the BARMM has already established its own Ministry of the Interior and Local Government (MILG).

Department of Labor and Employment

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DOLE	12.5	12.1	11.1	96.4%	92.1%	17.6	16.2	14.3	92.0%	88.2%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. For 2019, the DOLE was provided with a total allotment of P17.6 billion to formulate and implement policies and programs on labor and employment. Total obligation for the same year stood at P16.2 billion or 92.0 percent compared to the P12.1 billion or 96.4 percent obligation in 2018. Meanwhile, the Department's 2019 disbursement level amounted to P14.3 billion or 88.2 percent of its total obligation, lower than the P11.1 billion or 92.1 percent disbursement in 2018.

The DOLE-Office of the Secretary (DOLE-OSEC) received the bulk of allotment at P12.3 billion or 69.9 percent of the Department's total allotment. It incurred a total obligation of P11.3 billion and disbursed P9.8 billion, translating to an obligation and disbursement rate of 91.8 percent and 86.6 percent, respectively. These are lower than the 96.5 percent obligation rate and 91.8 percent disbursement rate in 2018. The decline in the Budget Utilization Rate (BUR) of the DOLE-OSEC can be attributed to the following: a) financial management challenges⁴³; b) delays and issues in the implementation of some major programs and projects of DOLE-OSEC⁴⁴; and c) procurement issues due to late procurement activities and failed biddings.

⁴³ In particular, a portion of the unobligated balance in the Overseas Allowance due to the delay in the deployment of administrative staff because of the problems encountered in the reciprocity issues with the host countries.

⁴⁴ For the Special Program for Employment of Students, the unutilized grant is due to the non-completion of contracts by the beneficiaries especially those employed during the last quarter of the year. Changes in the priorities by the LGU partner implementors were also an issue for the said program. Under the Public Employment Service Office (PESO), there were postponement of trainings and other activities in some regional offices due to conflicting schedules of PESO/LGUs and DOLE personnel. For JobStart Program, there was a cost reduction on the training expenses per trainee due to non-completion of the 3-month technical training period by some regional offices. Under the Livelihood and Emergency Employment Program, the unutilized balance was due to the slow liquidation of previously release funds and time constraints where the regional offices were not able to implement the project on time.

Looking at the DOLE's major programs in 2019, the Livelihood Emergency Employment Program incurred the largest obligation at P6.7 billion. The amount is broken down as follows: (1) Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers (TUPAD) Program – P4.7 billion; (2) Government Internship Program (GIP) – P1.07 billion; (3) DOLE Integrated Livelihood Program – P731 million; and (4) DOLE's Adjustment Measures Program (AMP) – P153 million.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
EMPLOYMENT FACILITATION PROGRAM			
<i>Output Indicators</i>			
1. Number of youth-beneficiaries assisted	85,898	128,271	149.3%
2. Number of qualified jobseekers referred for placement	1,714,295	2,441,536	142.4%
3. Number of individuals reached through Labor Market Information (LMI)	2,426,279	4,067,527	167.6%
EMPLOYMENT PRESERVATION AND REGULATION PROGRAM			
<i>Output Indicators</i>			
1. Number of establishments assessed (LLCS)	64,000	70,298	109.8%
2. Number of beneficiaries/workers served	443,590	775,749	174.9%
3. Disposition rate of cases handled, including requests for assistance	100.0%	89.0%	89.0%
WORKERS PROTECTION AND WELFARE PROGRAM			
<i>Output Indicators</i>			
1. Number of beneficiaries provided with livelihood assistance	40,735	72,419	177.8%
2. Number of beneficiaries served	1,286,257	2,082,302	161.9%
3. Percentage of individuals provided services within the prescribed process cycle time (PCT)	100.0%	100.0%	100.0%

Source: FY 2021 National Expenditure Program

Physical Performance. The DOLE-OSEC was able to accomplish and even exceeded most of its physical targets in 2019.

A total of 128,271 youth beneficiaries were provided with bridging employment assistance through the Special Program for Employment of Students and the JobStart Program. This is 49.3 percent more than the Department's target of 85,898 youth beneficiaries. The Department also referred around 2.4 million qualified applicants, exceeding its target by 42.4 percent, for placement to various employment opportunities through the network of Public Employment Service Offices (PESOs), along with the active participation of Private Recruitment and Placement Agencies as well as the nationwide conduct of Job Fairs. Moreover, the continued use of multimedia facilities and online services has enabled the Department to disseminate various reports/publications on Labor Market Information on a wider scope, reaching close to 4.1 million students, jobseekers, employers, and program partners, translating to an accomplishment rate of 167.6 percent.

To ensure compliance with the General Labor Standards and Occupational Safety and Health Standards, a total of 70,298 establishments were inspected under the Labor Inspection Program, exceeding the Department's target by 9.8 percent. A total of 775,749 workers/beneficiaries were served through the enhanced labor and employment education services as well as the Workers' Organization Development Program. This is 74.9 percent more than the Department's target of 443,590 worker/beneficiaries. The Department also recorded a disposition rate of 89.0 percent under the Speedy and Efficient Delivery of Labor Justice (SpeED)⁴⁵, falling short of its 100.0 percent target disposition rate. There was difficulty in the disposition of cases handled by DOLE-OSEC due to the complicated nature of the cases which require individual resolution of each claim/cause of action. There was also the issue of limited personnel assigned in case management.

Under the Workers Protection and Welfare Program, a total of 72,419 beneficiaries were provided with livelihood assistance while engaging in livelihood undertakings/enterprises or enhancing their existing sources of income or livelihood, which was 77.8 percent higher than its target of 40,735 beneficiaries. Almost 2.1 million beneficiaries were provided with various welfare and protection services through its various programs⁴⁶, exceeding the Department's target by 61.9 percent. Finally, the DOLE-OSEC was able to attain its target of providing services to 100.0 percent of individuals within the prescribed Process Cycle Time.

⁴⁵ The SpeED is a measure to address case backlogs and make the docket current in the different DOLE offices and agencies involved in labor adjudication and dispute resolution activities.

⁴⁶ Specifically, the programs include the On-Site Services for OFWs, TUPAD Program, Family Welfare Program, Child Labor Prevention and Elimination Program, GIP, Financial Awareness Seminar and Small Business Management Training (FAS/SBMT), and the K to 12 DOLE AMP.

