2019

PEOPLE’S BUDGET

Building a Bright Future for the Philippines and Its People

Republic of the Philippines

DEPARTMENT OF BUDGET AND MANAGEMENT
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President Rodrigo Roa Duterte described the FY 2019 National Budget best, when he referred to it as the fruit of separate efforts of the Executive and Legislative Departments, on a shared mission “to build upon the progress we have attained thus far in pursuing the Filipino people’s dream of a strongly rooted, comfortable, and secure life.”

Indeed, it has been a unique journey for the country’s first Cash Budget – from its crafting and submission to Congress on July 23, 2018 to its enactment as the FY 2019 General Appropriations Act (GAA) on April 15, 2019, an election year.

The path of intense study and rigorous review that it had to undergo prior to approval by Congress has resulted in the implementation of a re-enacted 2018 National Budget for the full first quarter of the year.

While this development was most certainly a challenge for the Department of Budget and Management (DBM), as well as the other agencies of government, in no way did it frustrate or deter us from our mission to ensure the proper management and utilization of resources in support of the Administration’s 0+10-Point Socioeconomic Agenda. Rather, we sought and succeeded in implementing the urgent and relevant measures necessary to address the situation.

With the enactment of the FY 2019 GAA, the crucial task of the DBM in the implementation of the government’s financial program contained in this legislation is to shepherd the seamless transition from a re-enacted 2018 Budget to the approved PhP3.662 Trillion GAA for 2019. While the FY 2019 Budget is lower than what was proposed, the government aims for the faster execution of programs and projects than in the past to sustain and strengthen the economy and ensure that our people continue to reap the benefits of this growth, thus putting them well on the path to the bright future we all aspire for.

In the implementation of the Budget, the DBM is likewise tasked to provide our people with the information they need and seek with regard to the FY 2019 GAA.

In this publication, the 2019 People’s Budget, we endeavor to explain the Budget process in general, as well as all the key and relevant features of the FY 2019 National Budget, in a simple, concise, understandable, and reader-friendly presentation.

As the President reminded us, there is still much work to be done. May this publication serve to enhance the citizens’ understanding of government budgeting and the government’s budget, and strengthen our partnership for the progress of our nation and our people.
BUILDING A BRIGHT FUTURE FOR THE PHILIPPINES AND ITS PEOPLE

The National Budget for Fiscal Year (FY) 2019 continues to support the development targets and priorities of the Duterte Administration. Crafted in harmony with the Administration’s O+10-Point Socioeconomic Agenda, the PhP3.662 Trillion 2019 Budget invests heavily in infrastructure and human capital development to build a bright future for the Filipino people — a future collectively envisioned to provide a strongly rooted, comfortable, and secure life.

THE VISION
Strongly Rooted, Comfortable, and Secure Life

BUILD THE COUNTRY
PhP816.2 B
for projects under the Build, Build, Build Program

DEVELOP THE PEOPLE
Invest in human capital development

MODERNIZE AND MAKE THE BUDGET TRANSPARENT
Shift from obligation-based to annual cash budgeting

ACHIEVE THE 2019 GROWTH TARGETS
6-7% GDP\(^1\) growth
0.9 to 1.1 M new jobs

The Philippines’ First Cash Budget

To ensure that priority programs and projects are sufficiently funded and delivered on time, the government will make the shift from an obligation-based budget to a cash budget starting FY 2019. A cash budget:

- **Promotes Discipline among Agencies**
  - The 2019 cash budget contains only the programs and projects that can be implemented and completed within the FY. Thus, agencies are required to plan ahead, conduct early procurement, and implement these programs and projects on time.

- **Follows a Fixed Payment Period**
  - In the cash budget, goods and services should be delivered, inspected, and accepted within the FY, and paid for up to the three-month Extended Payment Period (EPP) after the FY. For infrastructure projects, implementation and payment can be made until December 31, 2020. For Maintenance and Other Operating Expenses and Other Capital Outlays, execution and payment can be until June 30, 2020.

- **Benefits the Filipino People**
  - As a cash budget spurs the government to raise the quality and efficiency of its public services, the Filipino people will ultimately reap the benefits of the taxes they pay on a more timely basis.

See the “Q&A on the First Cash Budget” section (page 40) for more details on the 2019 cash budget.

\(^{1}\) Consistent with the macroeconomic assumptions and fiscal targets approved in the 175th DBCC Meeting on March 13, 2019.
As the government remains prudent and true to its priorities, President Duterte exercised his Constitutional duty and registered the following actions in the 2019 General Appropriations Act (GAA):

The Congress-approved Budget (Enacted) for 2019 funds programs and projects that support the priorities and targets of the government for the year. Although there was a slight decrease from the proposed amount of PhP3.757 trillion, the PhP3.662 trillion Enacted Budget maintains its focus on social and infrastructure development.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2019 Proposed (in billion Pesos)</th>
<th>2019 Enacted (in billion Pesos)</th>
<th>Increase/Decrease (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUDGET BY EXPENSE CLASS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and Other Operating Expenses</td>
<td>1,394.9</td>
<td>1,418.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Personnel Services</td>
<td>1,185.0</td>
<td>1,138.1</td>
<td>(4.0)</td>
</tr>
<tr>
<td>Capital Outlays</td>
<td>776.1</td>
<td>703.7</td>
<td>(9.3)</td>
</tr>
<tr>
<td>Financial Expenses</td>
<td>401.0</td>
<td>401.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3,757.0</strong></td>
<td><strong>3,661.6</strong></td>
<td><strong>(2.5)</strong></td>
</tr>
<tr>
<td><strong>BUDGET BY SECTOR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Services</td>
<td>1,377.0</td>
<td>1,377.8</td>
<td>0.06</td>
</tr>
<tr>
<td>Economic Services</td>
<td>1,068.4</td>
<td>970.3</td>
<td>(9.2)</td>
</tr>
<tr>
<td>General Public Services</td>
<td>709.4</td>
<td>710.9</td>
<td>0.2</td>
</tr>
<tr>
<td>Debt Burden</td>
<td>414.1</td>
<td>414.1</td>
<td>-</td>
</tr>
<tr>
<td>Defense</td>
<td>188.2</td>
<td>188.6</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3,757.0</strong></td>
<td><strong>3,661.6</strong></td>
<td><strong>(2.5)</strong></td>
</tr>
</tbody>
</table>

*Note: Figures may not add up due to rounding off.

### Vetoed Items in the 2019 Budget

As the government remains prudent and true to its priorities, President Duterte exercised his Constitutional duty and registered the following actions in the 2019 General Appropriations Act (GAA):

#### Direct Veto

18 provisions* will be rendered inoperative, as if not written in the GAA, because:
- They do not relate to a particular appropriation or they seek to amend the Constitution and existing laws (considered as ‘rider’ provisions); or
- They are inconsistent with the government’s programmed priorities for FY 2019.

#### Conditional Implementation

24 provisions will be for conditional implementation, to comply with the following principles:
- Compliance with the requirements of existing laws, policies, and rules and regulations;
- Efficiency in the use of public funds;
- Protection to government employees;
- Shared fiscal responsibility; and
- Submission of quarterly financial and physical reports.

#### General Observation

2 provisions are subject to general observation in order to clarify how they will be implemented:
- Monitoring and evaluation of assistance to LGUs; and
- Organizational structure of the Congress.

*Includes the PhP95.4 B worth of appropriations under the Department of Public Works and Highways
OVERVIEW OF THE 2019 NATIONAL BUDGET

The Budget and the Economy
The Fiscal Program
The 2019 Budget and the TRAIN Law
Borrowings
2019 Budget Dimensions by Sector (Old System)
2019 Budget Dimensions by Expense Class
2019 Budget Dimensions by Recipient Unit
2019 Budget Dimensions by Special Purpose Funds (SPF)
2019 Budget Dimensions by Appropriation Source
Off-Budget Accounts
Macroeconomic indicators are important tools in analyzing the current condition of a country’s economy. As the Philippines is projected to continue being one of the economic growth leaders in Southeast Asia, the 2019 Budget takes into consideration the following macroeconomic indicators and their fiscal sensitivity.\(^1\)

### Inflation
Revenues will increase by PhP20.5 billion for every 1 percentage point increase in the price of goods and services.

### GDP Growth
For 2019, a 1 percentage point increase in the GDP will increase domestic revenue collection by PhP23.0 billion.

### Imports
A 1 percentage point increase in imports will enable the government to collect an additional PhP5.5 billion in revenues for 2019.

### Foreign Exchange Rate (FOREX)
A PhP1.00 depreciation of the Peso against the US Dollar will increase government revenues by PhP8.8 billion. On the other hand, it will also increase disbursements by PhP2.2 billion in the form of higher cost of foreign-denominated debts. Still, a depreciation will favorably impact the budget deficit.

### Interest Rates
For the Treasury bill rate, a 1 percentage point increase will generate PhP0.8 billion in additional revenues, but will also increase the government’s debt servicing by PhP2.6 billion.

### Macroeconomic Assumptions, 2018-2022

<table>
<thead>
<tr>
<th>Parameters</th>
<th>2018 (Actual)</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP Growth (%)</td>
<td>6.2</td>
<td>6.0-7.0(^3)</td>
<td>6.5-7.5</td>
<td>7.0-8.0</td>
<td>7.0-8.0</td>
</tr>
<tr>
<td>Inflation Rate (%) (CPI 2012=100)</td>
<td>5.2</td>
<td>2.0-4.0</td>
<td>2.0-4.0</td>
<td>2.0-4.0</td>
<td>2.0-4.0</td>
</tr>
<tr>
<td>364-Day Treasury Bill Rate (%)</td>
<td>5.1</td>
<td>5.5-6.5</td>
<td>5.0-6.0</td>
<td>5.0-6.0</td>
<td>5.0-6.0</td>
</tr>
<tr>
<td>FOREX (PhP/US$)</td>
<td>52.66</td>
<td>52-55</td>
<td>52-55</td>
<td>52-55</td>
<td>52-55</td>
</tr>
<tr>
<td>180-Day LIBOR (%)</td>
<td>2.5</td>
<td>2.5-3.5</td>
<td>2.5-3.5</td>
<td>2.5-3.5</td>
<td>2.5-3.5</td>
</tr>
<tr>
<td>Dubai Oil (US$/barrel)</td>
<td>69.42</td>
<td>60-75</td>
<td>60-75</td>
<td>60-75</td>
<td>60-75</td>
</tr>
<tr>
<td>Export Goods (%)(^4)</td>
<td>-0.3</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Import Goods (%)(^4)</td>
<td>9.4</td>
<td>9.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
</tr>
</tbody>
</table>

\(^1\)Source: Department of Finance and Bureau of the Treasury
\(^2\)Assumptions and targets adopted by the Development Budget Coordination Committee (DBCC) on March 13, 2019
\(^3\)Assumes a one-quarter reenactment of the National Budget
\(^4\)BSP’s Balance of Payments projections based on the International Investment Position Manual, 6th edition (BPM6), which was adopted on March 13, 2019
The Administration’s unwavering commitment to enforce sound and efficient fiscal policies will help increase revenue collection, fund programs and projects, and reduce the country’s debt-to-GDP ratio. To fund the 2019 disbursements, a total of PhP3,149.7 billion, or 16.4% of GDP, will come from revenues, while PhP624.4 billion, or 3.2% of GDP, will come from borrowings. The government is spending more in infrastructure and social services to further stimulate growth and accelerate poverty reduction.

