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LIST OF ACRONYMS AND ABBREVIATIONS

4Ps	<i>Pantawid Pamilyang Pilipino</i> Program
ACs	Assessment Centers
ACPC	Agricultural Credit Policy Council
ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
ALIVE	Arabic Language and Islamic Values Education
ALS	Alternative Learning System
AMP	Adjustment Measures Program
ARB	Agrarian Reform Beneficiaries
ARBDSP	Agrarian Reform Beneficiaries Development and Sustainability Program
ARMM	Autonomous Region in Muslim Mindanao
ASF	African Swine Fever
BangUN	Bangsamoro <i>Umpungan sa Nutrisyon</i>
BARMM	Bangsamoro Autonomous Region in Muslim Mindanao
<i>Bayanihan I</i>	Bayanihan to Heal as One Act - RA 11469
<i>Bayanihan II</i>	Bayanihan to Recover as One Act – RA 11494
BBB	Build, Build, Build
BE-LCP	Basic Education – Learning Continuity Plan
BESF	Budget of Expenditures and Sources of Financing
BFAR	Bureau of Fisheries and Aquatic Resources
BFP	Bureau of Fire Protection
BIR	Bureau of Internal Revenue
BJMP	Bureau of Jail Management and Penology
BOC	Bureau of Customs
BPM6	Balance of Payments and International Investment Position Manual, 6th edition
BPS	Basis Points
BSF	Bond Sinking Fund
BSP	Bangko Sentral ng Pilipinas
BTr	Bureau of the Treasury
BUR	Budget Utilization Rate
CAAP	Civil Aviation Authority of the Philippines
CAMP	COVID-19 Adjustment Measures Program
CARP	Comprehensive Agrarian Reform Program
CBS	Cash Budgeting System
CDC	Community Development Centers
CPA	Cebu Ports Authority
CHED	Commission on Higher Education

CIPHER	Clean and Vertically-Integrated Pure/Applied Hydrogen Energy Research for Next Generation Power Systems
CO	Capital Outlays
COA	Commission on Audit
ConVERGE	Convergence on Value Chain Enhancement for Rural Growth and Empowerment
CQ	Community Quarantine
COVID-19	Coronavirus Disease 2019
CREATE	Corporate Recovery and Tax Incentives for Enterprises
DA	Department of Agriculture
DAR	Department of Agrarian Reform
DBCC	Development Budget Coordination Committee
DBM	Department of Budget and Management
DENR	Department of Environment and Natural Resources
DepEd	Department of Education
DICT	Department of Information and Communications Technology
DILG	Department of the Interior and Local Government
DILP	DOLE Integrated Livelihood Program
DND	Department of National Defense
DOH	Department of Health
DOLE	Department of Labor and Employment
DOST	Department of Science and Technology
DOTr	Department of Transportation
DPWH	Department of Public Works and Highways
DRRM-H	Disaster Risk Reduction Management for Health
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
ECQ	Enhanced Community Quarantine
EMB	Environmental Management Bureau
EP/CLOA	Emancipation Patents/Certificate of Land Ownership Award
ESC	Education Service Contracting
FAPs	Foreign-Assisted Projects
FAR	Financial Accountability Report
FDI	Foreign Direct Investments
FIST	Financial Institutions Strategic Transfer
FMR	Farm-to-Market Roads
FWP	Family Welfare Program
FY	Fiscal Year
GAA	General Appropriations Act

GAS	Government Assistance and Subsidies
GDP	Gross Domestic Product
GHQ	General Headquarters
GIA	Grants-in-Aid
GIP	Government Internship Program
GOCC	Government-Owned and Controlled Corporation
HEIs	Higher Education Institutions
IAARCDSP	Italian Assistance to Agrarian Reform Communities Development Support Program
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technology
IP	Indigenous Peoples
IPED	Indigenous Peoples Education
JHS	Junior High School
JICA	Japan International Cooperation Agency
KALAH-CIDSS- NCDDP	<i>Kapit-Bisig Laban sa Kahirapan</i> -Comprehensive and Integrated Delivery of Social Services - National Community Driven Development Program
LAG	Livelihood Assistance Grants
LFP	Locally-funded Projects
LGU	Local Government Unit
LIBOR	London Interbank Offered Rate
LMI	Labor Market Information
LRA	Land Registration Authority
LTFRB	Land Transportation Franchising and Regulatory Board
LTSP	Land Tenure Security Program
LUCs	Local Universities and Colleges
MGB	Mines and Geosciences Bureau
MCIAA	Mactan (Cebu) International Airport Authority
MIAA	Manila International Airport Authority
MMDA	Metro Manila Development Agency
MOOE	Maintenance and Other Operating Expenses
MRT	Metro Rail Transit
MSMEs	Micro, Small and Medium Enterprises
NAMRIA	National Mapping and Resource Information Authority
NBC	National Budget Circular
NBM	National Budget Memorandum
NCA	Notice of Cash Allocation
NEP	National Expenditure Program
NG	National Government
NGA	National Government Agency

NGDC	National Government Data Center
NHIP	National Health Insurance Program
NHTS-PR	National Household Targeting System for Poverty Reduction
NIA	National Irrigation Administration
NPC	National Privacy Commission
NNC	National Nutrition Council
NTA	National Tax Allotment
NTC	National Telecommunications Commission
NWRB	National Water Resources Board
OFWs	Overseas Filipino Workers
OPEC	Organization of the Petroleum Exporting Countries
OSEC	Office of the Secretary
OWWA	Overseas Workers Welfare Administration
PA	Philippine Army
PAF	Philippine Air Force
PAGASA	Philippine Atmospheric, Geophysical and Astronomical Services Administration
PAMANA	<i>PAyapa at MASagandang PamayaNAn</i>
PAPs	Programs, Activities, and Projects
PCARI	Philippine-California Advanced Research Institute
PCMs	Provinces, Cities, and Municipalities
PCSDS	Palawan Council for Sustainable Development Staff
PDITR	Prevent, Detect, Isolate, Treat, and Reintegration
PESOs	Public Employment Service Offices
PHIC	Philippine Health Insurance Corporation
PhilMech	Philippine Center for Postharvest Development and Mechanization
PHIVOLCS	Philippine Institute of Volcanology and Seismology
PN	Philippine Navy
PNP	Philippine National Police
POS	Point of Service
PPA	Philippine Ports Authority
PPE	Personal Protective Equipment
PS	Personnel Services
PSA	Philippine Statistics Authority
PSHS	Philippine High School System
PUV	Public Utility Vehicle
PVAO	Philippine Veterans Affairs Office
QRF	Quick Response Fund
R&D	Research and Development

RA	Republic Act
RCEF	Rice Competitiveness Enhancement Fund
ROs	Regional Offices
RR	Reserve Requirement
RTB	Retail Treasury Bonds
RT-PCR	Reverse Transcription Polymerase Chain Reaction
SAAODB	Statement of Appropriations, Allotments, Obligations, Disbursements and Balances
SAGF	Special Account in the General Fund
SAP	Social Amelioration Program
SARS-COV-2	Severe Acute Respiratory Syndrome Coronavirus 2
SBFP	School-based Feeding Program
SFP	Supplementary Feeding Program
SHS	Senior High School
SLP	Sustainable Livelihood Program
SNP	Supervised Neighborhood Play
SPES	Special Program for Employment of Students
SSIP	Small Scale Irrigation Projects
SSS	Social Security System
StuFAPs	Students Financial Assistance Programs
SUCs	State Universities and Colleges
SureTech	Sustainable and Renewable Fuel and Electrolysis Cell Energy Technology
SY	School Year
T-bill	Treasury bill
TechVoc	Technical-Vocational
TESD	Technical Education and Skills Development
TESDA	Technical Education and Skills Development Authority
TRAIN	Tax Reform for Acceleration and Inclusion
TUPAD	<i>Tulong Panghanapbuhay sa Ating</i> Disadvantaged/Displaced Workers Program
TVIs	Technical Vocational Institutions
TVL	Tech-Voc and Livelihood
UAQTE	Universal Access to Quality Tertiary Education
UCT	Unconditional Cash Transfer
UHC	Universal Health Care
WAIR	Weighted Average Interest Rate
Y-o-Y	Year-on-Year

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I. Introduction

1. **The coronavirus disease 2019 (COVID-19) pandemic disrupted the country's growth momentum and development trajectory.** Coming from an average of 6.4 percent GDP growth in the last ten years, the Philippine economy contracted drastically by 9.6 percent in 2020 due to the coronavirus pandemic. Real gross domestic product (GDP) growth deteriorated from -0.7 percent in Q1 to -17.0 percent in Q2, but gradually improved to -8.3 percent in Q4 as community quarantine (CQ) restrictions were gradually eased as health system capacity improved.
2. **The overall macroeconomic environment was challenged by the adjustments brought about by the global health crisis.** Headline inflation averaged at 2.6 percent in 2020, slightly higher than the average inflation in 2019 of 2.5 percent, driven largely by higher food inflation due to supply bottlenecks amid the quarantine measures, weather-related conditions, and the persistence of the African Swine Fever (ASF). A downward trend was observed in the domestic market rates due to cautious market sentiment, as well as in the foreign interest rates amid the output contractions because of the pandemic. Global crude oil prices declined notably in 2020, following disagreements in production cuts between the Organization of Petroleum Exporting Countries and its allies (OPEC+), coupled with subdued oil consumption due to the global health crisis. Goods exports declined reflecting the contraction of the global economy and disruption in supply chains, while goods imports contracted as a result of weak domestic demand and lower oil prices.
3. **The country's robust macroeconomic fundamentals, manageable inflation environment, and accommodative monetary policy paved the way in transitioning into the unprecedented COVID-19 environment.** The Bangko Sentral ng Pilipinas (BSP) implemented reduction in the policy rate by cumulative 200 basis points, and in reserve requirement ratios, among others. These policy measures have helped infuse additional liquidity in the financial system, bring down the cost of funding and restore the proper functioning of the domestic financial system given market uncertainty.
4. **The National Government (NG) incurred a deficit of P1.4 trillion in 2020, equivalent to 7.6 percent of GDP, as the impact of the pandemic caused revenues to fall while expenditures continued to grow to mitigate the economic fallout of the pandemic and the implementation of community quarantine.** Government revenue for 2020 narrowed to P2,856 billion, mainly attributed to lower tax collections from major tax collecting agencies. This resulted from the drastic reduction of economic activity arising from the widespread strict community quarantine, natural disasters led by the Taal volcano eruption, devastating typhoons, and the ASF. The actual NG spending in 2020 posted a substantial increase by 11.3 percent year-on-year (Y-o-Y) mainly due to the spending requirements of the government in response to the COVID-19 pandemic (e.g., Social Amelioration Program, COVID-19 Adjustment Measures Program, banner health programs of the Department of Health, Small Business Wage Subsidy Program, among others); personnel services requirements with the hiring of more healthcare workers, including risks allowance/hazard pay; transfers to Local Government Units (LGUs) for financial assistance in line with the LGUs' COVID-19 response measures; and infrastructure spending with the continued implementation of the Build, Build, Build Program of the national government.
5. **Disruptions caused by the COVID-19 pandemic raised the debt-to-GDP ratio to 54.6 percent in 2020 from 39.6 percent in 2019.** The higher debt-to-GDP ratio was a consequence of the heightened financing requirements alongside the 9.6 percent economic

contraction in 2020. Nevertheless, the profile of the NG's debt structure has maintained a prudent exposure to market risks. The share of domestic debt accounted for 68.35 percent of the total NG obligations while the remaining 31.65 percent represents external debt. The preference for domestic borrowing lessens the country's exposure to adjustments in foreign exchange rates.

6. **The rise in the deficit and debt ratio in FY 2020 is temporary and is still within the prescribed bounds of fiscal viability.** The Philippines entered this crisis with strong economic fundamentals and remarkable fiscal strength as evidenced by its healthy public finances, and strong growth performance in recent years. This afforded the government the policy and fiscal space to respond to the pandemic and push towards economic recovery. The government, however, remains committed towards fiscal consolidation by keeping stimulus packages affordable and fiscally sustainable. Over the medium-term, the fiscal deficit will continue its downward trajectory from 7.6 percent in 2020 to 4.9 percent in 2024, with improved revenue collections, appropriate economic investments, and overall prudent fiscal management.

II. FY 2020 National Government Budget

7. **The FY 2020 National Budget marked the second half of the Duterte Administration, continuing its journey to achieve a more peaceful and progressive nation where every Filipino individual and family enjoys a strongly-rooted, comfortable, and secure life.** The first half of the Administration implemented game-changing reforms, institutionalized key programs, and passed landmark laws which supported its change agenda for peace and progress. These include the (1) implementation of the Comprehensive Tax Reform Program; (2) institutionalization of the Pantawid Pamilyang Pilipino Program; (3) enactment of the Universal Access to Quality Tertiary Education Act, Universal Health Care Law, Mental Health Act, Bangsamoro Organic Law, Rice Tariffication Law, Free Irrigation Service Act, and Ease of Doing Business Act, among others; (4) prioritization of infrastructure through the Build, Build, Build Program; (5) intensification of environment protection policies (i.e., Rehabilitation of Boracay Island, Manila Bay, and Pasig River, among others); (6) Development of the Philippine Open Government Partnership Action Plans for 2017-2019 and 2019-2021. The FY 2020 national budget remained adherent to the 0+10-Point Socioeconomic Agenda with the goal of strengthening and continuing the fruits and gains through the first three budgets of the Administration, ensuring to make the change sustainable, inclusive and lasting.
8. **The 2020 Budget continued adopting the Cash-based Budgeting System (CBS) of the National Government.** Since its institutionalization in the 2019 national budget, the CBS was sustained in the 2020 budget to promote better planned and coordinated programs to speed up the delivery of the increasing volume of goods and services by government. This is to ensure that budgetary appropriations provided for agency programs and projects will be completed, delivered, inspected and accepted by the end of the year. This reform ended years of large underspending with the phenomenal rise in budgetary support for infrastructure and other capital outlays, compared to their lagging growth during the past administrations. The increase in efficiency and effectiveness of government operations – from planning, procurement, implementation and monitoring incentivized faster and improved delivery of public services to the Filipino people.

9. **The P4.1 trillion national budget for FY 2020 was 12.0 percent higher than the P3.662 trillion budget in 2019.** The increase is mainly attributed to the increased in allocations for the key programs and projects in the social services sector with P1,495.0 billion or 36.5 percent of the total budget, covering programs and projects for education, health social welfare, housing, among others. The economic services sector followed with P1,200.0 billion or 29.3 percent of the budget to support industries such as tourism, manufacturing, agriculture, and construction, mainly for the Build, Build, Build (BBB) Program and their multiplier impacts on employment and broad-based growth. The general public services received P746.7 billion or 18.2 percent of the budget. Meanwhile, debt burden and defense were allocated with 11.2 percent and 4.8 percent of the total budget, respectively.
10. **By general type of expenditure items, maintenance and other operating expenses (MOOE) took the largest chunk, followed by the personnel services (PS), Capital Outlays (CO), and financial expenses.** MOOE items were allocated with P1,633.5 billion or 39.8 percent of the total budget, which was mainly provided for programs and services such as the Pantawid Pamilyang Pilipino Program (4Ps), Universal Health Care, Universal Access to Quality Tertiary Education (UAQTE), and K to 12 Program. Personnel Services followed with P1,184.8 billion allocation which is 28.9 percent of the budget, to cover wage increases of government employees, payment of pension of military and uniformed personnel, as well as civilian personnel, among others. Meanwhile, P829.4 billion or 20.2 percent of the budget was provided for CO to fund projects under the BBB Program, equity contributions to GOCCs, capital transfers to LGUs, among others. Lastly, P452.4 billion or 11.0 percent was set aside for financial expenses to pay for interest expenses, and bank charges, among others.
11. **The health crisis brought about by the COVID-19 pandemic changed the landscape of the FY 2020 budget.** Containment measures that paralyzed economic activities necessitated government to pull the weight of domestic economy through massive financial infusion which required the recalibration of available fiscal resources. RA 11469 or the *Bayanihan* to Heal as One Act (*Bayanihan* I) and RA 11494 or *Bayanihan* to Recover as One Act (*Bayanihan* II) which were enacted on March 24, 2020 and September 11, 2020, respectively, authorized the pooling of savings through direct discontinuance of appropriated Programs, Activities, and Projects (PAPs). The total savings pooled out of the discontinued PAPs under the FY 2020 General Appropriations Act (GAA) amounted to P259.68 billion.¹

III. Macroeconomic and Fiscal Performance

a. Macroeconomic Environment

Real Sector

12. **The Philippine economy contracted by 9.6 percent in 2020, with employment dropping by 2.6 million or 6.2 percent, due to the coronavirus pandemic.** Real GDP growth deteriorated from -0.7 percent in Q1 to -17.0 percent in Q2, but gradually improved to -8.3 percent in Q4 as CQ restrictions were slowly eased as health system capacity improved. Similarly, the unemployment rate increased to a record-high of 17.6 percent in April, but eased in the following months to 8.7 percent by October, bringing FY 2020 unemployment rate to 10.3 percent.

¹ P231.37 billion for *Bayanihan* I and P28.31 billion for *Bayanihan* II as reported in the Status of COVID-19 Releases as of June 30, 2021.

Table 1. Actual Performance versus Macroeconomic Assumptions, 2020

Particulars	Actual 2019 ^{1/}	2020	
		Adjusted ^{2/}	Actual ^{1/}
Nominal GNI (in PhP Million)			
Low-end	21,472,060	20,533,921	19,319,848
High-end		20,953,192	
Real GNI Growth Rate (%)	5.4	-4.5 to -6.5	-11.4
Nominal GDP (in PhP Million)			
Low-end	19,517,863	18,647,586	17,938,582
High-end		19,066,858	
Real GDP Growth Rate (%)	6.1	-4.5 to -6.6	-9.6

1/ Based on the 2018-based National Accounts of the Philippines. Revised as of 08 April 2021.

2/ Based on Table A.1 Macroeconomic Parameters of the 2021 Budget of Expenditures and Sources of Financing (BESF) (2000 based).

13. Among major emerging market economies in the region, the Philippines recorded the worse economic contraction in 2020 compared to India (-8.0 percent), Thailand (-6.1 percent), Malaysia (-5.6 percent), Singapore (-5.4 percent), and Indonesia (-2.1 percent). In contrast, Vietnam (2.9 percent) and China (2.3 percent) posted positive growth.

14. On the expenditure side, both household consumption (-7.9 percent) and investments (-34.4 percent) significantly dropped. These two outweighed the increase in government consumption (10.5 percent), reducing domestic demand by 12.2 percent. External demand also weakened, with exports declining by 16.3 percent. This, however, was offset by the 21.6 percent decline in imports, resulting in an improvement in net exports (35.4 percent).

Table 2. Recent Economic Performance, 2019-2020
(percent growth rate)

PARTICULARS	FY	
	2019	2020
GROSS DOMESTIC PRODUCT	6.1	-9.6
GROSS NATIONAL INCOME	5.4	-11.4
Net Primary Income	-1.6	-30.1
<u>By Industrial Origin</u>		
Agriculture, Fishery and Forestry	1.2	-0.2
Industry	5.5	-13.2
<i>of which: Manufacturing</i>	3.8	-9.8
Services	7.2	-9.2
<u>By Expenditure</u>		
Household Final Consumption Expenditure	5.9	-7.9
Gov't Final Consumption Expenditure	9.1	10.5
Capital Formation	3.5	-34.4
<i>of which: Fixed Capital Formation</i>	3.9	-27.5
Exports	2.6	-16.3
Imports	2.3	-21.6

Source: Philippine Statistics Authority

- 15. On the production side, several industries were affected by the COVID-19 pandemic, leading many firms to reduce production while some had to permanently close.** For instance, the services sector recorded a decline of 9.2 percent, with most of its subsectors contracting. Moreover, the industry sector slid by 13.2 percent largely driven by the decline in construction (-25.7 percent) and manufacturing (-9.8 percent). Although the agriculture sector was allowed to fully operate under the various CQs, the typhoons that hit the country in Q4, the spread of African swine fever, and the drop in institutional demand led to a 0.2 percent decline in sector output for full-year 2020.

Monetary and External Trade Sectors

- 16. Headline inflation averaged at 2.6 percent in 2020.** This is within the initial assumption of 2.0 – 4.0 percent in the 2020 BESF as well as the updated assumption of 1.75 – 2.75 percent in the 2021 BESF. While within the Government's target range, the 2020 inflation outturn is slightly higher than the average inflation in 2019 of 2.5 percent, driven largely by higher food inflation. Food inflation increased due to supply bottlenecks amid the quarantine measures implemented particularly in the first half of 2020 as well as the weather-related disturbance in the latter part of the year. Moreover, the persistence of the ASF has affected domestic supply of pork, resulting in higher meat inflation. By contrast, non-food inflation moderated in 2020 due mainly to lower electricity rates. Meanwhile, transport inflation increased during the year amid tricycle fare hikes, tempered in part by the overall downward adjustment in domestic petroleum prices.
- 17. Amid the manageable inflation environment in 2020, the BSP has implemented monetary policy measures to soften the impact of the COVID-19 pandemic on the economy.** These measures include, among others, a reduction in the policy rate by cumulative 200 basis points (bps),² reduction in reserve requirement (RR) ratios,³ and government securities purchases from banks in the secondary market. These policy measures have helped infuse additional liquidity in the financial system, reduce the cost of funding as well as restored the proper functioning of the domestic financial system amid market uncertainty.
- 18. The average 364-day Treasury bill (T-bill) rates declined significantly to 2.4 percent in 2020 from 5.2 percent in 2019.** The downward trend in domestic market rates prompted the revision in the 2020 assumption from 5.0 – 6.0 percent in the 2020 BESF to 2.5 – 3.5 percent in the 2021 BESF. Cautious market sentiment towards the country's growth prospects likewise contributed to stronger market demand for safe-haven government securities during the year.
- 19. Similarly, the implementation of accommodative monetary policy by major central banks in response to output contraction due to the global pandemic led to the fall in foreign interest rates in 2020.** The US Federal Reserve, in particular, reduced the target federal funds rate by cumulative 150 bps and deployed large-scale asset purchases to limit severe disruptions brought about by the global pandemic to the US economy. As a result, the 180-day London Interbank Offered Rate (LIBOR) averaged at 0.7 percent in 2020, below the initial assumption of 1.5 – 2.5 percent in the 2020 BESF. The observed declining trend in

² In 2020, the BSP reduced the interest rate on the BSP's overnight reverse repurchase (RRP) facility initially by 25 bps in February, followed by an additional 50 bps each in March and April, another 50 bps in June, and 25 bps in November.