Technical Education and Skills Development Authority

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
TESDA	7.8	6.9	6.5	89.0%	94.1%	14.5	12.7	10.9	87.5%	86.1%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. To continue the management and supervision of technical education and skills development (TESD) in the country, the Technical Education and Skills Development Authority (TESDA) was allocated with P14.5 billion in FY 2019, almost double its previous year's allotment. This significant increase is due to its two major programs: Special Training for Employment Program (STEP) and Universal Access to Quality Tertiary Education. Of the total allotment releases, the Authority was able to obligate P12.7 billion, of which P10.9 billion was disbursed. Relative to last year, the obligation rate of 87.5 percent and disbursement rate of 86.1 percent reflect a poorer financial performance.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
TECHNICAL EDUCATION AND SKILLS DEVELOPMENT POLICY PROGRAM			
<i>Output Indicator</i>			
1. No. of National, Regional/Provincial TESD plans formulated/updated	1 National Progress Report	1 National Progress Report	100%
TECHNICAL EDUCATION AND SKILLS DEVELOPMENT REGULATORY PROGRAM			
<i>Output Indicators</i>			
1. Percentage of registered accredited TVET programs audited	100%	100%	100%
2. Percentage of skilled workers issued with certification within 7 days of their application	90%	94%	104%
3. No. of consultations, orientations and workshops for development of competency standards/training regulations	200	204	102%
TECHNICAL EDUCATION AND SKILLS DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. No. of graduates from technical education and skills development scholarship programs	274,614	344,215	125%
2. No. of training institutions/establishments/assessment centers provided with technical assistance	5,495 (3,864 TVIs & 1,631 ACs)	6,809 (5,166 TVIs & 1,643 ACs)	124%
3. No. of TESDA Technology Institutions graduates	110,241	298,673	271%

Source: FY 2021 National Expenditure Program

Physical Performance. Despite the relatively poorer financial performance of the TESDA, it was offset by its perfect physical performance: achieving all of its set physical targets, and even exceeding some.

Aside from being able to publish a National Progress Report, the authority, under its TESD Regulatory Program, audited 100.0 percent of its registered accredited technical and vocational education and training (TVET) programs and issued certification to skilled workers on a timely manner, with the latter even exceeding the target by four (4) percentage points. It has also conducted a total of 204 consultations, orientations, and workshops for the development of competency standards/training regulations.

Through the STEP, Training for Work Scholarship Program, and Private Education Student Financial Assistance, all of which are under the TESD Program, the authority was able to accommodate 425,866 enrollees and produce a total of 344,215 graduates, which is 25.4 percent higher than the set target of 274,614 graduates. Likewise, the TESDA produced 298,673 graduates from its Technology Institutions, which translates to its highest accomplishment rate of 270.9 percent. The agency also provided training assistance to 6,809 technical vocational institutions (TVIs) and assessment centers (ACs), realizing an accomplishment rate of 123.9 percent

Department of National Defense

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DND	255.2	239.5	207.4	93.8%	86.6%	274.8	266.5	227.3	97.0%	85.3%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. To fund the country's defense against external and internal threats to our country's territorial integrity and sovereignty, the DND was allotted with P274.8 billion in 2019. Of the said amount, P266.5 billion or 97.0 percent was obligated by the Department for the same period, which is higher than its 93.8 percent obligation rate in 2018. On the other hand, the DND's disbursements amounted to P227.3 billion or 85.3 percent of total obligations. This is a slight decrease compared to its 86.6 percent disbursement rate in 2018.

By expense class, PS amounted to P191.5 billion or 71.9 percent of total obligations. Meanwhile, combined maintenance and other operating expenses and capital outlays amounted to P75.0 billion or 28.1 percent.

Out of the total budget allotted to the DND, the General Headquarters (GHQ) received P106.3 billion, of which P103.0 billion or 96.8 percent was obligated. The

Armed Forces of the Philippines was also provided sizeable allotments, namely: Philippine Army (PA) - P97.3 billion; Philippine Navy (PN) - P29.3 billion, and Philippine Air Force (PAF) - P26.4 billion. A substantial amount of P9.7 billion was also provided to the Philippine Veterans Affairs Office (PVAO). Compared to the GHQ, however, higher obligation rates were recorded by the PVAO at 99.8 percent; the PAF at 98.6 percent; the PN at 98.0 percent; the Government Arsenal (GA) at 97.9 percent, and the DND-OSEC at 97.7 percent. In terms of spending, the PVAO also posted the highest disbursement rate with 99.7 percent, followed by the GA with 91.8 percent, the DND-OSEC with 90.4 percent, PA with 89.9 percent, and the Office of Civil Defense (OCD) with 89.2 percent.

Physical Performance.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
LAND FORCES DEFENSE PROGRAM			
<i>Output Indicators</i>			
1. Number of tactical and ready reserve units			
a. Tactical Battalions	204	206	101.0%
b. Ready Reserve Battalions	83	82	98.8%
2. Percentage of operational readiness of tactical and ready reserve units			
a. Tactical Battalions	81%	83%	102.5%
b. Ready Reserve Battalions	65%	65%	100.0%
3. Average percentage of effective strength of tactical battalions that can be mobilized within one hour as directed by higher authorities	90%	92%	102.2%

Source: FY 2021 National Expenditure Program

For its Land Forces and Defense Program, the PA almost achieved all of its targets except for one indicator. The PA maintained 206 tactical battalions, which is two more than its 2019 target. However, it did not attain the set target for number of ready reserve battalions maintained due to the security situation in the area of Sulu following the bombing of the Cathedral of Our Lady of Mount Carmel in Jolo, Sulu on January 2019. The PA is still in the process of recruiting potential reservists in the province that will form part of the ready reserve unit.

On the other hand, the PA achieved its target of 65.0 percent operational readiness of ready reserve battalions and even exceeded its target of 81.0 percent operational readiness of tactical battalions. Furthermore, the PA's average percentage of effective strength of tactical battalions that can be mobilized within one hour as

dictated by higher authorities was at 92.2 percent, exceeded the agency's 90.0 percent target.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
AIR FORCES DEFENSE PROGRAM			
<i>Output Indicators</i>			
1. Number of supportable aircraft maintained	154	155	100.7%
2. Percentage of accomplishment of one-hour response to flight-directed mission	90%	99%	110.0%
3. Percentage of flying hours flown	100%	95%	95.0%

Source: FY 2021 National Expenditure Program

For its part, the PAF also almost accomplished all of its target except for one output indicator under its Air Forces Defense Program. It maintained 155 supportable aircraft over its target number of 154, which translates to a 100.7 percent accomplishment rate. Moreover, the PAF completed 99.0 percent of one-hour response to flight directed missions, which is 110.0 percent of its target of 90.0 percent. However, the PAF was not able to complete all of its flying hours, having conducted only 95.0 percent of its target. This can be attributed to various reasons, such as the early completion of the 2019 Military Pilot Training Program, unscheduled maintenance of air assets due to bad weather, and non-mission capable due to supply status of deployable air assets.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
NAVAL FORCES DEFENSE PROGRAM			
<i>Output Indicators</i>			
1. Number of PN units deployed and sustained for utilization /employment	117	144	123.1%
2. Number of PN units prepared for deployment	40	38	95.0%
3. Number of Force-Level Support Services Units sustained	134	134	100.0%

Source: FY 2021 National Expenditure Program

Similarly, the PN achieved two out of its three output indicators under its Naval Forces Defense Program. It was able to deploy and sustain 144 PN units for utilization/employment, exceeding its target of 117 PN units by 23.1 percent. It was also able to accomplish its target of maintaining 134 Force-Level Support Services

Units. However, the PN did not reach its target of 38 PN units to be prepared for deployment. This can be attributed to the two failed biddings for the repair of PN aircraft. It is noted that due to the extension of the validity of the FY 2019 appropriations, two of these projects will still push through and are already included in PN's priority projects for FY 2020.