### Fiscal Program, FY 2018-2022
(in billion Pesos and % of GDP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Disbursements</th>
<th>Deficit</th>
<th>Notes</th>
</tr>
</thead>
</table>
| 2018 | 2,850.2  | 3,408.4       | (558.3) | $16.4% | Actual figures
| 2019 | 3,149.7  | 3,774.0       | (624.4) | $16.4% | Projected figures are consistent with the macroeconomic assumptions and fiscal targets approved in the 175th DBCC Meeting on March 13, 2019. |
| 2020 | 3,572.5  | 4,210.1       | (637.6) | $16.9% |
| 2021 | 3,984.7  | 4,697.3       | (712.6) | $17.1% |
| 2022 | 4,438.1  | 5,211.1       | (773.0) | $17.2% |

**Revenues**
The taxes collected by revenue-generating agencies, such as the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC), are expected to reach 16.4% of GDP in 2019.

**Disbursements**
For 2019, the government plans to spend 19.6% of GDP to fund key programs and projects.

**Deficit**
The target deficit will be at 3.2% of GDP in 2019, maintaining the government’s need to borrow money. A fiscal deficit occurs when the government spends more than what it has collected.
REVENUES*

Revenues refers to the money collected by the government from both tax and non-tax sources to support national expenditures. For 2019, PhP3,149.7 billion in revenues will be generated to fund 83% of the estimated disbursements, representing 16.4% of GDP in 2019 and a 10.5% increase from the PhP2.850 trillion revenues in 2018. This total includes the PhP16.2 billion estimated yield from the Tax Reform for Acceleration and Inclusion (TRAIN) Law and other Comprehensive Tax Reform Program measures, which will be used to expand investments in infrastructure and mitigate the inflationary impact of the new tax scheme on the poor.

Breakdown of Revenues by Source

- **Bureau of Internal Revenue**: PhP2,271.4 B
- **Bureau of Customs**: PhP661.0 B
- **Other Non-Tax Sources**: PhP65.1 B
- **Fees and Charges**: PhP53.3 B
- **Others**: PhP23.0 B
- **Privatization**: PhP2.0 B

Note: Figures may not add up due to rounding off.

Of the total revenues for 2019, PhP2,955.4 billion or 93.8% will come from the tax collections of the BIR, the BOC, and other agencies. Non-tax revenues, amounting to PhP192.2 billion or 6.1%, consist of income from Treasury operations, income of the National Government from GOCCs, fees and charges, and other sources such as the Malampaya royalties. Proceeds from privatization, the sale and lease of government-owned assets and corporations, are expected to reach PhP2.0 billion.

By 2022, revenues are projected to grow to PhP4,438.1 billion or the equivalent of 17.2% of GDP.

To achieve this, the government continues to pursue legislation to restructure the tax system and expand the tax base, as well as strengthening measures to enhance tax collection by improving taxpayer compliance and combating smuggling.

Note: Revenues for 2019-2022 are based on estimated forecasts.

*Consistent with the macroeconomic assumptions and fiscal targets approved in the 175th DBCC Meeting*
For 2019, the government will continue the implementation of its Comprehensive Tax Reform Program (CTRP) with the introduction of new revenue measures under Package 1B and Package 2+; and the existing Package 1A implemented in 2018 which resulted in the lowering of personal income tax, simplification of transfer taxes, expansion of the value added tax (VAT) base, and the imposition of higher excise taxes on certain products.

Proceeds of Some Revenue Measures under the Existing Package 1A¹/

**Bureau of Internal Revenue (2019 Projection)**

<table>
<thead>
<tr>
<th>Tax</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Income Tax</td>
<td>PhP128.9 B</td>
</tr>
<tr>
<td>Corporate Income Tax (PCSO)²/</td>
<td>PhP549.0 B</td>
</tr>
<tr>
<td>Estate Tax</td>
<td>PhP 2.1 B</td>
</tr>
<tr>
<td>Donor’s Tax</td>
<td>PhP 1.8 B</td>
</tr>
<tr>
<td>Value Added Tax (VAT)</td>
<td>PhP 16.7 B</td>
</tr>
</tbody>
</table>

**Bureau of Customs (2019 Projection)**

<table>
<thead>
<tr>
<th>Excise Tax on Automobiles</th>
<th>PhP15.1 B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excise Tax on Coal</td>
<td>PhP 2.4 B</td>
</tr>
<tr>
<td>Sugar-Sweetened Beverages</td>
<td>PhP 2.6 B</td>
</tr>
</tbody>
</table>

On February 14, 2019, President Duterte signed the Tax Amnesty Act under Package 1B which contains provisions for Estate Tax Amnesty. This is expected to relieve the taxpayer’s burden of settling past liabilities while increasing revenues to fund social mitigating measures and the Build, Build, Build infrastructure projects under Section 82 of Republic Act (R.A.) No. 10963 (otherwise known as the TRAIN Law).

Meanwhile, Package 2+³/ proposes reforms on:

- **Mining** – To implement a single fiscal regime applicable to all mineral agreements
- **Sin Taxes** – To further increase the excise tax on alcohol and tobacco products

¹/Consistent with the macroeconomic assumptions and fiscal targets approved during the 175th DBCC Meeting on March 13, 2019
²/Philippine Charity Sweepstakes Office
³/The bill mandating the increase in the excise tax on tobacco products and e-cigarettes is already pending the signature of the President after Senate approval and adoption by the House of Representatives. The bill proposing to increase the excise tax on alcohol and reforming the fiscal regime for the mining sector will be refiled in the 18th Congress.
To augment the country’s revenue collections and in order to finance the deficit of PhP624.4 billion or 3.2% of GDP, the Duterte Administration will borrow PhP906.2 billion and PhP282.7 billion from local and foreign sources, respectively, or a total of PhP1,188.9 billion.

PhP1,188.9 B
Total Borrowings for 2019

Domestic Borrowings
PhP906.2 B

- Fixed Rate Treasury Bonds
  PhP851.7 B
- Treasury Bills (Net)
  PhP54.5 B

Foreign Borrowings
PhP282.7 B

- Bonds and Other Inflows
  PhP162.0 B
- Program Loans
  PhP87.3 B
- Project Loans
  PhP33.4 B

Debt as a Percentage of GDP, 2018-2022\(^1\)

From 41.9% of GDP in 2018, the debt burden is projected to decrease to 38.8% by 2022. The estimated year-on-year reduction in the ratio implies that the economy is better able to bear its debt as growth exceeds debt accumulation.

Note: Chart baseline is at 35.0%

\(^1\) Consistent with the macroeconomic assumptions and fiscal targets approved during the 175th DBCC meeting on March 13, 2019
The FY 2019 National Budget was formulated with the goal of leading the Filipinos to a bright future by ensuring sustainable development through significant reforms. For one, as the budgeting system shifts to Cash Budgeting, service delivery will be more efficient and timely, strengthening the accountability of government for results. This Budget promises to bring people a step towards the better life they always dream of.

Hence, the Administration’s goals of sustaining the country’s robust economic growth and providing quality public services are reflected in the sectoral breakdown of the 2019 General Appropriations Act (GAA). Social Services remains the priority, receiving a remarkable share of **PhP1,377.8 billion** or 37.6% of the GAA. Next to this is Economic Services, with a share of **PhP970.3 billion** or 26.5% of the GAA, a clear indication of the government’s resolve to focus on accelerating its Build, Build, Build Program and improving social services.

To cover expenditures for general administration such as public order and safety, civil service, public finance, and lawmakers functions

To cover interest payments on local and foreign borrowings and net lending

To ensure a peaceful and secure country while sustaining national development through the Armed Forces of the Philippines Modernization Program and other efforts

**Increase in the Budget by Sector**

**2018 (Cash Equivalent) vs. 2019**

- **Social Services**
  - 2019: PhP1,377.8 B
  - 2018 Cash Equivalent: PhP1,286.3 B
  - Increase: **7.1%**

- **Economic Services**
  - 2019: PhP970.3 B
  - 2018 Cash Equivalent: PhP891.3 B
  - Increase: **8.9%**

- **General Public Services**
  - 2019: PhP710.9 B
  - 2018 Cash Equivalent: PhP627.3 B
  - Increase: **13.3%**

- **Debt Burden**
  - 2019: PhP414.1 B
  - 2018 Cash Equivalent: PhP370.8 B
  - Increase: **11.7%**

- **Defense**
  - 2019: PhP188.6 B
  - 2018 Cash Equivalent: PhP148.0 B
  - Increase: **27.4%**
A

other way to examine the Budget is by breaking it down into four general categories of expenditures: Maintenance and Other Operating Expenses (MOOE), Personnel Services (PS), Capital Outlays (CO), and Financial Expenses (FinEx).

BUDGET BY EXPENSE CLASS (2019 PROPOSED VS. 2019 ENACTED)

MOOE

PhP1,394.9 B

PhP1,418.9 B

+1.7%

PS

PhP1,185.0 B

PhP1,138.1 B

-4.0%

CO

PhP776.1 B

PhP703.7 B

-9.3%

FinEx

PhP401.0 B

PhP401.0 B

No increase or decrease

Compared with the proposed version, the 2019 Enacted GAA provides a slightly bigger allocation for MOOE, consistent with the Administration’s thrust towards human capital development. MOOE increased by 1.7% from PhP1,394.9 billion to PhP1,418.9 billion, while CO decreased by 9.3% mainly due to the PhP95.4 billion worth of infrastructure projects under the DPWH which were subjected to direct veto.