³ The BSP lowered the RR by 200 bps, effective on 3 April 2020, for U/KBs and non-bank financial institutions with quasi-banking licenses, and by 100 bps, effective on 31 July 2020, for thrift banks and rural/cooperative banks.

foreign interest rates likewise led to the downward adjustment in the 2020 assumption to 0.8 – 1.5 percent in the 2021 BESF.

Table 3. 2020 Actual Performance versus Macroeconomic Assumptions ^{a/}

Particulars	For FY 2020		
	From the 2020 BESF	From the 2021 BESF	Actual
	Initial Projections	Adjusted/Updated	
Inflation (%), CPI (2012=100)	2.0 – 4.0	1.75 – 2.75	2.6
364-day T-bill rate (%) ^{b/}	5.0 – 6.0	2.5 – 3.5	2.4
Foreign exchange rate (₱/US\$1)	51.00 – 55.00	50.00 – 52.00	49.62
180-day LIBOR (%)	1.5 – 2.5	0.8 – 1.5	0.7
Dubai crude oil price (US\$/barrel)	60.00 – 75.00	35.00 – 45.00	42.21
Goods exports growth (%) ^{c/}	6.0	-16.0	-11.3 ^{p/}
Goods imports growth (%) ^{c/}	8.0	-18.0	-22.9 ^{p/}

a/ Macroeconomic assumptions adopted by the Development Budget Coordination Committee (DBCC), as published in the annual 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 2020 are annual averages.

Sources: DBM, PSA, BTr, BSP

- 20. On the foreign exchange rate market, the peso-dollar rate averaged at P49.62/US\$1 in 2020.** This is lower than the original assumption of P51-55/US\$1 in the 2020 BESF and the revised assumption of P50-52/US\$1 in the 2021 BESF. The government's policy measures to prop up the economy amid the pandemic, subdued market demand for dollars, and the rise in gross international reserves contributed to the peso appreciation during the year.
- 21. Meanwhile, global crude oil prices declined notably in 2020, averaging at US\$42.21 per barrel in 2020 from US\$63.53 per barrel in 2019.** The 2020 average is lower than the initial assumption of US\$60-75 per barrel in 2020 BESF, but fell within the adjusted assumption of US\$35-45 per barrel in the 2021 BESF. Dubai crude oil prices plunged to a low of US\$20.39 per barrel in April 2020 following the disagreements in the OPEC+ over its oil policy direction. The prices of global crude oil recovered gradually in the succeeding months, albeit remaining low, due to the coordinated production cuts by OPEC+. At the same time, subdued oil consumption amid the global health crisis and associated mitigation measures contributed to the decline in world oil prices in 2020.
- 22. On the external sector, the preliminary trade-in-goods growth for full-year 2020 showed significantly lower actual outturn than the initial projections published in the 2020 BESF.** The lower trade-in-goods growth was due to the COVID-19 pandemic and the associated containment measures which severely hampered economic activity. With subdued demand conditions in both global and domestic fronts, goods exports and imports growth assumptions for 2020 were revised downwards to a contraction of 16.0 percent and 18.0 percent, respectively, as published in the 2021 BESF.
- 23. Goods exports slowed down relative to initial expectations, reflecting the sharp COVID-19-induced contraction of the global economy and disruption in global supply chains.** Actual goods exports in 2020 declined slower-than-expected by 11.3 percent to US\$47.4 billion from US\$53.5 billion in 2019. This downturn stemmed mainly from the shortfall in

shipments of manufactures (12.2 percent), mostly electronic products as well as travel goods and handbags, brought about by weak demand from major export markets and disruptions in supply chains as a result of the pandemic. Similarly, exports of fruits and vegetables, coconut, other agro-based, forest, and petroleum products dipped during the period. However, exports of mineral products managed to register a positive growth of 6.6 percent following higher shipments of copper metal, iron ore agglomerates and other mineral products.

- 24. Meanwhile, weak domestic demand as a result of government-imposed community quarantines to control the spread of COVID-19 caused the steep contraction in goods imports along with lower world oil prices.** Imports of goods declined substantially by 22.9 percent to US\$79.3 billion from US\$102.8 billion in the previous year as a result of reduced importation across all major commodity groups. In particular, imports of capital goods dipped by 29.1 percent to US\$22.2 billion. Imports of mineral fuels and lubricant also fell by 44.3 percent to US\$7.4 billion on account of the decline in the procurement of petroleum crude and other related products and lower average global price of crude oil. Imports of raw materials and intermediate goods dropped by 14.3 percent largely on account of lower purchases of manufactured goods and chemicals. Similarly, imports of consumer goods fell by 23.4 percent due to the decline in shipments of both durables, notably passenger cars and motorized cycle and miscellaneous durable manufactures, and non-durables such as food and live animals chiefly for food (particularly rice, and fish and fish preparation) and articles of apparel and accessories.

b. Fiscal Performance

- 25. The National Government incurred a deficit of 1.4 trillion pesos in 2020.** This is 107.7 percent higher than the deficit in 2019 as the impact of the pandemic caused revenues to fall while expenditures continued to grow to mitigate the economic fallout of the pandemic and the implementation of community quarantine.

b.1 Revenue Performance

- 26. Government revenue for 2020 narrowed to P2,856 billion.** Total revenues in 2020 was 9.0 percent or P281.5 billion lower than the P3,137.5 billion collected in 2019.
- 27. Tax collections amounted to P2.5 trillion, lower by 11.4 percent or P323.2 billion compared to the 2019 level.** Tax revenues as percentage of GDP dropped to 14.0 percent or by 0.5 percentage points compared to the pre-COVID level of 14.5 percent in 2019.
- 28. Collections of both the Bureau of the Internal Revenue (BIR) and the Bureau of Customs (BOC) dropped substantially.** This is due to the drastic reduction of economic activity resulting from the widespread strict community quarantine imposed around the country, and a grueling mix of natural disasters in 2020 led by the Taal volcano eruption, devastating typhoons, and the African swine fever which laid to waste much of the country's pig stocks. BIR collections for 2020 amounted to almost P2.0 trillion, lower by 10.3 percent compared to the 2019 collection of P2.2 trillion. Revenue from the BOC reached P537.7 billion, P92.6 billion or 14.7 percent lower than its collection in 2019. The drop in revenues reflected the impact of the global health pandemic on global trade and limited activities in the domestic economy.
- 29. Non-tax collections, excluding privatization and grants, reached P350.8 billion or P42.1 billion higher than 2019.** This is primarily driven by higher income of the Bureau of the

Treasury (BTr) and NG income collected by BTr which registered a 49.9 percent increase in 2020 compared to 2019. The increase in BTr income was due to higher dividends remitted by government owned and controlled corporations (GOCCs) pursuant to *Bayanihan I*. Dividend remittance grew by P82.1 billion to reach P135.5 billion in 2020, equivalent to a 153.7 percent increase from 2019. The increase in dividends partially offset the reduction in tax revenues in 2020. Total privatization and grants proceeds amounted to P716.0 million or lower by 37.3 percent compared with 2019's level of P1.1 billion.

Table 4. National Government Fiscal Performance, 2019-2020

(in billion pesos, unless otherwise stated)

NG fiscal position	2019 Actual	2020			Y-o-Y growth (in percent)
		Actual	Program (July DBCC)	Program variance (in percent)	
Total revenues	3,137.5	2,856.0	2,519.8	13.3	(9.0)
<i>Percent of GDP</i>	16.1%	15.9%	13.4%		
Tax revenues	2,827.7	2,504.4	2,205.2	13.6	(11.4)
<i>Percent of GDP</i>	14.5%	14.0%	11.7%		
BIR	2,175.5	1,951.0	1,685.7	15.7	(10.3)
BOC	630.3	537.7	506.2	6.2	(14.7)
Other offices	21.8	15.7	13.3	18.0	(28.0)
Non-tax revenues	309.0	351.1	314.1	11.8	13.6
<i>Percent of GDP</i>	1.6%	2.0%	1.7%		
Fees and charges	55.4	23.1	38.1	(39.3)	(58.3)
Bureau of the Treasury	146.5	219.7	213.3	3.0	49.9
Other non-tax revenues	106.8	108.0	62.8	72.1	1.2
Foreign grants	0.3	0.2	-	-	(6.9)
Privatization	0.9	0.5	0.5	(5.0)	(46.2)
Expenditures	3,797.7	4,227.4	4,335.2	(2.5)	11.3
<i>Percent of GDP</i>	19.5%	23.6%	23.0%		
Surplus/(Deficit)	(660.2)	(1,371.4)	(1,815.4)	(24.5)	107.7
<i>Percent of GDP</i>	-3.4%	-7.6%	-9.6%		
<i>Nominal GDP^{1/}</i>	19,517.9	17,938.6	18,856.3		

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

*Totals may not add up due to rounding.

b.2 Borrowing Performance

National Government Financing

30. For 2020, the national government increased its borrowing program to P3.0 trillion from the P1.4 trillion programmed before the pandemic to bridge the wider budget gap. In total, the NG raised P2,741.1 billion to cover the P1,371.4 billion budget deficit and the refinancing requirement of P582.1 billion. Actual gross financing for the year was 9.0 percent lower against the P3.0 trillion revised full-year target due to the lower-than-programmed deficit outturn, lower program loans availment, and the repayment of provisional advances from the BSP. This resulted in a gross borrowing mix of 72:28 in favor of domestic financing net of the bond exchange.

Table 5. National Government Financing, 2020

(in million pesos, unless otherwise stated)

Particulars	2020			Variance (Actual vs. Revised Program)	
	Program ^{1/}	Revised Program ^{2/}	Actual	Amount	%
NET FINANCING	<u>1,241,974</u>	<u>2,787,660</u>	<u>2,495,080</u>	<u>-292,580</u>	-10%
External Borrowing (Net)	<u>197,865</u>	<u>632,802</u>	<u>600,759</u>	<u>-32,043</u>	-5%
External Borrowing (Gross)	<u>353,155</u>	<u>785,613</u>	<u>742,412</u>	<u>-43,201</u>	-5%
Project Loans	46,211	29,070	49,086	20,016	69%
Program Loans	114,444	466,812	375,198	-91,614	-20%
Bonds and Other Inflows	192,500	289,731	318,128	28,397	10%
Less: Amortization	155,290	152,811	141,653	-11,158	-7%
Domestic Borrowing (Net)	<u>1,044,109</u>	<u>2,154,858</u>	<u>1,894,321</u>	<u>-260,537</u>	-12%
Domestic Borrowings (Gross)	<u>1,046,968</u>	<u>2,218,230</u>	<u>1,998,689</u>	<u>-219,541</u>	-10%
Treasury Bills	48,000	48,000	463,309	415,309	865%
Treasury Bonds	998,968	1,670,230	1,535,380	-134,850	-8%
Advances from BSP/Repo (Net)	0	500,000	0	-500,000	-100%
Less: Net Amortization	2,859	63,372	104,368 ^{3/}	40,996	65%
Amortization	426,798	431,511	440,401	8,890	2%
o/w Serviced by the BSF ^{4/}	423,939	368,139	336,033	-32,106	-9%
GROSS FINANCING	<u>1,400,123</u>	<u>3,003,843</u>	<u>2,741,101</u>	-262,742	-9%
Financing Mix (% of Total) ^{5/}					
External	25%	26%	28%		
Domestic	75%	74%	72%		

^{1/} Based on BESF 2020 Table D.1

^{2/} Based on BESF 2021 Table D.1

^{3/} Includes prepayments made through bond exchange transaction

^{4/} Actual redemption from Sinking Fund

^{5/} Financing mix for FY 2020 was based on net borrowings (excluding the amount exchanged from the RTB issuances)

Source: Bureau of the Treasury

- 31. Actual gross domestic borrowings of P1,998.7 billion, sourced mainly through the regular auction of government securities, was 10.0 percent lower against the P2,218.2 billion revised full-year program.** This is due to the settlement of the provisional advances/short-term borrowings from the BSP. Of the total amount raised, 77.0 percent or P1,535.4 billion came from the issuances of mid- and long-tenor (3-, 5-, 7-, and 10-year) Treasury Bonds and Retail Treasury Bonds (RTB) amounting to P701.7 billion and P833.6 billion, respectively. Meanwhile, the active bond exchange program allowed holders of select government securities to switch or roll over their investment for new bonds consisting of: (a) RTB 23 (P310.8 billion); (b) RTB 24 or the PROGRESO bonds (P516.3 billion); and (c) 2nd Tranche of Premyo Bonds or PB-2 (P6.5 billion). These retail fund raising activities also promoted financial inclusion and increased financial literacy among the public while supporting local capital market development and investor base diversification.
- 32. Furthermore, net treasury bills surged to P463.3 billion, with total gross issuances of P1,271.2 billion and redemptions of P807.9 billion.** This is far higher than the P48.0 billion program as markets turned to primarily to short- and medium-term instruments due to uncertainties brought by the pandemic.
- 33. Total domestic amortization of P440.4 billion, which includes the P336.0 billion covered by the Bond Sinking Fund (BSF), was 2.0 percent above the revised target.** Meanwhile, net amortization (principal payments not covered by the BSF) rose to P104.4 billion and exceeded the revised program by 65.0 percent due to the bond exchange transactions.
- 34. External borrowings made up 28.0 percent or P742.4 billion of the total financing and was 5.0 percent lower than the P785.6 billion revised program for the year.** Fifty-one percent (51 percent) of the total requirements was raised through Program Loan availments, the bulk of which was sourced from the Asian Development Bank (ADB), International Bank for Reconstruction and Development (IBRD) and Asian Infrastructure Investment Bank (AIIB) and mostly for COVID-19 responses. These were comprised of:
- a. P76.3 billion (USD1.5 billion) from ADB's COVID-19 Active Response & Expenditure Support (CARES) program;
 - b. P25.2 billion (USD500 million) from IBRD's Third Disaster Risk Management Development Policy Loan;
 - c. P25.0 billion (USD500 million) from IBRD for Emergency COVID-19 Response Development Policy Loan; and
 - d. P37.1 billion (USD748.1 million) from AIIB for COVID-19 Active Response & Expenditure Support (CARES) program.

Project loans obtained from the Japan International Cooperation Agency (JICA) (P24.0 billion) and ADB (P14.8 billion) increased to P49.1 billion and was 69.0 percent higher than the revised target as the government allowed the gradual resumption of infrastructure projects during the latter part of the year. Forty-nine percent (49 percent) of the project availment came from JICA mainly for the Metro Manila Subway Phase I (P6.4 million) and North-South Commuter Railway (P4.1 million) projects of the Department of Transportation (DoTr). Meanwhile, eighty-four percent (84 percent) of the project loan financing obtained from ADB also went to the same department for its Malolos-Clark Railway project amounting to P12.4 billion.

- 35. The government also generated P318.1 billion through the issuance of P250.8 billion (USD5.1 billion) in 10- and 25-year dollar-denominated bonds and P67.3 billion (EUR1.2/USD1.3 billion) in 3- and 9-Yr Euro bonds in the international market.** These commercial borrowings contributed 43.0 percent to the external borrowing effort. On the other

hand, total external amortization of P141.7 billion was 7.0 percent lower than the revised target as a result of better than assumed foreign exchange rates for the period.

National Government Debt

- 36. For year-end 2020, national government outstanding debt totaled at P9,795.01 billion, equivalent to USD203.97 billion.** From the end-2019 level, the NG debt stock grew by P2,063.72 billion or 26.7 percent attributed to higher funding requirements to respond to the COVID-19 pandemic. In line with the financing strategy, the share of domestic debt accounted for 68.35 percent of total NG obligations amounting to P6,694.69 billion while the remaining 31.65 percent or P3,100.32 billion are held as external debt. Preference for domestic borrowing aids in managing foreign exchange risks in the debt portfolio.
- 37. Disruptions caused by the COVID-19 pandemic raised the debt-to-GDP ratio to 54.6 percent from 39.6 percent for end-2019.** The higher debt-to-GDP ratio was brought about by the heightened financing requirement alongside the -9.5 percent economic contraction for the year.
- 38. Nevertheless, the profile of the NG's debt structure has maintained a prudent exposure to market risks.** The currency composition of the debt portfolio showed sustained support for local issuances and lowers exposure to adjustment in foreign exchange rate. Based on value, 69.42 percent or P6,800.36 billion of the total National Government debt for end-2020 is denominated in Philippine currency, followed by USD, JPY, EUR and other currencies at 23.61 percent, 4.37 percent, 2.06 percent and 0.53 percent, respectively.
- 39. Total portfolio weighted average interest rate (WAIR) as of end-2020 improved to 4.17 percent from 5.00 percent for end-2019.** This is due to ample liquidity, accommodative policies and robust investor demand. Domestic WAIR was recorded at 4.67 percent as of end-December 2020 from 5.49 percent as of end-2019 with the 2020 domestic bond issuance WAIR at 3.10 percent, 226 bps lower than 5.36 percent in 2019. Meanwhile, the WAIR for foreign borrowing also went down to 3.09 percent from 4.03 percent over the same period.
- 40. NG obligations continued to exhibit resilience against interest rate risk.** As of end- 2020, the portion of total debt subject to refixing is still manageable at 9.93 percent coming from 8.94 percent the year before due to increased LIBOR based financing which rose to 27.5 percent from 23.5 percent of total external loans.
- 41. Average residual maturity of 7.57 years is still within the 7-10 year target.** The observed decline in portfolio maturity from 8.59 years at the beginning of the year came as the domestic market mainly favored short- and medium-tenor securities due to uncertainties caused by the COVID-19 pandemic. Average residual maturity for domestic debt declined to 5.45 years as of end-2020 from 6.79 years a year ago, while average external debt maturity remained unchanged at 12.14 years over the same period.

Table 6. National Government Debt, 2019-2020

(in million pesos, unless otherwise stated)

Particulars	Dec 2019	Dec 2020	Y-o-Y	
			Difference	Variance
Total NG Debt	7,731,290	9,795,006	2,063,716	26.7%
External	2,603,690	3,100,319	496,629	19.1%
Domestic	5,127,600	6,694,687	1,567,087	30.6%
% of Total				
External	34%	32%		
Domestic	66%	68%		
% of GDP	39.6%	54.6%	14.99%	
External	13.3%	17.3%	3.94%	
Domestic	26.3%	37.3%	11.05%	
Total NG Debt by Instrument	7,731,290	9,795,006	2,063,716	26.7%
Loans	980,479	1,312,836	332,357	33.9%
Debt Securities	6,750,811	8,482,170	1,731,359	25.6%
Total NG Debt by Currency	7,731,290	9,795,006	2,063,716	26.7%
Peso Denominated	5,231,878	6,800,356	1,568,478	30.0%
Foreign Currency Denominated	2,499,412	2,994,650	495,238	19.8%
Average Maturity (years) 1/	8.59	7.57		
External	12.14	12.14		
Domestic	6.79	5.45		
Weighted Ave. Interest Rate	5.00	4.17		
External	4.03	3.09		
Domestic	5.49	4.67		
Interest Rate Mix	100.00%	100.00%		
Fixed	90.95%	89.65%		
Floating	8.94%	9.93%		
Interest Free	0.12%	0.41%		
Total Interest Payments	360,874	380,412	19,538	5.4%
External	110,576	101,356	(9,220)	-8.3%
Domestic	250,298	279,056	28,758	11.5%
% of GDP				
Total Interest Payments	1.85%	2.12%		
External	0.57%	0.57%		
Domestic	1.28%	1.56%		
% of NG Expenditures				
Total Interest Payments	9.50%	9.00%		
External	2.91%	2.40%		
Domestic	6.59%	6.60%		
% of NG Revenues				
Total Interest Payments	11.50%	13.32%		
External	3.52%	3.55%		
Domestic	7.98%	9.77%		
Memo Items				
GDP	19,517,863	17,938,582		
Peso/USD	50.802	48.021		
Expenditures	3,797,734	4,227,406		
Revenues	3,137,498	2,855,959		

1/ Average Maturity measured in years on residual basis

Source: Bureau of the Treasury

b.3 Disbursement Performance

- 42. The NG's disbursement program for FY 2020 was increased to P4,335.2 billion (23.0 percent of GDP) from the P4,213.8 billion (19.9 percent of GDP) initial projection in the FY 2020 BESF.** Although the increase appears minimal to completely account for the larger spending requirements of the government in response to the COVID-19 emergency, the expenditures for health and social protection programs were sourced largely from realignment and savings pursuant to *Bayanihan I* and *Bayanihan II*. Under the said laws, programs, activities, projects which can no longer be implemented or completed because of the pandemic may be discontinued and funds were realigned to priority COVID-19 initiatives. The line departments were also directed to implement economy measures to generate savings from non-priority expenditures.⁴
- 43. Actual NG 2020 spending closed in at P4,227.4 billion, posting a substantial P429.7 billion or 11.3 percent increase Y-o-Y, albeit below the P4,335.2 billion program by 2.5 percent mainly due to the ongoing implementation of *Bayanihan II*.**⁵ Disbursements were driven largely by MOOE which reached P885.4 billion (54.5 percent yoy) and subsidy which amounted P229.0 billion (13.6 percent yoy), indicating the extent of government COVID-19 measures such as the Social Amelioration Program (SAP) of the Department of Social Welfare and Development (DSWD), COVID-19 Adjustment Measures Program (CAMP) of the Department of Labor and Employment (DOLE), banner health programs of the Department of Health (DOH), as well as the Small Business Wage Subsidy Program implemented through the Social Security System (SSS). Personnel services and transfers to LGUs were also sizeable, reaching P1,178.5 billion (5.7 percent yoy) and P804.5 billion (30.2 percent yoy), respectively. These are, likewise, reflective of the government's COVID-19 responses to hire more healthcare workers and provide them with risks allowance/hazard pay, as well as the financial assistance to LGU's COVID-19 response under the *Bayahinan* grant to provinces, cities, and municipalities.