Department of Public Works and Highways

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DPWH	752.2	696.3	298.5	92.6%	42.9%	547.6	480.5	271.1	87.8%	56.4%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. The DPWH received a total allotment of P547.6 billion. Out of the total allotment released, 87.8 percent obligation was recorded equivalent to P480.5 billion. This year's obligation performance recorded a 4.8 percentage point decrease from the 2018 obligation rate of 92.6 percent. In terms of disbursement vis-à-vis obligation performance, the DPWH only disbursed an amount of P271.1 billion in 2019 (or 56.4 percent of its obligated budget), which is lower compared to the P298.5 billion disbursements in 2018.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
ASSET PRESERVATION PROGRAM			
<i>Output Indicators</i>			
1. Length (km) of maintained roads	1,250.588	336.074	26.9%
2. Length (km) of rehabilitated / reconstructed / upgraded	314.785	74.110	23.5%
NETWORK DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Length (km) of newly constructed roads	1,073.835	47.338	4.4%
2. Length (km) of widened roads	778.822	41.827	5.4%
BRIDGE PROGRAM			
<i>Output Indicators</i>			
1. Total length (lm) and area (m2) of (new and replacement) constructed Bridges	25,941	930	3.6%
2. Number of maintained and rehabilitated bridges	248,744	8,892	3.6%
	838	380	45.3%
FLOOD MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of constructed flood mitigation structures and drainage systems	1,811	327	18.1%

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
2. Number of constructed / rehabilitated flood mitigation facilities with major river basins and principal rivers	547	99	18.1%
LOCAL PROGRAM			
<i>Output Indicators</i>			
1. Number of projects (school buildings, multipurpose buildings, health facilities, water supply systems, FMRs, etc.)	6,131	6,239	101.8%
CONVERGENCE AND SPECIAL SUPPORT PROGRAM			
<i>Output Indicators</i>			
1. Number of projects (school buildings, multipurpose buildings, health facilities, water supply systems, FMRs, etc.)	1,285	1,394	108.5%
2. Length (km) of constructed local roads	1,078.908	429.064	39.8%

Source: FY 2021 National Expenditure Program

Physical Performance. The Department did not meet most of its committed physical targets presented in the 2019 GAA – except for indicators under the Local Program, and Convergence and Special Support Program (all indicators except length of constructed local roads).

Under the Asset Preservation Program, the DPWH only maintained 336.1 kilometers, and rehabilitated/reconstructed/upgraded 74.1 kilometers of national road out of the committed 1,250.6 kilometers and 314.8 kilometers, respectively. These correspond to accomplishment rates of 26.9 percent and 23.5 percent, respectively. Meanwhile, under the Network Development Program, the Department constructed 47.3 kilometers, and widened 41.8 kilometers of national road out of the target 1,073.8 kilometers and 778.8 kilometers, respectively. These resulted to accomplishment rates of 4.4 percent and 5.4 percent for said indicators.

With the Bridge Program, a total length of 930 lineal meters out of the target 25,941 lineal meters, and an area of 8,892 square meters out of the committed 248,744 square meters of bridges were constructed – equivalent to accomplishment rate of 3.6 percent for both indicators. Further, the Department has maintained and rehabilitated 380 bridges out of the target 838 bridges resulting to an accomplishment rate of 45.3 percent.

Under the Flood Management Program, the Department only constructed 327 flood mitigation structures and drainage systems, and constructed/rehabilitated 99 flood mitigation facilities with major river basins and principal rivers out of the committed targets of 1,811 and 547 projects, respectively.

For the Local Program, the DPWH's total number of 6,239 projects (school buildings, multipurpose buildings, health facilities, water supply systems, FMRs, etc.) were constructed surpassing the target of 6,131 projects with an accomplishment rate of 101.8 percent.

Lastly, under Convergence and Special Support Program, a total number 1,394 projects (school buildings, multipurpose buildings, health facilities, water supply systems, FMRs, etc.) were implemented exceeding the target of 1,285 projects, and recorded an accomplishment rate of 108.5 percent. However, only 429.1 kilometers of local roads were constructed from the target 1,078.9 kilometers (or 39.8 percent accomplishment).

Department of Science and Technology

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DICT	21.3	20.5	15.7	95.9%	76.8%	20.9	20.1	17.5	96.2%	87.3%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. The total DOST obligation rate grew to 96.2 percent in 2019 from 95.9 percent in 2018 as the significant improvement of Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) from 78.4 percent in 2018 to 92.9 percent in 2019 offset the slight performance decline of most of its attached agencies. Nevertheless, the DOST System reported obligation rates above 90.0 percent for 18 out of its 19 agencies, with four⁴⁷ (4) agencies committing more than 99.0 percent of their budget.

Most DOST agencies reported notable improvements in their disbursement performance resulting in the significant rise from 76.8 percent in 2018 to 87.3 percent in 2019. The increase was largely accounted for by the performance of DOST-OSEC, spending 93.2 percent of its obligations in 2019 from 76.5 percent in 2018, translating to roughly an additional billion in disbursements. Meanwhile, PAGASA disbursed only 54.4 percent rate of its obligations in 2019, the lowest among the agencies. However, it should be noted that the agency improved from its 42.0 percent rate in 2018. Issues in spending for its capital outlays for weather forecasting facilities persisted due to largely the same reasons in 2018—procurement planning issues for specialized scientific equipment. Similarly, the Philippine Science High School (PSHS) disbursement rate grew the fastest at 33.0

⁴⁷ Philippine Council for Health Research and Development – 99.9 percent; Philippine Council for Industry, Energy, and Emerging Technology Research and Development – 99.3 percent; Science Education Institute (SEI) – 99.9 percent; and Technology Application and Promotion Institute – 100.0 percent

percent⁴⁸ but remains low compared to its obligations due to bidding failures and the election ban encountered by its school infrastructure projects.

Physical Performance. Majority of the DOST committed output for FY 2019 were met or exceeded, with only a third⁴⁹ of their agencies reporting shortfalls for some indicators.