*Percentage share in the Budget or General Appropriations Act (GAA) **Inclusive of Internal Revenue Allotment, Special Shares in the Proceeds of National Taxes, Local Government Support Fund, Special Shares in the Proceeds of Fire Code Fees, Barangay Officials Death Benefits, and Allocation for the Metropolitan Manila Development Authority
In 2019, National Government Agencies (NGAs) will receive PhP2,420.8 billion or 66.1% of the 2019 General Appropriations Act. Compared to its 2018 cash equivalent of PhP2,216.6 billion, this amount is higher by 9.2% to ensure the continued support for various programs, activities, and projects that are being implemented by NGAs.

PhP202.0 billion is allotted for programs implemented by Government-Owned and/or -Controlled Corporations (GOCCs). These include (1) the implementation of the Unconditional Cash Transfer (UCT) Program under the Land Bank of the Philippines; (2) infrastructure projects; and (3) the National Health Insurance Program under the Philippine Health Insurance Corporation (PhilHealth). This is 30.2% higher than its 2018 cash equivalent.

Local Government Units (LGUs) are given a budget of PhP639.2 billion, which is 10.0% higher than its cash equivalent in 2018. This primarily covers the Internal Revenue Allotment amounting to PhP460.4 billion. Among others, the allocations for Local Government Support Fund and Special Shares of LGUs are also integrated in this amount, with PhP32.7 billion and PhP27.6 billion, respectively.

Loan repayments to creditors, on the other hand, will cover PhP399.6 billion.

<table>
<thead>
<tr>
<th>BUDGET BY RECIPIENT UNIT 2018 (Cash Equivalent) vs. 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
</tr>
<tr>
<td>NGAs</td>
</tr>
<tr>
<td>GOCCs</td>
</tr>
<tr>
<td>LGUs</td>
</tr>
<tr>
<td>Creditors</td>
</tr>
</tbody>
</table>

**Top 10 Departments**

1. Department of Education (Including SUCs, CHED, TESDA) PhP665.1 B
2. Department of Public Works and Highways PhP465.2 B
3. Department of the Interior and Local Government PhP230.4 B
4. Department of National Defense PhP186.5 B
5. Department of Social Welfare and Development PhP177.9 B*
6. Department of Health (Including PHIC’s Budget) PhP168.5 B
7. Department of Transportation PhP69.4 B
8. Department of Agriculture PhP49.7 B
9. The Judiciary PhP39.5 B
10. Bangsamoro Autonomous Region in Muslim Mindanao (includes LGUs under ARMM) PhP32.3 B

*Including the PhP36.5 billion subsidy for the UCT Program under Landbank
2019 BUDGET DIMENSIONS
BY SPECIAL PURPOSE FUND (SPF)

Special Purpose Funds represent both disaggregated and lump-sum funds which are allocated for specific purposes. However, these funds, particularly lump-sum funds, are not yet distributed to the specific recipient-agencies during budget preparation. Specific programs and projects can only be identified during budget execution, based on the nature of the fund.

For 2019, the total budget for SPFs amounts to PhP1.4 trillion, of which:

**Disaggregated SPFs = PhP993.3 B**

- **Allocations to Local Government Units**
  PhP639.2 B
  Subsidy given to LGUs representing their shares in the national revenue collections, of which:
  - Internal Revenue Allotment: PhP575.5 B
  - Local Government Support Fund: PhP32.7 B
  - Special Shares in the Proceeds of National Taxes: PhP27.3 B
  - Metropolitan Manila Development Authority: PhP3.4 B
  - Special Shares in the Proceeds of Fire Code Fees: PhP250 M
  - Barangay Officials Death Benefits Fund: PhP50 M

- **Budgetary Support to Government Corporations**
  PhP201.6 B
  Subsidy support and/or equity contribution of the National Government to Government-Owned and/or -Controlled Corporations, the bulk of which, or PhP67.4 billion, goes to PhilHealth to accommodate beneficiaries of the National Health Insurance Program.

- **Pension and Gratuity Fund**
  PhP117.0 B
  For the payment of pension, retirement and terminal leave benefits, and monetization of leave credits.

- **Miscellaneous Personnel Benefits Fund**
  PhP35.5 B
  For the payment of compensation adjustments, performance bonuses, monetization of leave credits, filling of vacant positions, and creation of new positions, among others.

**Lump-Sum SPFs = PhP447.1 B**

- **National Disaster Risk Reduction and Management Fund**
  PhP20.0 B
  To respond to calamities and disasters, through programs which include risk reduction, mitigation, prevention, and preparedness activities.

- **Tax Expenditure Fund**
  PhP14.5 B
  Subsidy given to national government agencies and government corporations for the payment of taxes and customs duties.

- **Contingent Fund**
  PhP13.0 B
  To fund President-approved new and/or urgent programs, projects, and activities during the year for newly-created offices, and for legal obligations of the government arising from final and executory decisions by competent authority.

- **Debt Interest Payments**
  PhP399.6 B
  To pay for the cost of borrowed funds from domestic and foreign sources.
The 2019 National Budget can also be presented based on its sources of appropriations, which are the (1) New General Appropriations and (2) Automatic Appropriations. Comprising PhP2,787.2 billion, or 76.1% of the PhP3.662 trillion National Budget, the 2019 New General Appropriations is also divided into Programmed New General Appropriations and Unprogrammed New General Appropriations. On the other hand, Automatic Appropriations amount to PhP1,071.5 billion or 29.3% of the National Budget.

**New General Appropriations**

is a portion of the National Budget that is submitted to the Congress annually. It is composed of Programmed and Unprogrammed New General Appropriations.

**Automatic Appropriations**

are appropriations that do not require periodic action or legislation by the Congress as these are programmed annually through the laws enabling them.

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**PhP2,590.1 B**

Programmed Appropriations\(^1\)/ have definite funding and can be released during the fiscal year.

**PhP197.1 B**

Unprogrammed Appropriations\(^2\)/ are standby funds or additional funding available for the use of agencies when revenue collections exceed targets or when grants or foreign loans are received.

**PhP14.5 B**

Tax Expenditure Fund covers the subsidies to agencies, GOCCs, and LGUs in lieu of actual payment of taxes and customs duties.

**PhP14.5 B**

Net Lending covers the advances of the government for the servicing of debts of government corporations.

**PhP20.3 B**

Special Accounts in the General Fund covers the income from various agencies earmarked for specific programs and projects as mandated by certain laws.

**PhP575.5 B**

Internal Revenue Allotment covers the 40% of the revenues earned by the government through taxes, which are given to Local Government Units (LGUs).

**PhP399.6 B**

Debt Service-Interest Payment covers the payment for the interest incurred by the National Government for its domestic and foreign borrowings.

**PhP3.662 T\(^3\)/ 2019 BUDGET**

**PhP390.0 B**

includes Support to Foreign-Assisted Projects (PhP33.9 B); Payment of Pension Arrearages (PhP30.0 B); Implementation of the Universal Health Care (PhP18.0 B); Rice Competitiveness Enhancement Fund (PhP10.0 B); Risk Management Program (PhP10.0 B); Infrastructure Projects and Social Programs (PhP8.1 B); Support to GOCCs (PhP7.9 B), etc.

\(^1\) Composed of Departments and Agencies (PhP2,153.8 B) and Special Purpose Funds (PhP436.3 B)

\(^2\) Includes Support to Foreign-Assisted Projects (PhP53.0 B); Payment of Pension Arrearages (PhP33.9 B); Implementation of the Organic Law for the Bangsamoro Region in Muslim Mindanao (PhP30.0 B); Implementation of the Universal Health Care (PhP18.0 B); Rice Competitiveness Enhancement Fund (PhP10.0 B); Risk Management Program (PhP10.0 B); Infrastructure Projects and Social Programs (PhP8.1 B); Support to GOCCs (PhP7.9 B), etc.

\(^3\) Excludes Unprogrammed Appropriations of PhP197.1 B
OFF-BUDGET ACCOUNTS

Off-budget accounts refers to revenues or receipts and income generated by some government agencies and, by operation of certain laws, are allowed to be used for particular expenditures outside of the General Appropriations Act. Like all public funds, these accounts are still subject to the scrutiny of the Commission on Audit.

The National Government expects off-budget collections to reach PhP94.2 billion, of which PhP73.9 billion (or 78.5%), will be utilized for specific purposes authorized by existing laws. The publication of off-budget accounts is done to ensure full transparency of financial accounts and to safeguard the use of these public funds.

### Off-Budget Accounts, FY 2019
(in million Pesos)

<table>
<thead>
<tr>
<th>Receipts</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>PhP94,189.3</td>
<td>PhP73,914.7</td>
</tr>
</tbody>
</table>

### Top 10 Off-Budget Accounts, FY 2019
(in billion Pesos)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Receipts</th>
<th>Expenditures</th>
<th>Sources</th>
<th>Purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Department of Health</td>
<td>27.6</td>
<td>24.4</td>
<td>Sale of drugs and medicines, fees, and other service income, among others</td>
<td>Purchase of drugs and medicines for sale at Model Botika Pharmacy, and purchase of equipment, among others</td>
</tr>
<tr>
<td>2. State Universities and Colleges</td>
<td>25.0</td>
<td>24.1</td>
<td>Tuition fees, collection from students, other sources</td>
<td>Payment of authorized benefits to teachers and students, some operating expenses, and capital investments</td>
</tr>
<tr>
<td>3. The Judiciary</td>
<td>17.4</td>
<td>4.6</td>
<td>Bail and cash bonds, legal fees and fines, among others</td>
<td>Allowances of justices and judges, and scholarship and training expenses, among others</td>
</tr>
<tr>
<td>4. Department of Labor and Employment</td>
<td>5.2</td>
<td>2.4</td>
<td>20% Socio-Economic Program Forfeited Unclaimed/Undistributed Cash Bonus Fund under Social Amelioration and Welfare Program, among others</td>
<td>Appeal bonds, monetary judgment awards, and socio-economic projects, among others</td>
</tr>
<tr>
<td>5. Department of Transportation</td>
<td>2.6</td>
<td>4.1</td>
<td>Escrow Account for Rental fees for MRT 3 Build-Lease-Transfer (BLT), collection from GMK Megawide Cebu Airport Corp., among others</td>
<td>Rental fees for MRT-3 BLT agreement, construction of DOTr Building, among others</td>
</tr>
<tr>
<td>6. Other Executive Offices</td>
<td>2.3</td>
<td>2.3</td>
<td>Income, trust receipt, grant, among others</td>
<td>National Sports Development programs, and operational expenses for TESDA, among others</td>
</tr>
<tr>
<td>7. Department of the Interior and Local Government</td>
<td>2.0</td>
<td>1.9</td>
<td>Licensing fees, bid documents, other service fees</td>
<td>Pro-water projects, and operational expenses of the Philippine National Police, among others</td>
</tr>
<tr>
<td>8. Department of National Defense</td>
<td>1.7</td>
<td>2.1</td>
<td>Income from the Inter-Agency Transferred Fund (IATF), medical and laboratory fees, affiliation fees, other service income, other fees</td>
<td>Implementation of projects and activities, repair of concrete pier and causeway of Naval Forces, and renovation of the Veterans Memorial Medical Center, among others</td>
</tr>
<tr>
<td>9. Presidential Communications Operations Office</td>
<td>1.5</td>
<td>1.4</td>
<td>Income from printing and publication, others</td>
<td>Personnel services, and some operating expenses, among others</td>
</tr>
<tr>
<td>10. Department of Finance</td>
<td>1.3</td>
<td>1.4</td>
<td>Interest on NG Deposits, income from conservation and disposition of transferred assets, among others</td>
<td>Relending to LGUs, some operating expenses, and capital outlays, among others</td>
</tr>
</tbody>
</table>
EXPENDITURE PRIORITIES OF THE 2019 BUDGET