⁴ Consistent with National Budget Circular No. 580 dated April 22, 2020 entitled "Adoption of Economy Measures in the Government Due to the Emergency Health Situation". Available at <https://dbm.gov.ph/wp-content/uploads/Issuances/2020/National-Budget-Circular/NATIONAL-BUDGET-CIRCULAR-NO-580-dated-April-22-2020.pdf>

⁵ For further reading, check the Assessment of the National Government Disbursement Report as of December 2020. Available at: <https://www.dbm.gov.ph/index.php/dbcc-matters/reports/ng-disbursement-performance/1651-2020-ng-disbursement-performance>

Table 7. National Government Disbursements, January to December 2020

(in billion pesos, unless otherwise stated)

PARTICULARS	2019 Actual	2020		Variance		Inc/(Dec)	
		Program 1/	Actual	Amt	%	Amt	%
CURRENT OPERATING EXP.	2,740.9	3,475.6	3,326.4	(149.2)	(4.3)	585.5	21.4
Personnel Services	1,115.0	1,177.8	1,178.5	0.7	0.1	63.5	5.7
Maintenance & Other Operating Exp.	572.9	996.1	885.4	(110.7)	(11.1)	312.5	54.5
Subsidy	201.5	244.1	229.0	(15.0)	(6.2)	27.5	13.6
Allotment to LGUs	463.2	621.6	620.0	(1.6)	(0.3)	156.7	33.8
Interest Payments	360.9	421.3	380.4	(40.9)	(9.7)	19.5	5.4
Tax Expenditure	27.3	14.7	33.1	18.4	125.4	5.8	21.1
CAPITAL OUTLAYS	1,039.8	832.7	878.9	46.2	5.5	(160.9)	(15.5)
Infrastructure/Other Capital Outlays	881.7	609.3	681.5	72.3	11.9	(200.2)	(22.7)
Equity	3.3	51.2	12.8	(38.4)	(75.0)	9.5	285.7
Capital Transfers to LGUs	154.7	172.3	184.6	12.3	7.1	29.8	19.3
NET LENDING	17.1	26.9	22.1	(4.8)	(17.9)	5.1	29.6
TOTAL DISBURSEMENTS	3,797.7	4,335.2	4,227.4	(107.8)	(2.5)	429.7	11.3
<i>Memo items:</i>							
Revenues	3,137.5	2,519.8	2,856.0	336.2	13.3	(281.5)	(9.0)
(Deficit)	(660.2)	(1,815.4)	(1,371.4)	444.0	(24.5)	(711.2)	107.7
Infrastructure Program	1,049.9	785.5	869.9	84.5	10.8	(179.9)	(17.1)
% of GDP	5.4%	4.2%	4.8%				

1/ Program approved by the DBCC on July 28, 2020 via Ad Referendum.

44. Infrastructure and other capital outlays performed better-than-expected, reaching P681.5 billion in 2020, and exceeding the revised full year program by 11.9 percent despite the community quarantine restrictions imposed in various areas nationwide.

While it was expected that infrastructure expenditures are significantly lower Y-o-Y due to the realignments of some capital outlay projects that can no longer be implemented nor can be completed due to the pandemic, the acceleration of some ongoing projects and construction activities towards the second semester when community quarantines were slowly relaxed paved the way for faster infrastructure spending.

45. The overall infrastructure disbursements, which consisted of the NG-implemented infrastructure activities, and the infrastructure components of the subsidy/equity to GOCCs and transfers to LGUs, reached P869.9 billion in 2020. This is 17.1 percent lower Y-o-Y, but 10.8 percent higher than the P785.5 billion program. It stood at 4.8 percent of GDP for the year, compared to the 4.2 percent program and 5.4 percent outturn in 2019.

46. The NG's fiscal deficit clocked in at P1,371.4 billion (7.6 percent of GDP) for the full year of 2020, more than twice the P660.2 billion (3.4 percent of GDP) outturn in 2019, as expenditures soared to support the economy and provide social safety nets to various-affected sectors amid the pandemic. Nonetheless, this is below the P1,815.4 billion (9.6 percent of GDP) program mainly due to the better-than-expected revenue performance during the latter quarters of 2020 which helped exceed the total revenue goal by P336.2 billion or 13.3 percent.

c. Expenditure Performance

47. The P4,100 billion FY 2020 GAA was enacted on January 6, 2020, as both the Executive and Legislative departments committed to timely pass the annual expenditure program and avoid the dire consequences of another reenacted budget. The budget was crafted with a renewed optimism of achieving a *“matatag, maginhawa, at panatag na buhay”*, and a testament to the Administration’s promise of change towards a more peaceful and progressive Philippines. The FY 2020 Budget is equivalent to 19.4 percent of GDP and 12.0 percent higher than the P3,661.6 billion expenditure program in 2019.

Table 8. Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances, 2020

(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	3,000.2	2,964.0	2,766.5	197.5	93.3%	2,778.5 5/
Special Purpose Funds (SPFs)	1,168.6	1,142.6	1,140.0	2.6	99.8%	1,046.4
GOCCs	312.4	310.4	309.4	1.0	99.7%	241.8
ALGUs	827.1	820.5	820.1	0.4	99.9%	804.5
Other SPFs/Cont. Appro.	29.1	11.6	10.5	1.2	90.0%	-
Automatic Appropriations	402.5	402.5	402.5	-	100.0%	402.5
Net Lending	22.1	22.1	22.1	-	100.0%	22.1
Interest Payments	380.4	380.4	380.4	-	100.0%	380.4
Total	4,571.3	4,509.1	4,309.0	200.1	95.6%	4,227.4
<i>By Funding Source</i>	<i>4,571.3</i>	<i>4,509.1</i>	<i>4,309.0</i>	<i>200.1</i>	<i>95.6%</i>	<i>-</i>
Current Year	4,325.1	4,273.4	4,100.4	173.1	96.0%	
Continuing Appropriations	246.1	235.6	208.7	27.0	88.5%	

1/Pertains to the FY 2020 GAA, FY 2019 Continuing Appropriations, RA No. 11469, RA No. 11494, 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 2019 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 payables.

5/Includes P33.1 billion Tax Expenditure Subsidy

SOURCE: Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances of the DBM, and Cash Operations Report of the BTr.

48. The total available appropriations for 2020 was greater than the initial P4,100 billion obligation program as special appropriations laws were enacted to support the government’s COVID-19 emergency response and recovery measures. *Bayanihan* I and *Bayanihan* II were passed into law on March 24, 2020 and September 11, 2020, respectively. The measures authorized the government to fund COVID-19 related expenditures through savings in the FY 2019 Continuing Appropriations and the FY 2020 budget by discontinuing programs, activities, projects which can no longer be implemented or completed because of the pandemic. It also identified other financing sources such as unutilized funds, cash balances/holdings of National Government Agencies (NGAs) or GOCCs, and unutilized automatic appropriations, among others.

49. Hence, the available appropriations for the year totaled P4,571.3 billion, composed of P4,325.1⁶ billion current year’s budget and P246.1 billion⁷ continuing appropriations. Of this total, P4,509.1 billion allotments were made available⁸, while P4,309.0 billion was obligated by line agencies as of end-December 2020, representing 95.6 percent obligation rate. This compares to the 94.1 percent obligation rate in 2019. Meanwhile, disbursements

⁶ Includes P193.0 billion Unprogrammed Appropriations.

⁷ Includes P135.7 billion unobligated allotments in 2019.

⁸ Composed of P4,373.4 billion allotment releases in 2020 and P135.7 billion unobligated allotments in 2019.

for the year totaled P4,227.4 billion per the Cash Operations Report of the BTr. Based on the agency-submitted Financial Accountability Report (FAR 1), some P2,127.0 billion represents disbursements for the current year. This accounts for 76.9 percent of the P2,766.5 billion obligations incurred by NGAs during the year.⁹

Financial and Physical Performance of Selected Major Programs and Projects, by Department, as of December 31, 2020

Department of Agrarian Reform

Table 9. Financial Performance, DAR, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DAR	9.8	8.6	7.9	87.6%	91.8%	8.4	7.8	7.9	92.5%	100.6%

^{1/} 2019 Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB)

^{2/} 2020 SAAODB

Financial Performance.

50. The disbursement performance of the Department of Agrarian Reform (DAR) declined, reporting 89.9 percent in 2020 over 91.8 percent in 2019 while its obligations increased to 92.5 percent in 2020 from 87.6 percent in 2019. Despite the slight decline in disbursement as compared to 2019, the department maintained its good financial performance for its Land Tenure Security Program (LTSP) for 2020 with an obligation and disbursement rate of 96.2 percent and 95.4 percent, respectively.¹⁰ Furthermore, with an obligation and disbursement rate of 96.9 percent and 86.8 percent, respectively, the department significantly improved the financial performance of the Agrarian Reform Beneficiaries Development and Sustainability Program (ARBDSP).¹¹

51. The performance of the Department's Foreign-Assisted Projects (FAPs), however, only achieved a collective 45.4 percent obligation rate and 52.4 percent disbursement rate. This indicates the need to improve the Department's implementation of FAPs, particularly the Italian Assistance to Agrarian Reform Communities Development Support Program (IAARCDSP) and Convergence on Value Chain Enhancement for Rural Growth and Empowerment (ConVERGE) which reported the obligation rates of 27.0 percent and 52.5 percent and disbursement rates of 13.28 percent and 59.12 percent, respectively. As represented by the agency, the obligation rate could have been higher if not for the difficulties encountered in the procurement of goods and services, including the delay in securing project approval from the concerned foreign counterpart.

⁹ For details of the Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances Report, see here:

<https://dbm.gov.ph/index.php/programs-projects/statement-of-allotment-obligation-and-balances#saob-fy-2020>

¹⁰ The obligation and disbursement rate for LTSP for the fiscal year (FY) 2019 are 98.1 percent and 97.2 percent, respectively.

¹¹ The obligation and disbursement rate for ARBDSP for FY 2019 are 91.1 percent and 83.0 percent, respectively.

Table 10. Physical Performance, DAR, 2020

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
LAND TENURE SECURITY PROGRAM			
<i>Output Indicators</i>			
1. Number of hectares with claim folder (CF) documentation completed	45,407	16,840	37.1%
2. Number of hectares with Emancipation Patents/Certificate of Land Ownership Award (EP/CLOA) registered	42,792	18,789	43.9%
3. Number of hectares actually distributed to agrarian reform beneficiaries (ARBs)	33,310	40,407	121.3%
4. Number of generated Certificate of Land Ownership Awards (CLOAs) registered (LRA-CARP)*	30,154	9,951	33.0%
5. Number of hectares with approved survey (DENR-CARP)	46,042	26,820	58.3%
6. Number of subdivided collective CLOAs registered (LRA-CARP)*	11,438	7,326	64.0%
AGRARIAN JUSTICE DELIVERY PROGRAM			
<i>Output Indicators</i>			
1. Resolution rate of agrarian-related cases (DARAB & ALI Cases)	85%	99.0%	116.5%
2. Percentage of cases handled with agrarian-legal assistance in judicial and quasi-judicial courts	70%	95.0%	135.7%
AGRARIAN REFORM BENEFICIARIES DEVELOPMENT AND SUSTAINABILITY PROGRAM			
<i>Output Indicators</i>			
1. Number of agrarian reform beneficiaries (ARBs) trained	359,840	520,342	144.6%
2. Number of ARBs with access to credit and microfinance services	138,750	171,695	123.7%
3. Number of ARBOs provided with technical, enterprise and farm productivity support, and physical infrastructures	3,030	3,649	120.4%

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
4. Number of farmer beneficiaries and small landowners trained (DTI-CARP)*	13,659	11,221	82.2%
5. Number of Irrigator's Associations (IAs) organized and trained (NIA-CARP)*	54	52	96.3%
6. Number of sites and areas covered for upland development (DENR-CARP)*	100	103	103.0%
7. Number of irrigation projects completed (NIA-CARP)*	3,000	3,249	108.3%
8. Number of Technical and Marketing Assistance provided (DTI-CARP)*	54	26	48.1%
9. Number of Micro, Small and Medium Enterprises (MSMEs) maintained (DTI-CARP)*	2,421	3,225	133.2%
10. Number of hectares (new and restored areas) provided with irrigation (NIA-CARP)*	1,692	1,753	103.6%
* Corresponding budgetary allocations for CARP were appropriated under the respective department/ agency budget			

Source: FY 2022 National Expenditure Program

Physical Performance.

52. DAR was unable to meet five (5) out of six (6) of its output targets under the LTSP. The Department has only completed the documentation of 16,840 hectares of claim folders and registered 18,789 hectares of Emancipation Patents/Certificate of Land Ownership Award (EP/CLOA) to Agrarian Reform Beneficiaries (ARB) which are equivalent to 37.1 percent and 43.9 percent of the department targets, respectively. The missed targets were reportedly due to the sudden implementation of measures to control the spread of COVID-19, wherein most of the activities leading to completion of Land Acquisition and Distribution had to be postponed due to the implementation of work-from-home scheme in the executive branch of government and some quarantined areas. Moreover, the Notice to Proceed Acquisition issued by the DAR to government agencies to acquire government-owned lands under Executive Order No. 75, s. 2019 dated February 1, 2019¹² has likewise been affected by the pandemic measures.¹³ Despite these, the LTSP still managed to distribute 40,407 hectares of land to ARBs exceeding the target of 33,310 hectares.¹⁴

¹² Entitled "Directing All Departments, Bureaus, Offices and Instrumentalities of the Government to Identify Lands Owned by the Government Devoted to or Suitable for Agriculture for Distribution to Qualified Beneficiaries"

¹³ At some stages of the land acquisition process, some problems still persist, i.e., targeted landholdings that became "problematic" during the documentation.

¹⁴ The more than 100 percent accomplishment rate versus the 2020 target is due to the inclusion of EP/CLOAs which were registered in previous years and distributed in 2020.

- 53. Under the Agrarian Justice Delivery Program, DAR resolved 54,180 DARAB and ALI cases out of the caseload of 54,706 or a resolution rate of 99.0 percent** and handled 16,916 cases needing representation before the judicial and quasi-judicial courts equivalent to 95.0 percent total caseload for 2020. For its ARB Development and Sustainability Program, DAR trained 520,342 ARBs on various courses on capacity and entrepreneurial skills equivalent to 146.6 percent of the target for the year.¹⁵ The Department also provided access to credit and microfinance services to 171,695 ARBs, and technical, enterprise and farm productivity support and physical infrastructure support to 3,649 ARB organizations, equivalent to 123.7 percent and 120.4 percent of its targets, respectively.
- 54. In line with the implementation of the Comprehensive Agrarian Reform Program (CARP), other agencies were also provided with budgetary allocations to support the CARP-related interventions.** Regarding proper documentation of land distribution, the Land Registration Authority (LRA) registered a total of 9,951 CLOAs and 7,326 subdivided CLOAs, while the Department of Environment and Natural Resources (DENR) managed to deliver 26,820 hectares of land with approved survey. To enhance agriculture productivity and maximize the benefits of land distribution, the National Irrigation Administration (NIA) provided irrigation to 1,571 hectares of new and restored areas and completed 26 irrigation projects. Capacity-building activities were also provided by various agencies to further develop the competency of the farmers and beneficiaries, with NIA training 52 Irrigator's Associations, Department of Trade and Industry (DTI) capacitating 3,225 and beneficiaries in terms of technical and marketing assistance, and 11,221 farmer-beneficiaries and small landowners on entrepreneurship. Finally, to ensure the sustainability of the sector, the DTI helped maintain 1,753 Micro, Small and Medium Enterprises (MSMEs) while the DENR covered 103 sites and 3,249 areas for upland development. Most of the agencies registered dismal physical accomplishments.
- 55. Historically, most of the targets of other CARP implementing agencies (i.e., LRA, DTI, and NIA) were not achieved during the budget year when they were supposed to deliver complementary interventions for the overall success of the CARP.** DAR, as the lead implementing agency of the Agrarian Reform Law, should closely coordinate with these CARP implementing agencies to ensure coherence of interventions and timely implementation of programs to benefit the ARBs.

¹⁵ The accomplishment in ARB training includes the number of ARBs served as a result of the modification of DAR's commitments on organizational outputs under ARBDSP. The modification is in compliance with the provisions of RA 11469 or the *Bayanihan* to Heal as One Act through the implementation of the "PaSSOver: ARBold Move for the Deliverance of our Farmers from the Pandemic" or the ARBold Project. The modification in the ARBDSP targets are contained in DAR Memorandum to the DBM Bureau - E dated August 20, 2020.

Department of Agriculture

Table 11. Financial Performance, DA, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DA	56.9	48.8	36.8	85.8%	75.3%	84.6	77.8	50.4	91.9%	64.9%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

56. For 2020, the DA was provided with a total allotment of P84.6 billion to promote agricultural development through the provision of policy framework, public investments, and support services needed for domestic and export-oriented business enterprise. Total obligation for the same year stood at P77.8 billion or 91.9 percent compared to the P48.8 billion or 85.8 percent obligation in 2019. Meanwhile, the Department's 2020 disbursement level amounted to P50.4 billion or 64.9 percent of its total obligation, lower than the 75.3 percent disbursement rate in 2019. It is noted that the DA showed improvement in its overall financial performance notwithstanding the additional releases made for the *Bayanihan* II Stimulus Package of the Department during the last quarter of 2020. Out of the P24.0 billion approved budget for the *Bayanihan* II Projects under DA, P23.3 billion was released to DA-NGA while the remaining P706 million was released to the DA-GOCCs. Also, the corresponding Notice of Cash Allocation (NCA) issued amounting to P9.9 billion was based on the Monthly Disbursement Program submitted by DA which represents only 42.6 percent of the allotment released. This mainly contributed to the low disbursement of the Department in 2020.

57. The DA- Office of the Secretary (OSEC) received the bulk of the allotment at P60.8 billion or 71.8 percent of the Department's total allotment. It incurred a total obligation of P56.2 billion and disbursed P37.8 billion, translating to an obligation and disbursement rates of 92.5 percent and 67.1 percent, respectively. These are lower than the 93.7 percent obligation rate and 70.2 percent disbursement rate in 2019. Excluding the performance on *Bayanihan* II, the DA-OSEC will have an adjusted disbursement rate of 81.4 percent, significantly higher than its previous Budget Utilization Rate (BUR) of 70.2 percent. Looking at the other attached agencies, the Philippine Center for Postharvest Development and Mechanization (PhilMech) registered the lowest obligation and disbursement rates. Particularly, it was allotted P10.6 billion, P10.2 or 96.3 percent of which represents releases for the Rice Competitiveness Enhancement Fund (RCEF). Of the said allotment, the PhilMech obligated P8.4 billion or 82.5 percent, and disbursed only P875.7 million or 10.4 percent of the obligated amount.

Table 12. Financial Accomplishments, DA Banner Programs, 2019-2020
(in billion pesos, unless otherwise stated)

in billion pesos, unless otherwise stated)

Major Programs	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DA-OSEC										
National Rice Program (NRP)	7.6	7.4	5.7	97.9%	76.3%	19.8	19.3	13.2	97.4%	68.7%
National Corn Program (NCP)	1.6	1.6	1.3	97.5%	80.8%	1.5	1.4	1.1	92.1%	82.6%
National Livestock Program (NLP)	1.3	1.2	0.9	95.1%	74.8%	1.8	1.5	0.7	82.8%	48.8%
National High Value Crop Development Program (NHVCDP)	1.7	1.6	1.3	96.3%	76.0%	2.7	2.1	1.1	78.2%	51.2%
National Promotion and Development of Organic Agriculture Program (NPDOAP)	0.6	0.5	0.4	95.4%	74.1%	0.5	0.5	0.4	96.2%	79.5%
DA-ACPC										
Agro-Industry Modernization Credit and Financing Program (AFMCFP)										
Administration	3.4	3.4	3.4	100.0%	100.0%	5.0	5.0	5.0	100.0%	100.0%
DA-BFAR										
National Fisheries Program	5.0	4.6	3.9	93.0%	84.8%	4.6	4.3	3.7	93.2%	84.7%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

58. In terms of the Department's banner programs in 2020, all but two programs registered obligation rates above 90.0 percent. Particularly, the Credits Facilities Program registered the highest obligation rate at 100.0 percent, followed by the National Rice Program at 97.4 percent. On the other hand, the National High Value Crop Development Program and National Livestock Program registered the lowest obligation rates at 78.2 and 82.8 percent, respectively.

59. Meanwhile, the disbursement rates are relatively low across all programs, ranging from lowest 48.8 percent of the National Livestock Program to highest 84.7 percent of National Fisheries Program. The Department's lower disbursement performance overall in comparison to the previous year can be attributed to the delay in the delivery of goods and services to the beneficiary farmers and fisherfolks brought about by the COVID-19 pandemic. On a positive note, there was an increase in the disbursement performance in the case of National Corn Program and National Organic Program at 82.6 and 79.5 percent, respectively, as compared to 80.8 and 74.1 percent disbursement rates in the prior year. Meanwhile, the Credits Facilities Program of the Agricultural Credit Policy Council (ACPC) maintained its 100.0 percent obligation and disbursement rates.

*Physical Performance.***Table 13. Physical Performance, DA-OSEC, 2020**

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
<u>OFFICE OF THE SECRETARY</u>			
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	81	45	55.6%
2. Number of group beneficiaries provided with market development services	1,656	11,829	714.3%
3. Number of extension workers trained to support the capacity of LGUs			
a. LGU extension workers trained	10,545	2,918	27.7%
b. Farmers, fisherfolks and other participants	87,132	48,173	55.3%
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)	79	4	5.1%
2. Number of hectares of service area generated from the establishment and installation of SSIP	6,910	4,887.92	70.7%
3. Number of kilometers of Farm-to-Market Roads (FMRs) validated for construction/rehabilitation	829.87	777.93	93.7%
4. Percentage of DPWH-constructed FMRs monitored	100.0%	96.8%	96.8%
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	100.0%	90.0%	90.0%
2. Number of agri-fishery standards developed	24	24	100.0%
3. Percentage of new agriculture facilities and products that have been inspected at least once a year	100.0%	100.0%	100.0%

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
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	100.0%	96.0%	96.0%

Source: FY 2022 National Expenditure Program

60. The DA-OSEC was able to meet only four (4) out of its twelve (12) committed targets for 2020. Under the Technical and Support Services Program, the DA-OSEC was able to provide support to 45 provinces/chartered cities, which is 44.4 percent lower than its set target of 81 provinces/chartered cities. However, it should be noted that this is an improvement over its 31.4 percent accomplishment rate in 2019. Under the same program, 2,918 extension workers and 48,173 farmers, fisherfolks, and other participants were provided with training support services, also falling short of its set target of 10,545 extension workers and 87,132 farmers, fisherfolks, and other participants, translating to 27.7 and 55.3 percent accomplishment rates, respectively. On the other hand, the DA-OSEC exceeded its target more than seven-fold as 11,829 group beneficiaries were provided with market development services.

