2019
PEOPLE’S PROPOSED BUDGET

Building a Bright Future for the Philippines and Its People
# TABLE OF CONTENTS

## C. Enhancing Programs on Human Development
1. Expanded Educational Opportunities ......................................................... 22
2. Social Protection ...................................................................................... 24
3. Universal Health for All ........................................................................... 26
4. Food Security .......................................................................................... 28
5. Secure and Meaningful Employment ....................................................... 30
6. Decent Housing and Clean, Healthy Environment ....................................... 32

## D. Sustaining Reforms in Government
1. Streamlining the Bureaucracy ................................................................. 34
2. Making Government Services More Accessible to the People ................. 34
3. Ensuring Swift and Fair Administration of Justice ..................................... 35

## OFF-BUDGET ACCOUNTS

### THE BASICS OF BUDGETING
- The Phases of the Budget ............................................................................. 38
- Glossary of Budget Terms ............................................................................ 39

### HOW CAN THE GOVERNMENT HELP YOU?
- Survey Feedback Form .................................................................................. 40

## EXPENDITURE PRIORITIES OF THE 2019 NATIONAL BUDGET

### A. Intensifying Infrastructure Development .............................................. 17

### B. Building a More Secure and Peaceful Nation
1. Maintaining Public Order and Safety .......................................................... 20
2. Combating Terrorism .................................................................................. 20
3. Achieving a Just and Lasting Peace ............................................................. 21
4. Strengthening Disaster Resiliency ................................................................. 21

## OVERVIEW OF THE 2019 NATIONAL BUDGET
- 2019 Budget Dimensions by Sector (Old System) ....................................... 9
- 2019 Budget Dimensions by Sector (COFOG) .............................................. 10
- 2019 Budget Dimensions by Expense Class ............................................... 12
- 2019 Budget Dimensions by Region ............................................................ 13
- 2019 Budget Dimensions by Recipient Unit ................................................ 14
- 2019 Budget Dimensions by Special Purpose Fund (SPF) ......................... 15
- 2019 Budget Dimensions by Source of Appropriations ................................ 16

## BORROWINGS ...................................................................................... 8

## REVENUES ......................................................................................... 5

## THE FISCAL PROGRAM ........................................................................... 4

## THE BUDGET AND THE ECONOMY .................................................... 2

## THE PHILIPPINES AND ITS PEOPLE .................................................. 2

## BUILDING A BRIGHT FUTURE FOR THE PHILIPPINES AND ITS PEOPLE ................. 2

## FOREWORD .......................................................................................... 1
This 2019 Budget, the third of the Duterte Administration, continues the story of change, authored not by the government leadership alone, but by the Filipino people as well. It is the people's narrative – one they started when they gave the Mayor of Davao City the unequivocal mandate to begin the process of genuine reform that will lead to meaningful transformation and lasting good.

In its first year, the Administration drafted for the years 2017 to 2022 the financial program that would fuel the initial thrust of the transition from aspiration to action. Thus, the 2017 Budget was crafted to affirm and set firmly in place the foundations and pillars of change, to guarantee that the people will always be at the center of and the reason for any development and progress.

By the second year, the Administration forwarded an “activist budget”, as the President himself described the financial agenda for 2018. It dared to challenge the old paradigms and systems that hindered change and progress. And as before, the overarching goal was to fulfill the people’s dreams of a better and more comfortable life – through reforms in infrastructure and social services that would ensure the inclusiveness and sustainability of growth.

Progress achieved from the “activist budget” has encouraged the crafting this time of a “revolutionary budget” – the 2019 National Budget of PhP3.757 trillion.

The Fiscal Year 2019 Budget is “revolutionary” and game-changing because it is the first cash-based budget of the Philippine government. Prior to this, every national budget prepared and submitted for the approval of Congress each year was an obligation-based budget.

Understanding what differentiates one from the other is key to appreciating why a Cash-Based Budgeting System is a more disciplined, prudent, and accountable way of planning and implementing a spending program, that will redound to faster service delivery for the people.

Under the obligation-based budget, on the other hand and as the term suggests, the performance of the agencies is based on their ability to enter into obligations to implement and pay contracts on goods and services. Implementation can extend beyond two years and with no time limit for payment. In short, under an obligation-based budget, appropriations are limits on what may be obligated or contracted out within the Fiscal Year. Thus, the non-implementation or delays of programs and projects, or in other words “underspending”, could and does very well happen.

Under a cash-based budget, the implementation of goods and services budgeted will have to be completed and delivered within the year, and paid for within the same year up to an extended payment period of three months.

The adoption of the Cash-Based Budgeting System is, to be sure, a game-changing and timely reform in the Philippine budgeting system. With the shift to annual cash-based appropriations, the 2019 Budget becomes a modern and open budget “for discipline, accountability, and faster delivery of public services.” It encourages immediate action from government agencies to ensure that their budgeted programs, activities, and projects are delivered within the Fiscal Year.

But like all game-changing reforms, all its stakeholders must be open to understand, appreciate, and receive it. For this will guarantee a better and more disciplined, accountable cash-based budget that will better support strong, sustainable, and equitable growth.

Through this publication, the Department of Budget and Management aims to present the 2019 National Budget in a simple, concise, and comprehensible manner. It is our hope as well to guide the reader to an understanding of the concept of the Cash-Based Budgeting System, and thus an appreciation of how this will steady our path to the bright future - better, fairer, safer, cleaner, and more beautiful – for the Philippines and for our people.
The 2019 Proposed Budget signals the country’s “revolutionary” shift from the current Obligation-Based Budgeting System to an Annual Cash-Based Budgeting System. As such, it is a modern and open budget, meeting international standards and good budgeting and public finance practices.

Agencies can only do so much in a year. Hence, the 2019 Proposed Budget contains only programs and projects that can be done in FY 2019, not including those that will be accomplished in subsequent years. This will require better designed and coordinated projects and programs from our agencies, speed up the delivery of goods and services, and avoid false expectations from the people. For instance, only those road construction projects that can be implemented and completed within a fiscal year are incorporated in the FY 2019 National Expenditure Program (NEP).

The Annual Cash-Based Budgeting System ensures that the annual growth objectives of the government are achieved.

**FY 2019 Programs and Projects such as the:**

**Build, Build, Build Program**

**FY 2019 Targets of:**

- 7.0%-8.0% GDP Growth
- 0.9 to 1.1 million new jobs
By limiting the validity of appropriations to one year since 2017, underspending has been sizably decreasing from PhP302.7 billion in 2014 to only PhP85.2 billion in 2017. With the implementation of cash-based budgeting, underspending will be a thing of the past.

Cash-based budgeting is the most widely-used budgeting system, with 73% of the Organisation for Economic Co-operation and Development countries around the world, as well as the private sector, implementing it. As it is, the cash-based 2019 Budget is the most transparent budget so far. An appropriate apple-to-apple comparison is the cash-based equivalent of the 2018 Budget versus the 2019 Proposed Budget.

Cash-based Appropriations (12 months)
Jan 1 FY Dec 31

Obligation-based Appropriations (24 months & beyond)
Jan 1 FY Dec 31 / Jan 1 FY + 1 Dec 31

Cash-based Appropriations (15 months)
Jan 1 FY Dec 31

Obligation-based Appropriations (24 months & beyond)
Jan 1 FY Dec 31 / Jan 1 FY + 1 Dec 31

Under a cash-based budget, payments can be made within the fiscal year and up to the three-month Extended Payment Period after the FY.

The Philippine economy grew by 6.3% in the first semester of 2018. As the economy directly affects the budget, any fluctuation in the macroeconomic indicators such as the gross domestic product (GDP) and inflation rate can affect the revenue, disbursement, and deficit levels.

### Macroeconomic Assumptions, 2017-2021

<table>
<thead>
<tr>
<th>Parameters</th>
<th>2017 (Actual)</th>
<th>2018(^2) (Adjusted)</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP Growth (%)</td>
<td>6.7</td>
<td>7.0-8.0</td>
<td>7.0-8.0</td>
<td>7.0-8.0</td>
<td>7.0-8.0</td>
</tr>
<tr>
<td>Inflation Rate (%)(^3)</td>
<td>2.9</td>
<td>4.0-4.5</td>
<td>2.0-4.0</td>
<td>2.0-4.0</td>
<td>n.a.</td>
</tr>
<tr>
<td>364-Day Treasury Bill Rate (%)</td>
<td>2.9</td>
<td>3.0-4.5</td>
<td>3.0-4.5</td>
<td>3.0-4.5</td>
<td>3.0-4.5</td>
</tr>
<tr>
<td>FOREX (PhP/US$)</td>
<td>50.4</td>
<td>50-53</td>
<td>50-53</td>
<td>50-53</td>
<td>50-53</td>
</tr>
<tr>
<td>180-Day LIBOR (%)</td>
<td>1.5</td>
<td>2.0-3.0</td>
<td>2.0-3.0</td>
<td>2.0-3.0</td>
<td>2.0-3.0</td>
</tr>
<tr>
<td>Dubai Oil (US$/barrel)</td>
<td>53.17</td>
<td>55-70</td>
<td>50-65</td>
<td>50-65</td>
<td>50-65</td>
</tr>
<tr>
<td>Exports (%)(^4)</td>
<td>12.8</td>
<td>9.0</td>
<td>9.0</td>
<td>9.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Imports (%)(^4)</td>
<td>14.2</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>

\(^2\) Assumptions and targets adopted by the Development Budget Coordination Committee (DBCC) on July 2, 2018

\(^3\) Inflation rate forecast using the 2012-based CPI

The fiscal strategy for FY 2019 of the Duterte Administration has been updated based on the progress of the revenue reform program and the updated macroeconomic projections. This strategy remains to be prudent, sustainable, and supportive of development objectives, limiting the deficit-to-GDP ratio to 3% for the next four years to sustain the decline of the government’s debt burden.

For FY 2019, revenues are expected to reach PhP3.208 trillion, equivalent to 16.5% of GDP, and are projected to reach PhP4.588 trillion in 2022, or 17.6% of GDP. The planned deficit is set at PhP624.4 billion, or 3.2% of GDP, and projected to reach PhP774.3 billion, or 3% of GDP by 2022 to sustain the momentum of the government’s flagship Build, Build, Build Program while bringing down the government debt burden to 38.6% of GDP by 2022.
The primary source of funding for the National Budget is through revenue collections. Eighty-five percent (85%) of the PhP3.757 trillion 2019 National Budget, or PhP3.208 trillion, will be funded by revenues, representing a 12.7% increase from 2018 and 16.5% of GDP in 2019. These already include the additional 5.7% or PhP181.4 billion estimated to be generated through the implementation of Package 1A and 1B of the Tax Reform for Acceleration and Inclusion (TRAIN) Law. As contained in Republic Act No. 10963, some 70% of the incremental yields of the TRAIN Law will be used to augment infrastructure spending and the remaining 30% for social mitigation measures to ensure that Filipinos are well prepared in the transition to this new tax system.

**Sources of Government Revenues**

### Tax Revenues

- **Bureau of Internal Revenue (BIR)**: PhP2,330.7 B (77.2%)
- **Bureau of Customs (BOC)**: PhP662.2 B (21.9%)
- **Others**: PhP25.1 B (0.8%)

For 2019, 93.3% of the total revenues will be from the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC). These consist of taxes collected from net income and profits, properties, domestic goods and services, and international trade and transactions.

### Non-Tax Revenues

- **Bureau of the Treasury**: PhP73.9 B (39.2%)
- **Fees and Charges**: PhP50.4 B (26.8%)
- **Others**: PhP64.0 B (34.0%)

The non-tax revenues, on the other hand, consist of fees and charges, income from Treasury Operations, income of the National Government from GOCCs, and other non-tax revenues such as the Malampaya Royalties.