DOST-OSEC continued to back R&D by funding 363 projects and 323 grantees while ensuring the timely evaluation and approval of programs/projects. Consistent with the administration emphasis on local development, regional and countryside development efforts were supported through the provision of 25,833 various services⁵⁰ to 37,831 beneficiaries, including MSMEs, LGUs, HEIs, communities and other customers.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
OSEC			
STRATEGIC SCIENCE AND TECHNOLOGY (S&T) PROGRAM			
<i>Output Indicators</i>			
1. Number of projects funded	98	363	370.4%
2. Number of grantees supported	98	323	329.6%
3. Percentage of programs/projects that are evaluated and approved within the standard period of 95 days	73%	85% (296/350)	116.4%
S&T PROGRAM FOR REGIONAL AND COUNTRYSIDE DEVELOPMENT			
<i>Output Indicators</i>			
1. Number of technology interventions, trainings and consultancy services provided	9,952	25,833	259.6%
2. Number of MSMEs, LGUs, HEIs, communities and other customers assisted	15,259	37,831	247.9%
3. Percentage of requests for technical assistance that are acted upon within ISO standard time	93%	98% (34,189/ 34,887)	105.4%

Source: FY 2021 National Expenditure Program

The DOST also supported the development of human resources in Science, Technology, Engineering, and Mathematics (STEM) in the secondary and post-graduate education levels through the scholarship programs administered by the

⁴⁸ PSHS disbursement rate grew from 58.9 percent in 2018 to 78.6 percent in 2019.

⁴⁹ Industrial Technology Development Institute, Metals Industry Research and Development Center, National Research Council of the Philippines, Philippine Council for Industry, Energy, and Emerging Technology Research and Development, Philippine Nuclear Research Institute, Science Education Institute, PAGASA

⁵⁰ Technology interventions, capacity buildings and consultancy services through programs such as the Small Enterprise Technology Upgrading (SET-UP) program

PSHS and SEI. The PSHS System supported 8,864 students that brought home 129 accolades from both national and international competitions. Meanwhile, SEI supported a total of 33,326 scholars taking higher education, meeting their targets for the undergraduate and masters level but was once again unable to meet their targets for doctoral programs. Nevertheless, the scholars performed well with nearly all expected to advance or graduate within the scheduled period.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
<u>PSHS</u>			
SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS (STEM) SECONDARY EDUCATION ON SCHOLARSHIP BASIS PROGRAM			
<i>Output Indicators</i>			
1. Number of scholars supported	8,808	8,864	100.6%
2. Cohort survival rate: Percentage of scholars who advance to the succeeding grade level until they complete the 6-year scholarship period	90%	94% (1,093/1,166)	104.4%
3. Percentage of winnings, awards and recognition from total number of national and international competitions participated	90%	142.0% (129/91)	157.8%
4. Rank of the campuses based on the overall UPCAT scores of the PSHS student-takers	Top 20	Top 12	
<u>SEI</u>			
SCIENCE AND TECHNOLOGY SCHOLARSHIP PROGRAM			
<i>Output Indicators</i>			
1. Number of scholars supported			
Undergraduate level	26,831	27,485	102.4%
Masters Program	4,206	4,278	101.7%
Doctoral Program	1,985	1,563	78.7%
2. Percentage of scholars graduating within the scheduled full-time program			
Undergraduate level	85% (6,010/ 7,070)	96% (6,787/ 7,070)	112.9%
Masters Program	70% (725/1,036)	93% (963/1,036)	132.9%
Doctoral Program	40% (29,720/ 33,022)	82% (140/171)	205.0%
3. Percentage of scholarship payments with a variance of actual payment of more than one (1) day	90% (29,720/ 33,022)	96%	106.7% (31,993/ 33,326)

Source: FY 2021 National Expenditure Program

Through the PAGASA and the Philippine Institute of Volcanology and Seismology (PHIVOLCS), DOST provided a stream of science-based information to strengthen disaster resilience. PAGASA issued/produced 1,267 flood warnings alongside 827 tropical cyclone warning advisories and farm weather forecasts for the agriculture sector. In addition, the agency also produced 15 hazard maps, more than triple its targets for 2019, and helped maintain zero flood casualties. PHIVOLCS was able to respond to all volcano, earthquake and tsunami events in 2019, issuing 1,253 bulletins and warnings.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
PAGASA			
WEATHER AND CLIMATE FORECASTING AND WARNING PROGRAM			
<i>Output Indicators</i>			
1. Percentage of timely weather and typhoon warning issued within fifteen (15) minutes of scheduled time	94%	100.0% (31/31)	106.4%
2. Number of seasonal climate forecasts, climate impact assessment, tropical cyclone warning advisory (TCWA) for agriculture and farm weather forecasts	1,150	827	71.9%
3. Annual Mean 24-hour Forecast Track Error (in kilometers)	Typhoon - less than or equal to 100 km Tropical Storm - less than or equal to 120 km	89 km	
FLOOD FORECASTING AND WARNING PROGRAM			
<i>Output Indicators</i>			
1. Number of timely and accurate flood warnings issued	2,320	1,267	54.6%
2. Percentage of timely flood warning issued within 15 minutes of scheduled time	94%	94.75% (cumulative average Total: 3,809/ 4,017)	100.8%
3. No. hazard maps developed/generated/updated	4	15	375.0%

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
PHIVOLCS			
VOLCANO, EARTHQUAKE AND TSUNAMI MONITORING AND WARNING PROGRAM			
<i>Output Indicators</i>			
1. Number of warnings and bulletins issued	event-driven	1,761	
2. Percentage of bulletins and warnings issued within the set standard time	80%	96.7%	120.9%
		(1,702/ 1,761 bulletins and warnings)	

Source: FY 2021 National Expenditure Program

Department of Social Welfare and Development

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DSWD	144.6	138.9	118.4	96.1%	85.2%	148.5	138.6	116.4	93.3%	83.9%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. For 2019, the DSWD was allotted with a substantial amount of P148.5 billion, including P5.5 continuing appropriation from 2018, to sustain its programs and projects for the poor, vulnerable, and disadvantaged Filipinos. Compared to 2018, this was P3.9 billion or 2.7 percent more than the total allotment of P144.6 billion.

By the end of last year, the DSWD was able to obligate P138.6 billion or 93.3 percent of its total allotment. Out of its total obligations, P116.2 billion or 83.9 percent was accounted for by the following programs: (i) 4Ps – P87.6 billion; (ii) Social Pension for Indigent Senior Citizens – P21.2 billion; (iii) Supplementary Feeding Program (SFP) – P2.9 billion; (iv) KALAHY-CIDSS-NCDDP – P2.6 billion; (v) Sustainable Livelihood Program (SLP) – P1.6 billion; and (vi) Unconditional Cash Transfer (UCT) – P0.3 billion (administrative cost). This showed a slight decline from its obligated amount of P138.9 billion and obligation rate of 96.1 percent in 2018.