61. No targets were met under the Agricultural, Machinery, Equipment, Facilities and Infrastructures Program, and Locally-Funded and Foreign-Assisted Program. Meanwhile, two (2) targets were under Agriculture and Fishery Regulatory Support Program, attaining an accomplishment rate of 100.0 percent for the number of agri-fishery standards developed and percentage of new agriculture facilities and products that have been inspected at least once a year.

Table 14. Physical Performance, DA-ACPC and DA-BFAR, 2020

PARTICULARS	2020		
	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	2,500	2,538	101.5%
b. End-borrowers	2,500	3,712	148.5%
2. Number of credit program orientations and credit matching seminars and workshops conducted	32	974	3043.8%
3. Number of farmers and fisherfolk organizations provided with institutional capacity building assistance	510	198	38.8%

BFAR**FISHERIES DEVELOPMENT PROGRAM***Output Indicators*

1. Number of beneficiaries provided with aquaculture support/supply			
a. Number of individuals	23,067	38,752	168.0%
b. Number of fisherfolk groups	467	2,584	553.3%
2. Number of beneficiaries provided with postharvest support/supply			
a. Number of individuals	416	602	144.7%
b. Number of fisherfolk groups	236	236	100.0%
3. Number of beneficiaries provided with environment-friendly fishing gears/paraphernalia	17,784	15,178	85.3%
a. Number of individuals	279	302	108.2%
b. Number of fisherfolk groups			

Source: FY 2022 National Expenditure Program

62. In contrast to DA-OSEC's performance, the ACPC and Bureau of Fisheries and Aquatic Resources (BFAR) both displayed improved performances, meeting all but one of their targets for 2020. While the Agricultural Credit Program of the ACPC provided assistance only to 198 fisherfolk organizations or 38.8 percent of its 510 targets, the program met all its other targets, i.e., it granted loans to 2,538 credit retailers/lenders and 3,712 end-borrowers, and conducted 974 credit program orientations and credit matching seminars and workshops. ACPC reported that non-achievement of the target for capacity building was due to community quarantine, thus affecting the attendant activities in the said undertaking. Thus, training was focused on online business planning workshops for agri-based micro and small enterprises, applying for loans to enable them to comply with the required business plan.

Meanwhile, the BFAR was able to provide aquaculture support/supply to 38,752 individuals and 2,584 fisherfolk groups under the Fisheries Development Program, exceeding their targets by 68.0 and 53.3 percent, respectively. Moreover, postharvest support/supply was provided to 602 individuals and 236 fisherfolk groups, translating to 144.7 and 100.0 percent accomplishment rates. Finally, 15,178 individuals and 302 fisherfolk groups were provided with environmental-friendly fishing gears/paraphernalia. The program fell short in its target of providing environmental-friendly fishing gears/paraphernalia to 17,784 individuals but exceeded the 279 target fisherfolk groups provided with gears/paraphernalia. The unmet target was mainly attributed to the restrictions brought by community quarantines due to COVID-19, which caused disruptions and delays in the delivery of supplies and materials.

63. Overall, there is an improvement in the budgetary obligation performance of DA in 2020 as compared to its 2019 obligations. While the disbursement of DA has also increased nominally, there is a significant decrease in its utilization rate. Furthermore, the physical performance of the DA-OSEC was modest, meeting/exceeding four (4) out of its twelve (12) set targets in 2020. In contrast, the physical performance from ACPC and BFAR was outstanding, meeting/exceeding most of its committed target for the same period. In aggregate, the inability of the agency to achieve its target – both physical and financial – can be attributed mainly to the COVID-19 pandemic which resulted to travel restrictions and nationwide lockdowns which hindered the implementation of its planned activities for the year.

Department of Education

Table 15. Financial Performance, DepEd, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DepEd	544.9	517.9	485.9	95.1%	93.8%	556.0	533.7	492.7	96.0%	92.3%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

- 64. For 2020, the Department of Education (DepEd) was allotted with a substantial amount of P556.0 billion to sustain its programs and projects and ensure the right of every Filipino to quality, equitable, and culture-based formal and non-formal basic education.** Of this amount, P25.6 billion came from its previous years' appropriations. The total budget for 2020 was P11.2 billion more than the P544.9 billion total allotment in 2019. With the DepEd budget being PS intensive, PS accounts for P428.8 billion or 77.1 percent of the allotment in 2020, followed by MOOE with P102.3 billion or 18.4 percent, and CO with P24.9 billion or 4.5 percent.
- 65. By the end of last year, obligation for the PS requirements amounting to P425.3 billion mainly contributed to the Department's total year spending of P533.7 billion or 96.0 percent of its total allotment.** Obligations for the other big-ticket items included the Government Assistance and Subsidies (GAS) – P31.1 billion; School MOOE – P29.9 billion; Provision for Basic Education Facilities (DepEd portion) – P10.5 billion; and School-based Feeding Program (SBFP) with P5.2 billion. This compares to the obligated amount of P517.9 billion and obligation rate of 95.1 percent in 2019. A considerable amount of P22.4 billion has remained unobligated by the end of the year.
- 66. Of the total obligated amount, DepEd disbursed 92.3 percent or P492.7 billion, which was lower in relative terms than the 93.8 percent disbursement rate but higher than the P485.9 billion disbursed in 2019.** The undisbursed portion of 7.7 percent as of the cut-off period of this report was generally due to the mobility restrictions brought about by the COVID-19 pandemic, causing delays in the implementation of DepEd PAPs. Implementation of PAPs were suspended due to the imposition of an Enhance Community Quarantine (ECQ) starting March 2020 and were only resumed on a case-to-case basis depending on the existing protocols in the localities. Other reasons include: (i) delays in procurement activities (e.g. computer packages); (ii) lack of qualified applicants for the vacant teaching positions; and (iii) delayed submission of claims for GAS from private school partners.

Table 16. Physical Performance, DepEd, 2020

Particulars	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
BASIC EDUCATION INPUTS PROGRAM			
<i>Output Indicators</i>			
1. Number of:			
a. new classrooms constructed	5,174	187	3.6%
b. textbooks and instructional/learning materials procured for printing and delivery	10,255,064	9,822,762	95.8%
2. Number of equipment distributed:			
a. Science and Math package*	3,378	0	0.0%
b. ICT package	39,512	36,679	92.8%
c. TechVoc Equipment*	1,200	0	0.0%
3. Number of newly-created teaching positions filled up	10,000	4,702	47.0%
INCLUSIVE EDUCATION PROGRAM			
<i>Output Indicators</i>			
1. Number of schools offering the following programs:			
a. ALIVE	4,887	5,121	104.8%
b. IPED	3,050	3,032	99.4%
c. SPED	8,523	NDA	0.0%
d. Multigrade Education Program	1,317	1,162	88.2%
2. Number of Community Learning Centers offering ALS program	11,000	22,782	207.1%
SUPPORT TO SCHOOLS AND LEARNERS PROGRAM			
<i>Output Indicators</i>			
1. Number of learners benefiting from the "School Based Feeding Program"	1,821,465	3,517,934	193.1%
2. Number of grantees:			
a. Education Service Contracting (ESC)	1,118,766	1,001,842	89.5%
b. Senior High School (SHS) Voucher	1,348,992	1,093,345	81.0%
c. Joint Delivery Tech-Voc and Livelihood (TVL)	89,300	92,033	103.1%
EDUCATION HUMAN RESOURCE DEVELOPMENT PROGRAM			
<i>Output Indicator</i>			
1. Number of teachers and teaching-related staff trained	150,000	3,433,452	2,289.0%

*Budget for these programs were re-allocated for the implementation of DepEd's BE-LCP, in response to the COVID-19 pandemic.

Source: FY 2022 National Expenditure Plan

Physical Performance.

67. The COVID-19 pandemic has greatly affected the delivery of education, resulting to a changing landscape of flexible learning. In line with this, the DepEd formulated and started implementing the Basic Education – Learning Continuity Plan (BE-LCP) in 2020. This swift response has enabled the schools to commence the new school year (SY) on October 2020.

For SY 2020-2021, a total of 26,799,736 learners were enrolled in public schools (22,712,409 learners), private schools (3,375,748 learners), Community Learning Centers (572,714 learners), State and Local Universities and Colleges (118,755 learners), and Philippine schools overseas (20,100 learners). Of this total, 2,055,635 were kindergarten students; 12,595,169 - elementary students (grades 1-6); 8,339,391 - junior high school (JHS) students (grades 7-10); 3,236,827 - senior high school (SHS) students (grades 11-12); and 572,714 – Alternative Learning System (ALS) students.

68. The DepEd continuous to promote inclusive basic education. Some 144,047 Muslim learners were enrolled in 5,121 public schools with Arabic Language and Islamic Values Education (ALIVE) program that integrates curriculum content and competencies which are relevant and of interest to Muslim learners, exceeding its 2020 target of 4,887 schools by 4.8 percent. The higher-than-target accomplishment can be attributed to DepEd's advocacy of promoting inclusiveness in the education and the efficient tagging of schools in the Learner Information System where ALIVE programs were offered.

Likewise, 121,150 members of the Indigenous Peoples (IP) were enrolled under the National Indigenous Peoples Education (IPED) Program¹⁶ in 3,032 public schools, only 18 schools short of its 3,050 targeted number of schools for the year.

Another 244,158 school-age children in remote communities where enrollment does not warrant the organization of monograde classes were enrolled in 1,162 public schools with multigrade education program for the SY. This was equivalent to 88.2 percent of its 2020 target of 1,317 public schools. Based on the historical data, most of the learners transfer from monograde schools to multigrade centers.

Moreover, 22,782 community learning centers catered to 478,672 out-of-school youths above 15 years old who did not have access to formal education in schools through programs on education, employment, and entrepreneurship in 2020. This showed a 207.1 percent accomplishment against its 2020 target of 11,000 schools. The expansion of the number of CLCs was due to DepEd's continuous effort to cater potential ALS learners and the implementation of BE-LCP, specifically the distribution of learning kits for ALS learners. Meanwhile, retrieval of data on the number of public and private schools offering special education, as well as the number of learners with special needs¹⁷ enrolled, is still ongoing.

69. For the same period, the schools were able to sustain the enrolment in every school year due to the learners' experiences in the public schools (i.e., first year transitions, learning assistance/academic support, mentoring, and co-curricular activities). Before the schools shifted to flexible learning modes of delivery, the DepEd achieved the retention rates of 98.8 percent for elementary and 95.0 percent for JHS for SY 2019-2020. Similarly,

¹⁶ 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.

¹⁷ Gifted/talented, mentally retarded, visually impaired, hearing impaired, orthopedically handicapped, learning disabled, speech defectives, children with behavior problems, autistic children, and children with health problems

completion rates were at 96.6 percent for elementary and 86.0 percent for JHS. These were close to its targets for the retention (99.0 percent – elementary; 96.0 percent – JHS) and completion rates (97.0 percent – elementary; 89.0 percent – JHS) last year. It is noteworthy that these accomplishments were almost the same as the retention (99.2 percent – elementary; 95.7 percent – JHS), and completion rates (92.4 percent – elementary; 84.4 percent – JHS) recorded for SY 2018-2019.

70. Contributing to these achievements were the continuous efforts of the government to increase the accessibility of education, especially with the challenges brought about by the ongoing pandemic. By the end of 2020, the GAS benefitted 1,001,842 grantees in private schools through the ESC. This was 10.5 percent less than the 1,118,766 students targeted for 2020, as students opted to enroll/transfer to public schools. Another 1,093,345 SHS students from Public and Private SHSs availed of the vouchers compared to the 1,348,992 SHS students targeted for in 2020. On the other hand, the Joint Delivery Technical-Vocational-Livelihood (TVL) Program surpassed its target of 89,300 grantees with 92,033 actual grantees in SY 2020-2021. As some activities that are to be conducted face-to-face were suspended, the freed-up budget was used to support more learner-beneficiaries through this program.

71. Moreover, 3,517,934 severely wasted and wasted learners¹⁸ were served nutritious meals through the SBFP, which is intended to address malnutrition and short-term hunger among public school children. This accounted for 193.1 percent of the 1,821,465 learners targeted to benefit under the said program in 2020. The increase in the number of beneficiaries can be attributed to the (i) reduction of the feeding days from 120 to 60 days due to the rescheduling of school opening from June to October 2020; and (ii) the change in the mode of delivery from actual feeding of the students to delivery of the food items to the learners' home. Hence, the Department expanded the beneficiaries to cover stunted learners, Pupil at Risk of Dropping Out, IP, and those who are coming from indigent families.

72. Basic education inputs were also provided last year. Under the Basic Education Facilities Program, only 187 standard classrooms were constructed out of 5,174 targeted standard classrooms to be constructed. Meanwhile, 2,958 classrooms and 100 TVL laboratories are ongoing construction; 30 Gabaldon classrooms are ongoing restoration; and 1,743 classrooms are under procurement. These low accomplishments were a result of the delays caused by community restrictions. On the other hand, the department was not able to deliver 1,954,538 school seats since funds for the purpose were re-aligned to support the BE-LCP.

For the same period, 9,822,762 textbooks and instructional/learning materials (TX & IMs/LMs) out of its 10,255,064 TX & IMs/LMs target were procured. Furthermore, due to the transition to the new normal setting, around 3.0 billion Self-learning Modules were printed, a big jump from its 800 million target.

Likewise, 36,679 Information and Communications Technology (ICT)/multimedia packages or 92.8 percent of its targeted 39,512 ICT/multimedia packages were already procured and are for delivery. Meanwhile, the Department was not able to distribute its targeted 3,378 science and math equipment packages and 1,200 Technical-Vocational (TechVoc) equipment since funds for the purpose were re-aligned to support the BE-LCP.

¹⁸ 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.

In addition, DepEd filled up 4,702 teaching positions or only 47.0 percent of its 10,000 targeted teaching positions during the year. The hiring process for the remaining teaching positions is still ongoing, with the lack of qualified applicants for the positions remaining a concern for the DepEd.

Lastly, 2,289.0 percent or 3,433,452 teachers of the 150,000 targeted teachers and teaching-related staff were trained within the year. The conduct of virtual sessions/training using free online platforms to augment the needed technical assistance in supervising and managing the implementation of BE-LCP allowed DepEd to train more teachers and teaching-related staff.

Commission on Higher Education

Table 17. Financial Performance, CHED, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
CHED	59.9	33.7	29.0	56.2%	86.2%	72.8	60.0	45.9	82.3%	76.6%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

73. To sustain the provision of accessible quality tertiary education amidst the ongoing COVID-19 pandemic, P72.8 billion was allotted to the Commission on Higher Education (CHED) including the P35.7 billion previous years' appropriation. This was P12.9 billion or 21.6 percent more than its P59.9 billion allocation in 2019.

For the period, CHED obligated P60.0 billion or 82.3 percent of its total allotted budget, showing improvements from its 56.2 percent obligation rate in 2019. Bulk of CHED's obligation came from its major programs such as the UAQTE – P53.3 billion; Students Financial Assistance Programs (StuFAPs) – P1.9 billion; K to 12 Transition Program – P1.4 billion; and the Philippine-California Advanced Research Institute (PCARI) – P0.4 billion. The significant increase in the obligation rate can be attributed to the full release¹⁹ of the FY 2020 funds to CHED; synchronization of CHED's budget with the fiscal year budget (instead of academic year); and the direct release of funds to CHED Regional Offices. By the end of the year, an amount of P12.9 billion was left unobligated.

74. As of end 2020, P45.9 billion or 76.6 percent of the agency's total obligated amount was disbursed, achieving a lower obligation rate in relative terms compared to 2019 (86.2 percent). However, this was still P16.9 billion higher than the P29.0 billion obligated in 2019. The major contributor to the low disbursement rate was the low disbursement performances of its major programs at 3.8 percent for the PCARI; 16.9 percent – K to 12 Transition Program; 67.1 percent – StuFAPs; and 79.7 percent – UAQTE. This was due to the late submission of documentary requirements/billings by the Higher Education Institutions (HEIs) as they have limited access to the said documents given the travel/mobility restrictions during the pandemic.

¹⁹ Except for the appropriation for Cash Grant to Medical Students, wherein the DBM recommendation for release was forwarded to the Office of the President for approval

Table 18. Physical Performance, CHED, 2020

Particulars	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
HIGHER EDUCATION DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of scholarships and student grants awarded	221,079	296,381	134.1%
2. Number of faculty members provided with faculty development grants	5,693	6,523	114.6%
3. Number of research, development and innovation project proposals funded	130	134	103.1%

Source: FY 2022 National Expenditure Program

Physical Performance.

- 75. Last year, the CHED was able to exceed all of its physical targets.** The agency awarded 296,381 scholarships and student grants in 2020. This was 34.1 percent more than its 221,079 target. Of the total accomplishment, 94,506 student beneficiaries were covered by the StuFAPs comprised of 60,782 beneficiaries (64.3 percent) under the *Bayanihan* II Higher Education Tulong Program²⁰ (B2 HELP); 33,337 beneficiaries (35.3 percent) of the regular StuFAPs (Scholarship Program and Grants-in-Aid Program); and 387 dependents and children of sugarcane industry workers and small farmers (0.4 percent).
- 76. Moreover, another 1,388,712 students in State Universities and Colleges (SUCs) and Local Universities and Colleges (LUCs) were covered by the Free Higher Education Program as provided by Republic Act (RA) No. 10931 or the Universal Access to Quality Tertiary Education Act of 2017.** In addition, 626,698 students, including 191,334 grantees of the Tulong Dunong Program, availed of the Tertiary Education Subsidy of the UAQTE. Of this total, 391,673 students were enrolled in Private HEIs; 205,682 students in SUCs; 29,248 students in LUCs; and 95 students in CHED-Supervised Institutions.
- 77. Meanwhile, 88.9 percent or 5,236 of the 5,890 graduating scholarship holders completed their courses in priority programs.** This represents a 111.1 percent accomplishment of its 80.0 percent target in 2020.
- 78. For the same period, the CHED awarded a total of 6,523 faculty members of HEIs with faculty development grants, exceeding its target of 5,693 faculty members.** Of the grants awarded, 1,426 grants or 21.9 percent was provided under the K to 12 Transition Program. Likewise, 2 high-end Research and Development (R&D) outputs were promoted and supported through the PCARI Project. These were the Sustainable and Renewable Fuel and Electrolysis Cell Energy Device Technology (SURE Tech), and the Clean and Vertically-Integrated Pure/Applied Hydrogen Energy Research for Next Generation Power Systems

²⁰ Provides subsidies and allowances to students in public and private tertiary institutions, especially those who still have unpaid school fees for Academic Years 2019-2020 and 2020-2021

(CIPHER). The new and continuing local and foreign scholarships contributed to the higher-than-target accomplishment for this indicator.

79. Similarly, the target number of HEI projects funded in 2020 of 130 was surpassed with an accomplishment rate of 103.1 percent or 134 project proposals. These project proposals funded, comprised of 71 projects funded under CHED Agency Specific Budget and 63 projects funded through the Higher Education Development Fund, are considered as investments in the HEIs by supporting 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

Table 19. Financial Performance, DOE, 2019-2020

(in billion pesos, unless otherwise stated)¹

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DOE	2.7	2.4	1.2	88.6%	49.3%	1.8	1.3	0.9	72.3%	66.6%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

80. The FY 2020 allotment of the DOE totaled P1.8 billion, of which, P1.5 billion was charged against the General Fund while P0.4 billion was sourced from the Special Account in the General Fund (SAGF). The DOE's obligation rate was 72.3 percent, a significant decrease from its FY 2019 obligation rate of 88.6 percent, and equivalent to an unobligated allotment of P505.8 million.

Table 20. Financial Performance, DOE, by Fund Source, 2020

Fund Source	Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb
General Fund	1.5	1.2	0.9	84.6%	70.7%
SAGF	0.4	0.1	0.0	25.1%	13.6%

Source: DOE

81. The lower obligation rate of the Department can be directly attributed to the bulk of SAGF's unobligated allotment referring to two (2) items: the procurement of Power Supply for the Total Electrification Project which was subjected to Commission on Audit (COA) findings; and savings from various MOOE items of expenditure like travelling, representation, ICT supplies and ICT subscription expenses, office supplies and competitive bidding for CO procurement. Nominally, this sums up to up to P272.5 million of the P282 million unobligated allotment for SAGF. Likewise, a part of the unobligated allotment represents activities which were not undertaken due to the COVID-19 travel restrictions.

On the other hand, for programs funded under the General Fund, the main reason for its unobligated allotment represents the savings from various MOOE items as mentioned above and activities not were not undertaken due to the pandemic.

82. Despite the lower obligation rates of the Department, it was counterbalanced by the improvement in its disbursement performance. For 2020, the disbursement rate of DOE improved to 66.6 percent, 17.3 percentage points higher than last year's 49.3 percent. This translates to undelivered outputs or unpaid obligations of P441.5 million. It should be noted that items chargeable against the SAGF represent more than one-fifth of the Department's unpaid obligations with only P12.9 million disbursement out of its P94.71 million obligation (13.60% disbursement rate). DOE reported that low budget utilization rate was due to the limited and delayed conduct of activities due to the restrictions brought about by the COVID-19 pandemic. Most of the planned activities of the Department were information, education, communication activities, focus group discussion, roadshows, etc. were greatly affected by the restrictive quarantine guidelines.