- **Privatization**: PhP2.0 B

Revenues will also be generated from, among others, the sale and lease of government-owned assets and corporations.

### How does the government increase its revenues from administrative measures?

Various programs and reforms are being implemented by the main revenue-generating agencies of the government, the BIR and the BOC, to further strengthen the campaign against tax violators through measures to improve tax collection and taxpayer compliance.

#### Anti-Tax Evaders

* **Bureau of Internal Revenue**
  - Run After Tax Evaders (RATE)
  - Oplan Kandado
  - Broaden the taxpayer base
  - Intensify the implementation of Centralized Arrears Management in regional offices

#### Anti-Smugglers

* **Bureau of Customs**
  - Modernize Customs regulations
  - Ensure trade facilitation
  - Strengthen anti-smuggling efforts
  - Enhance personnel incentives, rewards system, and compensation benefits
THE 2019 BUDGET AND THE TAX REFORM PROGRAM

While Package 1A of the Comprehensive Tax Reform Program (CTRP) has implemented reforms in the personal income tax rates and updated excise taxes on certain products, Package 1B and 1C and Package 2 of the CTRP, when signed into law, will continue the restructuring of our tax system by granting a tax amnesty, adjusting the Motor Vehicle User’s Charge (MVUC), rationalizing fiscal incentives, and lowering the corporate tax rate in order to make the tax system fairer and more efficient.

**Package 1B and 1C**

Package 1B of the CTRP covers adjustments in the current estate tax amnesty and general tax amnesty. On the other hand, Package 1C will focus on the new rates for the Motor Vehicle User’s Charge.

**Package 1B**

**Tax Amnesty Program**

- **Estate Tax Amnesty**: Freeing up properties locked under unsettled estates through the payment of a flat rate of 6% of the decedent’s undeclared estate.
- **General Tax Amnesty**: Giving taxpayers a fresh start by allowing them to settle tax liabilities without penalties and surcharges by paying a minimum rate on their total assets.
- **Tax Amnesty for Delinquents**: Allowing a lawful settlement of delinquent assessments, final and executory civil judgments of courts, and criminal tax-related cases through the payment of a certain percentage of the basic tax.

**Lifting of Bank Secrecy for Tax Purposes**

In line with international tax transparency initiatives, relaxing the Philippines’ bank secrecy laws by authorizing the Commissioner of Internal Revenue to access: (1) bank records of taxpayers availing of the tax amnesty program, (2) bank information of tax residents of other countries to comply with an obligation to automatically exchange information, and (3) account information relative to a tax fraud case filed against a taxpayer.

**Package 1C**

**Motor Vehicle User’s Charge**

A proposed two-tiered MVUC rate:
- One rate for all private vehicles based on weight.
- One rate for all public vehicles equivalent to half the rate for private vehicles.

**Package 2**

**Corporate Income Tax Rate**

Reduction of CIT rate from the current 30% to 25% by 2022 to enhance the country’s economic competitiveness and keep it at par with its ASEAN neighbors.

**Tax Incentives System**

A fairer and more accountable tax incentives system which includes:
- Modernization of fiscal incentives by ensuring incentives are performance-based, targeted, time-bound, and transparent.
- Improved governance by expanding the role of the Fiscal Incentives Review Board that will oversee all Investment Promotion Agencies (IPAs).

Source: Department of Finance, National Tax Research Center.

Note: Information presented in this page are from the packages proposed by the National Government.
To supplement government revenue collections, some PhP1,189 trillion, representing 6.1% of GDP, will be borrowed in 2019. Of this total, PhP906.2 billion or 76.2% will be sourced locally, while the remaining PhP282.7 billion will come from foreign borrowings, following the Administration’s funding mix in favor of domestic sources to minimize the vulnerability to foreign exchange and interest rate uncertainties.

Of the total borrowings, PhP624.4 billion, or 3.2% of GDP, will help finance the deficit to accelerate investments in infrastructure and social services.

Some PhP146.3 billion from the total amount to be borrowed in 2019 will be used for principal amortization of domestic and foreign borrowings. On the other hand, PhP418.3 billion will be used to build up the cash balances in the Treasury to ensure the availability of funds for government spending.

As a result of the Administration’s aggressive spending strategy, the debt-to-GDP ratio is projected to decline from 42.1% in 2017 to 41.7% in 2019, up to a target 38.6% in 2022.
Reflecting the Administration’s commitment to sustain economic growth and reduce poverty, the 2019 Budget provides significant increases in the allocations for economic and social services to fund public infrastructure and human development programs. With a 7% increase from its 2018 cash-based equivalent of PhP1,286.3 billion, the Social Services Sector continues to receive the lion’s share of PhP1,377.0 billion or 36.7% of the 2019 Budget. This is followed by the Economic Services Sector with a higher allocation of PhP1,068.4 billion or 28.4% of the Budget.

To benefit the poor and the vulnerable through increased access to basic education, healthcare, social protection, housing, and other social services

To boost economic productivity through higher investments in public infrastructure, agriculture and agrarian reform, environmental protection, manufacturing, and other livelihood-generating industries

To cover the requirements for general administration such as public order and safety, foreign affairs, and fiscal management

To cover interest payments on government debts to allow more resources for priority expenditures

To intensify efforts on ensuring national peace and security through the pursuit of the Revised Armed Forces of the Philippines (AFP) Modernization Program and other defense capability-building strategies

### Increase in the Budget by Sector, 2018 vs. 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>2018</th>
<th>2019</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Services</td>
<td>PhP1,377.0 B</td>
<td>PhP1,286.3 B</td>
<td>↓7.0%</td>
</tr>
<tr>
<td>Economic Services</td>
<td>PhP1,068.4 B</td>
<td>PhP891.3 B</td>
<td>↓19.9%</td>
</tr>
<tr>
<td>General Public Services</td>
<td>PhP709.4 B</td>
<td>PhP627.3 B</td>
<td>↓13.1%</td>
</tr>
<tr>
<td>Debt Burden</td>
<td>PhP414.1 B</td>
<td>PhP370.8 B</td>
<td>↓11.7%</td>
</tr>
<tr>
<td>Defense</td>
<td>PhP188.2 B</td>
<td>PhP148.0 B</td>
<td>↓27.1%</td>
</tr>
</tbody>
</table>

*2018 figures are cash-based equivalents*
2019 BUDGET DIMENSIONS
BY SECTOR (COFOG)

**General Public Services**
- Expenditures for lawmaking, fiscal management, foreign affairs, public debt transactions, and other governance or regulatory services
- 37.8%*
- PhP1,421.5 B

**Economic Affairs**
- Expenditures for the various sectors that promote economic growth, such as agriculture, forestry, fishing, and hunting; fuel and energy; transport; and communication
- 15.8%*
- PhP591.8 B

**Public Order and Safety**
- Expenditures for police and fire protection services, law courts, and maintenance of prisons
- 6.4%*
- PhP238.8 B

**Health**
- Expenditures for hospital and outpatient services, medical equipment and products, and R&D in health
- 3.9%*
- PhP145.3 B

**Recreation, Culture, and Religion**
- Expenditures for recreational, sporting, cultural, and other community services that promote national identity
- 0.4%*
- PhP15.4 B

*Note: Figures may not add up due to rounding off
* Percentage share of the total budget
To be at par with international standards in classifying the budget, the Philippines has adopted the Classification of the Functions of Government (COFOG), a system developed by the Organisation for Economic Co-operation and Development (OECD). Unlike the old sectoral classification featured in the preceding page where expenditures are grouped into five general classifications according to the spending agency, COFOG allows the budget to be split according to function, purpose, and contribution to society of the expenditure item regardless of the implementing agency. This framework helps answer the usual question of “where do my taxes go?” as it illustrates a more accurate presentation of government expenditures.

**Education**

PhP659.3 B
Expenditures for basic (pre-primary, primary, secondary) and tertiary education, among others

**Social Protection**

PhP491.7 B
Expenditures for government programs and projects that protect the welfare of the people, especially the vulnerable groups

**Defense**

PhP163.3 B
Expenditures for military and civil defense, foreign military aid, research and development (R&D), and defense against cybercrime

**Environmental Protection**

PhP24.6 B
Expenditures for waste management, pollution abatement, and protection of biodiversity and landscape

**Housing and Community Amenities**

PhP5.5 B
Expenditures for housing and community development, including amenities such as potable water supply
The 2019 Budget can be classified according to major expenditures: Personnel Services (PS), Maintenance and Other Operating Expenses (MOOE), Financial Expenses (FinEx), and Capital Outlays (CO). Among these, MOOE will receive the biggest share of the 2019 Budget with PhP1,394.9 billion, followed by Personnel Services, PhP1,185.0 billion; Capital Outlays, PhP776.1 billion; and FinEx, PhP401.0 billion.

PhP1,394.9 billion will be provided for MOOE in 2019, representing 37.1% of the total cash-based Budget, to cover the requirements of, among others, the:
- Implementation of banner programs for social protection, namely, the Pantawid Pamilyang Pilipino Program (Department of Social Welfare and Development), National Health Insurance Program (Philippine Health Insurance Corporation), Universal Access to Quality Tertiary Education (Commission on Higher Education and Technical Education and Skills Development Authority), and K-to-12 Program (Department of Education)
- Internal Revenue Allotment (IRA) and others
- Subsidy contribution to Government-Owned and/or -Controlled Corporations (GOCCs)

PhP1,185.0 billion, or 31.5% of the Budget, to fund the following:
- Final tranche of the salary hike of government employees
- Salary adjustments of military and uniformed personnel (MUP)
- Creation of new positions for teachers, police, and jail officers

PhP776.1 billion, equivalent to 20.7% of the total Budget, to fund flagship infrastructure projects under the government’s Build, Build, Build Program, such as:
- Roads, rails, ports, airports, and other transport networks
- Schools and hospitals
- Telecommunication infrastructure
- Equity to GOCCs

PhP401.0 billion will receive 10.7% of the Budget, amounting to PhP401.0 billion, to pay for:
- Interest expenses, guarantee fees, bank charges, and commitment fees
- Management/trusteeship fees
- Other financial charges incurred by agencies in owning or borrowing an asset or property

These include the Special Shares in the Proceeds of National Taxes, Local Government Support Fund, Special Shares in the Proceeds of Fire Code Fees, and Barangay Officials Death Benefits.
To narrow the inequality of economic growth between urban and rural areas, about PhP2.4 trillion, or 64% of the total PhP3.757 trillion National Budget, will go directly to the regions. This amount will help boost rural-based inclusive growth by distributing the Budget to the regions of the country.

