



TECHNICAL NOTES ON THE PROPOSED NATIONAL BUDGET



FISCAL YEAR
2024

Agenda for Prosperity:
Securing a Future-Proof
and Sustainable Economy



TECHNICAL NOTES ON THE PROPOSED NATIONAL BUDGET

FISCAL YEAR
2024

Agenda for Prosperity:
Securing a Future-Proof
and Sustainable Economy

Table of Contents

I. Agenda for Prosperity	1
Securing a Future-Proof and Sustainable Economy	
II. Financing the National Expenditure Program	3
Macroeconomic Environment	3
Fiscal Strategy	12
III. Dimensions of the National Expenditure Program	26
By Sector	26
By Expense Class	32
By Recipient Unit/Entity	33
By Department and Special Purpose Fund	34
By Appropriation Source	38
By Region	39
Intergovernmental Transfers to LGUs	39
Transfers to Government-Owned and/or-Controlled Corporations	44
Earmarked Revenues	45
Off-Budget Accounts	48
Foreign-Assisted Projects	48
IV. Expenditure Priorities	53
Education	53
Infrastructure Development	59
Food Security	67
Health and Nutrition	74
Social Protection	79
Labor Protection	84
Trade and Industry Development	89
Digitalization and Innovation	92
Good Governance	99
Environment, Climate Adaptation, and Disaster Resilience	108

AGENDA FOR PROSPERITY

Securing a Future-Proof and Sustainable Economy

The proposed National Budget for Fiscal Year (FY) 2024 marks the first budget fully crafted under the current Administration. With an allocation of Php 5.768 trillion, this Budget exemplifies the government's commitment to build upon the economic achievements of the previous fiscal year. Its core objective is to propel the Agenda for Prosperity, ensuring the realization of a future-proof and sustainable economy, and fulfilling the objectives outlined in the Medium-Term Fiscal Framework, the 8-Point Socioeconomic Agenda, and the Philippine Development Plan (PDP) 2023-2028.

The National Expenditure Program for 2024 stands at a remarkable 21.7 percent of the country's GDP, marking a 9.5 percent increase over the FY 2023 Budget. This Budget serves as a concrete plan to steer the nation toward greater economic prosperity.

The total proposals submitted by government agencies amounted to Php 5.9 trillion. These proposals underwent a rigorous evaluation process, considering factors such as the agencies' past budget utilization rates and absorptive capacity; the alignment of their programs, activities, and projects (PAPs) with the Budget Priorities Framework; and the readiness of these PAPs for timely delivery.

In the pages that follow, we will delve into the specifics of the proposed FY 2024 National Budget, highlighting how each Peso has been strategically optimized to guide the nation towards an inclusive and sustainable economy and ensure no Filipino is left behind on the path to a promising future.

II. FINANCING THE NATIONAL EXPENDITURE PROGRAM

Macroeconomic Environment¹

Overview of the Global Economic Environment

According to the latest World Economic Outlook (July 2023) of the International Monetary Fund (IMF), the global economy is expected to experience a decline in growth, dropping from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. (Table 1)

Nevertheless, emerging markets and developing economies are anticipated to maintain relatively stable growth rates in 2023 and 2024, with slight regional variations.

Growth in Advanced Economies. Almost 93.0 percent of advanced economies are expected to experience a slowdown in growth by 2023 — from 2.7 percent in 2022 to 1.5 percent in 2023. For 2024, growth remains at 1.4 percent across this group of countries.

The Gross Domestic Product (GDP) growth of the United States is expected to decelerate from 2.1 percent in 2022 to 1.8 percent in 2023, and then to 1.0 percent in 2024. Strong consumption growth recorded in the first quarter contributed to the somehow positive forecast for 2023. However, this is unlikely to continue as consumers have already depleted their pandemic savings, and the Federal Reserve (Fed) could raise rates that would affect the economy negatively.

The Euro area's growth is predicted to decline from 3.5 percent in 2022 to 0.9 percent in 2023 but is expected to rise again to 1.5 percent in 2024. Although Italy and Spain's growth forecasts for 2023 may be lower than last

year's, their economies are still on the road to recovery, thanks to the strength of their service and tourism sectors. In contrast, Germany's economy has declined due to weak manufacturing output and economic contraction. The United Kingdom's growth rate, on the other hand, is expected to decrease from 4.1 percent in 2022 to 0.4 percent in 2023 but is expected to rebound to 1.0 percent in 2024.

Meanwhile, Japan's growth is expected to increase from 1.1 percent in 2022 to 1.4 percent in 2023 due to pent-up demand and supportive policies. However, this growth is predicted to slow down to 1.0 percent in 2024 as the effects of previous stimuli wear off.