Table 21. Physical Performance, DOE, 2020

PARTICULARS	2020		
	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	2	100%
2. No. of statistical research and studies prepared/updated	16	98	613%
3. Percentage of project evaluation and monitoring conducted on time	80%	80%	100%
4. Number of applications for Certification of Energy Project of National Significance processed/evaluated	40	43	108%
CONVENTIONAL ENERGY DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. No. of contract and/or circulars drafted, prepared and reviewed	5	12	240%
2. No. of information, education, communication, and other promotional activities conducted on conventional energy development	14	17	121%
3. No. of monitoring activities/inspections conducted on conventional energy projects	117	644	550%
RENEWABLE ENERGY DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Percentage of issuances and permits on renewable energy development issued on time	86%	95%	110%
2. No. of information, education, communication, and other promotional activities conducted on renewable energy	37	47	127%
3. No. of inspection conducted on renewable energy development projects	340	669	197%

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
DOWNSTREAM ENERGY DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. No. of issued permits/accreditations/ acknowledgements/endorsements and reports submitted	2803	8706	311%
2. No. of information, education, communication, and other promotional activities conducted on the downstream oil and gas sector	12	4	33%
3. No. of downstream oil and gas field work and operational monitoring activities conducted	1,073	360	34%
4. No. of plans and policies updated/formulated, monitored and recommended for adoption and implementation	6	20	333%
ELECTRIC POWER INDUSTRY DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. No. of plans/policies prepared, updated and disseminated	6 policies and 3 plans	56 policies and 1 plan	633%
2. No. of information, education, promotional events, and public consultations, etc. undertaken on electric power industry	27	63	233%
3. No. of application for COE for investment in the energy sector processed	228	431	189%
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. No. of energy audit in government agencies conducted on time	66	69	105%
ALTERNATIVE FUELS AND TECHNOLOGIES PROGRAM			
<i>Output Indicators</i>			
1. No. of technical assistance/evaluation completed on time	8	37	463%
2. No. of information, education, communication, and other promotional activities conducted on alternative fuels and technology	14	9	64%
3. Number of policies formulated/permits issued related to alternative fuels and technologies issued on time	4	16	400%

Source: FY 2022 National Expenditure Program

Physical Performance.

- 83. 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 2020 physical performance where it has achieved seventeen (17) of its twenty (20) output indicators. Three output indicators not achieved are under the Downstream Energy Development Program and Alternative Fuels and Technologies Program as follows: 1) conduct of downstream oil and gas fieldwork and operational monitoring activities and inspections; conduct of information, education, communication, and other promotional activities for both the 2) downstream oil and gas sector and 3) alternative fuels technology with accomplishment rates of 34.0, 33.0 and 64.0 percent respectively.
- 84. Despite the performance of the Department both financially and physically, the mismatch between the two still exists as observed historically:** the DOE continues to report accomplishment rates as high as a six hundred percent while continuously reporting unobligated allotment of about P300 million and P500 million in 2019 and 2020, respectively. In addition to the unobligated allotment, DOE also reported unpaid obligations as high as P1.2 billion and P400 million in 2019 and 2020, respectively. With this mismatch in the Department's physical and financial accomplishments, there is a need to put in effort to eliminate the understatement of targets by reassessing its planning strategies in order to formulate targets. Moreover, revisiting the results indicators and taking into consideration the "new normal" to be able to deliver mandated services even during the pandemic is needed in order to achieve full utilization of available resources.

Department of Environment and Natural Resources

Table 22. Financial Performance, DENR, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DENR	27.4	26.0	22.5	95.1%	86.7%	23.1	21.3	18.1	92.3%	85.1%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

- 85. For 2020, the DENR reported a 92.3 percent obligation rate, lower by 2.8 percentage points than its 95.1 percent in 2019.** Similar to last year, all but one agency, the National Water Resources Board (NWRB), reached obligation rates above 90.0 percent. While the Environmental Management Bureau (EMB) brought its obligation rate from 90.2 percent in 2019 to 95.3 percent in 2020, the performance of Palawan Council for Sustainable Development Staff (PCSDS) dropped from 99.7 percent to 94.4 percent in the same period. Specific agencies thrived even during the pandemic, led by National Mapping and Resource Information Authority (NAMRIA) having 98.8 percent obligation rate followed by Mines and Geosciences Bureau (MGB) posting 96.1 percent. Meanwhile, the Department's disbursement performance decreased from 86.7 percent in 2019 to 85.1 percent in 2020. Specifically, the disbursement rate of the PCSDS outdid the other agencies with 94.3 percent

followed by MGB at 91.2 percent. Moreover, the remaining four (4) agencies²¹ under the DENR have disbursement rates lower than 90.0 percent in 2020 compared to only two (2) agencies in 2019. Overall, while the DENR achieved the foregoing financial performance, it is in no doubt that the COVID-19 pandemic also brought about challenges to the Department in achieving its objectives.

Table 23. Physical Performance, DENR, 2020

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
NATURAL RESOURCES ENFORCEMENT AND REGULATORY PROGRAM			
<i>Output Indicators</i>			
1. No. of hectares of open-access/untenured lands of the public domain placed under appropriate management arrangement tenure	15% of open access/untenured lands of the public domain placed under appropriate management arrangement/tenure	416,134.12 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	86%	108%
NATURAL RESOURCES CONSERVATION AND DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. No. of terrestrial protected areas/wetlands/caves established conserved			
Inland wet lands	9	29	322.2%
Caves	57	103	180.7%
2. No. of critical habitats established and managed	2 established 6 managed	5 established 12 managed	250.0%
3. No. of hectares of coral reefs, mangrove forests, and sea grass beds mapped	900 ha.	7,658.79 ha	851.0%
4. No. of marine protected areas network established	5	23	460.0%
5. No. of residential free patents issued	40,000	32,429	81.1%
6. Areas of denuded and degraded forestlands/PAs decreased (in ha. cumulative)	50,000 ha.	47,135 ha.	94.3%
7. No. of hectares planted area maintained and protected	216,058 ha.	204,776 ha.	94.8%

²¹ OSEC-85.1%, EMB – 79.1%, NAMRIA – 89.5%, and NWRB – 73.9%

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
ENVIRONMENT AND NATURAL RESOURCES RESILIENCY PROGRAM			
<i>Output Indicators</i>			
1. No. of DENR offices provided with training on mainstreaming climate change adaptation and disaster risk reduction	16 ROs and 2 Bureaus	16 ROs and 6 Bureaus and 3 Attached Agencies	138.9%
2. No. of information, education and communication activities conducted	16 regions	16 regions (42 radio episodes were aired on radio via RMN DZXL 558 and livestreamed via social media (Facebook))	100%

Source: FY 2022 National Expenditure Program

Physical Performance.

86. Most of the Department's physical targets for FY 2020 were met or exceeded. The Natural Resources Conservation and Development Program which received a P10.35 billion allotment in FY 2020, exceeded four (4) out of its seven (7) targets resulting in the protection of 103 caves; establishment of five (5) and management of 12 critical habitats; and the establishment of 23 marine protected areas network. Under the program, the targets for protected inland wetlands and mapped coral reefs, mangrove forests and sea grass beds were exceeded by three times and eightfold, respectively. In addition, the agency fell short of its targets for the issuance of free residential patents, decrease in the denuded & degraded forestlands/PAs and maintenance and protection of planted areas. These output indicators were not met due to various reasons (i.e., reduce of target are due change in commodity, further validation by DENR regional offices (ROs), damage caused by typhoons and threats in the implementation areas) among which are limitations due to the pandemic.

87. However, it should be noted that the DENR met all targets ensuring conformity with environmental standards on environmental impact, pollution and mining as the EMB and 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 18,802 projects to their Environment Compliance Certificates and 68,656 sites/facilities on their impact on environmental quality while the MGB monitored compliance for 1,035 mining permits/contracts.

At the regional and local level, the DENR capacitated its 15 regional offices, six (6) bureaus, and three (3) attached agencies on mainstreaming climate change while the MGB provided 118 cities/municipalities with information materials on geohazards while 50 cities/municipalities were assessed for groundwater resources and vulnerability, in which MGB fell short of its targets. As represented targets for the three (3) output indicators under the Geological Risk Reduction and Resiliency Program of the MGB has to be reduced due to the National Budget Circular No. 580²².

²² "Adoption of Economy Measures in the Government Due to the Emergency Health Situation" dated April 22, 2020

Table 24. Physical Performance, DENR-EMB and MGB, 2020

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
EMB			
ENVIRONMENTAL ASSESSMENT AND PROTECTION PROGRAM			
<i>Output Indicators</i>			
1. No. of projects monitored based on ECC conditions with reports submitted	14,910	18,802	126%
2. Information, Education and Communication materials developed and disseminated	40,000	52,818	132%
3. No. of environmental research studies conducted for policy purposes	1	1	100%
ENVIRONMENTAL REGULATIONS AND POLLUTION CONTROL PROGRAM			
<i>Output Indicators</i>			
1. Percentage of permits, clearances, and certificates issued within the prescribed timeframe	80%	134%	168%
2. No. of sites/facilities or areas that have been inspected with report submitted	50,091	68,656	137%
3. Percentage of cases/complaints acted upon with the prescribed timeframe	96%	98%	102%
MGB			
MINERAL RESOURCES ENFORCEMENT AND REGULATORY PROGRAM			
<i>Output Indicators</i>			
1. Mining applications (including other mining rights related applications) approved/denied/endorsed within the prescribed period	3,514	4,116	117%
2. No. of mining permits/contracts monitored	1,010	1,035	102%
GEOLOGICAL RISK REDUCTION AND RESILIENCY PROGRAM			
<i>Output Indicators</i>			
1. No. of cities and municipalities where vulnerabilities and risk assessments were conducted	151	104	69%
2. No. of LGUs (cities/municipalities) provided with information, education, and communication campaigns on geohazards	202 cities/municipalities	118 cities/municipalities	58%
3. No. of LGUs assessed for groundwater resources and vulnerability	70 cities/municipalities	50 cities/municipalities	71%

Source: FY 2022 National Expenditure Program

Department of Health

Table 25. Financial Performance, DOH, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DOH	110.4	98.3	72.60	89.1%	73.8%	201.0	176.5	142.0	87.9%	80.4%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

88. For 2020, the DOH was supported with a total allotment of P201.0 billion to provide quality health care for all Filipinos specifically, emergency response during the COVID-19 pandemic. Obligation for the same year was P176.5 billion or 87.9 percent, which was lower than its obligation rate of 89.1 percent in 2019. Meanwhile, disbursement rate was higher at 80.4 percent as compared to the 73.8 percent in 2019.

By expense class, current operating expenditures account for P176.2 billion or 87.9 percent of the total obligation incurred by the DOH with maintenance and operating expenses at P92.2 billion and personnel services at P60.1 billion. The remaining 13.6 percent of the total obligation represents capital outlays at P23.9 billion.

By implementing agency, the DOH-OSEC accounts for 99.8 percent of the total obligation at P176.2 billion. The balance of 0.2 percent or P318. 9 million was incurred by the National Nutrition Council (NNC). With regard to disbursement rate, the DOH-OSEC registered 80.4 percent while the NCC was at 72.8 percent.

89. The remaining P24.4 billion or 12.1 percent unobligated allotment for DOH-OSEC in 2020 was attributed to the following reasons: a) delays in the delivery of goods and services due to travel restrictions, and delays in the construction of projects resulting from the implementation of the ECQ during the height of the pandemic; (b) suppliers' non-compliance to documents resulting to bid failures due to the pandemic; (c) cancellation of trainings/workshops, consultation meetings, technical assistance to different regions and monitoring of activities; (d) deferment of research project activities since suppliers encountered problems in importing goods/raw materials; and (e) budget augmentation from the Diseases Prevention and Control Bureau line item to provide for the Tuberculosis/Human Immunodeficiency Virus funding gap for CY 2021.

90. Under the DOH-OSEC, around P80.9 billion or approximately 46.0 percent of the total obligation of the Department was spent for the implementation of the following major programs in 2020: a) Health Facilities Enhancement Program – P10.7 billion; (b) Human Resources for Health Deployment – P10.3 billion; (c) National Immunization – P4.0 billion; (d) Public Health Management – P3.8 billion; (e) Family Health, Nutrition, and Responsible Parenting – P2.8 billion; (f) Operation of DOH Hospitals in Metro Manila – P10.1 billion; (g) Operation of DOH Regional Hospitals and Other Health Facilities – P29.0 billion; (h) Operation of Dangerous Drug Abuse Treatment and Rehabilitation Centers – P1.2 billion; and (i) Medical Assistance for Indigent Patients Program – P9.0 billion.

91. In terms of COVID-19 expenditures, the DOH obligated P44.7 billion from its Quick Respond Fund (QRF) *Bayanihan* Act for the implementation of RA 11469 or *Bayanihan* to Heal as One Act programs of DOH, and an additional P1.9 billion to cover the requirements for the procurement of the Reverse Transcription Polymerase Chain Reaction (RT-PCR) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-COV-2) detection kits. Likewise, an amount of P15.9 billion was also obligated for the requirements of *Bayanihan* II. To supplement the medical equipment and medical and laboratory supplies (i.e. Personal Protective Equipment [PPE] & Masks), P1.9 billion was obligated by the DOH under the Philippines COVID-19 Emergency Response Project 1 of the World Bank and the Health System Enhancement to Address and Limit COVID-19 Project 1 under ADB for FY 2020.
92. For the NNC, out of the P318.9 million total obligation, 85.8 percent or P273.6 million was utilized for the implementation of the National Nutrition Management Program, which covers: a) promotion of good nutrition; b) assistance to national, local nutrition, and related programs; and c) Early Childhood Care and Development/Nutrition Intervention Package for the First 1,000 Days.
93. Other than the P201.0 billion allotment to the DOH in 2020, some P71.3 billion was released to the Philippine Health Insurance Corporation (PHIC) and subsequently obligated the National Health Insurance Program (NHIP) implementation for the year. The PHIC's total obligation was spent to cover the health insurance premiums of the following: a) 12.6 million indigent families under the DSWD's National Household Targeting System for Poverty Reduction (NHTS-PR) – P30.3 billion ; (b) 8.0 million senior citizen – P40.2 billion; (c) 17,232 unemployed persons with disability – P41.4 million (d) 346,762 financially incapable Universal Health Care (UHC) for Point of Service (POS) patients – P832.2 million; and (e) 21,952 families identified under the Payapa at Masaganang Pamayanan (PAMANA) Program – P52.7 million.

Table 26. Physical Performance, DOH, 2020

Particulars	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
HEALTH SYSTEMS STRENGTHENING PROGRAM			
<i>Output Indicators</i>			
1. Percentage of partners provided with technical assistance on local health systems development	100%	101%	101.0%
2. Percentage (& Number) 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 local government units (LGUs) and other health partners provided with technical assistance on public health programs	100%	100%	100.0%
2. Percent of received health commodities from the Central Office distributed to health facilities based on the allocation list	Varies per Region	83%	83%

Particulars	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
EPIDEMIOLOGY AND SURVEILLANCE PROGRAM			
<i>Output Indicators</i>			
1. Percent (& Number) of outbreak/ epidemiologic investigations conducted	75%	100%	133.3%
HEALTH EMERGENCY MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Percentage of LGUs provided with technical assistance on the development or updating of Disaster Risk Reduction Management-Health (DRRM-H)	90%	107%	118.9%
HEALTH FACILITIES OPERATION PROGRAM			
<i>Output Indicators</i>			
1. Number of policies, manuals, and plans developed on health facility development	10	47	470.0%
2. Number of blood units collected by Blood Service Facilities	124,290	111,496	89.7%
3. Number of in-patient and out-patient drug abuse cases managed	38,706	156,814	405.1%
SOCIAL HEALTH PROTECTION PROGRAM			
<i>Output Indicators</i>			
1. Number of patients provided with medical assistance	1,000,000	1,299,268	129.9%

Source: FY 2022 National Expenditure Program

Physical Performance.

94. Under the Health Systems Strengthening Program, the DOH exceeded its target by 1.0 percent at 101.0 accomplishment rate in providing LGUs with technical assistance on local health systems development. Also, the DOH continuously provided 100.0 percent of the Human Resource for Health requirements of its targeted priority areas for the year.

95. For the Public Health Program, the DOH accomplished 100.0 percent of its target in providing LGUs and other health partners with technical assistance on public health programs. The Department provided at least 83% of health commodities from the Central Office to health facilities of LGUs based on the allocation list.

96. Under the Epidemiology and Surveillance Program, the DOH surpassed its 75.0 percent target with an accomplishment of 100.0 percent by conducting all of its targeted outbreak/epidemiologic investigations. In support of the Health Emergency Management Program, the DOH was able to provide 119.0 percent or 17.0 percent more than its 90.0 target of providing technical assistance to LGUs on the development or updating of Disaster Risk Reduction Management – Health (DRRM-H) plans.

97. For the Health Facilities Operation Program, the DOH issued 47 policies, manual and plans on health facility development, reflecting a 470.0 percent accomplishment rate compared to its targeted 10 issuances for the year. The increase in the issuances developed was due to the standards and protocols in health facilities requiring adjustments as a result of the COVID-19 pandemic. Accomplishment for the number of blood units collected by Blood Service Facilities were at 111,496, falling short of its 124,290 target or by 10.3 percent. In addition, a total of 156,814 inpatient and outpatient drug cases were managed, reflecting an accomplishment rate of 405.1 percent wherein the increase in volume of admission was due to the increase in plea bargaining agreements, court mediated, and non-court mediated admissions. Finally, a total of 1,299,268 patients were provided with medical assistance under the Social Health Protection Program, exceeding its target by almost 30.0 percent.

98. For 2020, the PHIC achieved the following health insurance coverage: i) 81.7 percent or 12.6 million out of the target 15.4 million indigent families under NHTS-PR; ii) 128.7 percent or 8.0 million out of the target 6.2 million senior citizens; iii) 17.2 percent or 17,232 out of the target 100,000 unemployed persons with disability; iv) 29.6 percent or 346,762 out of the target 1.2 million financially incapable UHC for POS patients; and v) 86.0 percent or 21,952 out of the target 25,514 families identified under the PAMANA Program.

Department of Information and Communications Technology

Table 27. Financial Performance, DICT, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DICT	7.9	4.2	2.1	53.5%	49.5%	9.8	7.2	2.3	74.1%	31.7%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

99. The Department of Information and Communications Technology (DICT), in support of its mandate to plan, develop, and promote the national ICT development agenda, obligated P7.2 billion or 74.1 percent of its P9.8 billion allotment in 2020. These are higher than the P4.2 billion or 53.5 percent obligation and P7.9 billion allotment by the Department in 2019. However, the Department obtained a lower disbursement rate of 31.6 percent in 2020, as compared to the 49.5 percent disbursement rate in 2019.

100. The DICT-Cybercrime Investigation and Coordination Center obtained the highest obligation and disbursement rates at 95.9 and 97.7 percent, respectively. Meanwhile, the lowest disbursement rate was registered by the DICT-OSEC at 29.8 percent, followed by the National Telecommunications Commission (NTC) at 31.8 percent. It is noted that the National Privacy Commission (NPC) registered 90.2 percent disbursement rate. However, the agency's obligation was the lowest at 65.5 percent.

101. These overall low obligation and disbursement rates of the DICT can be mainly attributed to the following:

- a. Slow implementation of the locally-funded projects (LFPs) under Regular/Special Account in the General Fund of the DICT-OSEC;
- b. NPC's postponement of implementation of programs/projects in the first semester of FY 2020 due to COVID-19 pandemic; and
- c. NTC's participation of the strict quarantine protocols that severely impacted by the pandemic as most of mandated functions rely heavily on the conduct of inspections, mobile-licensing, radio operators' seminars, assurance of permits and licenses, thus affecting performance and budget utilization.

Table 28. Implementation of Locally-Funded Projects under DICT-OSEC, 2020

Particular	Amount (In Thousand Pesos)			BUR	
	Allotments Released	Actual Obligation	Disbursement	Obligation vs. Allotment	Disbursement vs. Obligation
General Fund	2,365,277	1,856,198	286,578	78.48%	15.44%
National ICT Household Survey	65,400	35,410	410	54.14%	1.16%
National Government Data Center Infrastructure	434,631	286,823	19,880	65.99%	6.93%
National Broadband Plan	1,191,398	1,142,581	38,703	95.90%	3.39%
National Government Portal	673,848	391,384	227,585	58.08%	58.15%
Special Account in the General Fund	1,414,453	1,371,953	123,658	97.00%	9.01%
Free Internet Wi-Fi Connectivity in Public Places	1,134,558	1,118,838	123,658	98.61%	11.05%
Free Internet Wi-Fi Connectivity in State Universities and Colleges	279,895	253,115		90.43%	0.00%
Total	3,779,730	3,228,151	410,236	85.41%	12.71%

Source: DBM. FY 2020 Agency Performance Review

102. Looking at the DICT-OSEC's major programs in 2020, bulk of the Department's total allotment was provided to support the ICT Systems and Infostructure Development, Management and Advisory Program. The program obligation rate sat at 45.9 percent or P527 million out of its P1.1 billion allotment while 31.0 percent or 163 million was disbursed from the said obligation.

Table 29. Physical Performance, DICT, 2020

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
<u>OFFICE OF THE SECRETARY</u>			
ICT SYSTEMS AND INFOSTRUCTURE DEVELOPMENT, MANAGEMENT AND ADVISORY PROGRAM			
INNOVATION AND DEVELOPMENT SUB-PROGRAM			
<i>Output Indicators</i>			
1. Number of interconnected government agencies	Additional 341 National Government Agencies (NGAs)/Local Government Units (LGUs)	111	32.55%
ICT CAPACITY DEVELOPMENT AND MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of capability development activities conducted	1,000 capability development activities	849	84.90%
2. Number of ICT-enabled centers established in the communities	1,200 ICT-enabled centers established	502	41.83%

Source: FY 2022 National Expenditure Program

Physical Performance.

103. The DICT-OSEC met half of its target output indicators set in 2020 for its regular program. Under the ICT Systems and Infostructure Development, Management and Advisory Program, the Department increased the number of interconnected government agencies by 111, falling short of their set target of 341 additional NGAs/LGUs. This translates to an accomplishment of 32.6 percent. Moreover, a total of 849 capability development activities were conducted and 502 ICT-enabled centers were established under the ICT Capacity Development and Management Program. These are lower than the Department's set target of 1000 capability development activities conducted and 1,200 ICT-enabled centers established.

104. Similarly, half of the target output indicators have been met out of its six (6) LFPs²³. Particularly, the National ICT Household Survey, Free Internet Wi-Fi Connectivity in SUCs, and National Government Portal posted an accomplishment rates of 100.0, 176.6, and 333.3 percent, respectively. The National Government Data Center (NGDC) reported the lowest accomplishment rate at 0.0 percent. This is followed by the Free Internet Wi-Fi Connectivity in Public Places with an accomplishment rate of 29.4 percent. Meanwhile, the National

²³ The DICT-OSEC LFPs for FY 2020 are: (1) National ICT Household Survey, (2) NGDC, (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. Source: DBM. FY 2020 Agency Performance Review

Broadband Plan has an average accomplishment of 50.0 percent for the projects two main deliverables: 1) completion of construction, installation, and acceptance of Modular IT Facilities and Terrestrial Roadwork; and 2) completion of the National Fiber Backbone.