Moreover, this left an unobligated allotment of P9.9 billion by end December 2019. This was mainly attributed to the following: (i) community grants waived by the municipalities due to challenges encountered in the implementation of projects and meeting the required accomplishments of the succeeding cycles of the KALAHY-CIDSS-NCDDP; (ii) failed biddings on the procurement of goods, savings earned

on procured goods, and temporary suspension of the SFP in Regional Office (RO) III due to the African Swine Fever outbreak in the Region; and (iii) delay in the processing of payout for indigent senior citizen beneficiaries of the UCT as the validation of the list of beneficiaries was only completed in January 2020.

Of the total obligated amount, the DSWD only disbursed 83.9 percent or P116.4 billion, compared to the 85.2 percent or P118.4 billion disbursed in 2018. This was accounted by the following: (i) disbursement of 4Ps cash grants for the pay period 6 (December 2019 and January 2020) in March 2020; (ii) extension of the project cycle on the updating of the NHTS-PR or Listahanan 3 as a result of the delayed approval of the 2019 General Appropriations Act; (iii) low utilization of the Quick Response Fund, which is dependent on the occurrence of calamities; and (iv) low disbursement for the Services for Residential and Center-based Clients and Protective Services for Individuals and Families in Difficult Circumstances.

Particulars	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
PROMOTIVE SOCIAL WELFARE PROGRAM			
<i>Output Indicators</i>			
1. Number of Pantawid households provided with conditional cash grants:	4,400,000	4,178,828	95.0%
a. Regular CCT	4,164,788	3,949,855	94.8%
b. Modified CCT	235,212	228,973	97.3%
c. Transitioning Households beneficiaries	1,315,477	No reported accomplishment	
2. Number of poor households assisted through the Sustainable Livelihood Program	80,829	49,581	61.34%
3. Number of households that benefited from completed KC-NCDDP sub-projects	369,675	398,332	107.8%
SUPPLEMENTARY FEEDING PROGRAM SUB-PROGRAM			
<i>Output Indicators</i>			
1. Number of children in CDCs and SNPs provided with supplementary feeding	1,881,979	1,172,224	62.3%
2. Number of children served through Bangsamoro Umpungan sa Nutrisyon (BangUN) Program	15,000 children; 7,000 mothers	15,890 children; 5,823 mothers	105.9% 83.2%
SOCIAL WELFARE FOR SENIOR CITIZENS SUB-PROGRAM			
<i>Output Indicators</i>			
1. Number of senior citizens who received social pension within the quarter	3,796,791	2,715,786	71.5%
2. Number of centenarians provided with cash gift	1,015	739	72.8%

Particulars	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
PROTECTIVE PROGRAM FOR INDIVIDUALS AND FAMILIES IN ESPECIALLY DIFFICULT CIRCUMSTANCES SUB-PROGRAM			
<i>Output Indicators</i>			
1. Number of children served through Alternative Family Care Program	1,620	1,860	114.8%
2. Number of beneficiaries served through Protective Services Program	456,528	1,144,950	250.8%
3. Number of clients served through the Comprehensive Program for Street Children, Street Families and Badjaus:			
a. Street Children	3,904	6,263	160.4%
b. Street Families	1,995	3,784	189.7%
SOCIAL WELFARE FOR DISTRESSED OVERSEAS FILIPINOS AND TRAFFICKED PERSONS SUB-PROGRAM			
<i>Output Indicators</i>			
1. Number of trafficked persons provided with social welfare services	2,000	2,284	114.2%
2. Number of distressed and undocumented overseas Filipinos provided with social welfare services	29,253	41,408	141.6%
DISASTER RESPONSE AND MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of LGUs with prepositioned goods	100% of LGUs with prepositioning agreement	100%	100.0%
2. Number of internally-displaced households provided with disaster response services	As the need arises	913,283	100.0%
3. Number of households with damaged houses provided with early recovery services	As the need arises	82,616	100.0%

Source: FY 2021 National Expenditure Program

Physical Performance. Last year, the DSWD provided monthly educational and health allowances to 95.0 percent of its 4,400,000 target household beneficiaries or 4,178,828 households, upon their compliance with the requirements of the 4Ps. This was composed of 3,949,855 families under the regular Conditional Cash Transfer

(CCT) and 228,973 families under the modified CCT⁵¹. This was the same as the Program's accomplishment in 2018. The non-compliance with program conditionalities of some households, as well as the natural attrition (i.e., exclusion of children who are no longer eligible for the Program such as those who were monitored reaching 19 years old or graduating from high school without any other children in the family to replace them since 2017), contributed to the said decrease in the number of 4Ps beneficiaries. On the other hand, no household beneficiaries who are transitioning from poor to non-poor status but are still vulnerable to socioeconomic changes, were reported last year.

For the same period, 83.3 percent of the program's target or a total of 8,333,333 beneficiaries received cash grants each amounting to P300 per month on the second year of the implementation of the UCT. This was lower than the 9,241,039 beneficiaries who received P200 per month last year. The UCT is a three-year social mitigating measure⁵² which started in 2018, intended to assist the poorest 10,000,000⁵³ households/individuals who are affected by the moderate and temporary inflation brought by the implementation of Republic Act No. 10963 or the TRAIN Law. As mentioned earlier, there was a delay in the processing of payout for indigent senior citizen beneficiaries of the Program since the validation of the list of beneficiaries was only completed in January 2020.

In addition, the Sustainable Livelihood Program (SLP) only served 61.3 percent or 49,581 families out of the 80,829 target families for both its Microenterprise Development and Employment Facilitation tracks last year. This accomplishment reflected a huge reduction from its 2018 performance of having served 146,732 families. However, it must be noted that there was a reduction of P0.6 billion in the budget of the SLP as reflected in the FY 2019 GAA compared with the program's proposed budget as shown in the FY 2019 National Expenditure Program, which was not accompanied by a corresponding adjustment in the target. The program has the capacity to serve only 53,131 beneficiaries given its P1.7 billion budget as advised by the DSWD and as indicated in the submitted revised Physical Plan (BED No. 2). In this case, the Department has achieved 93.3 percent of its revised target for 2019.

Meanwhile, the Department surpassed both its target of 398,332 household beneficiaries by 7.8 percent and its previous year's accomplishment of 193,180 household beneficiaries by 106.2 percent, for the number of households who benefitted from completed KALAHYAN-CIDSS-NCDDP sub-projects. These completed sub-projects included roads, electrification/lighting, day care centers,

⁵¹ Modified CCT covers families in need of special protection such as street families, itinerant indigenous families including those displaced by natural and human-induced disasters, and persons with disability (PWDs), child laborers, children in conflict with the law, and families with members having terminal disease and victims of human trafficking.

⁵² Each beneficiary will be given P200 per month in 2018, and P300 per month in 2019 to 2020

⁵³ Comprised of 4.4 million Pantawid Pamilya Households; 3.0 million Social Pensioners; and 2.6 million Listahanan Households in the first to seventh income deciles

health stations, school buildings, pre- and post-harvest facilities, livelihood equipment and training, small scale irrigation, and water system.