**Distribution of the Regionalized Budget and Per Capita Allocation**

<table>
<thead>
<tr>
<th>Region</th>
<th>Budget</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>PhP65.2 B</td>
<td>PhP34,077</td>
</tr>
<tr>
<td>Region I</td>
<td>PhP112.2 B</td>
<td>PhP20,823</td>
</tr>
<tr>
<td>Region II</td>
<td>PhP90.3 B</td>
<td>PhP24,666</td>
</tr>
<tr>
<td>Region III</td>
<td>PhP208.7 B</td>
<td>PhP17,771</td>
</tr>
<tr>
<td>NCR¹⁄</td>
<td>PhP478.4 B</td>
<td>PhP36,337</td>
</tr>
<tr>
<td>Region IV-A</td>
<td>PhP200.5 B</td>
<td>PhP13,205</td>
</tr>
<tr>
<td>MIMAROPA</td>
<td>PhP90.4 B</td>
<td>PhP27,019</td>
</tr>
<tr>
<td>Region V</td>
<td>PhP140.0 B</td>
<td>PhP21,494</td>
</tr>
<tr>
<td>Region VI</td>
<td>PhP146.1 B</td>
<td>PhP17,947</td>
</tr>
<tr>
<td>Region VII</td>
<td>PhP133.7 B</td>
<td>PhP16,857</td>
</tr>
<tr>
<td>Region VIII</td>
<td>PhP120.5 B</td>
<td>PhP24,696</td>
</tr>
<tr>
<td>Region IX</td>
<td>PhP88.4 B</td>
<td>PhP21,935</td>
</tr>
<tr>
<td>Region X</td>
<td>PhP121.9 B</td>
<td>PhP24,335</td>
</tr>
<tr>
<td>Region XI</td>
<td>PhP127.0 B</td>
<td>PhP23,777</td>
</tr>
<tr>
<td>Region XII</td>
<td>PhP87.5 B</td>
<td>PhP17,640</td>
</tr>
<tr>
<td>CARAGA</td>
<td>PhP84.5 B</td>
<td>PhP28,684</td>
</tr>
<tr>
<td>ARMM</td>
<td>PhP76.6 B</td>
<td>PhP18,700</td>
</tr>
</tbody>
</table>

**Non-Regionalized Budget**

- **PhP1,279.4 B**¹⁄
  - **Nationwide Allocations** are funds distributed to multi-users of special purpose funds such as the Allocation to LGUs, Pension and Gratuity Fund, and National Disaster Risk Reduction and Management Fund.

- **PhP105.8 B**
  - **Central Office Allocations** are funds being managed by the Head Office of departments/agencies for their respective units. This allocation also includes the Debt Service Fund.

---

¹⁄ Adjusted based on the following assumptions:

a. The budget allocation of agencies with a single Operating Unit (Central Office) located in the NCR were transferred from “NCR” to “Nationwide”

b. The budget allocation of Foreign-Assisted Projects (FAPs) and Locally-Funded Projects (LFPs) with their respective PMOs located in the NCR but nationwide in scope were transferred from “NCR” to “Nationwide”

Note: These amounts do not yet consider the Bangsamoro Organic Law.
When analyzing the 2019 Budget by recipient, it can be noted that 66.9% of the total allocation, amounting to PhP2,515.3 billion, will go to the National Government. The said amount, in comparison with its 2018 cash-based equivalent of PhP2,216.6 billion, increased by 13.5 percent to support the various programs, activities, and projects to be implemented by the government’s line agencies.

Meanwhile, PhP187.1 billion, a 20.5% increase from the 2018 cash-based equivalent, will fund programs implemented by Government-Owned and/or -Controlled Corporations (GOCCs), among others, the (1) implementation of the Unconditional Cash Transfer Program under the Land Bank of the Philippines as a mitigation measure for the possible inflationary effects of TRAIN, (2) infrastructure projects such as the construction of power and water supply systems, irrigation networks, and housing and human settlements, and (3) the National Health Insurance Program under the Philippine Health Insurance Corporation (PhilHealth).

Support to local government units (LGUs) will reach PhP640.6 billion or 10.2% higher than its cash-based equivalent in 2018. The amount consists largely of the Internal Revenue Allotment (PhP575.5 billion), Local Government Support Fund (PhP34.3 billion), and Special Shares of LGUs (PhP27.3 billion).

When analyzing the 2019 Budget by recipient, it can be noted that 66.9% of the total allocation, amounting to PhP2,515.3 billion, will go to the National Government. The said amount, in comparison with its 2018 cash-based equivalent of PhP2,216.6 billion, increased by 13.5 percent to support the various programs, activities, and projects to be implemented by the government’s line agencies.

Meanwhile, PhP187.1 billion, a 20.5% increase from the 2018 cash-based equivalent, will fund programs implemented by Government-Owned and/or -Controlled Corporations (GOCCs), among others, the (1) implementation of the Unconditional Cash Transfer Program under the Land Bank of the Philippines as a mitigation measure for the possible inflationary effects of TRAIN, (2) infrastructure projects such as the construction of power and water supply systems, irrigation networks, and housing and human settlements, and (3) the National Health Insurance Program under the Philippine Health Insurance Corporation (PhilHealth).

Support to local government units (LGUs) will reach PhP640.6 billion or 10.2% higher than its cash-based equivalent in 2018. The amount consists largely of the Internal Revenue Allotment (PhP575.5 billion), Local Government Support Fund (PhP34.3 billion), and Special Shares of LGUs (PhP27.3 billion).

**Budget by Recipient Unit, 2018 vs. 2019**

<table>
<thead>
<tr>
<th>Recipient Unit</th>
<th>2018*</th>
<th>2019</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGAs</td>
<td>PhP2,216.6 B</td>
<td>PhP2,515.3 B</td>
<td>13.5%</td>
</tr>
<tr>
<td>GOCCs</td>
<td>PhP155.2 B</td>
<td>PhP187.1 B</td>
<td>20.5%</td>
</tr>
<tr>
<td>LGUs</td>
<td>PhP581.1 B</td>
<td>PhP640.6 B</td>
<td>10.2%</td>
</tr>
<tr>
<td>Creditors</td>
<td>PhP370.8 B</td>
<td>PhP414.1 B</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

*Cash-based equivalent
2019 BUDGET DIMENSIONS
BY SPECIAL PURPOSE FUND (SPF)

For 2019, PhP 1,496.8 billion will be allotted for Special Purpose Funds (SPFs), higher by 8.4% than its 2018 cash-based equivalent of PhP 1,380.9 billion. SPFs refer to appropriations in the National Budget allocated for specific purposes, covering both lump sums and disaggregated funds. There are lump sums because recipients of these funds (e.g., departments/agencies or programs/projects of the National Government) have not yet been disaggregated during budget preparation and legislation.

Summary of SPFs in the 2019 Budget

1. **Allocations to Local Government Units (LGUs)**
   PhP 640.6 B
   Refers to the total subsidy given to LGUs corresponding to their share in national revenue collections, of which:
   - **Internal Revenue Allotment** PhP 575.5 B
   - **Local Government Support Fund (LGSF)** PhP 34.3 B
   - **Special Shares in the Proceeds of National Taxes** PhP 27.3 B
   - **Metropolitan Manila Development Authority** PhP 3.2 B
   - **Barangay Officials Death Benefits Fund** PhP 50 M
   - **Special Shares in the Proceeds of Fire Code Fees** PhP 250 M

2. **Budgetary Support to Government Corporations**
   PhP 187.1 B
   Assistance of the National Government to Government-Owned and/or -Controlled Corporations (GOCCs) in the form of equity and/or subsidy

3. **Pension and Gratuity Fund**
   PhP 156.0 B
   For the payment of pension, retirement and terminal leave benefits, and monetization of leave credits of government employees

4. **Miscellaneous Personnel Benefits Fund**
   PhP 51.6 B
   To cover, among others, the requirements for the creation of new positions for teachers, policemen, firemen, and jail officers in the government; compensation adjustments, and other personnel benefits

5. **National Disaster Risk Reduction and Management Fund (NDRRMF)**
   PhP 20.0 B
   For disaster risk reduction, mitigation, prevention, and preparedness activities

6. **Contingent Fund**
   PhP 13.0 B
   To fund the requirements of new and/or urgent programs, projects, and activities that need to be implemented or paid during the year

7. **Other SPFs**
   PhP 428.6 B
   Includes the following appropriations:
   - **Interest Payments** PhP 399.6 B
   - **Net Lending** PhP 14.5 B
   - **Tax Expenditure Fund** PhP 14.5 B

Disaggregated Funds
- Budgetary Support to Government Corporations
- Allocations to LGUs (Special Shares, LGSF, and MMDA)
- Miscellaneous Personnel Benefits Fund
- Pension and Gratuity Fund

Lump-Sum Funds
- NDRRMF
- Contingent Fund
- Allocations to LGUs (death benefits of barangay officials, share in the Fire Code Fees)

**TOTAL SPFs:** PhP 1,496.8 B

Note: Figures may not add up due to rounding off. 2018 figures are cash-based equivalents. These are automatic appropriations. Automatic Appropriations refer to expenditures which, by law, do not require the annual authorization of Congress.
In terms of legal basis, the 2019 National Budget is supported by New General Appropriations and Automatic Appropriations. New General Appropriations amount to PhP2,882.6 billion, accounting for 72.9% of the 2019 total appropriation sources, while Automatic Appropriations amount to PhP1,071.6 billion or 27.1% of the total appropriations.

**New General Appropriations**

New General Appropriations represent a portion of the National Expenditure Program (NEP) which is submitted every fiscal year to Congress for legislation and approval. These include both Programmed and Unprogrammed New General Appropriations.

**Programmed New General Appropriations**

With the landmark shift to cash-based budgeting which limits new appropriations to only shovel-ready programs, activities, and projects (PAPs) for the year, Programmed Appropriations for FY 2019 will total PhP2,685.5 billion, allocated for the following:

- PhP2,193.2 B Departments and Agencies
- PhP492.3 B Special Purpose Funds (SPFs)

**Unprogrammed New General Appropriations**

On the other hand, Unprogrammed New General Appropriations, which are standby appropriations, amount to PhP197.1 billion, of which:

- PhP96.0 B Support for Foreign-Assisted Projects
- PhP33.9 B Payment of Pension Arrearages
- PhP38.1 B Others

**Automatic Appropriations**

These funds do not require action by Congress and need not be included in the legislation of the Budget as these are programmed annually by virtue of their nature and enabling laws.

For 2019, automatic appropriations amount to PhP1,071.6 billion, which include:

- PhP575.5 B Internal Revenue Allotment
- PhP399.6 B Debt Service-Interest Payment
- PhP96.5 B Others

**National Expenditure Program As a Percent of GDP (2019)**

The proposed FY 2019 Expenditure Program of PhP3.757 trillion is equivalent to 19.3% of the PhP19.474 trillion Gross Domestic Product (GDP) with the following breakdown:

- Programmed New General Appropriations 13.8%
- Automatic Appropriations 5.5%

---

1/ Unprogrammed New General Appropriations are standby appropriations which are released or utilized with authority once the collections in any of the revenue sources surpass the targets or when new or ongoing foreign loans are availed of to support the proposed foreign-assisted projects.

2/ e.g. Risk Management, Other Infrastructure Projects, and Social Programs

3/ Retirement and Life Insurance Premiums, PhP47.2B; Net Lending, PhP14.5B; Tax Expenditure Fund, PhP14.5B; Special Accounts in the General Fund, PhP20.3B; Pension of Ex-Presidents/Spouses, PhP480,000
The Duterte Administration believes that investing in growth-enhancing infrastructure projects will impact positively on society and benefit both the present and future generations. Thus, for FY 2019, PhP909.7 billion will be set aside to fund its Build, Build, Build Program that will usher in the Golden Age of Infrastructure in the Philippines. This is equivalent to 4.7% of GDP.