While the reasons/justifications for the non-attainment of their targets were not specified, it should be noted that it has been recommended to the Department to revisit their 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.

Department of the Interior and Local Government

Table 30. Financial Performance, DILG, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DILG	294.4	287.6	272.7	97.7%	94.8%	298.8	293.9	283.6	98.4%	96.5%

^{1/} 2019 COA Annual Financial Report

^{2/} 2020 SAAODB

Financial Performance.

- 105. Last year, the Department of the Interior and Local Government (DILG) was allotted P298.8 billion for the implementation of various programs and projects intended to capacitate local government units, promote public order, and sustain safety institutions.** Of the said amount, P293.9 billion or 98.4 percent was obligated for the same period – a slight increase over its 97.7 percent obligation rate in FY 2019. Meanwhile, disbursements amounted to P283.6 billion or 96.5 percent of total obligations, higher than the disbursement rate of 92.4 percent in FY 2019.

By expense class, obligations incurred for PS reached P258.8 billion or 88.1 percent of the total obligations of the DILG. This was mainly due to the large number of personnel tasked to maintain peace and order and public safety nationwide. The Philippine National Police (PNP) accounted for nearly P216.0 billion or 83.4 percent of the Department's total PS obligations. Maintenance and other operating expenses and capital outlays, on the other hand, amounted to P29.3 billion or 10.0 percent and P5.8 billion or 2.0 percent, respectively, of the DILG's total obligations.

By implementing agency, the PNP accounted for P236.0 billion or 80.3 percent of the total obligations, followed by the Bureau of Fire Protection (BFP) with P27.4 billion (9.3 percent), the Bureau of Jail Management and Penology (BJMP) with P18.4 billion (6.3 percent), and the DILG-OSEC with P9.3 billion (3.2 percent). Of the four agencies, the PNP posted the highest obligation rate at 99.1 percent, followed by the BFP at 98.7 percent, the BJMP at 93.8 percent, and the DILG-OSEC at 91.2 percent.

*Physical Performance.***Table 31. Physical Performance, DILG-PNP, 2020**

Particulars	2020		
	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	33,848,291	211.9%
2. Percentage change in National Index Crime Rate (NICR)	7.0 reduction	3.07%	43.5%
3. Percentage of crime incidents responded within 15 minutes (in urban areas)	100%	99.8%	99.8%
CRIME INVESTIGATION PROGRAM			
<i>Output Indicators</i>			
1. Number of crime investigations undertaken	554,297	256,241	46.2%
2. Percentage of most wanted persons/high value targets arrested	5% increase (19.37%)	44.1%	227.5%
3. Percentage of arrested persons within 30 days upon the receipt of the Warrant of Arrest	5% monthly arrest (34.7%)	69.8%	201.2%

Source: FY 2022 National Expenditure Program

- 106. For its Crime Prevention and Suppression Program, the PNP conducted 33,848,291 foot and mobile patrol operations, or 211.9 percent of its targeted number of 15,976,617 foot and mobile patrol operations for FY 2020.** The sizeable increase in this accomplishment was due to the mobilization and operation of its personnel during the Taal Volcano eruption and pertinent COVID-19 activities. Though the PNP was only able to respond to 424,287 (99.8 percent) calls for police assistance out of 425,265 total calls, it must be noted that the 978 calls (0.2 percent variance) were prank calls that were still responded and validated. However, the PNP only achieved a 3.07 percent reduction in the National Index Crime Rate (NICR), which was below its target of 7.0 percent reduction in the NICR for FY 2020.
- 107. Likewise, the PNP achieved and even surpassed most of its performance targets under its Crime Investigation Program.** The PNP was able to arrest 8,503 wanted persons or 44.1 percent of the most wanted/high value targets, exceeding its target of 19.37 percent for a 227.5 percent accomplishment rate. As for the percentage of arrested persons within 30 days upon the receipt of the warrant of arrest, the PNP made a total of 44,887 arrests, exceeding its target by 101.2 percent. However, the PNP only conducted 256,241 crime investigations for the year, which was 53.8 percent short of its target of 554,297 crim investigations. This may be attributed to the decrease in crime volume due to the COVID-19 pandemic.

Table 32. Physical Performance, DILG-BJMP, 2020

Particulars	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
INMATES' SAFEKEEPING AND DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Improved safekeeping efficiency	99.98%	99.9%	100.01%
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%	88.2%	110.2%

Source: FY 2022 National Expenditure Program

108. Similarly, the BJMP achieved most of its performance targets for the delivery of its Inmate's Safekeeping and Development Program. The BJMP recorded a 100.01 percent accomplishment rate in improved safekeeping efficiency. Moreover, the Bureau was able to release 100.0 percent of inmates within 24 hours of their release date. Also, 88.2 percent of inmates were provided with welfare and development programs such as spiritual, education, livelihood, health care, literacy, skills enhancements, and psychological services. This translates to a 110.2 percent accomplishment rate.

Table 33. Physical Performance, DILG-BFP, 2020

Particulars	2020		
	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%	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	88.0%	99.82%	113.4%
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%

Particulars	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
FIRE AND EMERGENCY MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Percentage of resolved cases with cause and origin determined within the prescribed time	85.0%	92.5%	108.8%
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 2022 National Expenditure Program

- 109. Meanwhile, the BFP achieved and even exceeded most of its output indicators for the delivery of its Fire Prevention Management Program and Fire and Emergency Management Program.** The Bureau was able to inspect 100.0 percent of registered business establishments nationwide. Of the total number of buildings/ establishments with issued Fire Safety Inspection Certificate, on the other hand, 99.82 percent (113.4 percent of the target) did not experience any fire occurrence and 97.76 percent (or 115.0 percent of the target) were inspected within the prescribed time of three and a half days from the receipt of Inspection Order by the Fire Safety Inspector.
- 110. Furthermore, the BFP resolved 92.5 percent of cases with cause and origin determined within the prescribed time, going beyond its target of 85.0 percent for the year.** In addition, the Bureau rendered assistance to 41.99 percent of the total households in disaster/calamity-affected barangays, greatly surpassing its target of 15.0 percent, and posting an accomplishment rate of 279.9 percent. The significant positive variance is due to the strengthened emergency and medical services wherein uniformed personnel were deployed nationwide to render frontline services during the duration of lockdowns and quarantine restrictions. On the other hand, only 19.1 percent of suspected arson cases were filed in court out of all intentional fire incidents investigated.

Table 34. Physical Performance, DILG-OSEC, 2020

Particulars	2020		
	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	1,592 PCMS (excluding BARMM)	1,592 PCMS (excluding BARMM)	100.0%
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 /PCF qualifiers	N/A ¹	N/A
2. Number of LGUs assessed on good local governance	1,653 PCMs	N/A ¹	N/A

^{1/} Provision of awards (SGLG) and incentives (PCF) were discontinued pursuant to National Budget Circular (NBC) No. 580 dated April 22, 2020

Source: FY 2022 National Expenditure Program

- 111. For its part, the DILG-OSEC accomplished only one of its output indicators, providing all of its target 1,592 provinces, cities, and municipalities (PCMs) with pertinent capacity building and technical assistance services, excluding Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), which were no longer availing of the capacity-building/technical assistance services of the DILG-OSEC.** As to the number of LGUs assessed on good local governance and provided with recognition/incentives, its programs involved the gathering of people, such as meetings, workshops, seminars, and other related events, which have been discouraged in order to prevent the spread of the ongoing COVID-19 pandemic in the country. This resulted to the non-accomplishment of aforementioned output indicators. It must also be noted that the provision of awards (i.e. Seal of Good Local Governance) and incentives (i.e. Performance Challenge Fund) were discontinued pursuant to NBC No. 580 dated April 22, 2020.

Department of Labor and Employment

Table 35. Financial Performance, DOLE, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DOLE	17.5	16.2	14.3	92.7%	88.3%	43.2	38.2	36.7	88.3%	96.2%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

- 112. For 2020, the DOLE received a total allotment of P43.2 billion for the formulation and implementation of policies and programs on labor and employment, including the provision of support to displaced local workers and Overseas Filipino Workers (OFWs) affected by the COVID-19 pandemic.** Total obligation for the year was lower at P38.2 billion or 88.3 percent obligation rate compared to the P16.2 billion or 92.7 percent obligation in 2019. However, DOLE's obligated funds increased in nominal terms, or by P21.9 billion (135.3 percent increase). Meanwhile, disbursement amounted to P36.7 billion or 96.2 percent of its obligated budget, higher than the P14.3 billion or 88.3 percent disbursement in 2019.

Low obligation and disbursement rates are due to the effects of the pandemic as travel restrictions during the implementation of the ECQ, and General Community Quarantine hindered the delivery of goods and services resulting to partial, incomplete, or no deliveries for the period covered.

- 113. The DOLE-OSEC, and Overseas Workers Welfare Administration (OWWA) received the bulk of allotment at P31.6 billion and P7.2 billion, respectively.** This constitutes 89.8 percent of the Department's total allotment. The DOLE-OSEC incurred a total obligation of P27.1 billion and disbursed P26.4 billion, translating to an obligation rate of 85.8 percent, and disbursement rate of 97.5 percent. On the other hand, OWWA obligated a budget of P7.0 billion, and disbursed P6.7 billion, equivalent to obligation and disbursement rates of 97.2 percent and 95.7 percent, respectively.
- 114. Among the major programs of the DOLE, the Livelihood and Emergency Employment Program accounts for an obligated budget of P17.3 billion, and is comprised of the following programs:** (1) Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers (TUPAD) Program and Government Internship Program (GIP) – P12.0 billion; (2) DOLE Integrated Livelihood Program (DILP) – P0.7 billion; and (3) Adjustment Measures Program (AMP) – P4.5 billion. It is also noteworthy that the Emergency Repatriation Program of the OWWA obligated a budget of P10.8 billion.

Table 36. Physical Performance, DOLE, 2020

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
EMPLOYMENT FACILITATION PROGRAM			
<i>Output Indicators</i>			
1. Number of youth-beneficiaries assisted	71,768	42,055	58.6%
2. Number of qualified jobseekers referred for placement	1,614,476	1,603,069	99.3%
3. Number of individuals reached through Labor Market Information (LMI)	2,265,009	2,259,362	99.8%
EMPLOYMENT PRESERVATION AND REGULATION PROGRAM			
<i>Output Indicators</i>			
1. Number of establishments assessed (LLCS)	64,000	86,537	135.2%
2. Number of beneficiaries/workers served	443,590	671,980	151.5%
3. Disposition rate of cases handled, including requests for assistance	100%	85%	85.0%
WORKERS PROTECTION AND WELFARE PROGRAM			
<i>Output Indicators</i>			
1. Number of beneficiaries provided with livelihood assistance	35,786	56,866	158.9%
2. Number of beneficiaries served	1,115,558	6,047,965	542.1%
3. Percentage of individuals provided services within the prescribed process cycle time (PCT)	100%	100%	100.0%

Source: FY 2022 National Expenditure Program

Physical Performance.

- 115. The DOLE-OSEC accomplished and even exceeded most of its physical targets in 2020. However, some targets were not met due to factors beyond the control of the Department during the COVID-19 pandemic.** Some DOLE programs were fully or partially deferred consistent with the Presidential Proclamation No. 922 declaring a state of public health emergency. This reflects the impact of the pandemic vis-à-vis respective program implementation and scope, as well as consultation with DOLE ROs and Public Employment Service Offices (PESOs). In the case of the Special Program for Employment of Students (SPES) under the Employment Facilitation Program, five (5) DOLE ROs decided on the full deferment of the SPES implementation while eleven (11) DOLE ROs opted to proceed with the program implementation in 2020. This resulted to the decrease in the target number of youth beneficiaries of SPES; thus, not meeting the target. Likewise, the implementation of the Jobstart Philippines Program was fully deferred last year.
- 116. The Department also referred around 1.6 million qualified applicants through the network of PESOs, achieving 99.3 percent of its target beneficiaries.** The number of qualified jobseekers referred for the year has decreased compared to the number of beneficiaries in 2019 due to the effects of the COVID-19 pandemic owing to the lower

applicant registration. Further, the Department reached to about 2.3 million students, jobseekers, employers, and program partners through the Labor Market Information (LMI), an accomplishment of 99.8 percent.

- 117. Meanwhile, under the Employment Preservation and Regulation Program, the target for the disposition rate of cases handled (including requests for assistance) was not met.** This was because the suspension of conciliation-mediation proceedings during the second quarter of 2020 hampered the disposition rate of cases. A total of 45,655 cases were disposed at the end of 2020, of which only 7,911 cases were disposed in the first semester. On the other hand, the targets for number of establishments assessed, and number of beneficiaries/workers served recorded an overperformance despite the ongoing pandemic. Pursuant to the General Labor Standards and Occupational Safety and Health Standards, 86,537 establishments were inspected under the Labor Inspection Program, with an accomplishment rate of 135.2 percent. Moreover, the DOLE also served 671,980 beneficiaries through labor and employment education services and workers organizations development program, translating to 151.5 percent accomplishment.
- 118. Further, the target for the number of beneficiaries served under the Workers Protection and Welfare Program²⁴ was significantly exceeded with an accomplishment rate of 542.1 percent.** The overperformance is credited to the onslaught of the global pandemic, as the Department assisted and served more beneficiaries pursuant to *Bayanihan* laws. The Department also provided livelihood assistance to 56,866 beneficiaries while engaging in livelihood undertakings/enterprises, or enhancing their existing sources of income or livelihood – achieving an accomplishment rate of 158.9 percent. Finally, the DOLE attained its target of assisting 100.0 percent of individuals within the prescribed Process Cycle Time.

Department of National Defense

Table 37. Financial Performance, DND, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DND	274.8	266.5	227.3	97.0%	85.3%	268.4	259.8	229.4	96.8%	88.3%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

- 119. To fulfill its role in ensuring the country's security, sovereignty, and territorial integrity, the Department of National Defense (DND) was provided an allotment of P268.4 billion.** Of the said amount, P259.8 billion or 96.8 percent was obligated by the Department for the same period, lower than its 97.0 percent obligation rate in FY 2019. Moreover, the Department's disbursements amounted to P229.4 billion or 88.3 percent of total obligations, which is higher than the 85.3 percent disbursement rate in FY 2019.

²⁴ Through various programs such as the TUPAD Program, GIP, AMP, Child Labor Prevention and Elimination Program (CLPEP), On-Site Services for OFWs, and Family Welfare Program (FWP)

By expense class, PS amounted to P193.5 billion and comprised 74.5 percent of total obligations, while combined maintenance and other operating expenses and capital outlays added up to P66.3 billion or 25.5 percent.

Of the total available allotment to DND, about P92.7 billion or 34.6 percent was released to the General Headquarters (GHQ), out of which P89.9 billion or 97.1 percent was obligated. Other than the GHQ, fairly large releases were also made to the three major services of the Armed Forces of the Philippines as follows: a) Philippine Army (PA) – P100.4 billion; and b) Philippine Navy (PN) – P30.3 billion; and c) Philippine Air Force (PAF) – P26.1 billion. Likewise, a sizeable P10.8 billion was released to the Philippine Veterans Affairs Office (PVAO). Among the agencies under the DND, the PVAO and the PAF posted the highest obligation rates at 99.9 percent and 99.8 percent, respectively. On the other hand, highest disbursement rates were recorded by the PVAO at 99.8 percent; the PA at 92.4 percent; the Government Arsenal at 90.3 percent; and the DND-OSEC at 88.4 percent.

Physical Performance.

Table 38. Physical Performance, DND-PA, 2020

Particulars	2020		
	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	219	219	100.0%
b. Ready Reserve Battalions	84	82	97.6%
2. Percentage of operational readiness of tactical and ready reserve units			
a. Tactical Battalions	81%	84%	103.7%
b. Ready Reserve Battalions	65%	46%	70.8%
3. Average percentage of effective strength of tactical battalions that can be mobilized within one hour as directed by higher authorities	90%	90%	100.0%

Source: FY 2022 National Expenditure Program

120. In FY 2020, the PA maintained 219 tactical battalions reflecting a 100.0 percent accomplishment rate. This was an increase of 13 tactical battalions from the previous year's 206 tactical battalions. These tactical battalions had 84.0 percent operational readiness, exceeding its target of 81.0 percent and demonstrating a 103.7 percent accomplishment rate. Furthermore, the PA achieved its target of 90.0 percent of tactical battalions that can be mobilized within one hour as dictated by higher authorities.

121. However, the PA only maintained 82 ready reserve battalions, out of its target of 84, with an operational readiness of 46.0 percent, which was lower than its 65.0 percent target. These translates to 97.6 percent and 70.8 percent accomplishment rates, respectively. The deficiencies may be attributed to the delay in completion of programmed organizational and unit training caused by the pandemic.

Table 39. Physical Performance, DND-PAF, 2020

Particulars	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
AIR FORCES DEFENSE PROGRAM			
<i>Output Indicators</i>			
1. Number of supportable aircraft maintained	154	154	100.0%
2. Percentage of accomplishment of one-hour response to flight-directed mission	90%	98%	108.9%
3. Percentage of flying hours flown	100%	47%	47.0%

Source: FY 2022 National Expenditure Program

122. The PAF achieved two out of its three performance targets. It registered a 100.0 percent accomplishment rate, maintaining 154 supportable aircraft. Moreover, with respect to the accomplishment of one-hour response to flight-directed mission, the PAF achieved 98.0 percent or 108.9 percent of its 90.0 percent target. The PAF, however, fell a bit short for its third target, with only 47.0 percent of flying hours flown. The decrease in flying time flown was attributed to the low flying time accomplishment in all training flight missions due to the COVID-19 pandemic.

Table 40. Physical Performance, DND-PN, 2020

Particulars	2020		
	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	134	142	106.0%
2. Number of PN units prepared for deployment	51	43	84.3%
3. Number of Force-Level Support Services Units sustained	137	133	97.1%

Source: FY 2022 National Expenditure Program

123. On the other hand, the PN achieved only one out of its three output indicators. It was able to deploy and sustain for utilization/employment 142 PN units, surpassing its target of 134 PN units by 6.0 percent. Nonetheless, the PN did not reach its target of 51 PN units to be prepared for deployment, with an actual accomplishment of only 43 PN units or 84.3 percent. Similarly, only 133 Force-Level Support Units were sustained out of its target of 137, noting a 97.1 percent accomplishment rate. The shortcomings in output indicators were attributed to the slowdown of the repairs and maintenance of PN vessels or the drydocking program due to the pandemic. Another reason was the decommissioning of seven (7) PN vessels, which were already beyond economic repair.

Department of Public Works and Highways

Table 41. Financial Performance, DPWH, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursement	BUR		Allotment	Obligation	Disbursement	BUR	
				Oblig	Disb				Oblig	Disb
DPWH	547.6	480.5	271.1	87.8%	56.4%	503.9	466.1	145.3	92.5%	31.2%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

- 124. The Department of Public Works and Highways (DPWH) received a total allotment of P503.9 billion in FY 2020, lower by P43.7 billion (or 8.0 percent) than the previous year.** It obligated P466.1 billion of this, translating to an obligation rate of 92.5 percent. In terms of disbursements, it recorded an even lower disbursement rate of 31.2 percent or only P145.3 billion vis-à-vis the FY 2019 figures. Partly, this can be explained by the necessary shift of funds to welfare and health expenditures pursuant to the *Bayanihan* Laws,²⁵ resulting in the discontinuation of some capital outlays projects which can no longer be implemented nor completed for the year, as well as the unintended delays encountered with the lockdowns, health and safety restrictions, and weather conditions in some areas. However, the government remained committed to maintain the momentum of the implementation of its Build, Build, Build Program by ensuring that the funding for the Infrastructure Flagship Programs in the FY 2020 budget were kept largely intact as such spending is crucial to drive growth and bounce back from the impact of the COVID-19 crisis over the medium term.²⁶

Table 42. Physical Performance, DPWH, 2020

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
ASSET PRESERVATION PROGRAM			
<i>Output Indicator</i>			
1. Length (km) of maintained roads	955.021	181.146	19.0%
2. Length (km) of rehabilitated / reconstructed / upgraded	321.66	51.098	15.9%
NETWORK DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Length (km) of newly constructed roads	1,081.66	109.984	10.2%
2. Length (km) of widened roads	996.693	147.181	14.8%
BRIDGE PROGRAM			
<i>Output Indicators</i>			
1. Total length (lm) and area (m2) of (new and replacement) constructed bridges	24,222.018; 231,078.052	19,391.09; 185,378.9	80.1%; 80.2%

²⁵ The *Bayanihan* Laws refer to RA No. 11469 (*Bayanihan* to Heal as One Act, otherwise known as *Bayanihan* I) and RA No. 11494 (*Bayanihan* to Recover as One Act, otherwise known as *Bayanihan* II).

²⁶ Only the allocations for less priority local infrastructure projects, non-infrastructure capital expenditures, and maintenance and other operating expenses in the FY 2020 GAA have been realigned for the COVID-19 efforts.

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
2. Number of maintained and rehabilitated bridges	487	380	78.0%
FLOOD MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of constructed flood mitigation structures and drainage systems	1,543	1,379	89.4%
2. Number of constructed / rehabilitated flood mitigation facilities with major river basins and principal rivers	451	402	89.1%
LOCAL PROGRAM			
<i>Output Indicators</i>			
1. Number of projects (school buildings, multipurpose buildings, health facilities, water supply systems, FMRs, etc.)	6,794	11,095	163.3%
CONVERGENCE AND SPECIAL SUPPORT PROGRAM			
<i>Output Indicators</i>			
1. Number of projects (school buildings, multipurpose buildings, health facilities, water supply systems, FMRs, etc.)	1,521	3,241	213.1%
2. Length (km) of constructed local roads	1,144.13	402.056	35.1%

Source: FY 2022 National Expenditure Program

Physical Performance.

125. The muted infrastructure spending of DPWH was reflected in its physical performance.

The Department was unable to meet most of its committed physical targets presented in the 2020 GAA – except for indicators under the Local Program, and Convergence and Special Support Program (except length of constructed local roads).

126. Those with the lowest accomplishment rates are the output indicators under Asset Preservation Program and Network Development Program. The Department maintained only 181.1 kilometers of the targeted 955.0 kilometers (i.e., 19.0 percent), and rehabilitated/reconstructed/upgraded only 51.1 kilometers of the target 321.7 kilometers (i.e., 15.9 percent) of national roads. Likewise, the Department only constructed 110.0 kilometers and widened 147.2 kilometers of national roads out of the target 1,081.7 kilometers and 996.7 kilometers, respectively. These correspond to accomplishment rates of 10.2 percent and 14.8 percent.