Additionally, to improve the nutritional status of children enrolled in LGU-managed Community Development Centers (CDC), and Supervised Neighborhood Play (SNP), the DSWD serves hot meals in addition to the children's regular meals under the Supplementary Feeding Program (SFP). For 2019, only 1,172,224 children were served hot meals, 709,755 short of its 1,881,979 target beneficiaries but 398,866 higher than its 2018 accomplishment of 1,571,090 beneficiaries. The non-attainment of its target was due to the late implementation of DSWD RO IV-A, VII, VIII and the Autonomous Region in Muslim Mindanao (ARMM). Moreover, the implementation of the SFP was temporarily suspended in RO III caused by the ASF outbreak in the Region. The remaining beneficiaries will be served in the first quarter of 2020.

Further, another 15,890 malnourished children studying in madrasahs or Muslim schools in the ARMM representing 105.9 percent of its 15,000 target beneficiaries, and 5,823 lactating and pregnant mothers in the Region representing 83.2 percent of its 7,000 target were served hot meals through the Bangsamoro Umpungan sa Nutrisyon (BangUN) Program. This is an improvement from its 2018 accomplishment of 12,558 malnourished children and 5,737 pregnant and lactating women.

Similarly, the Department also caters to the indigent senior citizens with ages 60 and above by granting them monthly social pension. For 2019, 2,715,786 indigent senior citizens out of its 3,796,791 target received P500 per month. This was a 10.3 percent decrease from its 2018 performance of providing social pension to 3,027,531 indigent senior citizens. The target was not reached due to the validation and cleansing of the list of beneficiaries conducted in the first semester of 2019. Likewise, only 739 or 72.8 percent of its 1,015 target centenarians⁵⁴ were provided cash gift, exhibiting a 47.0 percent drop from its 2018 accomplishment of 1,392 centenarians. The under accomplishment for this program was attributed to the non-compliance of the beneficiaries to the documentary requirements for the grants, and some of the targeted beneficiaries' demise before their 100th year birthday. The payout of both the social pension to indigent senior citizens and cash gift to centenarians are still ongoing.

Meanwhile, all targets under the Protective Program for Individuals and Families and Especially Difficult Circumstances Sub-program were exceeded last year. By end of 2019, 1,860 children were served through the Alternative Family Care Program; 1,144,950 beneficiaries through the Protective Services Program; and 3,784 street families and 6,263 street children through the Comprehensive Program for Street Children, Street Families and Badjaus. The Department also outdid its

⁵⁴ A person who has reached the age of 100 years.

2018 performance for the Sub-program except for the number of street families which was 21.1 percent or 798 families higher than its 2019 performance.

Furthermore, 2,284 trafficked persons, and 41,408 distressed⁵⁵ and undocumented overseas Filipinos were provided with social welfare services in 2019. The services provided included the provision of basic necessities⁵⁶, transportation, medical, financial, psycho-social processing⁵⁷, and return and reintegration services. Compared to 2018, the number of trafficked persons assisted declined by 12.0 percent, while the number of distressed and undocumented overseas Filipinos assisted had an upsurge of 66.6 percent. Likewise, compared to targets, 102.1 percent and 141.6 percent accomplishments were recorded by the Department last year, respectively.

Finally, under its Disaster Response and Management Program, the DSWD achieved all of its targets in 2019. Disaster response services were given to 913,283 households or 100.0 percent of the internally-displaced households, while early recovery services were provided to 82,616 households or 100.0 percent of households with damaged houses. The number of internally-displaced households served last year was 17,877 more than what was accomplished in 2018, while the number of households with damaged houses served was 697,160 less compared to the 2018 accomplishment. Meanwhile, same as in 2018, the Department has prepositioned relief goods (e.g., family food packs and clothing) to 100.0 percent of the LGUs with prepositioning agreement, to ensure faster delivery of relief supplies to families that will be affected by calamities.

Department of Transportation

(in billion pesos)

Department	2018 ^{1/}					2019 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DOTr	83.3	74.9	30.5	90.0%	40.7%	107.5	91.6	38.9	85.2%	42.5%

^{1/} 2018 SAAODB

^{2/} 2019 SAAODB

Financial Performance. As of December 31, 2019, the DOTr received total allotment releases of P107.5 billion, higher by 29.1 percent (P24.2 billion) than the 2018 allotment releases of P83.3 billion. Out of the total allotments, P91.6 billion was obligated, equivalent to 85.2 percent obligation rate. Despite higher allotment releases in 2019, the obligation rate achieved in 2019 was lower by 4.8 percentage points compared to 2018's 90.0 percent obligation rate.

⁵⁵ Such as victims of sexual and physical abuse, maltreatment, mistreatment, among others.

⁵⁶ Temporary shelter, food packs, clothing and toiletries.

⁵⁷ Counseling, play therapy for children, emotional healing/value inculcation sessions, critical incident stress debriefing, and pre-marriage/marriage counseling.

Meanwhile, in terms of disbursement performance, the Department slightly improved its spending to P38.9 billion (equivalent to 42.5 percent of DOTr's total obligated budget) in 2019, from the P30.5 billion recorded disbursements in 2018. This can be attributed to the improvement of the disbursements for railway projects. It is noteworthy that the number of rail project contracts significantly increased from nine (9) contracts in 2016 to 25 contracts in 2019. While noting the improvement on its disbursement performance, the disbursement-obligation ratio remains below 50.0 percent. The policy direction of the Department to limit advance payments or mobilization costs, which obliged contractors to fast track the completion of project deliverables pursuant to their respective contracts, is seen to affect the Department's disbursement performance.

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
RAIL TRANSPORT PROGRAM			
METRO RAIL TRANSIT (MRT) SUB-PROGRAM			
<i>Output Indicators</i>			
1. Compliance with approved timetable (90% efficiency)	90%	86%	95.6%
2. Compliance with the peak-hour train availability requirements	90%	75%	83.3%
3. Increase in average travel speed (kph)	40	30	75.0%
RAILWAY CONSTRUCTION, REHABILITATION, AND IMPROVEMENT SUB-PROGRAM			
<i>Output Indicators</i>			
1. % completion of new railway system projects	15%	39%	260.0%
AVIATION INFRASTRUCTURE PROGRAM			
<i>Output Indicators</i>			
1. % increase in passenger traffic	16%	18%	112.5%
2. % increase in cargo traffic (tons)	5%	8%	160.0%
MARITIME INFRASTRUCTURE PROGRAM			
<i>Output Indicators</i>			
1. No. of social port projects successfully bid out and obligated	3	123	4100.0%
MOTOR VEHICLE REGULATORY PROGRAM			
<i>Output Indicators</i>			
1. % of motor vehicle registration applications processed within the reglementary period as determined by the Department and reckoned upon the submission of complete documentary requirements	100%	114.14%	114.1%
2. % of driver's license and permits issued within the reglementary period as determined by the Department and reckoned upon the submission of complete documentary requirements	100%	110.48%	110.5%