Growth in Emerging Market and Developing Economies.

In 2023 and 2024, growth for Emerging Market and Developing Economies is expected to remain steady at 4.0 percent and 4.1 percent, respectively. However, this seemingly stable average masks marked disparities, with around 61.0 percent of the economies in this group anticipated to grow faster in 2023 than the rest. This percentage includes low-income countries and three (3) geographical regions, i.e., Latin America and the Caribbean; Middle East and Central Asia; and Sub-Saharan Africa.

Emerging and Developing Asia is projected to grow at 5.3 percent in 2023, slowing down slightly to 5.0 percent in 2024. China is expected to post a growth rate of 5.2 percent in 2023 and 4.5 percent in 2024. Meanwhile, India's growth is expected to increase to 6.1 percent in 2023 due to the momentum from stronger domestic investment in the fourth quarter of 2022.

Table 1: Latest World Economic Outlook Growth Projections, 2022-2024
(Real GDP growth, percent)

Particulars	Projections		
	2022	2023	2024
World Output	3.5	3.0	3.0
Advanced Economies	2.7	1.5	1.4
United States	2.1	1.8	1.0
Euro Area	3.5	0.9	1.5
Germany	1.8	-0.3	1.3
France	2.5	0.8	1.3
Italy	3.7	1.1	0.9
Spain	5.5	2.5	2.0
Japan	1.1	1.4	1.0
United Kingdom	4.1	0.4	1.0
Canada	3.4	1.7	1.4
Other Advanced Economies	2.7	2.0	2.3
Emerging Market and Developing Economies	4.0	4.0	4.1
Emerging and Developing Asia	4.5	5.3	5.0
China	3.0	5.2	4.5
India ^a	7.2	6.1	6.3
Emerging and Developing Europe	0.8	1.8	2.2
Russia	-2.1	1.5	1.3
Latin America and the Caribbean	3.9	1.9	2.2
Brazil	2.9	2.1	1.2
Mexico	3.0	2.6	1.5
Middle East and Central Asia	5.4	2.5	3.2
Saudi Arabia	8.7	1.9	2.8
Sub-Saharan Africa	3.9	3.5	4.1
Nigeria	3.3	3.2	3.0
South Africa	1.9	0.3	1.7
<i>Memorandum</i>			
ASEAN-5 ^b	5.4	4.6	4.5
Emerging Market and Middle-Income Economies	3.9	3.9	3.9
Low-Income Developing Countries	5.0	4.5	5.2

Source: IMF, World Economic Outlook, July 2023

^aFor India, data and forecasts are presented on a fiscal year basis, with FY 2022/2023 (starting in April 2022) shown in the 2022 column. India's growth projections are 6.6 percent in 2023 and 5.8 percent in 2024 based on calendar year.

^bIndonesia, Malaysia, Philippines, Singapore, Thailand

Emerging and Developing Europe's economy is expected to grow by 1.8 percent in 2023 and 2.2 percent in 2024. Russia's growth has been revised upward to 1.5 percent in 2023, reflecting hard data on retail trade, construction, and industrial production that point to a strong first half of the year.

Meanwhile, Latin America and the Caribbean's growth rate is expected to decrease from 3.9 percent in 2022 to 1.9 percent in 2023 due to its waning growth momentum since reopening after the pandemic, as well as lower commodity prices. However, it is seen to rise to 2.2 percent in 2024. Brazil's growth rate is expected to increase to 2.1 percent in 2023 and 1.2 percent in 2024 due to a surge in agricultural production in the first quarter of 2023. Mexico's growth rate is expected to improve to 2.6 percent in 2023 due to a delayed post-pandemic recovery in services and spillovers from resilient US demand.

The Middle East and Central Asia's growth is projected to decline from 5.4 percent in 2022 to 2.5 percent in 2023 mainly due to a slowdown in Saudi Arabia. In Sub-Saharan Africa, growth is projected to decline to 3.5 percent in 2023 before picking up to 4.1 percent in 2024.

Domestic Economic Performance and Outlook

The Philippine economy experienced remarkable growth in 2022, growing at a pace of 7.6 percent, the fastest rate of economic growth recorded by the Philippines since 1976.

This increase outperformed the forecast of the Development Budget Coordination Committee (DBCC) at 6.5 percent to 7.5 percent² for 2022. Moreover, it marked a substantial recovery from the 9.5 percent economic contraction in 2020.

Economic recovery was primarily driven by domestic demand, which increased by 8.9 percent. Both household consumption (8.3 percent) and total investments (13.8 percent) experienced significant growth. Private spending benefited from the easing of restrictions, such as the resumption of face-to-face classes, while investments were boosted by construction activities (12.1 percent). Government spending also maintained positive growth at 4.9 percent in 2022. However, total imports (13.9 percent) grew faster than total exports (10.9 percent), resulting in a contraction of net exports (-22.5 percent).