The Regional Breakdown of the FY 2019 Infrastructure Budget:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2019 NEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationwide</td>
<td>PhP135.7 B</td>
</tr>
<tr>
<td>Central Office</td>
<td>PhP477.1 B</td>
</tr>
<tr>
<td>National Capital Region (NCR)</td>
<td>PhP 51.6 B</td>
</tr>
<tr>
<td>Cordillera Administrative Region (CAR)</td>
<td>PhP 11.5 B</td>
</tr>
<tr>
<td>Region I</td>
<td>PhP 18.7 B</td>
</tr>
<tr>
<td>Region II</td>
<td>PhP 14.6 B</td>
</tr>
<tr>
<td>Region III</td>
<td>PhP 25.8 B</td>
</tr>
<tr>
<td>Region IV-A</td>
<td>PhP 20.1 B</td>
</tr>
<tr>
<td>MIMAROPA Region</td>
<td>PhP 13.8 B</td>
</tr>
<tr>
<td>Region V</td>
<td>PhP 20.9 B</td>
</tr>
<tr>
<td>Region VI</td>
<td>PhP 16.4 B</td>
</tr>
<tr>
<td>Region VII</td>
<td>PhP 15.2 B</td>
</tr>
<tr>
<td>Region VIII</td>
<td>PhP 16.7 B</td>
</tr>
<tr>
<td>Region IX</td>
<td>PhP  9.3 B</td>
</tr>
<tr>
<td>Region X</td>
<td>PhP  9.9 B</td>
</tr>
<tr>
<td>Region XI</td>
<td>PhP 16.1 B</td>
</tr>
<tr>
<td>Region XII</td>
<td>PhP  10.4 B</td>
</tr>
<tr>
<td>Region XIII</td>
<td>PhP 10.8 B</td>
</tr>
<tr>
<td>Autonomous Region in Muslim Mindanao (ARMM)</td>
<td>PhP 13.2 B</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>PhP909.7 B</strong></td>
</tr>
</tbody>
</table>

Note: Figures may not add up due to rounding off.
**Major Road and Bridge Projects**

- PhP14.0 B
  - PNR North 1 (Tutuban-Malolos) formerly North-South Commuter Railway Project Phase I

- PhP4.7 B
  - Subsidy for Mass Transport (MRT3)

- PhP2.9 B
  - Mindanao Railway Project - Phase I

- PhP3.57 B
  - Improving Growth Corridors in Mindanao Road Sector Project

- PhP2.34 B
  - Road Upgrading and Preservation Project (RUPP)

- PhP1.85 B
  - Central Luzon Link Expressway (CLLEX), Phase I Project

- PhP1.77 B
  - Bridge Construction Acceleration Project for Socioeconomic Development

- PhP1.62 B
  - Davao City By-Pass Construction Project (South and Center Sections)

- PhP1.19 B
  - Arterial Road Bypass Construction Project, Phase III

**Rail Transport**

- PhP1.5 B
  - Metro Manila Subway Project Phase I

- PhP1.4 B
  - PNR South Commuter (Solis-Los Baños) formerly North South Railway Project Phase 2

**Air Transport**

- PhP754 M
  - New Bohol (Panglao) International Airport Development Project

- PhP500 M
  - Siargao Airport

- PhP450 M
  - Catbalogan Airport Project

- PhP92 M
  - Central Mindanao (M’lang) Airport

- PhP50 M
  - Tacloban Airport

- PhP315 M
  - Davao International Airport

**Maritime Transport**

- PhP2.0 B
  - Pasig River Ferry Convergence Program

- PhP330 M
  - Maritime Capability Improvement Project Phase II

- PhP221 M
  - New Cebu International Container Port Project

- PhP754 M
  - New Bohol (Panglao) International Airport Development Project

**Improving Growth Corridors in Mindanao Road Sector Project**

**Road Upgrading and Preservation Project (RUPP)**

**Central Luzon Link Expressway (CLLEX), Phase I Project**

**Bridge Construction Acceleration Project for Socioeconomic Development**

**Davao City By-Pass Construction Project (South and Center Sections)**

**Arterial Road Bypass Construction Project, Phase III**
The Philippines is one of the fastest-growing economies in the world, with 51 million or 45% of the population today living in cities and urban centers. This high concentration of urban populations is expected to more than double to 102 million by 2050—an experience similarly faced by highly-urbanized countries. To make our cities and municipalities more livable, sustainable, and inclusive, the FY 2019 Budget includes the following allocations for local government units:

**Infrastructure Projects in LGUs**

- **PhP11.7 B**
  - Assistance to Municipalities to fund local access roads, local bridges, sanitation and health facilities, and potable water system projects, among others

- **PhP8.2 B**
  - Conditional Matching Grant to Provinces to pave, repair, and improve around 500 km of provincial roads

- **PhP5.8 B**
  - Assistance to Cities to construct, rehabilitate, repair, or improve open spaces

- **PhP66 M**
  - Bikeway Development Project to promote cycling and reduce private car use

Also, key items under the Build, Build, Build Program are strategically distributed nationwide to complement the infrastructure projects of LGUs.

**IT Infrastructure Projects**

With the Philippines’ online population of 70 million and 129 million mobile subscriptions out of the country’s total population of 104 million, the need to harness the power of information technology (IT) has been a major consideration in the IT programs and projects under the FY 2019 Budget. These spending items will be used to deliver better services to Filipinos and to rev up the economy.

**PhP450 M**
- Catbalogan Airport in Samar
  - Rehabilitation and Improvement of various ports and wharves in:
    - PhP40 M Zunarraga, Samar
    - PhP25 M Poblacion Wharf in Sta. Rita, Samar
    - PhP10 M Hindang Port in Leyte

**PhP500 M**
- Siargao Airport

**PhP400 M**
- Malitubong-Mandagao Irrigation Project Phase II in North Cotabato

**PhP300 M**
- Sapatlan River Irrigation Project in Maguindanao

**PhP92 M**
- Central Mindanao (MI’lang) Airport

**PhP2.0 B**
- Pasig River Ferry Convergence Program

**PhP1.7 B**
- Chico River Pump Irrigation System

**PhP875 M**
- Lower Agno River Irrigation System

**PhP14.0 B**
- 38-km PNR North 1 Project connecting Mabolo, Bulacan to Talubin, Manila

**PhP14.4 B**
- 56-km PNR South Commuter Project from Sofo, Tondo in Manila to Los Baños, Laguna

**PhP311 M**
- Bongabong River Irrigation Project in Oriental Mindoro

**PhP221 M**
- New Cebu International Container Port Project

**PhP754 M**
- New Bohol (Panglao) International Airport Development Project

**PhP1.5 B**
- 35-km Metro Manila Subway Project Phase 1

**PhP2.0 B**
- Pasig River Ferry Convergence Program

**PhP400 M**
- Malitubong-Mandagao Irrigation Project Phase II in North Cotabato

**PhP300 M**
- Sapatlan River Irrigation Project in Maguindanao

**PhP92 M**
- Central Mindanao (MI’lang) Airport

**PhP400 M**
- Malitubong-Mandagao Irrigation Project Phase II in North Cotabato

**PhP300 M**
- Sapatlan River Irrigation Project in Maguindanao

**PhP92 M**
- Central Mindanao (MI’lang) Airport
To clear the path towards national peace and security, the Duterte Administration will focus its efforts on addressing the root causes of internal conflict, upholding the sovereignty and territorial integrity of the State, modernizing the Defense Sector, and building resiliency against natural and man-made calamities and disasters.

**Maintaining Public Order and Safety**

In pursuit of the government’s target to significantly reduce criminality and ensure the safety and security of all Filipinos, PhP225.6 billion will be provided to the Department of the Interior and Local Government (DILG) to intensify efforts in promoting peace and order through its various agencies.

**Combating Terrorism**

To strengthen national defense and protect the country from external threats, the government is providing PhP183.4 billion for the Department of National Defense (DND), a 34% increase from its 2018 cash-based equivalent budget of PhP136.5 billion. Of this amount, PhP177.8 billion is given to the Armed Forces of the Philippines (AFP).

**PhP172.6 B - Philippine National Police (PNP)**
- PhP117.8 B - Crime Prevention and Suppression Program
- PhP 3.0 B - Creation of 10,000 Police Officer I positions
- PhP 0.7 B - Crime Investigation Program

**PhP23.0 B - Bureau of Fire Protection (BFP)**
- PhP 18.5 B - Fire and Emergency Management Program
- PhP803 M - Recruitment of 3,000 Fire Officer I personnel

**PhP18.9 B - Bureau of Jail Management and Penology (BJMP)**
- PhP 16.9 B - Inmates’ Safekeeping and Development Program
- PhP576 M - Creation of 2,000 Jail Officer I positions

**PhP25.0 B - Revised AFP Modernization Program**
To fund, among others, the acquisition of various equipment and the implementation of reforms in the AFP

**PhP25.1 B - Rice Subsidy for Military and Uniformed Personnel (MUP)**
To fund the 20-kilo rice subsidy for the MUPs in the DILG (BFP, BJMP, PNP), DND (PA, PN, PAF, General Headquarters, and AFP Wide Service Support Units), Department of Environment and Natural Resources (National Mapping and Resource Information Authority), and Department of Transportation (Philippine Coast Guard)

**PhP82.0 B**
**Philippine Army (PA)**
No. of tactical battalions maintained – 204

**PhP22.5 B**
**Philippine Air Force (PAF)**
No. of supportable aircraft – 154

**PhP25.1 B**
**Philippine Navy (PN)**
No. of mission-ready fleet marine units – 117
To instill a culture of peace, the government continues to enforce development interventions for areas prone to and affected by armed conflict through the PAyapa at MAsgaanang PamayaNAN (PAMANA) Program.

**PAMANA Program**
- **Community Support**
  Department of Social Welfare and Development  PhP302 M
- **Health Insurance Premiums**
  Philippine Health Insurance Corporation  PhP 61 M
- **Support for Indigenous Peoples**
  National Commission on Indigenous Peoples  PhP 23 M

*The FY 2019 Budget for the PAMANA Program is lodged under the different implementing agencies.

Promoting peace and security in Mindanao continues to be a priority of the government. For 2019, **PhP32.3 billion** will be channeled to the Autonomous Region in Muslim Mindanao (ARMM) to fund various development programs in the Region.

<table>
<thead>
<tr>
<th>ARMM Infrastructure Program</th>
<th>PhP10.1 B</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARMM-Bangsamoro Regional Inclusive Development with Growth Equity (BRIDGE)</td>
<td>PhP 2.7 B</td>
</tr>
<tr>
<td>ARMM-Health, Education, Livelihood, Peace, and Synergy (HELPs)</td>
<td>PhP 1.5 B</td>
</tr>
</tbody>
</table>

**Quick Response Fund (QRF)**

The QRF is a stand-by fund for relief and recovery programs in areas stricken by calamities and disasters.

- Department of Education  PhP2.0 B
- Department of Social Welfare and Development  PhP1.3 B
- Department of Public Works and Highways  PhP1.0 B
- Department of Agriculture  PhP1.0 B
- Department of Health  PhP0.5 B
- Office of Civil Defense  PhP0.5 B
- National Electrification Administration  PhP0.2 B

**Flood Control**

**PhP114.3 billion** for the construction and/or repair of flood control and drainage systems under the Department of Public Works and Highways (DPWH)

Some of the major projects under the DPWH are:
- PhP2.8 B - Flood Risk Management Project for Cagayan de Oro River
- PhP2.6 B - Ambal-Simuay River and Rio Grande de Mindanao River Flood Control Projects
- PhP2.2 B - Metro Manila Flood Management

**National Disaster Risk Reduction and Management Fund**

**PhP20.0 billion** (inclusive of PhP3.5 billion for the Marawi Rehabilitation and Recovery Program) for the reconstruction, rehabilitation, repair, aid, relief, and other works or services, including pre-disaster activities, related to natural or man-made calamities, epidemics, crises such as armed conflicts and terrorist activities, and other catastrophes in the current or preceding two years

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

**PhP125 million** for the enhancement of technologies and equipment used in collecting weather data to warn the public against weather disturbances and other possible calamities

**Quadrant Mapping in Preparation for the Massive Earthquake in the Greater Metro Manila Area (GMMA)**

**PhP4 million** for the implementation of strategies that will reduce risks and enhance the resiliency of GMMA in the event of a major earthquake

With the Philippines ranking third among the most disaster-prone nations in the world, the Duterte Administration is pushing for more effective measures to ensure that Filipinos are now more resilient in times of calamities.
The Duterte Administration recognizes the fundamental right of every Filipino to receive quality education in a facility conducive to learning and equipped with sufficient learning materials. By 2030, along with other nations, the Philippines hopes to ensure that everyone will have free, equitable, and relevant primary, secondary, tertiary, and technical-vocational education.