- Intensifying Infrastructure Development
- Enhancing Programs on Human Development
- Building a More Peaceful and Secure Nation
- Sustaining Reforms in Government Service Delivery
THE BUILD, BUILD, BUILD PROGRAM ENTERS ITS THIRD YEAR IN 2019 AND CONTINUES TO BE THE FLAGSHIP PROGRAM OF THE DUTERTE ADMINISTRATION, ASPIRING TO BRING THE PHILIPPINES TO ITS “GOLDEN AGE OF INFRASTRUCTURE.” INCREASED INVESTMENTS IN INFRASTRUCTURE CATALYZE Economic activity and job-creation, thus proving to be a key factor in sustainable poverty reduction, economic growth, and improvement in the quality of life of the people. For 2019, PhP816.2 billion, or 4.2% of the GDP, is allocated for the various infrastructure projects under the Build, Build, Build Program.

Millions of Filipinos rely on efficient and convenient road networks for mobility and productivity. For 2019, the Department of Public Works and Highways (DPWH) continues to ensure that the country’s road system is expanded, kept safe, and more efficient.

**Network Development Program: PhP95.3 B**

To fund road widening, construction of bypass and diversion roads, and paving of unpaved roads, among others

Of which:
- PhP 2.2 B: Improving Growth Corridors in Mindanao Road Sector Project
- PhP 1.6 B: Davao City Bypass Construction Project (South and Center Sections)
- PhP 1.5 B: Central Luzon Link Expressway (CCLLEX), Phase I (La Paz, Tarlac to Cabanatuan City)
- PhP885 M: Arterial Road Bypass Construction Project, Phase III
- PhP235 M: Metro Manila Interchange Construction Project, Phase VI

**Asset Preservation Program: PhP45.5 B**

To keep the country’s road system in good condition through preventive maintenance, rehabilitation, and reconstruction, among others

Of which, PhP1.5 billion will fund the Road Upgrading and Preservation Project (RUPP).

**Bridge Program: PhP24.3 B**

To construct, replace, rehabilitate, retrofit, and widen bridges across the country

Of which:
- PhP772 M: Metro Manila Priority Bridges for Seismic Design Improvement Project
- PhP745 M: Panguil Bay Bridge Construction Project in Misamis Occidental and Lanao del Norte Provinces
- PhP496 M: Priority Bridges crossing Pasig River and Manggahan Floodway Bridges Construction Project
- PhP265 M: Bridge Construction Acceleration Project for Socioeconomic Development

**Regional Breakdown of the FY 2019 Infrastructure Budget**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2019 GAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationwide1/</td>
<td>PhP 129.9 B</td>
</tr>
<tr>
<td>Central Office2/</td>
<td>PhP 371.6 B</td>
</tr>
<tr>
<td>National Capital Region (NCR)</td>
<td>PhP 61.0 B</td>
</tr>
<tr>
<td>Cordillera Administrative Region (CAR)</td>
<td>PhP 10.8 B</td>
</tr>
<tr>
<td>Region I</td>
<td>PhP 19.5 B</td>
</tr>
<tr>
<td>Region II</td>
<td>PhP 14.2 B</td>
</tr>
<tr>
<td>Region III</td>
<td>PhP 32.1 B</td>
</tr>
<tr>
<td>Region IV-A</td>
<td>PhP 25.4 B</td>
</tr>
<tr>
<td>MIMAROPA Region</td>
<td>PhP 11.3 B</td>
</tr>
<tr>
<td>Region V</td>
<td>PhP 22.2 B</td>
</tr>
<tr>
<td>Region VI</td>
<td>PhP 17.7 B</td>
</tr>
<tr>
<td>Region VII</td>
<td>PhP 16.1 B</td>
</tr>
<tr>
<td>Region VIII</td>
<td>PhP 15.3 B</td>
</tr>
<tr>
<td>Region IX</td>
<td>PhP 8.3 B</td>
</tr>
<tr>
<td>Region X</td>
<td>PhP 12.8 B</td>
</tr>
<tr>
<td>Region XI</td>
<td>PhP 14.2 B</td>
</tr>
<tr>
<td>Region XII</td>
<td>PhP 11.3 B</td>
</tr>
<tr>
<td>Region XIII</td>
<td>PhP 9.6 B</td>
</tr>
<tr>
<td>Bangsamoro Autonomous Region in Muslim Mindanao (formerly ARMM)</td>
<td>PhP 13.3 B</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>PhP816.2 B</strong></td>
</tr>
</tbody>
</table>

Note: Figures may not add up due to rounding off.

1/ Nationwide refers to infrastructure allocations for projects under the multi-user funds that cannot yet be identified during budget preparation. These multi-user funds consist of the Calamity Fund.

2/ Central Office consists of infrastructure allocations being managed by the Head Office of departments/agencies.
Major Transportation Infrastructure Projects for 2019

**Rail Transport**
- **PNR North 1 (Tutuban-Malolos)** (formerly North-South Commuter Railway Project Phase I) PhP13.0 B
- New Bohol (Panglao) International Airport Development Project PhP754 M
- Pasig River Convergence Program PhP2.0 B
- Baguio International Airport PhP473 M

**Air Transport**
- Catbalogan Airport PhP450 M
- Bukidnon Airport PhP430 M
- Davao International Airport PhP315 M
- Siargao Airport PhP200 M
- Antique Airport PhP183 M

**Sea Transport**
- New Cebu International Container Port Project PhP221 M
- Maritime Safety Capability Improvement Project, Phase II PhP206 M
Collaborating with the Private Sector

The government takes a proactive approach in harnessing the expertise of private companies in conceptualizing, managing, and operating various infrastructure projects through public-private partnerships (PPP), wherein both the government and the private sector enter into a collaborative agreement to accomplish various infrastructure projects.

- **17 projects under implementation**
  - NAIA Expressway Project
  - Schools Infrastructure Project
  - Mactan-Cebu International Airport Passenger Terminal Building Project
  - Metro Manila Skyway Stage 3 Project
  - Bulacan Bulk Water Supply Project
  - Cavite-Laguna Expressway Project
  - LRT Line 1 Cavite Extension, Operation, and Maintenance
  - MRT Line 7 Project
  - NLEX-SLEX Connector Road Project

- **41 projects in the pipeline**

Aside from maintaining the country’s roads and bridges in good condition, the DPWH also manages a number of infrastructure projects for other agencies and sectors.

Improving Infrastructure for Various Sectors

Tourism Road Infrastructure Program: PhP16.9 B

To help boost the country’s tourism by constructing 403,388 kilometers of 625 roads and bridges across 16 regions

Trade and Industry Road Infrastructure Program: PhP5.8 B

To further enhance investments and other economic activities in the country by implementing more road projects in the trade, industries, and economic zones

For the construction and rehabilitation of:

- Seaport access roads: PhP 2.2 B
- Airport access roads: PhP 1.6 B
- National Security Support Infrastructure: PhP 531 M
- Accessibility facilities for physically-challenged persons: PhP 400 M
- 2020 ASEAN Games Infrastructure: PhP 300 M

Leveraging the IT Industry

A booming information technology (IT) industry, among others, promotes a culture of innovation and spurs domestic growth. Thus, PhP6.3 billion is allocated for the Department of Information and Communications Technology to fund its key IT programs and projects in 2019.

Free Internet Wi-Fi Connectivity PhP1.4 B

To enhance Wi-Fi connectivity in public places, including in state universities and colleges

National Broadband Plan PhP1.0 B

To provide accessible internet service with improved internet speed

National Government Portal (NGP) PhP318 M

To continue the operations of the NGP, a one-stop shop for online government services

National Government Data Center PhP177 M

To interconnect government agencies through the provision of centralized data centers and storage facilities

Note: Data as of April 30, 2019
Education is the cornerstone of a nation’s future. This is why the government continues to strengthen and improve the educational system, making it more inclusive and accessible to Filipinos. For 2019, the Education Sector is provided a budget of PhP698.6 billion.

Considering Primary and Secondary Education through the K to 12 Program as the pillars of a child’s academic development, the government continually aims to fortify basic education to prepare the young learners for a higher level of learning or the job market. For 2019, a budget of PhP531.6 billion has been allocated to the Department of Education (DepEd) to ensure the Filipinos’ access to quality basic education.

### Basic Education

#### 2019 Targets of the DepEd

<table>
<thead>
<tr>
<th>Retention Rate</th>
<th>Completion Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retention Rate</strong></td>
<td>Percentage of students who will enroll in the succeeding academic year</td>
</tr>
<tr>
<td>Elementary</td>
<td>Junior High School</td>
</tr>
<tr>
<td>2019</td>
<td>2019</td>
</tr>
<tr>
<td>99%</td>
<td>95%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Completion Rate</th>
<th>Percentage of enrollees who will graduate on time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>Junior High School</td>
</tr>
<tr>
<td>2019</td>
<td>Baseline</td>
</tr>
<tr>
<td>87.18%</td>
<td>84.02%</td>
</tr>
</tbody>
</table>

**Workforce Strengthening**
- PhP32.2 billion
  - Creation of additional school personnel positions

**Government Assistance to Students and Teachers in Private Schools and Non-DepEd Public Schools**
- PhP32.1 billion
  - Implementation of Education Service Contracting in private junior high schools
  - Implementation of Senior Voucher Program for qualified students to enroll in private secondary schools or non-DepEd public schools
  - Implementation of Joint Delivery Voucher Program to enable select Senior High School students to pursue Technical-Vocational and Livelihood subjects in private or non-DepEd schools

**Green Basic Education Facilities**
- PhP31.0 billion
  - Construction of school buildings and technical-vocational laboratories
  - Construction of water and sanitation facilities
  - Acquisition of school desks, furniture, and fixtures
  - Hiring of job order or contract of service employees
  - Engineering activities for construction project management, among others
  - Site validation activities for subsoil exploration, perimeter survey, and geotechnical evaluation, among others
  - Amortization or lease payment of PPP school buildings
  - Annual payments of school buildings constructed by the NHA
  - Modernization of electric systems of on-grid schools and electrification of off-grid schools

**Learning Resources**
- PhP10.1 billion
  - Procurement of:
    - Textbooks
    - Computer packages
    - Science and Mathematics equipment
    - Technical-Vocational equipment

**Health and Nutritional Services**
- PhP5.0 billion
  - Implementation of School-based Feeding Program

**Inclusive Education Programs**
- PhP1.2 billion
  - Multigrade Education
  - Indigenous Peoples Education
  - Flexible Learning Options
  - Madrasah Education

**Acquisition of School Sites**
- PhP161 million
  - Acquisition of school sites to address congestion and safety concerns
To produce graduates with quality academic skills and knowledge that meet global standards and the requirements of the country’s industries, the government has increased the allocation for Tertiary Education to PhP133.4 billion.