The Services sector also performed well, registering 9.2 percent growth, followed by the Industry sector at 6.5 percent and the Agriculture sector at 0.5 percent. The growth in the Services sector was mainly due to the expansion in trade at 8.7 percent; financial and insurance activities at 7.1 percent; and transportation and storage at 23.9 percent. Industry growth was fueled by manufacturing at 4.9 percent and construction at 12.1 percent. Most sectors have surpassed their pre-pandemic (2019) output levels, except for mining and quarrying, construction, and real estate, among others.

As of the second quarter of 2023, the country's real GDP posted a growth of 4.3 percent. Major economic sectors — namely Agriculture, Forestry, and Fishing (AFF), Industry, and Services — all expanded in the second quarter of 2023.

The AFF sector grew at 0.2 percent, contributing 8.0 percent to the total GDP during the second quarter of 2023. Meanwhile, the Industry sector, which represented 29.9 percent of GDP in the second quarter of 2023, registered growth of 2.1 percent, with construction, which expanded by 3.5 percent, being the main contributor to this growth, followed by manufacturing, which grew by 1.2 percent.

The Services sector, which made up 62.1 percent of total GDP in the second quarter of 2023, expanded by 6.0 percent, with Wholesale and Retail Trade contributing the most to this growth with its 5.3 percent increase.

Medium-Term Macroeconomic Forecasts for 2023 to 2026

Given recent developments in the domestic and global economy and the Administration's near- and medium-term priorities, the government carefully assessed and determined realistic and credible macroeconomic assumptions upon which the Php 5.768 trillion proposed FY 2024 National Budget is based.

Real GDP Growth. The Philippine economy experienced a growth of 7.6 percent in 2022 due to increased demand within the country, better working conditions, rise in tourism, and return of face-to-face classes. The economy is expected to maintain this high level of growth until 2028, as outlined in the Medium-Term Fiscal Framework (MTFF). To account for potential risks such as geopolitical and trade tensions, global economic slowdown, and weather disturbances, growth targets have been set at 6.0 percent to 7.0 percent in 2023 and 6.5 percent to 8.0 percent annually from 2024 to 2028. The government's strategies, aligned with the PDP 2023-2028, will focus on modernizing agriculture, expanding agri business, promoting private sector involvement in infrastructure development, encouraging digital transformation, and enhancing local industry competitiveness.

Inflation Rate. The inflation rate assumption for 2023 has been increased to 5.0 to 6.0 percent, from the previous range of 2.5 to 4.5 percent, due to high prices of food, energy, and transport costs. Despite this, the government remains committed to reducing inflation and achieving food and energy security through immediate and long-term strategies. The Inter-Agency Committee on Inflation and Market Outlook (IAC-IMO), created under Executive Order No. 28, s. 2023, will work towards returning the inflation rate to the target range of 2.0 percent to 4.0 percent between 2024 and 2026.

Dubai Crude Oil. Based on the current global demand slowdown, the projected price range for Dubai crude oil in 2023 has been adjusted to USD 70 to 90 per barrel. Forecasts indicate that crude oil prices will continue to decline in 2024, before stabilizing at USD 60 to 80 per barrel between 2025 and 2026. These latest forecasts suggest a longer-term trend of falling global crude oil prices.

Foreign Exchange Rate (FOREX). Analysts have forecasted a dip in the peso-to-dollar exchange rate in 2023, with a projected range of USD 54 to 57 that is expected to hold steady until 2026. This positive trend is largely attributed to the normalization of policies by the *Bangko Sentral ng Pilipinas* (BSP), as well as the anticipated growth in tourism revenue and remittances from Overseas Filipino Workers (OFWs) as the economy continues to reopen.

364-Day Treasury Bill Rate. Although domestic interest rates are seen to inch higher this year to between 5.5 percent to 6.5 percent from the actual 2.5 percent in 2022 due to inflation concerns, these are expected to go down to 4.0 percent to 5.5 percent in 2024.

Secured Overnight Financing Rate (SOFR). Replacing the London Inter-Bank Offered Rate (LIBOR), the SOFR is the new global benchmark for interest rates. For 2024, rates for SOFR are seen to hover between 3.5 percent to 4.5 percent.

Imports and Exports. The growth projections for imports and exports of goods remain at 2.0 percent and 1.0 percent, respectively. This is in line with the current global demand outlook and trade prospects. These projections are expected to stabilize at 8.0 percent and 6.0 percent in the medium-term.

Likewise, these trade assumptions reflect the gradual normalization of economic activity, both globally and domestically.