To reach this goal, the Administration continues to give the Education Sector the highest budget allocation, with PhP659.3 billion for 2019.

### Basic Education

Quality basic education prepares children for higher levels of learning by helping them acquire basic and necessary skills such as literacy and numeracy. For 2019, the Department of Education (DepEd) will receive an allocation of PhP528.5 billion to provide the basic educational necessities of every Filipino.

#### 2019 Targets of the DepEd

**Retention Rate**

- **Elementary**
  - 2016-2017: 98.07%
  - 2020: 99%

- **Junior High School**
  - 2016-2017: 93.40%
  - 2019: 95%

**Completion Rate**

- **Elementary**
  - 2017-2018: 87.18%
  - 2019: 92.43%

- **Junior High School**
  - 2016-2017: 77.48%
  - 2019: 84.40%

#### Basic Educational Facilities

- **PhP34.7 billion** for the:
  - Construction of 4,110 classrooms and 1,320 computer, technical-vocational, and science laboratories
  - Procurement of 43,200 school seats
  - Repair and rehabilitation of 33,672 classrooms

#### Manpower

- **PhP29.8 billion** for the:
  - Creation of 10,000 teaching positions
  - Filling of 105,529 teaching positions

- **PhP3.1 billion** for the:
  - Creation of 455 non-teaching positions
  - Filling of 20,076 non-teaching positions

#### Learning Materials

- **PhP10.2 billion** for the procurement of:
  - 8.9 million textbooks and instructional materials
  - 3,827 computer packages
  - 2,371 Science and Mathematics equipment
  - 3,547 Technical-Vocational equipment

#### Government Assistance to Students and Teachers in Private Schools and Non-DepEd Public Schools

- **PhP32.1 billion** for government assistance and subsidies to:
  - 2,845,388 students of private Junior and Senior High Schools, and non-DepEd schools
  - 42,347 teachers under the Teacher Salary Subsidy Program

#### Inclusive Education Program

- **PhP750 million** for the following programs:
  - Multigrade Education
  - Indigenous Peoples Education
  - Flexible Learning Options
  - Madrasah Education

#### Health and Nutrition Services

- **PhP4.0 billion** - School-based Feeding Program
- **PhP2.3 billion** - Dental Health Care Program
Tertiary education is considered one of the most crucial components of human development. Skills for the knowledge economy are built at this level. Since the Philippines is keen on developing its human capital, the free education for all program has been extended to the tertiary and technical-vocational education levels.

For 2019, State Universities and Colleges (SUCs) will receive PhP65.2 billion. The Universal Access to Quality Tertiary Education Act (UAQTEA) will receive PhP51 million, of which, PhP44 billion will go to the Commission on Higher Education to fund free higher education in SUCs and Local Universities and Colleges; tertiary education subsidy for private Higher Education Institutions; and student loan program.

### K-to-12 Transition Program
PhP2.4 billion to cover 7,303 scholarships for faculty graduate studies, 59 development grants for faculty and staff, and 53 institutional and innovation grants

### Student Financial Assistance Programs
PhP517 million to provide financial assistance to 23,975 student beneficiaries

### Tulong Dunong Program
PhP1.2 billion to provide scholarship grants to 98,423 students

### TERTIARY EDUCATION
The Philippine technical-vocational educational system offers skills-based courses and trainings to help Filipinos, especially the out-of-school youths and adult illiterates who cannot avail of formal education, gain access to permanent employment. PhP14.8 billion is allotted for the Technical Education and Skills Development Authority in 2019, a hefty 210% increase from its 2018 cash-based equivalent budget of PhP4.8 billion. This includes the PhP7.0 billion for the implementation of the UAQTEA.

### TECHNICAL-VOCATIONAL EDUCATION

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget (PhP million)</th>
<th>No. of beneficiaries/beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Technical and Vocational Education and Training</td>
<td>7.0</td>
<td>203,185</td>
</tr>
<tr>
<td>Training for Work Scholarship Program (TWSP)</td>
<td>2.3</td>
<td>163,672/155,488</td>
</tr>
<tr>
<td>Special Training for Employment Program (STEP)</td>
<td>1.7</td>
<td>121,396</td>
</tr>
<tr>
<td>Private Education Student Financial Assistance (PESFA)</td>
<td>0.2</td>
<td>4,000</td>
</tr>
</tbody>
</table>

1/Part of the UAQTEA Program
Uplifting the lives of the marginalized Filipinos remains one of the top priorities of the Duterte Administration. Aiming to cut the poverty incidence rate from 21.6% in 2015 to 14% by 2022, the government is implementing various social protection initiatives alongside programs for poverty alleviation.

To ensure the socioeconomic resilience of the people, PhP173.3 billion is allotted for the Social Welfare Sector in 2019, reflecting an 8.9% increase from its 2018 cash-based equivalent allocation of PhP164.4 billion. Of this amount, PhP136.7 billion will go to the Department of Social Welfare and Development.

To improve the health, nutrition, and education status of the poorest Filipino households, cash grants are provided for:

Regular CCT¹: 4,164,788 households
Modified CCT²: 235,212 households

The assistance included under this Program are:
(1) health grants, (2) education grants, (3) rice subsidy, and (4) other programs for modified CCT such as rent subsidy and livelihood assistance.

Unconditional Cash Transfer (UCT) Program

PhP37.6 B³/

To cushion the impact of the increasing prices due to the TRAIN Law, one of the social mitigating measures being implemented is the UCT Program. It targets the poorest 10 million households consisting of the CCT beneficiaries (4.4 million), social pensioners (3.8 million), and households in the first to seventh income deciles (1.8 million). They will receive:

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

Social Mitigating Measures Under the TRAIN Law

Unconditional Cash Transfer (UCT) Program

PhP37.6 B³/

To cushion the impact of the increasing prices due to the TRAIN Law, one of the social mitigating measures being implemented is the UCT Program. It targets the poorest 10 million households consisting of the CCT beneficiaries (4.4 million), social pensioners (3.8 million), and households in the first to seventh income deciles (1.8 million). They will receive:

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

Protection for the Poor

Conditional Cash Transfer (CCT) Program

PhP88.1 B

To improve the health, nutrition, and education status of the poorest Filipino households, cash grants are provided for:

Regular CCT¹: 4,164,788 households
Modified CCT²: 235,212 households

The assistance included under this Program are:
(1) health grants, (2) education grants, (3) rice subsidy, and (4) other programs for modified CCT such as rent subsidy and livelihood assistance.

Social Mitigating Measures Under the TRAIN Law

Pantawid Pasada Program
PhP3.9 billion

To provide a monthly fuel subsidy of PhP1,709.57 per jeepney to 179,852 public utility jeepney units with existing LTFRB franchise

PUV Modernization Program
PhP2.7 billion

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

¹ Beneficiaries selected through the National Household Targeting System for Poverty Reduction
² Itinerants, homeless street families, indigenous peoples, and families in need of special protection
³ Includes requirement for the UCT under the Land Bank of the Philippines
Social Welfare of Senior Citizens

Social Pension for Indigent Senior Citizens

PhP23.2 billion to provide a monthly social pension of PhP500 for 3,796,791 indigent senior citizens

Implementation of the Centenarians Act

PhP109 million to grant a one-time cash reward of PhP100,000 to senior citizens aged 100 years and up

Livelihood Expansion for the Community

Kapit-Bisig Laban sa Kahirapan—Comprehensive and Integrated Delivery of Social Services

PhP2.8 B

To empower poor municipalities by allowing a more inclusive participation in local government planning and budgeting, and improving the access to basic public services, it aims to complete 1,643 sub-projects across 14 regions in 2019.

Sustainable Livelihood Program

PhP2.3 B

To increase the economic opportunities of 80,829 poor Filipino households by equipping them with entrepreneurial and labor skills for self-sufficiency

Protective Programs for Children

Supplementary Feeding Program

PhP3.5 billion to improve and sustain the nutritional status of 1,881,979 children through the implementation of a 120-day feeding program in various schools nationwide

Bangsamoro Umpungan sa Nutrisyon (BangUN)

PhP158 million to curb hunger and malnutrition among Muslim children aged 0 to 12 years old by providing culturally-appropriate indigenous food for:

• 15,000 children
• 5,000 pregnant women/lactating mothers (including teenage mothers)
• At least half of 7,500 parents who are unemployed or underemployed
• Some 150 barangays and 22 municipalities in need of technical support for nutrition intervention

Social Welfare for Distressed Overseas Filipinos (OFs) and Trafficked Persons

PhP167 million to assist distressed, trafficked, and returning OFs to the Philippines, as well as generate decent jobs and promote protection of the OFs. The programs under these are:

• Services to Distressed Overseas Filipinos
  PhP90 million
• Services to Displaced Persons (Deportees)
  PhP52 million
• Recovery and Reintegration Program for Trafficked Persons
  PhP24 million
The Philippines’ health care system has come a long way over the past decades with the right interventions and programs. Among the notable interventions are the increased health insurance coverage under the National Health Insurance Program, and the intensified implementation of the First 1,000 Days and the National Immunization Programs.

Recognizing the importance of a better health care system for the society, the Duterte Administration has allotted PhP141.4 billion in 2019 for the health sector, of which PhP74 billion will go to the Department of Health (DOH).

Operations of DOH Health Facilities

- **PhP32.1 B** is earmarked for the operations of all DOH health facilities
- **PhP1.2 B** will fund the operations of drug abuse treatment and rehabilitation centers for the recovery program of 3,805 patients.

Purchase of Drugs, Medicines, and Vaccines

- **PhP15.2 B** to purchase drugs, medicines, vaccines, and medical and dental supplies for various government health care facilities.

2019 Regional Allocation for the Health Facilities Operations Program

(in thousand Pesos)

<table>
<thead>
<tr>
<th>REGION</th>
<th>DOH Hospitals</th>
<th>National Research Laboratories</th>
<th>Dangerous Drug Abuse Treatment and Rehabilitation Centers</th>
<th>Blood Centers and National Voluntary Blood Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>1,351,481</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Region I</td>
<td>1,828,577</td>
<td>-</td>
<td>102,351</td>
<td>3,127</td>
</tr>
<tr>
<td>Region II</td>
<td>1,452,925</td>
<td>-</td>
<td>60,550</td>
<td>3,127</td>
</tr>
<tr>
<td>Region III</td>
<td>2,209,112</td>
<td>-</td>
<td>65,800</td>
<td>3,127</td>
</tr>
<tr>
<td>NCR</td>
<td>9,858,241</td>
<td>307,217</td>
<td>350,272</td>
<td>495,169</td>
</tr>
<tr>
<td>Region IV-A</td>
<td>829,061</td>
<td>-</td>
<td>84,502</td>
<td>-</td>
</tr>
<tr>
<td>MIMAROPA</td>
<td>351,304</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Region V</td>
<td>1,246,395</td>
<td>-</td>
<td>105,474</td>
<td>5,000</td>
</tr>
<tr>
<td>Region VI</td>
<td>1,588,879</td>
<td>-</td>
<td>52,639</td>
<td>-</td>
</tr>
<tr>
<td>Region VII</td>
<td>1,941,093</td>
<td>-</td>
<td>100,275</td>
<td>6,583</td>
</tr>
<tr>
<td>Region VIII</td>
<td>749,342</td>
<td>-</td>
<td>59,660</td>
<td>1,800</td>
</tr>
<tr>
<td>Region IX</td>
<td>1,425,642</td>
<td>-</td>
<td>7,192</td>
<td>1,800</td>
</tr>
<tr>
<td>Region X</td>
<td>1,573,124</td>
<td>-</td>
<td>72,320</td>
<td>1,800</td>
</tr>
<tr>
<td>Region XI</td>
<td>2,619,754</td>
<td>-</td>
<td>12,000</td>
<td>6,583</td>
</tr>
<tr>
<td>Region XII</td>
<td>576,147</td>
<td>-</td>
<td>12,000</td>
<td>1,800</td>
</tr>
<tr>
<td>CARAGA</td>
<td>497,951</td>
<td>-</td>
<td>71,279</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>30,099,028</strong></td>
<td><strong>307,217</strong></td>
<td><strong>1,156,314</strong></td>
<td><strong>529,916</strong></td>
</tr>
</tbody>
</table>

**PhP5.6 B** to provide financial support and medical assistance to indigent patients for their consultation, examination, treatment, and rehabilitation in government health facilities.