Of said amount, PhP68.3 billion is set aside for State Colleges and Universities (SUCs). On the other hand, PhP52.4 billion goes to the Commission on Higher Education (CHED) to provide Filipinos from all socioeconomic classes with equal opportunities to quality tertiary education through the implementation of the Universal Access to Quality Tertiary Education (UAQTE) Program in SUCs, Local Universities and Colleges (LUCs), and Private Higher Education Institutions (HEIs).

It is necessary that Filipinos, especially the less privileged, are given access to various technical and vocational courses and trainings to help them find secure and gainful employment.

Hence, PhP12.6 billion is provided for the Technical Education and Skills Development Authority (TESDA), a considerable increase of 162.5% from the 2018 cash equivalent of PhP4.8 billion.
As the government continues to improve and intensify its delivery of safety nets and welfare services, the incidence of poverty among Filipino individuals has significantly decreased from 27.6% in 2015 to an estimated 21.0% in 2018.1 To further bring down the poverty incidence in the country to the target 14.0% by 2022, PhP1,377.8 billion is allocated for the Social Services Sector for 2019. Of this total, PhP141.4 billion is given to the Department of Social Welfare and Development (DSWD).

EMPOWERING THE POOR

Conditional Cash Transfer Program (CCT)

Also known as the Pantawid Pamilyang Pilipino Program (4Ps), the CCT Program invests in the health and education of the poorest Filipino households by providing them with cash grants, rice subsidy, and other programs for modified CCT such as rent subsidy and livelihood assistance.

No. of household beneficiaries:
- Regular CCT2/: 4,164,778 households
- Modified CCT3/: 235,212 households

Unconditional Cash Transfer Program (UCT)

The UCT is a social mitigating measure designed to protect the poor and vulnerable from the effects of the implementation of the TRAIN Law. It provides cash grants to the poorest 10 million households/individuals who may benefit from lower income taxes, but may be adversely affected by price increases.

2019-2020: PhP3,600/year (2018: PhP2,400/year)

To assist:
- 4.4 million CCT households
- 3.8 million social pension beneficiaries
- 1.8 million poor households belonging to the 1st to 7th income deciles

OTHER SOCIAL MITIGATING MEASURES OF THE TRAIN LAW

Pantawid Pasada Program5/

To mitigate the increase in fuel prices by providing a monthly subsidy of PhP1,709.57 per jeepney to 179,852 public utility jeepney units with existing LTFRB franchise

PUV Modernization Program

PhP447 M

To assist jeepney drivers and operators in replacing their old public utility vehicles (PUV) with cleaner, safer, and more efficient PUVs

1 Data recorded by the Philippine Statistics Authority in the first semesters of 2015 and 2018
2 Beneficiaries selected through the National Household Targeting System for Poverty Reduction or Listahanan
3 Itinerants, homeless street families, indigenous peoples, and families in need of special protection
4 Includes requirements for the UCT under the Land Bank of the Philippines
5 Amount to be released will be charged against Unprogrammed Appropriations, subject to agency’s request, and subject to certification of excess revenue collections
PROTECTION FOR VULNERABLE GROUPS

**Senior Citizens**

**Social Pension for Indigent Senior Citizens**  
*PhP23.2 B*  
To benefit 3,796,791 senior citizens by providing them with a monthly stipend of PhP500.00

**Implementation of the Centenarians Act**  
*PhP109 M*  
To provide cash gifts to 1,015 Filipinos who will reach the age of 100 and above

**Individuals and Families in Difficult Circumstances**

*PhP5.1 B*  
To help individuals and families recover from unexpected crises such as natural and man-made disasters, illness or death of a family member, and other crisis situations

**Women and Children**

**Supplementary Feeding Program**  
*PhP3.5 B*  
To provide additional meals to 1,881,979 children enrolled in community development centers and supervised neighborhood plays

**Bangsamoro Umungan sa Nutrisyon (BangUN)**  
*PhP159 M*  
To improve the nutritional status of 15,000 malnourished Muslim children aged 0 to 12 years and provide health support to 7,000 pregnant and lactating women in the BARMM

**Distressed Overseas Filipinos (OFs) and Trafficked Persons**

To promote the welfare of and assist 29,253 distressed and displaced overseas Filipinos and 2,000 trafficked persons
- **Services to Distressed OFs**: PhP90 M
- **Services to Displaced Persons (Deportees)**: PhP52 M
- **Recovery and Reintegration Program for Trafficked Persons**: PhP24 M

**SUSTAINABLE LIVELIHOOD AND COMMUNITY WELFARE**

**Kapit-Bisig Laban sa Kahirapan - Comprehensive and Integrated Delivery of Social Services**  
*PhP2.8 B*  
To engage local governments in the identification, implementation, and completion of 1,643 sub-projects across 14 regions for poverty alleviation and community-driven development

**Sustainable Livelihood Program**  
*PhP1.7 B*  
To provide and expand the access of 53,131 poor, vulnerable, and marginalized households to employment and livelihood opportunities
Focused on its vision to make Filipinos among the healthiest people in Southeast Asia by 2022, the government has allocated PhP168.9 billion for the Health Sector in 2019. Of this total, PhP101.1 billion is for the Department of Health (DOH) to ensure the availability of and people’s access to basic health care services.

Putting a premium on improving the delivery of quality health goods and services for a people-centered healthcare system, the government invests in the following programs and projects:

### Responsive Health System

#### Health Facilities Operations Program

*Which includes:*

- Operations of DOH hospitals in Metro Manila and other regions and other health facilities (PhP30.4 B)
- Operations of drug abuse treatment and rehabilitation centers for 3,805 patients (PhP1.2 B)

#### Health Facilities Enhancement Program

*Which includes:*

- Completion, repair, rehabilitation, relocation, and equipping of 1,523 Barangay Health Stations (BHSs) and 794 Rural Health Units (RHUs), Urban Health Centers (UHCs), and City Health Offices (CHOs)
- Construction of 173 new BHSs

#### Purchase of Drugs, Medicines, Vaccines, and Medical and Dental Supplies

To procure and distribute the necessary medical supplies and equipment especially for provinces with high incidence of diseases

#### Deployment of Human Resources for Health

To deploy 323 doctors, 19,777 nurses, 4,538 midwives, and 222 dentists in poor localities and areas with insufficient health personnel

#### Assistance to Indigent Patients

To support the medical needs of a target 1,000,000 indigent and poor patients

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**2019 Regional Allocation for the Health Facilities Enhancement Program**

<table>
<thead>
<tr>
<th>Region</th>
<th>BHSs</th>
<th>RHUs, UHCs, CHOs</th>
<th>Hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>17,400</td>
<td>25,300</td>
<td>410,600</td>
</tr>
<tr>
<td>Region I</td>
<td>67,500</td>
<td>132,000</td>
<td>580,700</td>
</tr>
<tr>
<td>Region II</td>
<td>50,280</td>
<td>99,650</td>
<td>397,354</td>
</tr>
<tr>
<td>Region III</td>
<td>105,000</td>
<td>130,970</td>
<td>1,305,750</td>
</tr>
<tr>
<td>NCR</td>
<td>284,200</td>
<td>304,711</td>
<td>1,708,543</td>
</tr>
<tr>
<td>Region IV-A</td>
<td>119,250</td>
<td>165,000</td>
<td>631,200</td>
</tr>
<tr>
<td>MIMAROPA</td>
<td>40,000</td>
<td>130,600</td>
<td>125,353</td>
</tr>
<tr>
<td>Region V</td>
<td>49,400</td>
<td>158,400</td>
<td>1,141,475</td>
</tr>
<tr>
<td>Region VI</td>
<td>382,000</td>
<td>281,190</td>
<td>664,125</td>
</tr>
<tr>
<td>Region VII</td>
<td>56,200</td>
<td>137,400</td>
<td>1,075,200</td>
</tr>
<tr>
<td>Region VIII</td>
<td>43,425</td>
<td>92,500</td>
<td>373,700</td>
</tr>
<tr>
<td>Region IX</td>
<td>26,050</td>
<td>57,600</td>
<td>356,700</td>
</tr>
<tr>
<td>Region X</td>
<td>143,600</td>
<td>47,700</td>
<td>739,500</td>
</tr>
<tr>
<td>Region XI</td>
<td>125,777</td>
<td>95,800</td>
<td>798,500</td>
</tr>
<tr>
<td>Region XII</td>
<td>98,100</td>
<td>27,500</td>
<td>334,044</td>
</tr>
<tr>
<td>CARAGA</td>
<td>29,920</td>
<td>147,000</td>
<td>682,400</td>
</tr>
<tr>
<td>BARMM</td>
<td>90,500</td>
<td>58,000</td>
<td>52,500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,444,402</td>
<td>1,991,321</td>
<td>11,752,144</td>
</tr>
</tbody>
</table>

1 Excluding polyclinics and other health units
2 Total includes the PhP374.5 M allocation for DOH Corporate Hospitals

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**PhP32.5 B**

**PhP15.9 B**

**PhP15.4 B**

**PhP12.4 B**

**PhP9.4 B**
Better Health Outcomes

To reduce mortality and improve the average life expectancy of Filipinos, the DOH will adopt the following strategies:

**PhP7.5 B**
**National Immunization Program**
To fully immunize 2.9 million infants, children, women, and senior citizens against vaccine-preventable diseases such as measles, polio, diphtheria, tetanus, hepatitis B, influenza, and pneumococcal diseases, among others

**PhP1.1 B**
**Elimination of Infectious Diseases**
To intensify efforts in eliminating malaria, schistosomiasis, leprosy, filariasis, and rabies

**PhP880 M**
**Tuberculosis (TB) Control**
To support the Philippine Development Plan (PDP) target of lowering the TB incidence per 100,000 population from a baseline of 554 in 2016 to 427 by 2022

**PhP738 M**
**Elimination of Infectious Diseases**
To intensify efforts in eliminating malaria, schistosomiasis, leprosy, filariasis, and rabies

**Prevention and Control of Infectious Diseases**
To control and prevent the incidence of infectious diseases such as dengue, influenza, and HIV/AIDS

Sustained Investments for Equitable Healthcare

In accordance with the Universal Health Care Law, the government is responsible for protecting Filipinos, especially the poor and vulnerable, from the financial burden of healthcare. **PhP67.4 billion** is earmarked for the National Health Insurance Program to assist:

- **15.4 M indigent families** (PhP2,400 premium/family)
- **22,709 families under the Bangsamoro Health Insurance Program** (PhP2,400 premium/family)
- **24,514 families under the PAyapa at MAsaganang PamayaNAn (PAMANA)** (PhP2,400 premium/family)
- **5.4 M senior citizens** (PhP5,000 premium/senior citizen)
The government continues to pursue its vision of food security for all Filipinos by allotting PhP137.1 billion for agriculture and agrarian reform. Of this total, PhP49.7 billion is for the Department of Agriculture (DA) and PhP8.1 billion is for the Department of Agrarian Reform (DAR) to enhance agricultural productivity, support poor farmers and fisherfolk, and strengthen the climate resilience of agricultural communities, among others.