Table 2: Macroeconomic Parameters, 2022-2026

Particulars	Actual	Adjusted	Projection ^a		
	2022	2023	2024	2025	2026
Real GDP Growth Rate (%)	7.6	6.0-7.0	6.5-8.0	6.5-8.0	6.5-8.0
Inflation Rate (%)	5.8	5.0-6.0	2.0-4.0	2.0-4.0	2.0-4.0
364-Day Treasury Bill Rate (%)	2.5	5.5-6.5	4.0-5.5	3.0-4.5	3.0-4.5
Foreign Exchange Rate (Php/USD)	54.48	54-57	53-57	53-57	53-57
Secured Overnight Financing Rate, 6 months (%)^b	2.5	4.0-5.0	3.5-4.5	3.0-4.0	3.0-4.0
Dubai Crude Oil Price (USD/barrel)	97.05	70-90	70-90	60-80	60-80
Growth of Goods Exports (%)^c	5.9	1.0	6.0	6.0	6.0
Growth of Goods Imports (%)^c	18.5	2.0	8.0	8.0	8.0

^aAssumptions and targets adopted by the DBCC on June 9, 2023

^bDuring the DBCC Executive Technical Board meeting on November 25, 2022, SOFR was approved as replacement for LIBOR which ceased publication in June 2023

^cBased on the IMF's Balance of Payments Manual 6 (BPM6) concept

Budget Sensitivity to Macroeconomic Parameters

The National Budget is affected by changes in the macroeconomic assumptions that it relies on. In FY 2024, the macroeconomic parameters will be guided by the MTFF to help achieve the Administration's socioeconomic development goals as outlined in the PDP 2023-2028.

Real GDP Growth Rate. A one percentage point increase in the country's real GDP growth rate will increase revenue collections by Php 32.6 billion as a result of a bigger tax base. This does not correspond to any automatic increase in disbursements. Thus, it will further expand the budget balance by the same amount.

Inflation Rate. A one percentage point increase in the inflation rate will enable the government to collect Php 31.2 billion in additional revenues without any cost on the part of the government. This will widen the government's budget balance by the same amount.

Peso-to-US Dollar Exchange Rate. Every Php 1.00 depreciation of the Philippine Peso against the US Dollar will increase disbursements by Php 3.6 billion in the form of higher foreign interest payments. However, the increase in revenues will more than offset the increase in disbursements by Php 7.6 billion. The revenues, amounting to Php 11.2 billion, will come from higher Peso proceeds from foreign grants and import taxes.

Domestic Interest Rates (T-bill). A one percentage point increase in the T-bill rate will generate Php 1.1 billion in fresh revenues for the government. However, this also entails around Php 5.4 billion in additional disbursements from interest payments.

Foreign Interest Rates. A one percentage point increase in the SOFR translates to Php 15.3 billion in additional disbursements due to higher foreign interest payments, which will not be matched by additional revenue inflow.

Treasury Bond Rate. A one percentage point increase in the Treasury Bond rate will increase revenues by Php 1.4 billion, but will entail additional disbursements amounting to Php 7.2 billion from interest payments on government bond securities.

Growth Rate of Imports. For every one percentage point increase in the imports growth rate, the government coffers will receive Php 7.0 billion in additional revenues and, thus, a corresponding increase in the budget balance.

Updated Socioeconomic Indicators, 2023-2028³

In the next six years, the Philippines will prioritize poverty reduction and inclusive growth as it strives to achieve upper middle-income country status by 2025. Despite external challenges, the country aims to recover from the pandemic and focus on improving weak areas such as health and social protection, as well as increasing resilience in various sectors and communities.

To meet its goals, the current Administration plans to maintain high economic growth of 6.0 percent to 7.0 percent in 2023 and 6.5 percent to 8.0 percent from 2024 to 2028. The country also aims to transform its production sectors to generate more and better quality jobs, and become more competitive in domestic and

international markets. Working towards continuing its progress among innovation achievers, the Philippines expects to improve its rank in the Global Innovation Index (GII) and be among the top 33.0 percent in the Global Competitiveness Index (GCI) by 2028.

Creating more and better quality jobs is another priority, with a target unemployment rate of 4.0 percent to 5.0 percent by 2028. The country also aims to reduce poverty incidence to 9.0 percent and keep food and overall prices low and stable.

Fiscal discipline is crucial, with plans to gradually reduce the National Government (NG) deficit-to-GDP ratio from 6.5 percent in the first half of 2022 to 3.0 percent in 2028. The outstanding government debt-to-GDP ratio will also be gradually reduced from 63.7 percent in September 2022 to 51.1 percent by the end of 2028.