127. With the Bridge Program, a total length of 19,391.1 lineal meters out of the target 24,222.0 lineal meters, and an area of 185,378.9 square meters out of the committed 231,078.1 square meters of bridges were constructed, equivalent to accomplishment rates of 80.1 percent and 80.2 percent, respectively. Further, the Department has maintained and rehabilitated 380 bridges out of the target 487 bridges resulting to an accomplishment rate of 78.0 percent.

- 128. Under the Flood Management Program, the Department has constructed 1,379 flood mitigation structures and drainage systems (i.e., 89.4 percent), and constructed/rehabilitated 402 flood mitigation facilities with major river basins and principal rivers (i.e., 89.1 percent) out of the committed targets of 1,543 and 451 projects, respectively.**
- 129. Lastly, under the Convergence and Special Support Program, despite implementing more than double the target projects for an output indicator (i.e., school buildings, multipurpose buildings, health facilities, water supply systems, FMRs, etc.), only 402.1 kilometers of local roads were constructed from the target 1,144.1 kilometers (i.e., 35.1 percent).**

Department of Science and Technology

Table 43. Financial Performance, DOST, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DOST	20.9	20.1	17.5	96.2%	87.3%	20.1	18.9	15.7	94.4%	83.0%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

- 130. The Department of Science and Technology (DOST) effectively maintained its high utilization rates for FY 2020 despite the limitations caused by the COVID-19 pandemic²⁷, with the total obligation rate of 94.4 percent and disbursement rate of 83.0 percent. Thirteen (13)²⁸ agencies reported obligation rates above 90 percent, with three (3)²⁹ earning virtually 100 percent. In contrast, only four (4)³⁰ agencies registered disbursement rates above 90 percent with most agencies achieving a rate between 80 to 89 percent, with total Department disbursement rate dropping to 83.0 percent. The Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) and the Philippine High School System (PSHS) reported the lowest disbursement rates in the Department at 64.9 and 51.5 percent, respectively, due to delays in their CO projects. PAGASA identified lack of bidders and other procurement-related issues while PSHS reported delays in their construction projects from the community quarantine-enforced mobility restrictions as the primary reasons of their respective low disbursements.**
- 131. Three (3) major programs, the Grants-in-Aid (GIA) program, scholarship program, and the SET-UP program amount to PhP12.49 billion or 62.3 percent of DOST's total budget. The PhP6.7 billion scholarship program, the largest among the three comprising 33.4 percent of the total Department budget, sustained its excellent performance with a budget utilization**

²⁷ Includes the cancellation of programmed activities and delays in infrastructure projects due to the border lockdowns across the country. The DOST also offered savings of PhP1.323 billion of its FY 2020 appropriations in compliance with NBC No. 580.

²⁸ OSEC, ASTI, MIRDC, NRCP, PAGASA, PCAARD, PCHRD, PCIEERD, PNRI, PSHS, SEI, STII, and TAPI

²⁹ PCHRD – 99.5 percent; PCIEERD – 100 percent; SEI – 99.4 percent.

³⁰ FPRDI – 94.3 percent; NAST – 95.2 percent; PCHRD – 98.2 percent; SEI – 99.2 percent.

rate of 93.4³¹ percent attributable to the institution of new strategies by the PSHS and SEI to adapt to the new normal, such as the digitization of processes, adoption of more learning strategies and techniques through the PSHS KHub System, and the use of proxy indicators in SEI's selection and identification of scholarship qualifiers. Similarly, the Php5.0 billion GIA program reported 95.23 percent and 85.05 percent obligations and disbursement BUR, respectively, while the SET-UP program reached 98.08 percent and 93.42 percent obligations and disbursements, respectively.

Physical Performance.

Table 44. Physical Performance, DOST-OSEC, 2020

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
OSEC			
STRATEGIC SCIENCE AND TECHNOLOGY (S&T) PROGRAM			
<i>Output Indicators</i>			
1. Number of projects funded	173	404	233.5%
2. Number of grantees supported	173	215	124.3%
3. Percentage of programs/projects that are evaluated and approved within the standard period of 95 days	75%	62% (cumulative average, 123/1,923)	82.7%
S&T PROGRAM FOR REGIONAL AND COUNTRYSIDE DEVELOPMENT			
<i>Output Indicators</i>			
1. Number of technology interventions, trainings and consultancy services provided	15,558	26,127	167.9%
2. Number of MSMEs, LGUs, HEIs, communities and other customers assisted	18,425	120,030	651.5%
3. Percentage of requests for technical assistance that are acted upon within ISO standard time	93%	99% (46,004/ 46,759)	105.4%

Source: FY 2022 National Expenditure Program

132. Mirroring its financial performance, the DOST performed relatively well with 96 out of its 120 output indicators met, with PTRI, PCHRD and NAST reporting a 100 percent achievement rate. Most unmet targets were attributed to the delays in the delivery of services caused by the restrictions placed during the ECQ period of the pandemic response.

133. Support for R&D continued to be a key program of the Department, with the DOST-OSEC supporting 404 projects and 215 grantees through the GIA program, which exceeded their respective targets by 133.5 percent and 24.3 percent. Despite this, the Department was not able to meet its commitment on the timely evaluation and approval of programs/projects as it was only able to evaluate and approve 82.7 percent of its target within the standard

³¹ Obligation – P6.53 billion (97.3%), Disbursement – P6.10 billion (93.4%).

period of 95 days due to a lack in responses from the grantees. Along with other DOST agencies, a total of 1,267 projects³² were funded under the GIA³³.

- 134. Regional and countryside development efforts were ramped up, with 26,127 counts of services³⁴ provided to 120,030 beneficiaries, more than tripling the recipients assisted in 2019³⁵.** Under this, the SETUP program was able to provide 624 MSMEs with the innovation enabling fund in a total of PhP778 million. The program has created a high level of awareness among MSMEs towards the realization that technology, especially in this time of COVID-19 pandemic, has a very critical impact on their operations.

Table 45. Physical Performance, DOST-PSHS, 2020

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
PSHS			
SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS (STEM) SECONDARY EDUCATION ON SCHOLARSHIP BASIS PROGRAM			
<i>Output Indicators</i>			
1. Number of scholars supported	9,384	9,319	99.3%
2. Cohort survival rate: Percentage of scholars who advance to the succeeding grade level until they complete the 6-year scholarship period	90%	95% (1,215/ 1,285)	105.6%
3. Percentage of winnings, awards and recognition from total number of national and international competitions competitions participated	90%	100% (229/118)	111.1%
4. Rank of the campuses based on the overall UPCAT scores of the PSHS student-takers	Top 20	Top 12	

Source: FY 2022 National Expenditure Program

³² OSEC – 404, PCAARD – 438, PCHRD – 207, PCIEERD – 144, NRCP – 20, TAPI – 54.

³³ It was noted that all IAs surpassed their targets except PCAARRD, which has an accomplishment rate of 81.26 percent.

³⁴ Technology interventions, capacity buildings and consultancy services through programs such as the Small Enterprise Technology Upgrading (SET-UP) program

³⁵ The number of customers assisted in 2019 was 37,831, which in itself was 147.9 percent over the 15,259 target for the year.

Table 46. Physical Performance, DOST-SEI, 2020

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
SEI			
SCIENCE AND TECHNOLOGY SCHOLARSHIP PROGRAM			
<i>Output Indicators</i>			
1. Number of scholars supported			
Undergraduate level	28,900	30,039	103.9%
Masters Program	4,264	4,557	106.9%
Doctoral Program	1,927	1,640	85.1%
2. Percentage of scholars graduating within the scheduled full-time program			
Undergraduate level	85%	96%	112.9%
	(3,575/4,206)	(3,120/3,253)	
Masters Program	70%	100%	142.9%
	(979/1,339)	(263/263)	
Doctoral Program	40%	100%	250.0%
	(106/265)	(35/35)	
3. Percentage of scholarship payments with a variance of actual payment of more than one (1) day	90%	160%	177.8%
	(115,611/17,326)	(24,662/17,326)	

Source: FY 2022 National Expenditure Program

- 135. Under the scholarship program, the PSHS System continued to support 9,319 students amidst the cancellation of face-to-face classes, dropping only from the achievement of its target due to non-enrollment.** Nevertheless, the scholars bagged 229 awards from 118 competitions from both the international and local scene. Meanwhile, SEI supported a total of 36,236 scholars taking higher education but fell short on their target doctoral students to be supported due to non-enrollment. It was noted however that the SEI was able to exceed its targets on supporting undergraduate and graduate students by 3.9 percent and 6.9 percent, respectively. Despite the limitations faced, almost all scholars graduated within schedule.

Table 47. Physical Performance, DOST-PAGASA and PHIVOLCS, 2020

PARTICULARS	2020		
	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% (75/75)	106.4%
2. Number of seasonal climate forecasts, climate impact assessment, tropical cyclone warning advisory (TCWA) for agriculture and farm weather forecasts	906	973	107.4%
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	Typhoon - 51.2km; Tropical Storm - 62.4 km	
FLOOD FORECASTING AND WARNING PROGRAM			
<i>Output Indicators</i>			
1. Number of timely and accurate flood warnings issued	3,000	1,447	48.2%
2. Percentage of timely flood warning issued within 15 minutes of scheduled time	94%	96.00% (1,389/ 1,447)	102.1%
3. No. hazard maps developed/generated/updated	4	4	100.0%
PHIVOLCS			
VOLCANO, EARTHQUAKE AND TSUNAMI MONITORING AND WARNING PROGRAM			
<i>Output Indicators</i>			
1. Number of warnings and bulletins issued	event-driven	1,703	
2. Percentage of bulletins and warnings issued within the set standard time	85%	97.9% (cum. average, 1,664/1,703 bulletins and warnings)	115.2%

Source: FY 2022 National Expenditure Program

136. Through the PAGASA and the Philippine Institute of Volcanology and Seismology (PHIVOLCS), the DOST continued to provide timely climate and geohazard information during the pandemic to strengthen disaster resilience. PAGASA issued 973 climate forecasts, impact assessments and tropical cyclone advisories, 1,447 flood warnings, and four (4) hazard maps; while PHIVOLCS issued 1,703 bulletins and warnings.

Department of Social Welfare and Development

Table 48. Financial Performance, DSWD, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DSWD	148.5	138.6	116.4	93.3%	83.9%	378.1	347.3	315.2	91.8%	90.8%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

- 137. The DSWD was allotted a huge budgetary outlay of P378.1 billion in 2020, P229.6 billion or 154.6 percent more than its 2019 allotment of P148.5 billion.** This includes the P39.6 billion from its previous years' appropriations.

The DSWD's 2020 obligation rate of 91.8 percent or P347.3 billion was mainly accounted for by the following major programs: (i) Protective Services for Individuals and Families in Difficult Circumstances (including the Social Amelioration Program) – P205.8 billion; (ii) Pantawid Pamilyang Pilipino Program – P93.7 billion; (iii) Social Pension for Indigent Senior Citizens – P23.2 billion; (iv) Sustainable Livelihood Program (SLP) – P4.4 billion; (v) Supplementary Feeding Program (SFP) – P3.9 billion; (vi) QRF – P2.9 billion; (vii) Kapit-Bisig Laban sa Kahirapan - Comprehensive and Integrated Delivery of Social Services - National Community-Driven Development Program (KALAH! CIDSS-NCDDP) – P2.1 billion; (viii) Disaster Response and Rehabilitation Program – P1.8 billion; (ix) Unconditional Cash Transfer (UCT) – P0.2 billion (administrative cost); and (x) Implementation of the Centenarians Act of 2016 – P0.1 billion. Despite the obligation rate being lower than the 93.3 percent obligation rate in 2019, this still shows a big jump from its obligated amount in 2019 of P138.6 billion.

- 138. As of end 2020, a considerable amount of P30.9 billion has remained unobligated.** This was mainly attributed to the mobility restrictions and health protocols to be observed due to the COVID-19 pandemic; delayed opening of classes (for 4Ps education grants); delays in procurement activities; and savings from procured goods, travelling expenses, and financial expenses due to transition of over-the-counter withdrawals of cash grants to cash card mode of payment.
- 139. Meanwhile, P315.2 billion or 90.8 percent of the obligated amount was disbursed in 2020.** This is a significant improvement from the 83.9 percent disbursement rate recorded in 2019. However, the following programs particularly showed low disbursement performances: (i) SFP – P1.9 billion (49.9 percent); (ii) UCT (administrative cost) – P0.2 billion (67.9 percent); (iii) SLP – P3.4 billion (77.8 percent); and (iv) QRF – P2.3 billion (79.6 percent). This can be generally explained by the delays in the implementation of the said programs due to the ongoing COVID-19 pandemic situation.

Table 49. Physical Performance, DSWD, 2020

Particulars	2020		
	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	4,388,951	99.7%
a. Regular CCT	4,164,960		
b. Modified CCT	235,040		
2. Number of poor households assisted through the Sustainable Livelihood Program	108,145	198,249	183.3%
3. Number of households that benefited from completed KC-NCDDP sub-projects	337,500	630,884	186.9%
PROTECTIVE SOCIAL WELFARE PROGRAM			
SUPPLEMENTARY FEEDING PROGRAM SUB-PROGRAM			
<i>Output Indicators</i>			
1. Number of children in CDCs and SNPs provided with supplementary feeding	1,881,979	1,847,970	98.2%
2. Number of children/ lactating mothers served through Bangsamoro Umpungan sa Nutrisyon (BangUN) Program	15,000 children; 7,000 pregnant and lactating women	15,890 children; 5,825 lactating 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	3,299,064	86.9%
2. Number of centenarians provided with cash gift	952	985	103.5%
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	1,532	1,978	129.1%
2. Number of beneficiaries served through Protective Services Program	877,444	1,224,270	139.5%
3. Number of clients served through the Comprehensive Program for Street Children, Street Families and Badjaus:			
a. Street Children	3,800	5,257	138.3%
b. Street Families	1,700	6,781	398.9%

Particulars	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
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	1,598	79.9%
2. Number of distressed and undocumented overseas Filipinos provided with social welfare services	29,253	31,775	108.6%
DISASTER RESPONSE AND MANAGEMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of LGUs with prepositioned goods	100% (16 Field Offices)	100%	100.0%
2. Number of internally-displaced households provided with disaster response services	As the need arises	739,425	100.0%
3. Number of households with damaged houses provided with early recovery services	As the need arises	791,476	100.0%

Source: FY 2022 National Expenditure Program

Physical Performance.

140. In 2020, the DSWD granted educational and health allowances to a total of 4,388,951 households which complied with the requirements of the 4Ps. This was 99.7 percent of its 4,400,000 target beneficiaries. The delisting of household beneficiaries who no longer have eligible children as part of the program, and the non-compliance with program conditionalities of some households contributed to the non-achievement of the targeted number of 4Ps household beneficiaries. The replacement of the delisted households is still ongoing, based on the NHTS-PR or the Listahanan 2.³⁶

141. In addition, the UCT being implemented by the DSWD is a three-year³⁷ social mitigating measure intended to assist poor Filipinos who are affected by the moderate and temporary inflation brought by the implementation of RA No. 10963 or the Tax Reform for Acceleration and Inclusion (TRAIN) Law. During the last year of its implementation in 2020, only 39.2 percent of the program's target of 10,000,000 beneficiaries or a total of 3,923,602 beneficiaries received cash grants each amounting to P300 per month. This was a result of late conduct of payouts in consideration of safety and health protocols, ongoing transmission of data to the Land Bank of the Philippines for the account opening of Cash Card as the new mode of payment, as well as the delays in the procurement process and failed biddings, among others.

³⁶ The Listahanan 3 is still in the Validation and Finalization Phase

³⁷ 2018-2020

- 142. Moreover, the SLP exceeded its 108,145 targeted households by serving a total of 198,249 poor households** through its Micro-enterprise Development track, Employment Facilitation track, and Livelihood Assistance Grants (LAG). The over-accomplishment was attributed to the shortened process of the program, particularly for LAG.
- 143. On the other hand, 630,884 households benefitted from the completed KC-NCDDP sub-projects** which included the establishment of isolation/quarantine facilities, provision of goods and communication device, provision for cash-for-work, disaster response equipment, handwashing facilities and water system, among others. This accomplishment represents 186.9 percent of its 337,500 targeted households in 2020, which was a result of the shifting of KC-NCDDP to Disaster Response Operations Modality wherein all the barangays have allocated budget. This allowed more households to benefit from the program.
- 144. The Department, through the SFP, provided additional hot meals to 1,847,970 day care children enrolled in LGU-managed Community Development Centers (CDC), and Supervised Neighborhood Play (SNP) – equivalent to 98.2 percent of its 1,881,979 beneficiaries target.** The continuous implementation of the 9th cycle and the postponement of classes to October 2020 affected the 10th cycle implementation of the program. The 10th cycle implementation will be sustained until the end of the school year in 2021.

Also, 15,890 malnourished children studying in madrasahs or Muslim schools in the Autonomous Region in Muslim Mindanao (ARMM) and 5,825 lactating mothers were served hot meals through the Bangsamoro Umpungan sa Nutrisyon (BangUN) Program. These represent 105.9 percent and 83.2 percent of its targeted 15,000 children and 7,000 pregnant/lactating women beneficiaries, respectively. The non-accomplishment of the targeted number for pregnant/lactating women served was because there are no additional pregnant/lactating women identified as beneficiary, particularly in Lanao.

- 145. For the same period, the Department provided a monthly social pension of P500 to each of the 3,299,064 indigent senior citizens aged 60 and above, which was short of its target of 3,796,791 beneficiaries for the year.** The delayed payouts, especially for those residing in geographically-isolated areas and areas under strict community quarantine, contributed to the under accomplishment for this program. Conduct of payouts for the remaining beneficiaries will be done in 2021. Meanwhile, 985 centenarians³⁸ out of the 952 target centenarians were provided with cash gift.
- 146. Furthermore, as social safety net for the vulnerable households given the COVID-19 pandemic, the DSWD implemented the SAP which benefitted 17,624,378 individuals for the first tranche; 14,322,176 individuals for the second tranche (including those who are waitlisted); and 717,138 individuals for the implementation of *Bayanihan II*.**³⁹ Likewise, all targets under the Protective Program for Individuals and Families and Especially Difficult Circumstances Sub-program were surpassed last year. By the end of the year, 1,978 children were served through the Alternative Family Care Program; 1,224,270 beneficiaries through the Protective Services Program; and 6,781 street families and 5,257 street children through the Comprehensive Program for Street Children, Street Families and Badjaus.

³⁸ A person who has reached the age of 100 years.

³⁹ RA No. 11519 or the *Bayanihan* to Recover as One Act

147. Similarly, 1,598 trafficked persons and 31,775 distressed⁴⁰ and undocumented overseas Filipinos were provided with social welfare services last year. The services included the provision of basic necessities⁴¹, transportation, medical, financial, psycho-social processing,⁴² and return and reintegration services. Compared to targets, 79.9 percent and 108.6 percent accomplishments were recorded in 2020, respectively. The lower-than-target trafficked persons served was due to the decrease in reported and referred cases given the closure of international borders and leisure establishments (e.g., bars).

148. Lastly, under its Disaster Response and Management Program, the DSWD achieved all of its targets in 2020. Disaster response services were provided to 739,425 households or 100.0 percent of the internally-displaced households; early recovery services were given to 791,476 households or 100.0 percent of households with damaged houses; and relief goods (e.g., family food packs and clothing) were prepositioned in all LGUs with prepositioning agreement (100.0 percent) to ensure faster delivery of relief supplies to families that will be affected by calamities.

Department of Transportation

Table 50. Financial Performance, DOTr, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
DOTr	107.5	91.6	38.9	85.2%	42.5%	120.2	116.3	42.9	96.8%	36.9%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

149. The BUR of the DOTr jumped by 11.6 percentage points, from 85.2 percent in 2019 to 96.8 percent in 2020, partly due to the fund transfers to other implementing agencies to accommodate the government's pandemic response and recovery interventions. Pursuant to RA No. 11494, P9.5 billion was transferred from the OSEC to partner agencies⁴³ to implement three (3) major interventions – livelihood support for displaced transport workers, assistance to critically-impacted transport businesses, and developing alternative forms of transportation. Of the total transfers, P5.58 billion was allocated for the service contracting of the drivers and conductors of public utility vehicles (PUV) by the Land Transportation Franchising and Regulatory Board (LTFRB). A total of P2.60 billion was transferred to various sector authorities⁴⁴ to grant waived or subsidized fees to businesses in the maritime, aviation

⁴⁰ Such as victims of sexual and physical abuse, maltreatment, mistreatment, among others.

⁴¹ Temporary shelter, food packs, clothing and toiletries.

⁴² Counseling, play therapy for children, emotional healing/value inculcation sessions, critical incident stress debriefing, and pre-marriage/marriage counseling.

⁴³ Memorandum of Agreements were executed between the DOTr-OSEC and the following implementing partners: LTFRB, Philippine Ports Authority (PPA), Cebu Ports Authority (CPA), Civil Aviation Authority of the Philippines (CAAP), Manila International Airport Authority (MIAA), Mactan (Cebu) International Airport Authority (MCIAA), DPWH, and MMDA.

⁴⁴ Maritime Sector – PPA, CPA; Aviation Sector – CAAP, MIAA, MCIAA; Road Transport – LTFRB

and road transport sector, and provide direct cash subsidies⁴⁵ to road-based public transport stakeholders. Finally, P1.32 billion was provided for the development of accessible sidewalks, bicycle lane networks, and a bike sharing system by the DPWH and the Metro Manila Development Agency (MMDA). However, while a large increase was observed in its obligations, the agency's disbursements dropped to 36.9 percent in 2020 from 42.5 percent in 2019.

Physical Performance.

150. The community quarantine restrictions in 2020 heavily affected the movement of people and goods, resulting in delays in the construction, rehabilitation, and improvement of railway projects. While the local and international travel bans and restrictions caused an extreme drop in air traffic, the Metro Rail Transit (MRT) program, motor vehicle and land public transport programs continued to serve public demand albeit through partial operations.