PARTICULARS	2019		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
3. No. of apprehension for which a Temporary Operator's Permit is issued and complaints acted upon	619,699	656,580	106.0%
LAND PUBLIC TRANSPORTATION PROGRAM			
<i>Output Indicators</i>			
1. % of Certificate of Public Convenience / franchises applicants resolved / decided upon within the reglementary period	97%	95%	97.9%
2. % of holders audited / monitored / penalized for non-compliance with the terms and conditions of the franchise	12%	15%	125.0%
3. No. of policies formulated, developed, implemented, updated, and disseminated	30	27	90.0%

Source: FY 2021 National Expenditure Program

Physical Performance. The Department, particularly the Office of the Secretary, achieved most of its committed physical targets in its Performance-Informed Budget as reflected in the FY 2019 GAA of the DOTr.

Most indicators under the MRT Sub-Program were not met. The average travel speed is 30 kph behind the target 40 kph. Meanwhile, *compliance with approved timetable* is 86.0 percent and *compliance with the peak-hour train availability requirements* is 75.0 percent, which are both behind the target 90.0 percent recording accomplishment rates of 95.6 percent and 83.3 percent, respectively. Meanwhile, under the Railway, Construction, Rehabilitation, and Improvement Sub-Program, *percentage completion of new railway system projects* registered at 39.0 percent ahead of the target 15.0 percent recording an accomplishment rate of 260.0 percent.

All committed targets under the Aviation Infrastructure Program were achieved by the Department in 2019. *Percentage increase in passenger traffic* recorded 18.0 percent exceeding the target 16.0 percent while the *percentage increase in cargo traffic (tons)* achieved 8.0 percent ahead of the target 5.0 percent.

For the Maritime Infrastructure Program, 123 social port projects were successfully bid out and obligated out of the target three (3) social port projects, with an accomplishment rate of 4,100.0 percent.

Under the Motor Vehicle Regulatory Program, all indicators were met: a) *percentage reduction in average transaction time of driver's license issuance* with 171.4 percent; b) *percentage reduction in average transaction time of motor vehicle registration* with 285.8 percent; c) *percentage of motor vehicle registration applications processed within the reglementary period as determined by the Department and reckoned upon the submission of complete documentary requirements* with 114.1 percent; d) *percentage of driver's*

license and permits issued within the reglementary period as determined by the Department and reckoned upon the submission of complete documentary requirements with 110.5 percent; and e) number of apprehension for which a Temporary Operator's Permit is issued and complaints acted upon with 106.0 percent.

Lastly under Land Public Transportation Program, only the indicator *percentage of holders audited/monitored/penalized for non-compliance with the terms and conditions of the franchise* was met at 15.0 percent ahead of the target 12.0 percent, recording an accomplishment rate of 125.0 percent.

It is noteworthy that in terms of financial performance, 11 out of the 16 departments and agencies above registered higher budget utilization rates which showed both their improving ability not only to procure and obligate the allotments they received but also implement and pay for the programs and projects which they committed to undertake and whose budgets Congress approved. The Obligation-to-Allotment ratio and the Disbursement-to-Obligation ratio can be combined (or multiplied) and the resulting total BUR will concisely measure the ability of the agency to implement/execute their budgets. The 11 agencies are shown in the table below:

Table 12. Department/Agency Budget Utilization Rates, 2018-2019
(in percent)

Dept/Agency	2018 BUR			2019 BUR		
	Oblig	Disb	Total	Oblig	Disb	Total
DAR	88.5	84.0	74.3	87.6	91.8	80.4
DA	85.1	73.4	62.5	85.8	75.3	64.6
DepEd	95.2	93.0	88.5	95.1	93.8	89.2
CHED	56.5	67.6	38.2	56.2	86.2	48.4
DOE	76.0	56.0	42.6	88.6	49.3	43.7
DENR	95.2	78.6	74.8	95.1	86.7	82.4
DOH	94.4	65.0	61.4	89.1	73.8	65.8
DOLE	96.4	92.8	89.5	92.0	88.6	81.5
DND	93.8	86.6	81.2	97.0	85.3	82.7
DPWH	92.6	42.9	39.7	87.8	56.4	49.5
DOST	95.6	76.8	73.4	96.2	87.3	84.0

These 2019 BURs would have been higher had the FY 2019 Budget been enacted early and Congress not extended the validity of the FY 2019 Appropriations for obligations until December 31, 2020 and disbursements until June 30, 2021 for MOOE and non-infrastructure CO and December 31, 2021 for infrastructure CO, including those for GOCCs. And the low level of some of the total BURs indicate the extent of improvement some of the agencies need to aspire for in the coming years.

V. Fiscal Outlook

The outlook for the Philippine economy, as well as the rest of the world, has been drastically changed by the Coronavirus Disease 2019 (COVID-19) pandemic. The DBCC, in an Ad Referendum dated 28 July 2020, approved a downward adjustment in the real GDP growth assumptions to -4.5 to -6.6 percent in 2020, before improving to 6.5 to 7.5 percent in 2021 and 2022. The 2020 growth target is a stark reversal of the projected 6.5 to 7.5 percent growth for 2020 during the 177th DBCC meeting⁵⁸ in December, 2019. It is however, broadly in line with the latest projections from private and international financial institutions (median of -4.5 percent).

As the country progresses towards the post-pandemic period, and the gradual loosening up of lockdowns, restrictions on mobility, coupled with more stringent health protocols, and tracing, testing and treating to curb the spread of the disease, it acknowledges that the pandemic is foremost a public health crisis – there can be no true economic recovery unless the health crisis is resolved or contained and business confidence returns. Accurate and timely data are of paramount importance. While testing capacity has improved (to over 30,000 per day), contact tracing and isolation still need to be fasttracked, widened in coverage and sustained.

The recovery will be buoyed by the government's COVID-19 response measures, including the assistance to the vulnerable households and firms. This will be supported by the Bayanihan II (RA No 11494 or the *Bayanihan to Recover as One Act*) which was signed into law by the President last September 11, 2020, the BSP's accommodative monetary policy stance, and passage of the remaining economic reform agenda. On the supply side, the effective implementation of the government's Plant, Plant, Plant Program can support greater productivity in agriculture (e.g., use of quality seeds, appropriate inputs, and modern technologies) to bolster food security. Telecommunication and digital payments infrastructure also need to be strengthened to ensure business continuity and cybersecurity for the timely delivery of services.