Fiscal Risks and Other Sources of Risks to Growth⁴

While the World Health Organization (WHO) no longer considers COVID-19 to be a global health emergency, risks to the Philippine growth outlook remain. The country's economic managers are closely monitoring domestic and global developments to assess the situation and design appropriate interventions to cushion the adverse impact on ordinary Filipinos.

The Fight Against Inflation Continues. It is expected that inflation will breach the targets set for 2023. In the short term, there are seven (7) potential risks that could push inflation even higher due to factors such as increasing global non-oil prices, higher fish prices, and the potential impact of rising oil prices on transport fares, among others. However, while risks to the inflation outlook appear to be tilted to the upside for 2023, these are seen to be broadly balanced for 2024, with a weaker global recovery being the main downside.

Table 3. Budget Sensitivity to Macroeconomic Parameters, 2024
(in billion Pesos)

Indicators	Change	2024		
		Revenues	Disbursements	Budget Balance ^a
Peso-to-US Dollar Exchange Rate	<i>Php 1.00 depreciation</i>	11.2	3.6	7.6
Treasury Bill Rate (all maturities)	<i>1 percentage point increase</i>	1.1	5.4	(4.3)
Treasury Bond Rate (all maturities)	<i>1 percentage point increase</i>	1.4	7.2	(5.8)
SOFR (180-day)	<i>1 percentage point increase</i>	-	15.3	(15.3)
Inflation Rate	<i>1 percentage point increase</i>	31.2	-	31.2
Real GDP Growth Rate	<i>1 percentage point increase</i>	32.6	-	32.6
Growth Rate of Imports	<i>1 percentage point increase</i>	7.0	-	7.0

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

^aA negative figure in the budget balance means an increase in the deficit.

Sources: DOF and BTr

To help vulnerable sectors cope with rising crude oil prices, social protection measures are being put in place. Efforts are being made to ensure there is enough domestic food supply which could help mitigate any further inflation pressures that may arise from the supply side.

Local Risks. There are various risks that may affect the domestic situation. These include unpredictable weather events like typhoons and other natural disasters, the continuous spread of African Swine Fever in pigs, and other biosecurity hazards. Furthermore, the rise in commodity prices may put pressure on transport fares and wages, while value chains may also be disrupted. The government also needs to improve the capacity

of implementing agencies and local government units (LGUs) to effectively carry out their planned programs and projects, especially with the implementation of the Supreme Court (SC) Ruling on the Mandanas-Garcia Cases. Recall that the SC, in its April 10, 2019 decision on the Mandanas-Garcia cases, declared the use of the term “internal revenue” in the Local Government Code of 1991 unconstitutional and ordered the Department of Budget and Management (DBM), Department of Finance (DOF), Bureau of Internal Revenue (BIR), Bureau of Customs (BOC), and Bureau of the Treasury (BTr) to include all the national tax collections in the computation of the base of the just share of local governments according to the ratio established by law starting FY 2022.

Table 4: PDP Table of Headline Indicators, 2023-2028

Indicators	Baseline (Year)	Annual Targets						Means of Verification
		2023	2024	2025	2026	2027	2028	
GDP growth rate, % increased	5.7 (2021) 7.6 (2022)	6.0-7.0	6.5-8.0	6.5-8.0	6.5-8.0	6.5-8.0	6.5-8.0	National Accounts of the Philippines; Philippine Statistics Authority (PSA)
Global Innovation Index improved (GII rank)	59 th out of 132 (2022)	57 th	54 th	52 nd	49 th	46 th	43 rd	GII Report
Global Competitiveness Index (GCI) rank and score improved	Top 45% Score: 61.9 (2019)	Top 43% Score: 62.1	Top 41% Score: 62.7	Top 39% Score: 62.9	Top 37% Score: 64.3	Top 35% Score: 64.9	Top 33% Score: 65.1	World Economic Forum Global Competitiveness Report
Unemployment rate (%) decreased	5.4 (Ave. Jan, Apr, Jul, Oct 2022)	5.3-6.4	4.4-4.7	4.8-5.1	4.0-5.0	4.0-5.0	4.0-5.0	Labor Force Survey (LFS), Philippine Statistics Authority
Percent of wage and salaried of workers in private establishments to total employed (%) increased	49.6 (Ave. Jan, Apr, Jul, Oct 2022)	50.3-50.7	50.9-51.5	51.4-52.4	51.9-53.3	52.5-54.1	53.0-55.0	Labor Force Survey, Philippine Statistics Authority
Gross national income per capita increased	USD 3,550 ^a (2021)	USD 4,130- USD 4,203	USD 4,454- USD 4,592	USD 4,814- USD 4,920	USD 5,256- USD 5,563	USD 5,645- USD 6,056	USD 6,044- USD 6,571	World Bank, International Monetary Fund
Poverty incidence (% of population) reduced	18.1 (2021)	16.0-16.4	-	12.9-13.2	-	10.0-10.3	8.8-9.0	Family Income and Expenditure Survey, Philippine Statistics Authority
Food inflation rate (%) kept stable	6.1 (2022)	2.5-4.5	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	Philippine Statistics Authority
Headline inflation rate (%) kept stable	5.8 (2022)	2.5-4.5	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	Philippine Statistics Authority
National Government (NG) deficit to GDP ratio (%) declined	7.3 (2022)	6.1	5.1	4.1	3.5	3.2	3.0	Bureau of the Treasury (BTr)
Outstanding NG debt stock to GDP ratio (%) reduced	60.9 (2022)	60-62	57-61	56-59	54-58	50-55	48-53	Bureau of the Treasury