**PhP213 M** to fund the hiring of 425 Disease Surveillance Officers for an active and timely report on the health status of Anti-Dengue (Dengvaxia) vaccinees under the Epidemiology and Surveillance Program.

\(^\text{1}^\text{Includes the PhP1.2 billion allocation for the Dangerous Drug Abuse Treatment and Rehabilitation Centers}\)
The Duterte Administration will continue providing health care assistance to all Filipinos through the National Health Insurance Program which will receive a 24% increase from its 2018 cash-based equivalent budget of PhP54.1 billion.

**First 1,000 Days**

**PhP118 M**

The First 1,000 Days Program was launched to strengthen the foundations of health and productivity among Filipinos by providing support during this crucial period – roughly the period from conception until a child’s second birthday. This is the time in an individual’s life when the most rapid brain development takes place and the foundations for a lifetime of optimum health, nutrition, and growth are established.

**Phase 1**

(2016-2018)

- 9 regions, 10 cities, and 37 municipalities

**Phase 2**

(2017-2019)

- Additional 5 municipalities and 1 province

**Other Government Health Programs for 2019**

- **PhP7.5 billion** for the National Immunization Program to fully immunize 2.9 million infants, children, pregnant women, and senior citizens against diseases like pneumonia, hepatitis B, diphtheria, tetanus, and measles, among others.

- **PhP880 million** for the Tuberculosis (TB) Control Program to reduce TB-related deaths.

- **PhP9.0 billion** for the Human Resources for Health Deployment Program to hire 243 doctors, 9,138 nurses, 3,650 midwives, and 241 dentists that will be deployed in far-flung areas.

- **PhP908 million** for the Rabies Control Program to eradicate rabies in 55 areas with the highest number of cases.

- **PhP219 million** for the eradication of infectious diseases such as malaria, schistosomiasis, leprosy, and filariasis.

- **PhP738 million** for the prevention of other infectious diseases such as HIV/AIDS.

- **PhP10.2 B** for the prevention of other infectious diseases such as HIV/AIDS.

- **PhP7.5 billion** for the National Immunization Program to fully immunize 2.9 million infants, children, pregnant women, and senior citizens against diseases like pneumonia, hepatitis B, diphtheria, tetanus, and measles, among others.

**Budget is lodged under the Miscellaneous Personnel Benefits Fund (PhP7.8 billion) and the DOH (PhP1.2 billion).**
In pursuit of the government’s vision of food security, PhP137.1 billion is intended for agriculture and agrarian reform. Specifically, it will target to enhance agricultural productivity, increase the income of poor farmers and fisherfolk, and minimize the impacts of climate change on seedlings and crops.

PhP49.8 billion is for the Department of Agriculture (DA) to fund various agricultural commodity programs, research and development (R&D), credit support services, and construction of farm-to-market roads, among others.

### Improving Food Production

#### PhP7.4 B
**Rice Program**
To increase palay production from 19.79 million metric tons (MMT) in 2018 to 20.65 MMT in 2019

Who will Benefit from Rice Tariffication?

**Consumers:** Lower rice spending resulting from rice tariffication would lead to a one (1) percentage point reduction in inflation rate, which will benefit the general public, especially the poor.

**Families:** Lower rice prices would lead to increased savings of Filipino households of up to PhP2,362 annually.

**Farmers:** Revenues from tariffs will be used to directly support small farmers through the Rice Competitiveness Enhancement Fund (RCEF).^2^

---

#### PhP1.5 B
**Corn Program**
To raise corn yield from 8.45 MMT in 2018 to 8.85 MMT in 2019

Why Shift to Tariffs?

**Quantitative Restrictions (QRs) on Rice**
- QRs allow the government to limit the volume of rice importation
- Intended to safeguard local producers from the influx of cheap rice imports, yet this has not been achieved under the QR system

versus

**Tariffs on Rice**
- Remove unnecessary government intervention in rice importation, resulting in the elimination of uncertainties in the supply of rice
- Restrict trade, investments, and participation of the private sector
- Revenues from tariffs will go to the RCEF which will be used to support farmers and modernize the rice industry
- At a lower tariff rate of 35% instead of the quota system, imported rice from Thailand and Vietnam would cost PhP30.30 per kilogram, lower by PhP4.30 than the domestic price of regular milled rice

---

#### PhP0.5 B
**Organic Agriculture Program**
To convert 370,117 hectares (ha) of land for organic farming

---

### Rice Tariffication

The proposed Rice Tariffication Bill seeks to amend the Agricultural Tariffication Act of 1996 (R.A. No. 8178) to lift the quantitative restrictions on rice imports and shift to rice tariffication, allowing more freedom on rice importation and lowering the price of rice in the long-term.

---

**Agricultural Mechanization and R&D**

**PhP915 M**
**Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development**
To fund 216 projects for the development of the Agriculture, Aquatic, and Natural Resources Sectors

**PhP772 M**
**Philippine Rice Research Institute**
To implement its Rice Research and Development Program and train 582 farmers in rice production

**PhP317 M**
**Philippine Center for Postharvest Development and Mechanization**
To target a 20% annual increase in the number of adopters or users of new postharvest development and mechanization technologies
Regional Allocation for the Construction, Repair, and Rehabilitation of FMRs in 2019³/⁴

<table>
<thead>
<tr>
<th>Region</th>
<th>PhP (M)</th>
<th>Region</th>
<th>PhP (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>PhP355</td>
<td>Region VII</td>
<td>PhP505</td>
</tr>
<tr>
<td>Region I</td>
<td>PhP610</td>
<td>Region VIII</td>
<td>PhP500</td>
</tr>
<tr>
<td>Region II</td>
<td>PhP500</td>
<td>Region IX</td>
<td>PhP560</td>
</tr>
<tr>
<td>Region III</td>
<td>PhP895</td>
<td>Region X</td>
<td>PhP640</td>
</tr>
<tr>
<td>Region IV-A</td>
<td>PhP955</td>
<td>Region XI</td>
<td>PhP880</td>
</tr>
<tr>
<td>CALABARZON</td>
<td>PhP470</td>
<td>Region XII</td>
<td>PhP634</td>
</tr>
<tr>
<td>MIMAROPA</td>
<td>PhP680</td>
<td>CARAGA</td>
<td>PhP535</td>
</tr>
<tr>
<td>Region V</td>
<td>PhP750</td>
<td>ARMM</td>
<td>PhP490</td>
</tr>
</tbody>
</table>

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

³/ Inclusive of locally-funded projects only

⁴/ Inclusive of foreign-assisted and locally-funded projects

Supporting Farmers and Fisherfolk

PhP1.5 B - High-Value Crops Program
To invest in the production of:
- Bananas: 10.220 MMT
- Mangoes: 1.020 MMT
- Cacao: 0.037 MMT
- Pineapples: 2.910 MMT
- Coffee: 0.068 MMT
- Rubber: 0.290 MMT

PhP4.5 B Fisheries Program
To increase commercial, municipal, and aquaculture production to 1.002 MMT, 1.184 MMT, and 2.334 MMT, respectively, in 2019

PhP3.4 B Agricultural Credit Policy Council
To provide farmers and fisherfolk with easy access to credit

PhP1.1 B Livestock Program
To raise hog production to 2.19 MMT and chicken production to 1.85 MMT in 2019

Enhancing Agrarian Reform

PhP2.21 B Land Acquisition and Distribution
To service 31,132 Agrarian Reform Beneficiaries (ARBs) and achieve the target 41,077 ha of land covered by registered Emancipation Patents/Certificate of Land Ownership Awards

Strengthening Resilience to Climate Change and Disaster Risk

PhP38.9 B National Irrigation Administration
To irrigate 2,307,926 ha of farmlands in all cropping seasons (inclusive of national and communal irrigation projects) and provide free irrigation for farmers with landholdings of eight (8) hectares and below, pursuant to Republic Act No. 10969 (Free Irrigation Service Act)

PhP7.0 B National Food Authority
To procure 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
The Philippines has one of the largest labor forces among the ASEAN countries, with 44.1 million in the workforce as of January 2018. Employment generation has been a continuing priority of the government to address the requirements of the country’s working population.

With a budget of **PhP13.4 billion** in 2019, the Department of Labor and Employment (DOLE) will continue implementing programs and projects that will help boost the generation of jobs.

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TUPAD(^*) Program</strong></td>
<td>PhP3.34 B</td>
</tr>
<tr>
<td>To provide emergency employment for 289,602 workers displaced due to weather and regulatory shocks, including internal conflicts and economic crises.</td>
<td></td>
</tr>
<tr>
<td><strong>Kabuhayan or Livelihood Program</strong></td>
<td>PhP724 M</td>
</tr>
<tr>
<td>To build the capacity of 34,881 poor workers in entrepreneurship and livelihood activities by providing starter kits and skills trainings.</td>
<td></td>
</tr>
<tr>
<td><strong>Special Program for Employment of Students (SPES)</strong></td>
<td>PhP517 M</td>
</tr>
<tr>
<td>To empower 135,585 poor but deserving students, out-of-school youths, and dependents of displaced or about-to-be-displaced workers by giving them employment opportunities in the government.</td>
<td></td>
</tr>
<tr>
<td><strong>Rural and Emergency Employment Program-DOLE Adjustment Measures Program (DOLE-AMP)</strong></td>
<td>PhP225 M</td>
</tr>
<tr>
<td>To assist displaced or to-be-displaced workers due to closure or slowing down of operations of companies as a result of economic disruptions; and occurrence of natural disasters, calamities, or armed conflicts affecting communities.</td>
<td></td>
</tr>
<tr>
<td><strong>JobStart Philippines</strong></td>
<td>PhP20 M</td>
</tr>
<tr>
<td>To address youth unemployment by providing school-to-work assistance for 400 beneficiaries by creating opportunities to improve their technical and life skills.</td>
<td></td>
</tr>
</tbody>
</table>

\(^*\) Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers
Since the Industry and Services Sector has a very big potential in terms of generating employment, the Department of Trade and Industry will receive a budget of **PhP5.25 billion** in 2019. This will be used to assist in the creation and development of businesses that will generate more employment opportunities.

### Establishment of Negosyo Centers

**PhP512 M**

To promote the establishment of micro, small, and medium enterprises (MSMEs) in provinces, cities, and municipalities, these Negosyo Centers will facilitate and expedite the business registration processes of MSMEs to promote the ease of doing business in the country. For 2019, it targets to:

- Assist 575,000 clients; and
- Maintain and/or sustain 939 Negosyo Centers nationwide.