Nevertheless, domestic and external risks remain which include:

- Uncertainty brought by the COVID-19 pandemic;
- Subdued consumer and business sentiment;
- Inclement weather (e.g. occurrence of typhoons, possibility of weak La Nina);
- Animal-borne diseases (e.g., African Swine Fever);
- Disruptions in transport, value chains, and the logistics sector;
- Limited absorptive capacity of implementing agencies and LGUs;
- Labor market disruptions due to the pandemic;

⁵⁸ <https://www.dbm.gov.ph/index.php/secretary-s-corner/press-releases/list-of-press-releases/1570-joint-statement-on-the-177th-dbcc-meeting>

- Weak global economy and slowdown in international trade;
- Geopolitical tensions (US- China, diplomatic tensions in Taiwan and HK, etc.); and
- Lower remittances and foreign direct investments

Over the medium-term, the country's revenue generating capacity is projected to be significantly hit by the eroded tax bases emanating from the community quarantines and travel lockdowns imposed over the entire country in mid-March to June and again from August 1-18. The projected revenue collection for 2020 has been downscaled to P2.5 trillion or 13.4 percent of GDP, down from the 16.1 percent revenue effort realized in 2019. The prolonged lockdown has led to distortions in the market as economic activity from the businesses and services sectors has been abruptly curtailed, including a liquor ban and restrictions on the movement of goods, among others. The combination of these factors has weakened consumer demand and dampened economic growth, which will translate into a reduced revenue base for the remaining months of 2020 and therefore has reduced revenue collection.

The post-crisis in 2021-2022 that will emerge is likely to boost domestic economic activity, and a modest rebound is expected in revenue generation. The government expects to see its total revenues to grow by 7.8 percent and 11.7 percent in 2021 and 2022, respectively. From P2.7 trillion in 2021, the estimated total revenue will rise to P3.1 trillion by 2022 or an increase of P317.3 billion. As a percent of GDP, forecasted revenues will reach 13.2 percent and 13.3 percent in 2021 and 2022, respectively.

Table 13. Medium-Term Revenue Program, 2020-2022

(in billion pesos, unless otherwise stated)

Particulars	Actual			Program ^{1/}		
	2017	2018	2019	2020	2021	2022
Total Revenues	2,473.13	2,850.18	3,137.50	2,519.81	2,717.42	3,034.76
<i>% of GDP ^{2/}</i>	<i>14.9%</i>	<i>15.6%</i>	<i>16.1%</i>	<i>13.4%</i>	<i>13.2%</i>	<i>13.3%</i>
Tax Revenues	2,250.68	2,565.81	2,827.84	2,205.20	2,541.56	2,860.38
<i>% of GDP ^{2/}</i>	<i>13.6%</i>	<i>14.0%</i>	<i>14.5%</i>	<i>11.7%</i>	<i>12.3%</i>	<i>12.5%</i>
BIR ^{3/}	1,772.32	1,951.85	2,175.51	1,685.73	1,904.24	2,177.80
BOC ^{3/}	458.18	593.11	630.31	506.15	619.51	663.08
Other Offices	20.17	20.85	22.03	13.31	17.81	19.50
Non-Tax Revenues	221.62	268.72	308.78	314.11	175.36	173.88
Privatization	0.83	15.66	0.88	0.50	0.50	0.50

1/ Latest DBCC-approved levels, as of July 28, 2020

2/ Based on the 2018-based National Accounts of the Philippines

3/ FYs 2017, 2018, and 2019 collections are net of tax refund

Estimates for legislated tax policy measures, such as TRAIN and sin taxes, have also been revised downward to account for the impact of the Enhanced Community Quarantine on consumer demand, particularly for excisable products. Proceeds from the new revenue measures are estimated to reach P25.7 billion in 2020, P62.7 billion in 2021, and P82.7 billion in 2022.

Package 2 or the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE), is estimated to incur a revenue loss of P44.6 billion or negative 0.2 percent of GDP in 2020. While the outlook points to a potential deeper revenue shortfall, the projected revenue loss is still preliminary and subject to change as the bill is currently under recalibration to make it more relevant responsive to the needs of impacted businesses in light of the COVID-19 situation.

NG disbursements for 2020 were increased to P4,335.2 billion⁵⁹, from the original of P4,163.2 billion program in December 2019 as the government mounted health and recovery programs amid the COVID-19 pandemic. The government had to reprogram and realign the FY 2020 budget and the continuing FY 2019 appropriations, and use savings generated to fund emergency response/measures by virtue of RA No. 11469 or the *Bayanihan to Heal as One Act*. Under the said law, unobligated allotments, non-priority PAPs, and those which are affected and unlikely to be implemented for the year due to the pandemic can be discontinued so that funds can be rechanneled to more pressing programs such as the health programs of the DOH, *Social Amelioration Programs* of the DSWD, *Small Business Wage Subsidy Program* under the Social Security System (SSS), and financial assistance or *Bayanihan Grant* to LGUs for COVID-19-related activities. As of September 14, 2020, a total of P389.2 billion was released to concerned implementing agencies for the implementation of COVID-19 measures. Likewise, the higher disbursement program for the year took into account the additional P140.0 billion programmed requirements of the recovery program of the government under Bayanihan II.

The passage of the FY 2021 Budget in Congress is underway as the government aims to strengthen its strategies and programs for health, social protection, and economic recovery to better move towards the “post-pandemic” period. National Budget Memorandum No. 136⁶⁰ was issued on May 21, 2020 to provide guidance to line agencies in crafting the budget for next year. The issuance highlights the banner programs that will help mitigate the adverse impact of the COVID-19, restart the economy, and help the country transition towards “post-pandemic” consistent with the government’s overarching recovery plan as embodied in the

⁵⁹ Consistent with the macroeconomic assumptions and fiscal program approved by the DBCC on July 28, 2020 via Ad Referendum.

⁶⁰ Accessible at: <https://www.dbm.gov.ph/wp-content/uploads/Issuances/2020/National-Budget-Memorandum/NATIONAL-BUDGET-MEMORANDUM-NO-136.pdf>

“We Recover As One” report⁶¹ of the Inter-Agency Task Force for the Management of Emerging Infectious Diseases – Technical Working Group for Anticipatory and Forward Planning led by NEDA. These include improved health systems (e.g., health commodities such as medicines and vaccines, and health infrastructures); support to the MSMEs, agriculture, services and industry sectors; social protection; and digital technology and economy. It also provides that PAPs which were temporary discontinued this year due to the pandemic may be proposed for funding the following year. The proposed FY 2021 Budget is set at P4.506 trillion⁶², 9.9 percent higher than this year’s P4.1 trillion⁶³ budget and equivalent to 21.8 percent of the projected nominal GDP.

⁶¹ Accessible at: <http://www.neda.gov.ph/we-recover-as-one/>

⁶² Consistent with the macroeconomic assumptions and fiscal program approved by the DBCC on July 28, 2020 via Ad Referendum.

⁶³ Prior enactment/implementation of RA No. 11469

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