^a Actual GNI per capita in 2021 was revised downwards from USD 3,640 to USD 3,550.

Source: PDP 2023-2028

External Risks. There are various global factors that could potentially impact the country's economic growth in the near future. These include the slow pace of recovery in some regions, the ongoing conflict between Russia and Ukraine affecting commodity prices, China's economic slowdown, monetary policy changes, disruptions in global supply chains, financial market volatility, emergence of new COVID-19 variants, adverse weather events, and geopolitical tensions. These factors may have an impact on growth over time.

The central banks of advanced economies, especially the US Fed, could tighten global financial conditions to respond to inflation as the world economy recovers. Likewise, the ongoing conflict between Ukraine and Russia may increase global commodity prices, leading to higher domestic inflation. However, since the Philippines has limited economic ties with Ukraine and Russia, the direct impact on the country's economy is expected to be minimal. Nonetheless, the conflict may have wider implications for the global economy and international trade, which could have a significant impact on the Philippines. Any escalation or delay in resolving the conflict may require decisive policy support from the government to ensure continued economic recovery from the pandemic.

Strategies to Improve Growth

The economy is anticipated to grow by 6.0 percent to 7.0 percent throughout 2023. However, the first half of this year only saw a growth rate of 5.3 percent, which means that the country's GDP has to increase by a minimum of 6.6 percent in the second half of 2023 to achieve the target growth rate for the year.

In the first half of the year, government expenditure decreased by 7.1 percent sans expenditures related to the conduct of the national and local elections in May 2022 and substantial infrastructure disbursements for the Department of Public Works and Highways (DPWH) after the lifting of the election ban in June 2022. Nonetheless,

the government plans to accelerate spending in the coming quarters to regain growth momentum.

The government is currently employing ways to expedite the implementation of programs and projects under the 2023 National Budget. Through DBM Circular Letter No. 2023-10 dated August 9, 2023, local and regional government entities are encouraged to formulate catch-up plans and accelerate the implementation of these programs and projects. Fiscal stimulus activities are also underway to increase the productive capacities of both the public and private sectors.

Although inflation in the country has decreased in recent months, the government will continue to intensify supply-side interventions and demand-side management measures to maintain overall price stability. It will also intensify targeted measures to cushion the impact of high inflation on vulnerable sectors.

Additionally, the impact of the global economic slowdown and trade protectionism on the country's export sector will be monitored closely. Diversification of external markets will be facilitated to expand opportunities for exporters.

To assist in designing policies and assistance measures, the government will hold more discussions with sectors adversely affected by the global economic slowdown and shifts in demand preferences. It will continue the implementation of credit programs designed to provide low-interest loans for marginalized farmers and fisherfolk, and micro and small enterprises.

Endnotes:

¹Unless otherwise stated, data were sourced from the DBCC-Meetings/Ad Referendum, Philippine Statistics Authority, and the 2023 World Economic Outlook (July Update) of the International Monetary Fund.

²DBCC-approved target as of December 5, 2022

³National Economic and Development Authority. (2023). *PDP 2023-2028*.

⁴Department of Budget and Management. (2023). *Fiscal Risk Statement 2023*.

Fiscal Strategy

The FY 2022 Fiscal Performance

In 2022, total National Government (NG) disbursements reached Php 5.160 trillion. This is higher by Php 484.0 billion or 10.4 percent compared to the previous year. The spending outturn for the entire year was driven by higher transfers to LGUs and Capital Outlays (CO) for infrastructure. The combined allotment and

capital transfers to LGUs increased largely due to the higher National Tax Allotment (NTA) of LGUs in line with the SC Ruling on the Mandanas-Garcia cases to include all national tax collections in the computation of the just share of LGUs starting FY 2022. Meanwhile, a higher annual block grant to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) also boosted disbursements.