**IMPROVING FOOD PRODUCTION**

is provided for the implementation of the National Programs of the DA to boost food production, especially in the regions and provinces with high incidence of poverty among farmers and fisherfolk. It includes the following allocations:

**PhP12.3 B**

is provided for the implementation of the National Programs of the DA to boost food production, especially in the regions and provinces with high incidence of poverty among farmers and fisherfolk. It includes the following allocations:

**PhP7.4 B**

To increase palay production and support the government’s goal of zero rice importation.

**PhP1.6 B**

To increase productivity and production of quality corn for human consumption, feeds, and industrial uses.

**PhP0.5 B**

To promote, propagate, further develop, and implement the practice of organic agriculture in the Philippines.

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**What is the main objective of the Law?**

The Rice Tariffication Law aims to respond to the urgent issue of ballooning rice prices by liberalizing rice importation. This is expected to cut the price of rice by as much as PhP7.00 per kilo and the inflation rate by 0.6%.

**How will this be achieved?**

The Law removes non-tariff restrictions or quotas on rice imports and exports, allowing more players to enter the rice market. With more competition, there will be greater rice supply, resulting in lower rice prices. It will also eliminate unnecessary government intervention in the rice trade.

**What are tariffs?**

Tariffs are taxes imposed on imported commodities. The law applies a 35% tariff rate for rice imports from member-countries of the Association of Southeast Asian Nations (ASEAN).

**Where will the tariffs go?**

Starting 2019 until 2024, an allocation of PhP10.0 billion will be provided annually under the Rice Competitiveness Enhancement Fund (RCEF). The fund will be used to safeguard and support poor farmers affected by the Law. In addition, revenues from the tariffs in excess of PhP10.0 billion will also go to the RCEF.

**How will local farmers benefit from this?**

The Law will benefit farmers through the RCEF, which will be used to boost farmers’ competitiveness and profitability, by providing them with rice farm machineries and equipment, high-yielding seeds, credit assistance, and extension services.

**Who else will benefit from the Law?**

Since rice is a staple food in the country, lower rice prices will translate to savings of up to PhP2,362 per family annually.

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1/ Inclusive of National Programs for Rice, Corn, High Value Crops, Livestock, Organic, and Halal Food Industry Development
2/ Exclusive of National Irrigation Administration (NIA), Philippine Rice Research Institute (PRRI), and National Food Authority (NFA). Limited to DA-OSEC budget only.
**SUPPORT FOR FARMERS AND FISHERFOLK**

- **PhP1.5 B - High-Value Crops Program**
  To promote the production, processing, marketing, and distribution of high value crops such as bananas, pineapples, mangoes, coffee, rubber, and cacao.

- **PhP2.5 B - Agricultural Credit Policy Council**
  To improve credit access for farmers and fisherfolk.

- **PhP1.1 B - Livestock Program**
  To increase hog production and chicken production.

- **PhP4.5 B - Fisheries Program**
  To boost commercial, municipal, and aquaculture production.

**STRENGTHENING RESILIENCE TO CLIMATE CHANGE AND DISASTER RISK**

- **PhP36.0 B - National Irrigation Administration**
  To irrigate 2,165,274 hectares (ha) of farmlands in all cropping seasons (inclusive of national and communal irrigation projects) and provide free irrigation for farmers with landholdings of eight ha and below, pursuant to R.A. No. 10969 (Free Irrigation Service Act).

- **PhP7.0 B - National Food Authority**
  For the procurement of 388,889 MT of palay through the Buffer Stocking Program.

- **PhP3.5 B - Philippine Crop Insurance Corporation**
  To cover the agricultural insurance of 1,820,033 subsistence farmers and fisherfolk listed under the Registry System for Basic Sectors in Agriculture.

**ENHANCING AGRARIAN REFORM**

- **PhP2.2 B - Land Acquisition and Distribution**
  To achieve the target 41,077 ha of land covered by registered Emancipation Patents/Certificates of Land Ownership Award.

- **PhP1.9 B - Agrarian Reform Beneficiaries (ARBs) Development and Sustainability**
  To conduct capacity-building trainings for 345,816 ARBs to enhance their productivity and profitability.

**CONSTRUCTION OF FARM-TO-MARKET ROADS (FMRs)**

- **PhP10.2 B**
  Will be allotted to build 850.63 kilometers (km) of FMRs in 2019.

Regional Allocation for the Construction, Repair, and Rehabilitation of FMRs in 2019

<table>
<thead>
<tr>
<th>Region</th>
<th>Funding (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>PhP350 M</td>
</tr>
<tr>
<td>Region I</td>
<td>PhP804 M</td>
</tr>
<tr>
<td>Region II</td>
<td>PhP554 M</td>
</tr>
<tr>
<td>Region III</td>
<td>PhP979 M</td>
</tr>
<tr>
<td>Region IV-A</td>
<td>PhP786 M</td>
</tr>
<tr>
<td>MIMAROPA</td>
<td>PhP270 M</td>
</tr>
<tr>
<td>Region V</td>
<td>PhP810 M</td>
</tr>
<tr>
<td>Region VI</td>
<td>PhP902 M</td>
</tr>
</tbody>
</table>

Note: Figures may not add up due to rounding off.

*Locally-funded projects only

Allocations for the ARMM are under the allocations for Central Office in the 2019 General Appropriations Act.
For 2019, PhP16.7 billion is allocated for the Department of Labor and Employment (DOLE) to implement programs and projects designed not only to meet the growing demand for jobs in the country but also to address employment concerns arising from various internal and external threats.

**Government Internship Program (GIP)**

To provide internship programs for a period of three to six months for high school, technical-vocational, or college students and graduates who are interested in a career in public service.

**Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers (TUPAD) Program**

To provide emergency employment for a minimum of 10 days but not exceeding 90 days to displaced, underemployed, and seasonal workers.

**DOLE Integrated Livelihood Program**

Technical and livelihood assistance for the vulnerable, marginalized, and displaced workers through skills trainings.

**DOLE-Adjustment Measures Program (DOLE-AMP)**

To support displaced or to-be displaced workers due to economic shocks, crises, conflicts, and calamities.

**Special Program for Employment of Students (SPES)**

For the creation of employment opportunities for the underprivileged but deserving students in the tertiary, technical, or vocational level, out-of-school youths, and dependents of displaced or about-to-be-displaced workers.

**JobStart Philippines**

To provide assistance for the youth to jumpstart their career and employment.
Establishment of Negosyo Centers
PhP582 M

The Negosyo Centers are one-stop centers that aim to provide assistance to MSMEs in the localities by facilitating the processing of requirements for business registration. For 2019, the DTI targets to:

• Assist 575,000 clients through the Negosyo Centers; and
• Maintain 939 Negosyo Centers nationwide.

Shared Service Facilities (SSF) Project
PhP308 M

The SSF Project aims to enhance the competitiveness and productivity of MSMEs by providing them with machinery, equipment, tools, systems, skills, and knowledge under a shared system to address gaps and bottlenecks in processing and manufacturing.

For 2019, the DTI aims to sustain 2,555 SSFs.

One Town, One Product (OTOP): Next Generation
PhP90 M

The OTOP: Next Generation Project seeks to capacitate MSMEs in developing innovative ways to enhance their products in terms of quality, design, packaging, standards compliance, and volume, among others, to improve their marketability.

This year’s allocation will:

• Assist 6,600 MSMEs;
• Develop at least 5 products per province; and
• Boost product sales by 10%.

Promoting local and foreign investments

Investment Promotion Program
PhP118 M

For the promotion of inward investments to create more employment opportunities and increase the economic growth of the country.

Industry Development Program
PhP18 M

To improve the capacity of local industries to strengthen their long-term competitiveness.

Comprehensive Automotive Resurgence Strategy (CARS) Program
PhP9 M

To spur new investments, local automotive industries involved in auto parts making will be provided time-bound and performance-based fiscal support and incentives to boost manufacturing capabilities in terms of production of units, body shell, and large plastic parts. The Program will generate:

• 83,300 additional jobs for the industry;
• PhP3.6 billion in government revenues in terms of VAT, withholding taxes, excise taxes, and import taxes; and
• PhP10.4 billion in investments.
Among the key indicators of a progressive nation are the availability and affordability of proper homes in a clean and healthy environment. Safe and sustainable communities promote the well-being of citizens, thus enabling them to become more productive members of society and partners of the government for change and progress.

Ensuring Adequate and Secure Housing for All Filipinos
The government continues to ensure that every Filipino, especially low-income families, will have access to livable homes.