### One Town, One Product (OTOP): Next Generation

**PhP90 M**

To enable localities and communities to develop their own unique products, as well as to capacitate the MSMEs in levelling up their products in terms of design, quality, and volume, among others, this amount will:

- Assist 6,600 MSMEs;
- Develop at least 5 products per province; and
- Increase sales revenues by 10%.

### Shared Service Facilities (SSF) Project

**PhP63 M**

To increase the productivity and improve the competitiveness of MSMEs by providing them access to upgraded equipment and better technologies under a shared system, the DTI aims to maintain 2,555 SSFs in 2019.
Every Filipino, regardless of economic status, deserves a comfortable and healthy life. Hence, the government invests in housing and environmental programs to provide the people with secure, affordable homes, while maintaining ecological integrity for a clean and healthy environment.

**Safe and Secure Shelter for All**

- **High Density Housing Program**
  - **PhP800 M**
  - To provide financial assistance to 3,679 informal settler families (ISFs) residing in danger areas in Metro Manila

- **Socialized Housing Loan Take-Out of Receivables (SHeLTer) Program**
  - **PhP500 M**
  - To purchase socialized housing loan receivables of originating institutions including government agencies, local government units (LGUs), non-government organizations, microfinance institutions, and cooperatives which offer socialized housing for their constituents

- **Resettlement Program**
  - **PhP281 M**
  - To construct 956 housing units for disadvantaged and low-income families, in addition to unfinished projects in the past years

- **Water Supply and Sanitation Program**
  - **PhP325 M**
  - For the installation of 108,439 water service connections in resettlement areas

- **Total Electrification Program**
  - **PhP1.2 B**
  - For the provision of electricity to:
    - 4,150 households for mini grids
    - 10,000 households for Solar Home System

- **Sagana at Ligtas na Tubig para sa Lahat (SALINTUBIG)**
  - **PhP1.5 B**
  - For the implementation of 384 potable water supply projects in the country

- **Sitio Electrification Program**
  - **PhP1.2 B**
  - For the electrification of 775 sitios or rural areas nationwide

- **Water Supply and Sanitation Program**
  - **PhP325 M**
  - For the installation of 108,439 water service connections in resettlement areas

The Administration will focus on expanding decent housing opportunities for underprivileged and homeless citizens.

Decent housing includes access to clean water, electricity, and other amenities. Thus, funds will be allocated to ensure that households are effectively and efficiently provided with clean water and reliable electricity.
Caring for the Environment

Immediate action is needed to safeguard the country’s ecosystems and natural resources from the degrading and worsening effects of urbanization and climate change. In line with this, PhP25.1 billion will be given to the Department of Environment and Natural Resources for forest protection, pollution reduction, and coastal and marine conservation.

PhP5.2 B  
National Greening Program  
To plant 138 million seedlings in a targeted area of 143,187 hectares (ha) and maintain 497,023 ha of planted areas

PhP800 M  
Forest Protection  
To hire 744 Forest Protection Officers and patrol 78,601 kilometers of forest areas

PhP656 M  
Solid Waste Management Program  
To support 873 LGUs in the closure and rehabilitation of dumpsites and establishment of material recovery facilities

PhP300 M  
Coastal and Marine Ecosystem Management  
To establish partnerships with 16 enterprises and 46 LGUs for the promotion of environmental protection through sustainable and equitable use of natural resources

PhP201 M  
Clean Water Program  
To monitor 451 esteros/waterbodies and conduct the classification of waterbodies to designate water quality management areas (WQMA)

PhP111 M  
Clean Air Program  
To operate, maintain, and calibrate 143 Air Quality Monitoring Stations

Rehabilitation of Boracay Island

In his third State of the Nation Address (SONA), President Duterte underscored his Administration’s commitment to restore environmental integrity and livelihood in Boracay, following its closure to tourists in early 2018. To maintain Boracay as a world-class tourist destination, some PhP150 million will be allotted to rehabilitate the island. This will be used for:

- Monitoring of air and water quality
- Supervision of sanitary landfills and materials recovery facilities (MRFs)
- Hiring of consultants to conduct research on environmental pollution
- Establishment of the Boracay Island Critical Habitat
- Operationalization of Boracay Water Quality Management Area

Covers 750 ha of land and coastal marine areas in the Barangays of Balabag and Yapak that serve as habitats of some of Boracay’s endemic and endangered species, such as flying foxes, marine turtles, and developing corals

Clean and Sustainable Energy

Aware of the detrimental consequences that fossil fuels have on the environment, the government seeks to tap alternative sources of energy that are more sustainable and environment-friendly. These include solar and wind energies, among others.

- PhP2.7 billion from the DepEd budget will be used to energize 1,710 schools located in off-grid areas through the installation of solar panels, among others.
- PhP2.0 billion will be provided to the Department of Energy for the exploration, development, utilization, promotion, and conservation of all forms of energy sources, especially renewable energy, in the country.

* Covers 750 ha of land and coastal marine areas in the Barangays of Balabag and Yapak that serve as habitats of some of Boracay’s endemic and endangered species, such as flying foxes, marine turtles, and developing corals.
The Duterte Administration is committed to restore public faith and trust in the government through reforms aimed at: (1) streamlining the bureaucracy, (2) ensuring swift and fair administration of justice, and (3) increasing the people’s access to quality government services.

**Streamlining the Bureaucracy**

In line with the President’s directive to streamline government operations in order to improve public service delivery, the Administration will pursue the implementation of the National Government Rightsizing Program (NGRP) in the Executive Branch.

**Status of the Proposed Rightsizing Bill**
- H.B. No. 5707 - Approved on third and final reading (House of Representatives)
- S.B. No. 1395 - Under second reading (Senate)

**What is the National Government Rightsizing Program?**
- A reform mechanism that aims to simplify and rationalize government operations, systems, and processes for better service delivery
- Seeks to focus government resources on essential services
- Minimizes redundancies, overlaps, and duplications in the functions of agencies

**2019 Allocations for the NGRP:**
- PhP10.0 B for the payment of terminal leave benefits and separation incentives of personnel to be affected by the NGRP
- PhP7 M for the hiring of sector, organizational development, change management, and human resource management consultants/experts in the implementation of the NGRP

**Ease of Doing Business (EODB) Act of 2018**


**Objectives of the EODB Act of 2018**
- Raise the country’s competitiveness by promoting ease of doing business
- Cut red tape for a more conducive business environment
- Simplify transactions for faster delivery of government services

**What It Provides For**
- The prescribed processing time for business transactions in all government agencies and GOCCs:
  - 3 working days for **simple transactions**
  - 7 working days for **complex transactions**
  - 20 working days for **highly technical applications**
- Procedures that would streamline the issuance of local business licenses, clearances, permits, certifications, or authorizations

**National ID System = PhP2.1 B**
To simplify and streamline citizens’ transactions with the public and private sectors through the creation of a single and unified proof of identity

**Enforcement of the Anti-Red Tape Act = PhP38 M**
To promote transparency in government in coordination with the Civil Service Commission (CSC)

**Public Assistance and Contact Center ng Bayan = PhP17 M**
To resolve requests for information and receive feedback from citizens regarding government services
Senate Bill No. 369 (Criminal Investigation Act of 2016), which aims to increase the overall efficiency of criminal investigation processes, was passed on First Reading and referred to the Senate Committee on Justice and Human Rights on August 3, 2016.

The Revised Guidelines for Continuous Trial of Criminal Cases was issued on April 25, 2017 by the Supreme Court (SC) to enhance criminal and court procedures to promote the speedy disposition of criminal cases.

On August 31, 2017, President Duterte signed into law R.A. No. 10951 (Amendments to the Revised Penal Code), which updates the amount or value of fines and penalties based on current standards to prevent the imposition of unjust and excessive punishment.

Pursuant to R.A. No. 10592, the Uniform Manual on Time Allowance and Service of Sentence was launched on December 1, 2017 to set standard guidelines and procedures on the grant of credit for preventive imprisonment and time allowance for good conduct of persons deprived of liberty in the Bureau of Corrections (BuCor), Bureau of Jail Management and Penology (BJMP), provincial jails, and rehabilitation or detention centers.

Updates on Key Justice Legislations

Senate Bill No. 369 (Criminal Investigation Act of 2016), which aims to increase the overall efficiency of criminal investigation processes, was passed on First Reading and referred to the Senate Committee on Justice and Human Rights on August 3, 2016.

The Revised Guidelines for Continuous Trial of Criminal Cases was issued on April 25, 2017 by the Supreme Court (SC) to enhance criminal and court procedures to promote the speedy disposition of criminal cases.

On August 31, 2017, President Duterte signed into law R.A. No. 10951 (Amendments to the Revised Penal Code), which updates the amount or value of fines and penalties based on current standards to prevent the imposition of unjust and excessive punishment.

Pursuant to R.A. No. 10592, the Uniform Manual on Time Allowance and Service of Sentence was launched on December 1, 2017 to set standard guidelines and procedures on the grant of credit for preventive imprisonment and time allowance for good conduct of persons deprived of liberty in the Bureau of Corrections (BuCor), Bureau of Jail Management and Penology (BJMP), provincial jails, and rehabilitation or detention centers.

Fast-track Case Resolution

DOJ - PhP21.4 B
Law enforcement services (including investigation and prosecution services)
Free legal services to indigent clients and other qualified persons under the PAO
Investigation services under the National Bureau of Investigation (NBI)
Legal services
Witness Protection Program

The Judiciary - PhP37.3 B
Operations of the Supreme Court (SC) and the Lower Courts
Construction of Halls of Justice (HOJs) under the Justice Infrastructure Program (JUSIP)
Construction of the new SC building in Taguig City
Hiring of court decongestion officers

Ease Jail Congestion

BJMP - PhP18.9 B
- PhP16.9 B for the Inmates’ Safekeeping and Development Program
- PhP2.9 B for the construction of additional jail facilities

BuCor - PhP2.9 B
- PhP2.6 B for the Prisoners Custody and Safekeeping Program
- PhP0.9 B for the salary upgrading of 3,137 uniformed personnel of the BuCor

Enhance Transparency and Accountability

Ombudsman - PhP2.9 B
- PhP2.9 B to reduce the incidence of corruption and red tape in the government through its Anti-Corruption Investigation and Enforcement Programs

Sandiganbayan - PhP0.7 B
- PhP0.7 B to process a target of 5,020 cases involving graft and corrupt practices committed by public officials and employees

Allocations for Some Institutions Involved in the Administration of Justice, 2017-2019 (in billion Pesos)

<table>
<thead>
<tr>
<th>Year</th>
<th>DOJ</th>
<th>The Judiciary</th>
<th>BJMP</th>
<th>Ombudsman</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>16.6</td>
<td>32.5</td>
<td>11.6</td>
<td>2.3</td>
</tr>
<tr>
<td>2018</td>
<td>19.7</td>
<td>35.3</td>
<td>14.5</td>
<td>2.7</td>
</tr>
<tr>
<td>2019</td>
<td>21.4</td>
<td>37.3</td>
<td>18.9</td>
<td>2.9</td>
</tr>
</tbody>
</table>

*Includes Bureau of Corrections and Public Attorney’s Office (PAO)
Off-Budget Accounts are funds or receipts authorized by law to be collected and deposited by agencies with Authorized Government Depository Banks (AGDBs) for expenditures outside of the National Expenditure Program. These accounts will eventually be used by agencies for various specific purposes during budget execution.

For the year 2019, departments/agencies will spend PhP73.9 billion of their PhP94.2 billion off-budget revenues.