Table 1: Full Year 2022 NG Fiscal Performance
(in billion Pesos)

Particulars	January to June			Variance		Increase/(Decrease)	
	2022	2023		Amount	Percent	Amount	Percent
	Actual	Program	Actual				
Revenues	3,005.5	3,304.1	3,545.5	241.4	7.3	540.0	18.0
Disbursements	4,675.6	4,954.6	5,159.6	205.0	4.1	484.0	10.4
Current Operating Expenditures	3,493.9	3,679.0	3,831.8	152.8	4.2	337.9	9.7
Personnel Services	1,288.6	1,335.4	1,380.6	45.2	3.4	92.0	7.1
Maintenance and Other Operating Expenses	883	818.3	879.1	60.8	7.4	(3.9)	(0.4)
Subsidy	184.8	172.3	200.4	28.1	16.3	15.6	8.5
Allotment to LGUs	671.4	825.9	829.0	3.1	0.4	157.6	23.5
Interest Payments	429.4	512.6	502.9	(9.7)	(1.9)	73.4	17.1
Tax Expenditure	36.7	14.5	39.8	25.3	174.4	3.1	8.4
Capital Outlays	1,163.9	1,246.9	1,300.6	53.7	4.3	136.8	11.8
Infrastructure and Other CO	895.1	979.3	1,015.2	36.0	3.7	120.2	13.4
Equity	47.5	12.2	11.2	(1.1)	(8.8)	(36.4)	(76.5)
Capital Transfers to LGUs	221.3	255.4	274.2	18.8	7.4	53.0	23.9
Net Lending	17.9	28.7	27.2	(1.5)	(5.2)	9.3	52.2
Surplus/(Deficit)	(1,670.1)	(1,650.5)	(1,614.1)	36.4	(2.2)	56.0	(3.4)

The expansion in infrastructure and other CO was due to various factors, such as fast-tracked implementation of carryover projects, streamlined policies for project implementation, and increased level of authority of regional and district engineering offices in the procurement and implementation of infrastructure projects. Direct payments made by development partners for foreign-assisted rail transport projects of the Department of Transportation (DOTr) and the Revised Armed Forces of the Philippines Modernization Program of the Department of National Defense (DND) also contributed to higher infrastructure spending for the year.

Other expenditures that exhibited substantial growth were Personnel Services (PS) expenditures, interest payments, and net lending. However, Equity as well as Maintenance and Other Operating Expenses (MOOE) were lower year-on-year due to the completion of the one-time release of capital infusions to Government Financial Institutions (GFIs) in February 2021 and lower MOOE sans the sizeable payments for the purchase of COVID-19 vaccines during the third quarter of 2021.

Despite this, the full-year fiscal deficit for 2022 amounted to Php 1.614 trillion, lower by Php 56.0 billion or 3.4 percent year-on-year, equivalent to 7.3 percent of GDP. Thanks to the faster 18.0 percent increase in revenue collections, the government was able to accelerate disbursements and maintain the deficit level within the 7.6 percent of GDP full-year program for 2022.

The faster NG spending contributed to the country's economic growth, which expanded by 7.6 percent for the full year of 2022.

The FY 2023 Disbursements

During the first half of 2023, disbursements from NG totaled Php 2.412 trillion, indicating a slight increase of Php 10.1 billion, or 0.4 percent, from the previous year. While the combined allotment and capital transfers

to LGUs decreased, some expenditure items posted significant increases.

Infrastructure and other CO recorded an increase of Php 36.7 billion, or 7.8 percent, driven by the acceleration of infrastructure projects nationwide and direct payments from development partners for foreign-assisted rail transport projects. Taking into account the infrastructure components of transfers to LGUs, as well as subsidy and equity to Government-Owned and/or -Controlled Corporations, total disbursements for infrastructure in the first half of the year reached Php 608.7 billion, up by Php 15.5 billion or 2.6 percent. Although the growth of total infrastructure spending was hampered by the lower NTA of LGUs, this still accounted for 5.3 percent of GDP, in line with the full-year target.

Interest payments increased by Php 25.2 billion or 9.8 percent, mainly due to higher interest rates, which includes the SOFR for foreign loans. Meanwhile, subsidy support to government corporations rose by Php 11.0 billion or 20.8 percent, which can be attributed to the payment schedule for health insurance premiums of senior citizens. By the first half of this year, Php 15.0 billion was already released to Philippine Health Insurance Corporation (PHIC), while in the previous year, releases only began in July.

PS expenditures also increased by Php 10.6 billion, or 1.6 percent, due to the implementation of the fourth tranche of the Salary Standardization Law V, the filling up of newly created positions, and the payment of health emergency allowance to plantilla healthcare workers. Nonetheless, the expansion of PS expenses was offset by the absence of substantial releases for the payment of the pension differential of Military and Uniformed Personnel retirees for the first half of this year.