**PhP800 M**
**High Density Housing Program**
To fund the relocation of 3,679 informal settler families residing in danger zones

**PhP500 M**
**Socialized Housing Loan Take-Out of Receivables (SHeLTer) Program**
To provide affordable loan assistance to families in the low-income sector through the purchase of socialized housing loan receivables from developers, microfinance institutions, cooperatives, local government units (LGUs), NGAs, and civic organizations

**PhP336 M**
**Resettlement Program**
To construct 5,277 additional housing units in various resettlement sites for families living in informal settlements and dangerous areas

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**Sagana at Ligtas na Tubig para sa Lahat (SALINTUBIG)**
**PhP1.6 B**
To build potable water systems in 157 waterless communities for 232,446 households all over the country

**Sitio Electrification Program**
**PhP863 M**
To provide electric service to 575 unlit sitios

**Total Electrification Program**
**PhP500 M**
To create a stable and affordable power supply to:
- 4,150 households for mini grids
- 10,000 households for Solar Home System

**Water Supply and Sanitation Program**
**PhP325 M**
To install water service connections for 108,439 household units in resettlement areas

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*Excludes the resettlement projects under infrastructure agencies*
Towards an Environment-Friendly Country

The Philippines is faced with various environmental challenges that impact not only on the country’s ecological balance, but also on its overall economic growth. The continuous degradation of the environment is a hindrance to achieving our long-term development goals. To address these issues, the Department of Environment and Natural Resources is given a budget of **PhP22.9 billion** in 2019.

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Budget (PhP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Greening Program</td>
<td>2.6 B</td>
</tr>
<tr>
<td>To plant 985,000 seedlings in 900 ha all over the Philippines, and maintain and protect 353,886 ha of planted areas.</td>
<td></td>
</tr>
<tr>
<td>Forest Protection</td>
<td>809 M</td>
</tr>
<tr>
<td>To patrol 1,662,225 kilometers of forest areas and hire 876 Forest Protection Officers.</td>
<td></td>
</tr>
<tr>
<td>Solid Waste Management Program</td>
<td>733 M</td>
</tr>
<tr>
<td>To support 310 LGUs in the assessment of open and controlled dumpsites; and 580 LGUs in the establishment of Materials Recovery Facilities.</td>
<td></td>
</tr>
<tr>
<td>Coastal and Marine Ecosystems Management</td>
<td>389 M</td>
</tr>
<tr>
<td>To reduce the drivers of and threats to coastal and marine ecosystems degradation by providing technical assistance to 38 LGUs.</td>
<td></td>
</tr>
<tr>
<td>Clean Water Program</td>
<td>302 M</td>
</tr>
<tr>
<td>To ensure clean, safe, and sustainable quality of water through the monitoring of 585 esteros/waterways.</td>
<td></td>
</tr>
<tr>
<td>Clean Air Program</td>
<td>250 M</td>
</tr>
<tr>
<td>To enhance air quality by operating, maintaining, and calibrating 46 Air Quality Monitoring Stations.</td>
<td></td>
</tr>
</tbody>
</table>

The Administration is dedicated to solving the country’s environmental problems. The following are two of the most notable environmental rehabilitation projects:

- **Boracay Island Rehabilitation Project**
  - **PhP150 million** for the second phase of the Island’s rehabilitation, which focuses on the expansion and construction of new and existing roads in Boracay Island.

- **Manila Bay Rehabilitation Project**
  - **PhP80 million** for the implementation of rehabilitation activities, such as inspection and clean-up drives of esteros and rivers connected to the Bay.
Peace and security are the bedrock of national growth and progress. And for the Duterte Administration, they provide strong support for the socioeconomic efforts to improve the well-being and productivity of the Filipino people. To ensure the stability of this foundation, the government remains focused on addressing the roots of internal conflict, modernizing the Defense Sector, reducing the incidence of criminality, and strengthening natural and man-made disaster resiliency.

**Public Order and Safety**

In order to reduce all forms and incidence of criminality and ensure safety and security in the community, the Department of the Interior and Local Government (DILG) is allotted PhP203.4 billion to intensify efforts in promoting peace and order through its various agencies.

**Just and Lasting Peace**

The Department of National Defense (DND) is provided PhP186.5 billion to invest in strategic tools and improving the competence of the military to protect the country from outside threats. Of this, PhP180.6 billion is given to the Armed Forces of the Philippines (AFP).

**Combating Terrorism**

To finance the acquisition of major defense equipment and ensure the continued reform implementation in the AFP.

**Revised AFP Modernization Program**

To provide the 20 kilos a month rice subsidy for MUPs in the DILG (BFP, BJMP, PNP), DND (PA, PN, PAF, General Headquarters and AFP Wide Service Support Units).

**Rice Subsidy for Military and Uniformed Personnel (MUP)**

**PhP173.5 B**

*Philippine National Police (PNP)*

Of which:

- PhP153.0 B  Crime Prevention and Suppression Program
- PhP 0.7 B  Crime Investigation Program

**PhP22.2 B**

*Bureau of Fire Protection (BFP)*

Of which:

- PhP 18.7 B  Fire and Emergency Management Program
- PhP 0.3 B  Fire Prevention Management Program

**PhP19.9 B**

*Bureau of Jail Management and Penology (BJMP)*

Of which:

- PhP 18.0 B  Inmates’ Safekeeping and Development Program
- PhP 2.9 B  Construction of Jail Buildings

**PhP25.0 B**

*Revised AFP Modernization Program*

**PhP27.8 B**

*Philippine Navy (PN)*

Of which:

- PhP25.2 B  Naval Forces Defense Program

**PhP24.6 B**

*Philippine Air Force (PAF)*

Of which:

- PhP22.5 B  Air Forces Defense Program

**PhP91.4 B**

*Philippine Army (PA)*

Of which:

- PhP84.4 B  Land Forces Defense Program

**PhP28.4 B**

*Philippine Navy (PN)*

Of which:

- PhP25.2 B  Naval Forces Defense Program

**PhP22.5 B**

*Philippine Air Force (PAF)*

Of which:

- PhP24.6 B  Air Forces Defense Program
Disaster Resilience

Globally, the Philippines is currently ranked third among the most disaster-prone nations.* Recognizing this, the Duterte Administration is pushing for more effective measures to ensure the Filipinos’ resiliency in the face of possible natural calamities.

**PAMANA Program**

Through the PAyapa at MASaganang PamayanaN (PAMANA) Program, the government remains steadfast in providing development interventions for areas that are prone to and affected by armed conflict, fulfilling a part of the national agenda to instill a culture of peace.

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Support</strong></td>
<td>PhP302 M</td>
</tr>
<tr>
<td>Department of Social Welfare and Development</td>
<td></td>
</tr>
<tr>
<td><strong>Health Insurance Premiums</strong></td>
<td>PhP61 M</td>
</tr>
<tr>
<td>Philippine Health Insurance Corporation</td>
<td></td>
</tr>
<tr>
<td><strong>Support for Indigenous Peoples</strong></td>
<td>PhP23 M</td>
</tr>
<tr>
<td>National Commission on Indigenous Peoples</td>
<td></td>
</tr>
</tbody>
</table>

**PhP32.3 billion** is provided to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). This will be utilized for the Region’s infrastructure programs and projects on inclusive development, health, education, and livelihood.

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARMM Infrastructure Program</td>
<td>PhP10.1 B</td>
</tr>
<tr>
<td>BARMM-Bangsamoro Regional Inclusive Development with Growth Equity (BRIDGE)</td>
<td>PhP2.7 B</td>
</tr>
<tr>
<td>BARMM-Health, Education, Livelihood, Peace, and Synergy (HELPS)</td>
<td>PhP1.5 B</td>
</tr>
</tbody>
</table>

**PhP386 M**

**Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)**

**PhP6.3 B**

Quick Response Fund (QRF)

The QRF is a pre-disaster fund to ensure prompt response and assistance to areas afflicted by catastrophes and disasters.

<table>
<thead>
<tr>
<th>Department</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Education</td>
<td>PhP2.0 B</td>
</tr>
<tr>
<td>Department of Agriculture</td>
<td>PhP1.0 B</td>
</tr>
<tr>
<td>Department of Public Works and Highways</td>
<td>PhP1.0 B</td>
</tr>
<tr>
<td>Department of Social Welfare and Development</td>
<td>PhP1.0 B</td>
</tr>
<tr>
<td>Department of Health</td>
<td>PhP0.5 B</td>
</tr>
<tr>
<td>Department of National Defense</td>
<td>PhP0.5 B</td>
</tr>
<tr>
<td>National Electrification Administration</td>
<td>PhP20 M</td>
</tr>
</tbody>
</table>

**PhP90.7 B**

Flood Control

For the construction and repair of flood control and drainage systems

- PhP2.4 B Flood Risk Management Project for Cagayan de Oro River
- PhP 1.2 B Metro Manila Flood Management Project Phase I
- PhP0.2 B Ambal-Simuay River and Rio Grande de Mindanao River Flood Control Projects

**PhP20.0 B**

National Disaster Risk Reduction and Management Fund

For reconstruction, relief, pre-disaster programs, and response to armed conflicts and terrorist activities

**PhP125 M**

Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA) Modernization Program

To bolster its role as the principal weather agency by upgrading its technological and operational capacity

To uphold its commitment to good governance, transparency, and improved service delivery, the Administration continues to champion reforms in (1) ensuring swift and fair administration of justice, (2) enhancing the efficiency and accessibility of services, and (3) streamlining government processes.

Ensuring Swift and Fair Administration of Justice

**PhP39.5 B**

**The Judiciary**

- **PhP20.2 B** Operations of the Supreme Court and the Lower Courts
- **PhP1.8 B** Construction/repair/rehabilitation of Halls of Justice nationwide
- **PhP1.4 B** Appellate Adjudication Program of the Court of Appeals
- **PhP365 M** Sandiganbayan Adjudication Program
- **PhP180 M** Tax Appellate Adjudication Program of the Court of Tax Appeals
- **PhP147 M** Enterprise Information Systems Plan (EISP)

**PhP22.9 B**

**Department of Justice**

- **PhP5.8 B** Law enforcement (investigation and prosecution services)
- **PhP4.0 B** Free legal services to indigents and other qualified persons (Public Attorney’s Office)
- **PhP3.9 B** Custody and safekeeping of prisoners (Bureau of Corrections)
- **PhP1.3 B** Crime detection and investigation (National Bureau of Investigation)
- **PhP0.8 B** Community-based rehabilitation and re-integration of offenders (Parole and Probation Administration)
- **PhP0.2 B** Witness protection
- **PhP0.2 B** Legal services

**PhP4.7 B**

**Office of the Ombudsman**

- **PhP881 M** Anti-Corruption Enforcement Program
- **PhP640 M** Anti-Corruption Investigation Program
- **PhP228 M** Corruption Prevention Program
- **PhP179 M** Ombudsman Public Assistance Program
Streamlining Government Processes

Anchored on the directive of President Duterte, the government will rationalize its operations, systems, and processes through the National Government Rightsizing Program (NGRP). This Program aims to promote efficiency in the delivery of public services by streamlining the operations of the bureaucracy.