151. The DOTr continued to operate its MRT program and met its efficiency and availability targets while increasing its trains' average speed from 30 kph to 40 kph. In addition, the Department processed motor vehicle registration applications and driver's license and permits within the reglementary period, exceeding targets by 14.1 and 10.5 percent, respectively. Similarly, the agency also exceeded all its targets under its Land Public Transport program, with its indicators for the timely settling of Certificate of Public Convenience/franchises exceeded by 2.2 percent, the auditing/monitoring/penalizing of holders charged with non-compliance by 180.0 percent, and the issuance of 286 policies versus its target of 30.

It should be noted that while no port projects were provided in the FY 2020 GAA, the contracted port project during FY 2020 is funded from continuing appropriations of the FY 2019 GAA.

⁴⁵ A direct cash subsidy of P6,500 each was provided to the holders of valid Certificate of Public Convenience/Provisional Authority/Special permit for the following fixed route public transport modes: 120,000 PUJs, 21,998 PUBs, 425 P2P Bus, 1,259 Mini Bus, 24,374 UV Express, 10,188 Filcab

Table 51. Physical Performance, DOTr, 2020

PARTICULARS	2020		
	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%	90.08%	100.1%
2. Compliance with the peak-hour train availability requirements	90%	112.99%	125.5%
3. Increase in average travel speed (kph)	30	40	133.3%
RAILWAY CONSTRUCTION, REHABILITATION, AND IMPROVEMENT SUB-PROGRAM			
<i>Output Indicators</i>			
1. % completion of new railway system projects	15%	0.27%	1.8%
2. % completion of expansion of existing railway system projects	15%	13.07%	87.1%
AVIATION INFRASTRUCTURE PROGRAM			
<i>Output Indicators</i>			
1. % increase in passenger traffic	5%	-64.07%	-1281.4%
2. % increase in cargo traffic (tons)	2%	-55.31%	-2765.5%
MARITIME INFRASTRUCTURE PROGRAM			
<i>Output Indicators</i>			
1. No. of social port projects successfully bid out and obligated	0	1	---
2. No. of tourism port projects successfully bid out and obligated	0	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%
3. No. of apprehension for which a Temporary Operator's Permit is issued and complaints acted upon	679,130	656,580	96.7%
LAND PUBLIC TRANSPORTATION PROGRAM			
<i>Output Indicators</i>			
1. % of Certificate of Public Convenience / franchises applicants resolved / decided upon within the reglementary period	90%	92%	102.2%
2. % of holders audited / monitored / penalized for non-compliance with the terms and conditions of the franchise	5%	14%	280.0%
3. No. of policies formulated, developed, implemented, updated, and disseminated	30	286	953.3%

Source: FY 2022 National Expenditure Program

Technical Education and Skills Development Authority

Table 52. Financial Performance, TESDA, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
TESDA	14.5	12.7	10.9	87.5%	86.1%	12.8	10.7	8.6	83.5%	80.4%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

152. In FY 2020, the Technical Education and Skills Development Authority (TESDA) received an allotment equivalent to P12.8 billion to manage and supervise the technical education and skills development (TESD) in the country⁴⁶. This is lower by P1.7 billion (or 11.8 percent) than the previous year with the realignment of funds in compliance to the *Bayanihan* Laws⁴⁷ aimed to generate savings for the country's COVID-19 response. Of the total allotment releases, the Authority obligated P10.7 billion, of which P8.6 billion was disbursed. Relative to FY 2019, the obligation and disbursement rates are lower at 83.5 percent and 80.4 percent, respectively.

Table 53. Physical Performance, TESDA, 2020

PARTICULARS	2020		
	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	100.0%
TECHNICAL EDUCATION AND SKILLS DEVELOPMENT REGULATORY PROGRAM			
<i>Output Indicators</i>			
1. Percentage of registered accredited TVET programs audited	100.0%	97.1%	97.1%
2. Percentage of skilled workers issued with certification within 7 days of their application	90.0%	76.9%	85.4%
3. No. of consultations, orientations and workshops for development of competency standards/training regulations	200	291	145.5%

⁴⁶ Formulate manpower and skills plans, set appropriate skills standards and tests, coordinate and monitor manpower policies and programs, and provide policy directions and guidelines for resource allocation for the TVET institutions in both the private and public sectors

⁴⁷ The *Bayanihan* Laws refer to RA No. 11469 (*Bayanihan* to Heal as One Act, otherwise known as *Bayanihan* I) and RA No. 11494 (*Bayanihan* to Recover as One Act, otherwise known as *Bayanihan* II).

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
TECHNICAL EDUCATION AND SKILLS DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. No. of graduates from technical education and skills development scholarship programs	201,500	94,158	46.7%
2. No. of training institutions/establishments/assessment centers provided with technical assistance	5,842 (4,211 TVIs & 1,631 ACs)	5,317 (3,731 TVIs & 1,586 ACs)	91.0%
3. No. of TESDA Technology Institutions graduates	182,867	146,029	79.9%

Source: FY 2022 National Expenditure Program

Physical Performance.

- 153. The disruptive effect of the pandemic in the socio-economic activities of the country, including the education sector, resulted in the inability of TESDA to achieve its physical targets.** Of its seven (7) output indicators, only two (2) of the targets were met: publish a National Program Report and conduct consultations, orientations, and workshops for development of competency standards/training regulations.
- 154. Similarly, the operations of TESDA's regional and provincial offices, and the provision of technical assistance to Technical Vocational Institutions (TVIs) and Assessment Centers (ACs) were also restricted.** Despite various TVIs and ACs voluntarily closing due to the pandemic, the Authority still reported an accomplishment rate of 91.0 percent.
- 155. Receiving the brunt of the pandemic is TESDA's scholarship programs, with implementation contingent on the quarantine level of the area and approval from the LGUs subject to the compliance with TESDA Guidelines and minimum public health standards.** The budget for these scholarship programs was also realigned⁴⁸, affecting its total target beneficiaries. In addition, the resumption of regular activities was accompanied by necessary preparations and adjustments to comply with the new normal arrangements of conducting training and assessment, pushing implementation to the last quarter of 2020. In order to shift to flexible learning⁴⁹, TESDA undertook (1) training of the trainers on the use of e-learning management system, (2) re-registration of programs to be able to implement flexible delivery systems, and (3) adjustments in layout and curricula compatible to e-learning. These allowed the Authority to produce 240,187 graduates (94,158 from scholarship programs and 146,029 from TESDA Technology Institutions), while also ensuring the safety and well-being of its stakeholders.
- 156. With regard to the output indicators under the TESD Regulatory Program, the mobility restrictions imposed nationwide, coupled with connectivity issues, halted the conduct of compliance audits of TVIs and delayed the issuance of certification for skilled workers.**

⁴⁸ A total of P2.1 billion with corresponding target scholars of 116,194 were given to the Office of the President in support of the Social Amelioration Program (SAP).

⁴⁹ Full online, distance learning, or a combination of both

Philippine Statistics Authority

Table 54. Financial Performance, PSA, 2019-2020

(in billion pesos, unless otherwise stated)

Department	2019 ^{1/}					2020 ^{2/}				
	Allotment	Obligation	Disbursements	BUR		Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb				Oblig	Disb
PSA	9.1	6.5	3.9	71.7%	60.1%	13.7	10.4	7.7	75.7%	74.5%

^{1/} 2019 SAAODB

^{2/} 2020 SAAODB

Financial Performance.

- 157. As the central statistical authority of the Philippine government responsible for the conduct of periodic censuses on population, housing, agriculture, fisheries, business, industry, and other sectors, as well the main administrator of statistical policies and civil registration functions, the Philippine Statistics Authority (PSA) received a budgetary allocation of P13.7 billion in 2020, with 2.2 billion coming from its previous year's budget.** Compared to 2019, the 2020 allotment for PSA is P4.6 billion or 50.8 percent higher, mainly due to the conduct of 2020 Census of Population and Housing and implementation of the National ID System.
- 158. The obligation performance of PSA slightly improved in 2020, having obligated P10.4 billion or 75.7 percent of the total allotment releases.** Moreover, the disbursement performance of the agency significantly progressed, reporting a 14.4 percentage points increase in its disbursement rate relative to 2019. However, despite the said improvements, the financial performance of PSA remained poor with budget utilization ratios ranging from 74 to 76 percent.

Table 55. Implementation of the National ID System, 2020

(in billion pesos, unless otherwise stated)

Particulars	2020				
	Allotment	Obligation	Disbursements	BUR	
				Oblig	Disb
National ID System	6.3	3.2	1.4	51.1%	42.2%
Current Year	4.3	1.2	0.1	28.2%	6.2%
Continuing	2.0	2.0	1.3	99.8%	63.9%

Source: DBM

- 159. One of the most significant contributors to the poor financial performance of the PSA is the National ID System under the Civil Registration Program.** As of end 2020, the project's obligation rate is only 51.1 percent while its disbursement rate is only 42.2 percent. The current year's obligation and disbursement rates are also very low, with only 28.2 percent and 6.2 percent, respectively, while the utilization of the continuing balances from 2019 is relatively higher with 99.8 percent obligation rate and 63.9 percent disbursement rate.

Table 56. Physical Performance, PSA, 2020

PARTICULARS	2020		
	Target (GAA)	Actual Accomplishment	Accomplishment Rate
NATIONAL STATISTICS DEVELOPMENT PROGRAM			
<i>Output Indicators</i>			
1. Number of surveys and censuses conducted and percentage completed within target timeline	38 80%	38 95%	100.0% 118.8%
2. Percentage of statistical products disseminated within the Advance Release Calendar or prescribed period	100%	100%	100.0%
3. Number of data dissemination and fora conducted	41	37	90.2%
STATISTICAL POLICY AND COORDINATION PROGRAM			
<i>Output Indicators</i>			
1. Percentage of agencies with designated statistics which submitted budget proposals for review and endorsement to the DBM	60%	58.0%	96.7%
2. Number of new and updated statistical and classification systems	2	3	150.0%
3. Number of statistical advocacy activities conducted	4	9	225.0%
CIVIL REGISTRATION PROGRAM			
<i>Output Indicators</i>			
1. Number of servicing outlets maintained	40	41	102.5%
2. Number of Local Civil Registrars (LCRs) who are trained on laws, regulations and system on civil registration	125	141	112.8%
3. Percentage of civil registry applications issued/completed within prescribed time frame	94%	89%	94.7%

Source: FY 2022 National Expenditure Program

Physical Performance.

- 160. Despite the poor financial performance of the PSA, its physical performance for 2020 was excellent – reporting more than 90 percent accomplishment rate in all of its targets and even exceeding some.** The agency conducted 38 surveys and censuses (e.g., Annual Poverty Indicators Survey, Labor Turnover Survey, Palay and Corn Production Survey, etc.) with 95 percent completion rate within the target timeline. In addition, the PSA disseminated all of the statistical products within the Advance Release Calendar or prescribed period. However, only 37 or 90.2 percent of the target number of data dissemination and fora were conducted due to the imposed quarantine measures and restrictions in mass gathering.

- 161. Under the Statistical Policy and Coordination Program, the PSA updated 3 statistical and classification systems and conducted 9 statistical advocacy activities, exceeding its 2020 output targets.** Moreover, of the submitted budget proposals from agencies with designated statistics, the PSA was able to review and endorse 58% of them to the Department of Budget and Management (DBM) or 96.7 percent of its target. For the Civil Registration Program, it has maintained 41 servicing outlets, trained 141 or 112.8 percent of the target local civil registrars on laws, regulations, and system on civil registration, and issued 89 percent of the civil registry applications within the prescribed time frame or 94.7 percent of its target. The PSA also achieved 100.1 percent of its initial target of 9 million Filipinos registered for Step 1 of the National ID System which allowed the agency to increase its target to 11 million registered Filipinos by end of 2020.⁵⁰

IV. Macroeconomic and Fiscal Outlook for the Rest of 2021

a. Macroeconomic Outlook

- 170. On 18 August 2021, the DBCC revised its growth target for FY 2021 to 4.0 to 5.0 percent.** This was from an earlier target of 6.0 to 7.0 percent due to the re-imposition of stricter community quarantine restrictions in various areas of the country to address the heightened risks brought about by the COVID-19 Delta variant. Growth targets have been retained at 7.0 to 9.0 percent for FY 2022 and 6.0 to 7.0 percent for FY 2023-2024. This implies a return to pre-pandemic output levels by end-2022.

- 171. The government will continue its three-pillar strategy to achieve the country's growth and job targets:**

- a. Safe re-opening of the economy.** The government continues to intensify the implementation of the Prevent-Detect-Isolate-Treat-Reintegrate (PDITR) strategies and rollout of vaccines, particularly in high-risk areas such as the National Capital Region (NCR) Plus (i.e., Metro Manila, Bulacan, Cavite, Laguna, and Rizal). Once the present spike is over, the government will implement risk-based quarantine relaxations to boost economic recovery this year.

- b. Full implementation of the recovery program.** The 2021 GAA is 9.9 percent higher than the previous year's or 22.5 percent of GDP⁵¹ and will serve as the government's financial blueprint to recovery from the COVID-19 pandemic, alongside the extended validity of the 2020 GAA and *Bayanihan* II. The delivery of these programs will be facilitated by the government's effort towards digitalization and rollout of the National ID.

Meanwhile, the Financial Institutions Strategic Transfer Act (FIST) Law (RA 11523), signed into law on 16 February 2021, will let banks offload souring loans and assets and allow them to extend more credit to COVID-hit sectors in need of assistance. The Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law will provide relief to reeling businesses through lower corporate tax rates, and help improve the country's

⁵⁰ Source: <https://psa.gov.ph/content/philsys-step-1-registration-achieves-2020-target-surpasses-9-million-mark>

⁵¹ <https://www.dbm.gov.ph/index.php/budget-documents/2021/2021-people-s-budget/2021-budget-at-a-glance-enacted-english>

capacity to attract foreign direct investments (FDI). This will be complemented by the pending bills in Congress on amendments to the Public Services Act, Foreign Investments Act, and Retail Trade Liberalization Act.

- c. Timely implementation of the government's Vaccine Deployment Program to regain market confidence.** The timely roll-out of the country's vaccination program especially in high-risk and densely populated areas is expected to improve market sentiment, as it will facilitate the safe resumption of businesses. The government will also intensify its information campaign to encourage more Filipinos to get vaccinated.

But risks to the growth outlook remain, owing largely to the uncertainties brought by the COVID-19 pandemic, exacerbated by the new coronavirus variants and possible delays in the vaccine rollout. Among other domestic risks include:

- i. Delays in the COVID-19 vaccination program and vaccine supply woes;
- ii. Inclement weather (typhoons, re-emergence of La Nina);
- iii. Continued spread of the African Swine Fever;
- iv. Disruptions in transport, value chains, and the logistics sector;
- v. Limited absorptive capacity of implementing agencies and LGUs;
- vi. Labor market disruptions due to the pandemic

- 172. On the external front, some factors may weigh down on growth over the medium-term.** This includes the weaker-than-expected global recovery, rising geopolitical and trade tensions, growing protectionism, and the disruption of global value chains.

b. Revenue Outlook

- 173. The economy is expected to rebound in 2021 with projected growth of 6.0 to 7.0 percent.** With this, revenues are projected to reach P2.88 trillion for 2021. This projection also considered the estimated revenue loss from CREATE amounting to P138.2 billion.

- 174. The fiscal projections for 2021 remain conservative, though laced with cautious optimism, despite the slightly higher tax collections for the first seven months compared to program.** The actual tax collections of the BIR and BOC amounted to P1.56 trillion, 1.7 percent or P25.53 billion higher than the programmed revenue of P1.54 trillion. The reimposition of ECQ in the National Capital Region, Laguna, and other parts of the country from August 6 to 20, and modified ECQ until September 7 to curb the local transmission of the more dangerous Delta variant of COVID-19 can likely dampen economic activities which could soften revenue collections for the rest of 2021. It is also anticipated that while the economy will slowly reopen, some quarantine restrictions will remain.

- 175. The country's fiscal position is projected to improve from 2022 onwards with the gradual reopening of the economy and with more Filipinos inoculated by the end of 2021.** For 2022, total revenues are projected to reach P3.29 trillion or 14.9 percent of GDP as the economy is expected to grow by 7.0 – 9.0 percent. Tax revenues is expected to be around P3.12 trillion or 14.2 percent of GDP, which already included the estimated P118.8 billion revenue loss from CREATE.

- 176. For 2023, total revenues are projected to total to P3.59 trillion or 14.8 percent of GDP.** This is expected in line with economic growth projections at 6.0 – 7.0 percent. Tax revenues is projected at P3.42 trillion or 14.1 percent of GDP, considering the estimated revenue loss of P115.0 billion from CREATE.

- 177. Lastly, total revenues are projected to reach almost P4.0 trillion in 2024.** Total revenues are expected to reach 15.1 percent of GDP in 2024 with the foreseen economic growth by 6.0 – 7.0 percent. Tax revenues are expected to be around P3.83 trillion or 14.4 percent of GDP after taking into account the expected revenue loss of P106.5 billion from CREATE.

c. Borrowing Outlook

- 178. The national government borrowing program for 2021 will continue to be primarily sourced from the domestic market.** This is to further reduce the country's exposure to foreign currency volatility and contribute to the development of the domestic capital market. The program targets an 81:19 mix between domestic and foreign sources of financing.

d. Expenditure Outlook

- 179. Expansionary spending program will remain for 2021 as the government continues to implement COVID-19 recovery measures under the FY 2021 Budget, 2020 Continuing Appropriations, and the *Bayanihan* II.**⁵² This also means increasing the disbursement program to P4,737.1 billion (23.9 percent of GDP)⁵³, from the earlier the FY 2021 BESF level of P4,467.0 billion (21.6 percent of GDP) and the P4,662.3 billion (23.3 percent of GDP) projections in December 2020. The expansion covers the requirements of the purchase of COVID-19 vaccines, the recently-enacted Coconut Farmers and Industry Act, continuing implementation of *Bayanihan* II, and other regular programs of the government.
- 180. A total of P679.3 billion have been released for COVID-19 measures under the *Bayanihan* I and II laws, and the FY 2021 GAA as of June 30, 2021**⁵⁴. This supported the government's emergency response during the earlier part of the pandemic last year and the ongoing recovery initiatives that include health and social amelioration programs, support to MSMEs and hard-hit industries, and COVID-19 vaccination program. Of the said amount, P310.1 billion or nearly 47.0 percent was sourced from savings under the FY 2019 Continuing Appropriations and the FY 2020 GAA pursuant to the *Bayanihan* I and II. This demonstrates the government's commitment to fiscal prudence and sustainability amid the crisis.
- 181. The FY 2022 Budget is currently undergoing review by Congress, with programs crucial to continued economic recovery such as the COVID-19 vaccination program, assistance to disadvantaged LGUs, and nutrition and family planning, among others will be prioritized.** The DBM issued National Budget Memorandum (NBM) No. 138 dated January 6, 2021 or the *National Budget Call for FY 2022*⁵⁵ to provide for the specific guidelines in formulating the agency Tier 1 budget and crafting their Tier 2 budget proposals. Meanwhile, NBM Nos. 140 and 141 or the *FY 2022 Budget Priorities Framework*⁵⁶, were issued on May 24, 2021 and June 15, 2021, respectively, to identify the specific priorities for new and expanded budget proposals for 2022 and inform the line NGAs of the limited fiscal

⁵² The availability of appropriations under the FY 2020 GAA was extended until December 31, 2021 pursuant to RA No. 11520, while the availability of appropriations under the *Bayanihan* II was extended until June 30, 2021 by virtue of RA No. 11519.

⁵³ Consistent with the macroeconomic and growth assumptions, and fiscal program approved by the DBCC on May 18, 2021.

⁵⁴ As of June 30, 2021. Regular updates to the report are posted on the DBM website. Available at <https://dbm.gov.ph/index.php/programs-projects/status-of-covid-19-releases>

⁵⁵ DBM. Available at <https://www.dbm.gov.ph/wp-content/uploads/Issuances/2021/National-Budget-Memorandum/NATIONAL-BUDGET-MEMORANDUM-NO-138.pdf>

⁵⁶ DBM. Available at <https://www.dbm.gov.ph/index.php/issuances/dbm-issuances/national-budget-memorandum>

e. Disbursement Outlook

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Table 57. National Government Medium-Term Fiscal Program, 2021-2024

(in billion pesos, unless otherwise stated)

PARTICULARS	2021	2022	2023	2024
Revenues	2,881.5	3,289.5	3,586.4	3,999.3
% of GDP	14.5%	14.9%	14.8%	15.1%
Growth Rate	0.9%	14.2%	9.0%	11.5%
Disbursements	4,737.1	4,954.6	5,021.4	5,297.8
% of GDP	23.9%	22.4%	20.7%	19.9%
Growth Rate	12.1%	4.6%	1.3%	5.5%
(Deficit)	(1,855.6)	(1,665.1)	(1,434.9)	(1,298.5)
% of GDP	-9.3%	-7.5%	-5.9%	-4.9%
Growth Rate	35.3%	-10.3%	-13.8%	-9.5%
Infrastructure Disbursements	1,019.1	1,270.0	1,276.1	1,352.2
% of GDP	5.1%	5.8%	5.3%	5.1%

- 184. The government will consolidate its fiscal strategy beginning 2022 to gradually rebuild the fiscal space and arm the country against future shocks and crises.** The deficit⁶² will be lower in both nominal and relative terms against this year's P1,855.6 billion or 9.3 percent of GDP. It is projected to be lower at P1,665.1 billion (7.5 percent of GDP) next year, before declining to P1,434.9 billion (5.9 percent of GDP in 2023), and further down to P1,298.5 billion (4.9 percent of GDP) in 2024.⁶³ The gradual reduction in the deficit and uptick in revenues will allow the government to still expand expenditures, albeit modestly, to support both long-term economic growth and fiscal sustainability.

⁶² Consistent with the macroeconomic and growth assumptions, and fiscal program approved by the DBCC on July 19, 2021.

⁶³ With the downward revision of the 2021 growth outlook and resulting lower nominal GDP, the deficit-to-GDP ratios over the medium-term will slightly increase by an average of 0.1 percentage point from the ones presented in the FY 2022 BESF. For this year, the deficit would be equivalent to 9.5 percent of GDP (from 9.3 percent). Meanwhile, for the three-out years, it would reach 7.7 percent of GDP (from 7.5 percent) in 2022, 6.0 percent (from 5.9 percent) in 2023, and 5.0 percent (from 4.9 percent) in 2024.

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