Off-budget accounts are categorized into retained income/receipts, revolving funds and receipts from borrowings by the Bureau of the Treasury (BTr). Of the estimated off-budget revenues for 2019, 55.8% will be collected by the Department of Health (DOH) and by the different State Universities and Colleges (SUCs) amounting to PhP27.6 billion and PhP25.0 billion, respectively.

Nature of Expenditures of Major Off-Budget Accounts for 2019

- **Department of Health**: PhP24.4 B
  - Purchase of drugs and medicines for sale at Model Botika Pharmacy; augmentation of operating expenses; and purchase of equipment, among others

- **State Universities and Colleges**: PhP24.1 B
  - Payment of authorized benefits to teachers and students, some operating expenses, and capital investments

- **The Judiciary**: PhP4.6 B
  - Allowances for justices and judges, and scholarship and training expenses, among others

- **Department of Transportation**: PhP4.1 B
  - Rental Fees for MRT 3 Build-Lease-Transfer agreement (BLT), and construction of DOTr Building, among others

- **Department of Labor and Employment**: PhP2.4 B
  - Appeal bonds, monetary judgment awards, and socio-economic projects, among others
THE BASICS OF BUDGETING

- The Phases of the Budget
- Glossary of Budget Terms
### THE PHASES OF THE BUDGET

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.

**PREPARATION**

1. **1.1 Issuance of Budget Call** (December of PY)
2. **1.2 Citizen Engagement/Regional Development Council (RDC) Consultations** (January-February)
3. **1.3 Conduct of budget hearings and review of Tier I for BY** (February)
4. **1.4 Program convergence** (April)
5. **1.5 Submission of Tier II budget proposals for BY** (April-May)
6. **1.6 Conduct of budget hearings and review of Tier II for BY** (May-June)

**ACCOUNTABILITY**

1. **2.1 Budget deliberations in the House of Representatives and Senate** (August-November)
2. **2.2 House and Senate ratification of the General Appropriations Bill** (August-November)
3. **2.3 Enactment of the General Appropriations Act (GAA)** (December)

**EXECUTION**

1. **3.1 Early procurement activities** (August of PY)
2. **3.2 Submission of Monthly Disbursement Program** (October of PY)
3. **3.3 Submission of budget execution documents** (BEDs) based on the National Expenditure Program (NEP) (December of PY)
4. **3.4 Awarding of contracts** (January of CuY)
5. **3.5 Submission of adjusted BEDs based on GAA (January of CuY)
6. **3.6 Release of Notices of Cash Allocation (NCAs) for the 1st semester (January of CuY)
7. **3.7 Release of NCAs for the 2nd semester (July of CuY)

**LEGISLATION**

1. **4.1 Submission of quarterly Budget and Financial Accountability Reports** (Every quarter of the CuY)
2. **4.2 Posting of Disbursement Assessment Reports** (Every month of the CuY)
3. **4.3 Publication of Mid-Year Report for CuY and Year-End Report for PY** (August-September)
4. **4.4 Conduct of audit (Within the following year)

**BY: Budget Year (Current year + 1 year)
PY: Prior Year (Current year - 1 year)
CuY: Current Year**
1. **Allotment.** Authorization issued by the Department of Budget and Management (DBM) to an agency, allowing the latter to commit/incure obligations and/or pay out funds within a specified period of time and within the amount specified through the:
   1. General Appropriations Act as an 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 plan for a year. It is a table/schedule of expenditures, based on either obligation 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. **Debt Service.** The sum of debt amortization and interest payments, including commitment fees and other charges, on foreign and domestic borrowings.

7. **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.

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

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

10. **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.

11. **Inflation.** The sustained increase in the general price level of goods and services.

Source: 2019 Budget of Expenditures and Sources of Financing; Bangko Sentral ng Pilipinas
Your government wants to hear from you! Our participation should go beyond merely proposing well-meaning programs and projects during budget preparation. We encourage you to get involved in monitoring their implementation by writing a letter, sending an e-mail, or contacting any of the government offices listed below.

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

<table>
<thead>
<tr>
<th>Office of the President</th>
<th>Department of Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>8888 Citizen’s Complaint Center</td>
<td>Action Center (DOJAC)</td>
</tr>
<tr>
<td>736-8645; 736-8603; 7368621 F</td>
<td>526-3365; 521-2930 TF</td>
</tr>
<tr>
<td><a href="mailto:pcc@malacanang.gov.ph">pcc@malacanang.gov.ph</a></td>
<td><a href="mailto:dojac@doj.gov.ph">dojac@doj.gov.ph</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Office of the Vice President</th>
<th>Department of Labor and Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Assistance Division</td>
<td>Information and Publication Service</td>
</tr>
<tr>
<td>831-2612; 833-3812</td>
<td>Hotline: 1349; 24/7</td>
</tr>
<tr>
<td><a href="mailto:pad@ovp.gov.ph">pad@ovp.gov.ph</a></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Civil Service Commission</th>
<th>Department of Public Works and Highways</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Assistance and Information Office</td>
<td>Stakeholders Relationship Service</td>
</tr>
<tr>
<td>931-7993; 932-0381; 932-0179 TF</td>
<td>304-3202; 304-3279; 304-3280</td>
</tr>
<tr>
<td><a href="mailto:paio@csc.gov.ph">paio@csc.gov.ph</a></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Agrarian Reform</th>
<th>Department of Science and Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Affairs and Media Relations Service/</td>
<td>Public Assistance and Complaints Desk</td>
</tr>
<tr>
<td>Public Affairs Information Center</td>
<td>837-2071 loc. 2036, 2051; 838-9080</td>
</tr>
<tr>
<td>928-6820; 453-7980</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:director.pamrs@dar.gov.ph">director.pamrs@dar.gov.ph</a></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Agriculture</th>
<th>Department of Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Assistance and Complaints Desk</td>
<td>Tourism Information and Special Projects Unit</td>
</tr>
<tr>
<td>928-8741 to 64 loc. 2136; 920-4359</td>
<td>459-5200 to 30 loc. 101, 102; 524-2384; 525-2000</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:tourist_info@tourism.gov.ph">tourist_info@tourism.gov.ph</a>; <a href="mailto:ncr@tourism.gov.ph">ncr@tourism.gov.ph</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Education</th>
<th>Department of Trade and Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Assistance and Complaints Desk</td>
<td>Public Assistance Desk</td>
</tr>
<tr>
<td>638-1780</td>
<td>751-0384 loc. 2107</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Energy</th>
<th>Department of Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Welfare and Promotion Office</td>
<td>Action Center</td>
</tr>
<tr>
<td>479-2900</td>
<td>Hotline No.: 7890</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Environment and Natural Resources</th>
<th>Commission on Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Communications and Initiatives Service</td>
<td>Public Information Office</td>
</tr>
<tr>
<td>426-0279; 426-3850; 926-9805; 926-7031</td>
<td>951-6955; 951-0934 F</td>
</tr>
<tr>
<td><a href="mailto:press@coa.gov.ph">press@coa.gov.ph</a></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Foreign Affairs</th>
<th>Commission on Elections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Undersecretary for Migrant Workers</td>
<td>Education and Information Department</td>
</tr>
<tr>
<td>832-1672; 551-0847 F</td>
<td>525-9294; 525-9301</td>
</tr>
<tr>
<td><a href="mailto:oumwa@dfa.gov.ph">oumwa@dfa.gov.ph</a></td>
<td><a href="mailto:info@comelec.gov.ph">info@comelec.gov.ph</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Health</th>
<th>Office of the Ombudsman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints and Action Unit</td>
<td>Public Assistance and Corruption Prevention Bureau</td>
</tr>
<tr>
<td>651-7800 loc. 2527</td>
<td>479-7300; 317-8300 loc. 5314</td>
</tr>
</tbody>
</table>

| Department of the Interior and Local Government | |
|--------------------------------------------------| |
| Public Assistance and Complaints Center | |
| 925-0343 | |
### DEPARTMENT OF BUDGET AND MANAGEMENT
### 2019 PEOPLE’S PROPOSED 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):

Date: ______________

Kindly rate (encircle) based on the following criteria:

<table>
<thead>
<tr>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Neither Agree nor Disagree</td>
<td>Disagree</td>
<td>Strongly Disagree</td>
</tr>
</tbody>
</table>

**Is the publication informative?**

| Building a Bright Future for the Philippines and Its People | 5 | 4 | 3 | 2 | 1 |
| The Budget and the Economy | 5 | 4 | 3 | 2 | 1 |
| The Fiscal Program | 5 | 4 | 3 | 2 | 1 |
| Revenues | 5 | 4 | 3 | 2 | 1 |
| The 2019 Budget and the Tax Reform Program | 5 | 4 | 3 | 2 | 1 |
| Borrowings | 5 | 4 | 3 | 2 | 1 |
| 2019 Budget Dimensions (By Sector [Old System], By Function/Sector [COFOG], By Expense Class, By Region, By Recipient Unit, By Special Purpose Fund [SPF], and By Source of Appropriations) | 5 | 4 | 3 | 2 | 1 |
| Expenditure Priorities of the 2019 National Budget | 5 | 4 | 3 | 2 | 1 |
| Intensifying Infrastructure Development | 5 | 4 | 3 | 2 | 1 |
| Building a More Secure and Peaceful Nation | 5 | 4 | 3 | 2 | 1 |
| Enhancing Programs on Human Development | 5 | 4 | 3 | 2 | 1 |
| Sustaining Reforms in Government Service Delivery | 5 | 4 | 3 | 2 | 1 |
| Off-Budget Accounts | 5 | 4 | 3 | 2 | 1 |
| The Basics of Budgeting | 5 | 4 | 3 | 2 | 1 |
| The Phases of the Budget | 5 | 4 | 3 | 2 | 1 |
| Glossary of Budget Terms | 5 | 4 | 3 | 2 | 1 |
| How Can the Government Help You? | 5 | 4 | 3 | 2 | 1 |

**Is the publication understandable?**

| The content is logical and well-organized. | 5 | 4 | 3 | 2 | 1 |
| The connections between ideas are clear. | 5 | 4 | 3 | 2 | 1 |
| The language is simple enough for me to understand. | 5 | 4 | 3 | 2 | 1 |
| Technical topics are tackled in a citizen-friendly way. | 5 | 4 | 3 | 2 | 1 |
| The examples given are significant and helpful. | 5 | 4 | 3 | 2 | 1 |
| The graphs, tables, and illustrations aid in understanding the text better. | 5 | 4 | 3 | 2 | 1 |
Is the publication readable?

<table>
<thead>
<tr>
<th>The font used (e.g. typeface, size) is easy to read.</th>
<th>5 4 3 2 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>The graphs and charts used are clear.</td>
<td>5 4 3 2 1</td>
</tr>
<tr>
<td>The color scheme is appealing.</td>
<td>5 4 3 2 1</td>
</tr>
<tr>
<td>The layout of the publication is pleasing to the eye.</td>
<td>5 4 3 2 1</td>
</tr>
</tbody>
</table>

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
E Others (please specify):

Which portions within the publication do you find most useful? Less useful?

Most useful:

Less useful:

What other information do you think should be included in the publication?

Other comments and suggestions:

Thank you very much!

After filling up this form, you may submit it through:
> Mail to Budget Information and Training Service, Department of Budget and Management, General Solano St., San Miguel, Manila 1005.
> Scan or take a clear photo and email to bits@dbm.gov.ph.
2019 PEOPLE’S PROPOSED BUDGET
Produced by the Philippines’ Department of Budget and Management (DBM)
August 2018

To ensure that this publication is widely accessible, the DBM highly encourages its reproduction, copying, printing, and/or dissemination or parts thereof exclusively for personal and non-commercial use and with proper acknowledgment of the DBM or its other sources. The DBM, however, cannot be held responsible for any issue arising from such activities.