2019 Allocations for the NGRP

- PhP5.0 B to cover the payment of terminal leave benefits and separation incentives of personnel who may be affected
- PhP7 M to hire experts/consultants for the NGRP implementation

Status:

- House of Representatives
  - House Bill No. 5707 was approved on third and final reading on July 26, 2017
- Senate of the Philippines
  - Senate Bill No. 1395 is under second reading

The Philippine System Identification Act (PhilSys Act)

With the Philippine Statistics Authority as the implementing agency, the PhilSys Act aims to improve government services and limit red tape in transactions by consolidating all government-issued IDs.

- PhP2.1 B

Budget and Treasury Management System (BTMS)

The BTMS supports the Administration’s thrust towards transparency and open governance through a modernized and fully-automated information system for collecting and organizing government financial information through a common database.

- PhP388 M

Project Digital Imaging for Monitoring and Evaluation (DIME)

Project DIME monitors selected government projects by using drones, Light Detection and Ranging (LIDAR), Open Roads Platform and Geostore, Geotagging, and satellites. It enables the government to evaluate the status of projects in hard-to-reach areas and determine whether or not to continue these projects by comparing fund utilization with physical accomplishments.

- PhP20 M
The Philippines is implementing for Fiscal Year (FY) 2019 the first-ever Cash Budget, after decades of having crafted and implemented a national budget under an Obligation-Based Budgeting System. The shift to a Cash Budget is a landmark move that continues and supports the successful reforms in recent years to reduce underspending and increase the government’s ability to support economic growth. With this “game-changer” Budget, the Administration seeks to directly address the crucial issues of poor planning and procurement capacities in agencies, and project implementation backlogs, thus enhancing the achievement of the country’s development goals.

### WHAT IS UNIQUE ABOUT THE 2019 NATIONAL BUDGET?

This is the first budget crafted and to be implemented under the Cash Budgeting System (CBS).

### WHAT IS A CASH BUDGETING SYSTEM?

The CBS speeds up budget execution and the delivery of public goods and services because it only funds implementation-ready programs, activities, and projects (PAPs) of national government agencies (NGAs). Aside from requiring the NGAs to fully complete and accomplish their PAPs within the year, they must pay for the delivered goods and rendered services during the same period. NGAs are given a three-month Extended Payment Period (EPP) after the FY to pay for these delivered goods and rendered services.

Due to the delayed passage of the FY 2019 Budget and the election ban for the May 13, 2019 national and local elections, NGAs are allowed to obligate their budgets until December 31, 2019. However, allocations for personnel services can still be disbursed until the end of the EPP or March 31, 2019; while the implementation and payment for maintenance and other operating expenses and other capital outlay projects can be completed and paid on or before June 30, 2020. On the other hand, infrastructure projects are allowed to be implemented and paid for until December 31, 2020.

### WHAT IS THE IMPACT OF THE CBS ON THE GOVERNMENT?

This new system will instill stricter fiscal discipline among government agencies by requiring them to plan, fund, and implement only those programs and projects that can be delivered within the FY. It also strengthens the country’s fiscal openness and transparency in the budget process in terms of clarifying the agency outputs which can be delivered within the FY.

### HOW WILL THE FILIPINOS BENEFIT FROM THIS NEW BUDGETING SYSTEM?

To put it simply, public goods and services will be delivered faster to their target beneficiaries since the implementation period of each program and project is fixed and specified unlike under obligation budgeting which bases agency performance on the obligation or entering into contracts.
THE BASICS OF BUDGETING

- The Budget Cycle
- Glossary of Budget Terms
THE BUDGET CYCLE

The four phases of the Budget Cycle include a series of activities that government agencies are mandated to follow year-round - preparation, legislation, execution, and accountability. During this cycle, the Executive Branch actualizes the Budget for the existing year, and at the same time plans the budget for the succeeding year. The government ensures that goals are met by monitoring, evaluating, and reporting real-time performance throughout the year. The schedule of activities within the Budget Cycle is stipulated under Joint Circular No. 2017-1 issued on June 30, 2017 by the Department of Budget and Management, Department of Finance, and the National Economic and Development Authority.

BY: Budget Year (Current year + 1 year)
PY: Prior Year (Current year - 1 year)
CuY: Current Year
## GLOSSARY OF BUDGET TERMS

1. **Allotment.** Authorization issued by the Department of Budget and Management (DBM) to an agency, allowing the latter to commit/ incur obligations and/or pay out funds within a specified period of time and within the amount specified through the:
   1. General Appropriations Act as the Allotment Order (GAAAO), for specific appropriation items deemed released upon effectivity of the GAA;
   2. General Allotment Release Order (GARO) for the full year requirement for the automatically appropriated Retirement and Life Insurance Premium (RLIP) contributions; and
   3. Special Allotment Release Order (SARO) for budget items requiring compliance with certain conditionalities.

2. **Allotment Class.** Classification of expenditures under the following categories:
   1. Personnel Services (PS)
   2. Maintenance and Other Operating Expenses (MOOE)
   3. Financial Expenses (FinEx)
   4. Capital Outlays (CO)

3. **Appropriation.** An authorization pursuant to law or other legislative enactment directing the spending of public funds for specified purposes, up to a specified amount under specified conditions.

4. **Budget.** The budget is the government's financial plan for a year. It is a table/schedule of expenditures, based on either obligations or cash concepts and the corresponding sources of financing, either from revenues, borrowings, or cash drawdown. Ultimately, it is a tool that enables the government to achieve its development agenda.

5. **Budget Deficit.** A situation when government spending exceeds revenues.

6. **Cash Budgeting System.** This system of budgeting limits incurring obligations and disbursing payments for goods delivered and services rendered, inspected, and accepted within the current fiscal year. Payments for contractual obligations may be settled until the end of the Extended Payment Period or within three (3) months after the end of the preceding fiscal year.

7. **Debt Service.** The sum of debt amortization and interest payments, including commitment fees and other charges on foreign and domestic borrowings.

8. **Disbursement.** A settlement/liquidation/payment of government obligations incurred in the current or prior years, involving cash or non-cash transactions and covered by disbursement authorities.

9. **Expenditure Program.** The ceiling on the obligations that may be incurred by the government within a given budget year. The said ceiling is supported by estimated financial resources.

10. **Fiscal Policy.** The part of government policy which is concerned with the raising of resources through taxation and borrowings and deciding on the level and pattern of expenditures.

11. **Gross Domestic Product (GDP).** This measures the total output within the geographic boundaries of the country, regardless of the nationality of the entities producing the output.

12. **Inflation.** The persistent rise in the general price level of goods and services.

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Sources: 2019 Budget of Expenditures and Sources of Financing; Bangko Sentral ng Pilipinas
BE INFORMED AND GET INVOLVED

Your government wants to hear from you! Our participation should go beyond merely proposing well-meaning programs and projects during budget preparation. We invite you to get involved in monitoring their implementation. Pen a letter, write an email, or pick up the phone to know more and do more.

Selected Public Assistance Desks/External Relations Offices in the Executive Branch

| Office of the President | Presidential Complaint Center  
|                         | 736-8645; 736-8603  
|                         | pcc@malacanang.gov.ph  
| Office of the Vice President | Public Assistance Division  
|                             | 370-1716 & 370-1719 loc. 113  
|                             | pad@ovp.gov.ph  
| Office of the Ombudsman | Public Assistance and Corruption Prevention Bureau  
|                           | 479-7300; 317-8300 loc. 4330  
| Department of Agriculture | Public Assistance and Complaints Desk  
|                             | 928-8741 to 64 loc. 2136  
| Department of Education | DepEd Action Center  
|                           | 636-1663; 633-1942  
|                           | action@deped.gov.ph  
| Department of Energy | Consumer Welfare and Promotion Office  
|                         | 479-2900 loc. 329  
|                         | helen.arias@doe.gov.ph  
| Department of Environment and Natural Resources | Strategic Communications and Initiatives Service  
|                                                       | 928-2910  
| Department of Foreign Affairs | Office of the Undersecretary for Migrant Workers  
|                                         | 834-4996; 834-4449; 832-1672; 551-0847 F  
|                                         | oumwa@dfa.gov.ph  
| Department of Health | Public Assistance Unit and Complaints Hotline Unit  
|                           | 651-7800 loc. 2318 to 2319  
| Department of the Interior and Local Government | Public Assistance and Complaint Center  
|                                                      | 925-0343; 925-1135  
| Department of Justice | DOJ Action Center (DOJAC)  
|                             | 523-8481 to 98 loc. 403; 521-2930  
|                             | dojac@doj.gov.ph  
| Department of Labor and Employment | Information and Publication Service  
|                                         | DOLE Hotline: 1349  
| Department of Public Works and Highways | Stakeholders Relations Service  
|                                             | 304-3280  
| Department of Science and Technology | Public Assistance and Complaints Desk  
|                                         | 837-2071 loc. 2036, 2051; 838-9080  
| Department of Tourism | Tourism Information and Special Projects Unit  
|                            | 459-5200 to 30 loc. 101, 102  
| Department of Trade and Industry | Public Assistance Desk  
|                                          | 751-0384 loc. 2107  
| Department of Transportation | Action Center  
|                                | 790-8300; 790-8400 loc. 232; 726-6255 TF  
| Civil Service Commission | Public Assistance and Information Office  
|                                      | 931-7993; 932-0381; 932-0179 F  
|                                      | paio@csc.gov.ph  
| Commission on Audit | Public Information Office  
|                         | 951-6955; 951-0934  
|                         | press@coa.gov.ph  
| Commission on Elections | Education and Information Department  
|                         | 527-5574  
|                         | eid@comelec.gov.ph  
| Commission on Human Rights | Citizen’s Help and Action Division  
|                              | 294-8704  

42 | 2019 PEOPLE’S BUDGET
## DEPARTMENT OF BUDGET AND MANAGEMENT
### 2019 PEOPLE’S BUDGET PUBLICATION
### SURVEY FEEDBACK FORM

Name: __________________________________________

Organization (Indicate position): __________________________________________

Location/Address: __________________________________________

Nature of the Organization: __________________________________________

Sector (Please encircle): a. NGA b. CSO c. LGU d. Academe e. SUC f. Media
g. Others (Please specify):

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<th>Kindly rate (encircle) based on the following criteria:</th>
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<td>5 Strongly Agree</td>
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### Is the publication informative?

<table>
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### The Basics of Budgeting

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How do you intend to use this publication?

A. For advocacy, education, and communication work
B. Information input for research work and analysis
C. Reference for engaging in the budget process (e.g., for hearings in Congress, etc.)
D. Guide for monitoring the implementation of programs or projects
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