Program vs. Actual. Total NG disbursements for the first semester of 2023 fell short by Php 170.5 billion or 6.6 percent of the Php 2.582 trillion program. The primary cause for this was the shortfall in subsidy releases to

Table 2: NG Disbursements as of June 2023
(in billion Pesos)

Particulars	January to June				Variance		Increase/(Decrease)	
	2022	2023						
	Actual	Program	Actual	Amount	Percent	Amount	Percent	
Disbursements	2,401.7	2,582.4	2,411.9	(170.5)	(6.6)	10.1	0.4	
Current Operating Expenditures	1,802.2	1,974.3	1,785.8	(188.5)	(9.5)	(16.4)	(0.9)	
PS	666.0	701.0	676.6	(24.4)	(3.5)	10.6	1.6	
MOOE	393.0	460.6	395.0	(65.7)	(14.3)	2.0	0.5	
Subsidy	52.7	145.7	63.7	(82.0)	(56.3)	11.0	20.8	
Allotment to LGUs	414.5	357.7	354.9	(2.7)	(0.8)	(59.6)	(14.4)	
Interest Payments	257.2	302.8	282.5	(20.3)	(6.7)	25.2	9.8	
Tax Expenditure	18.7	6.5	13.1	6.6	102.0	(5.6)	(30.0)	
Capital Outlays	588.0	593.5	613.8	20.4	3.4	25.9	4.4	
Infrastructure and Other CO	470.5	483.1	507.2	24.1	5.0	36.7	7.8	
Equity	0.7	1.1	0.2	(0.9)	(83.6)	(0.5)	(74.2)	
Capital Transfers to LGUs	116.8	109.3	106.4	(2.9)	(2.6)	(10.4)	(8.9)	
Net Lending	11.6	14.6	12.2	(2.4)	(16.5)	0.6	5.4	

government corporations by Php 82.0 billion, or 56.3 percent, compared to the Php 145.7 billion program. This variance was mainly due to the timing of releases to PHIC, along with lower releases to the National Irrigation Administration (NIA) and the National Housing Authority (NHA).

For these subsidies to be released, the respective government corporations must submit the required Special Budget Requests and complete documentary requirements. Furthermore, the ongoing submission of billing claims and completion of documentation by contractors of irrigation and housing projects of NIA and NHA also impacted the actual subsidy releases for the period.

During this period, there was also a shortfall of Php 65.7 billion, or 14.3 percent, in maintenance spending. Various reasons were cited for the lower-than-programmed disbursements in some government departments and agencies. These include significant outstanding checks recorded in MOOE-heavy departments like the Department of Social Welfare and Development (DSWD), Department of Agriculture (DA), Department of Labor and Employment (DOLE), and Department of Health (DOH).

Other factors also included the ongoing implementation of social protection programs, ongoing procurement of health commodities, incomplete or non-submission of

supporting documents, ongoing profiling and evaluation of target beneficiaries, and ongoing validation of documentary requirements.

PS expenses were lower than the programmed amount by Php 24.4 billion or 3.5 percent. This was primarily due to unfilled positions in the Department of Education (DepEd), delays in the submission of requirements/documents to support payroll payments and promotion of personnel in State Universities and Colleges (SUCs), and balances from the Miscellaneous and Personnel Benefits Fund (MPBF).

Interest payments were Php 20.3 billion, or 6.7 percent, below the programmed amount due to the settlement of premiums from the reissuance of bonds.

Allotment and capital transfers to LGUs were Php 5.6 billion, or 1.2 percent, short of the programmed amount. This was due to reduced releases to LGUs from the Special Shares in the Proceeds of National Taxes and the Local Government Support Fund-Financial Assistance.

On the other hand, infrastructure and other capital outlays exceeded the programmed amount by Php 24.1 billion or 5.0 percent, due to the faster implementation of construction activities and payments for completed infrastructure projects of the DPWH.

Tax expenditures were more than double the programmed amount due to the higher-than-expected documentary stamp taxes on government securities issued by the BTr during the first semester of the year.

Outlook for the Rest of the Year. As of the end of June 2023, the balance from the obligation program of Php 5.268 trillion is Php 533.3 billion¹ or 10.1 percent. This includes agency-specific budgets of Php 113.2 billion and an allocation of Php 221.6 billion from Special Purpose Funds (SPFs).

Program balances under the regular budget of agencies are mostly for creation and filling up of positions at the Department of the Interior and Local Government (DILG) and DepEd; the implementation of the Universal Access to Quality Tertiary Education (UAQTE) Program of SUCs and the Commission on Higher Education (CHED) for the Academic Year 2023 to 2024; and the completion of various infrastructure projects of the DoTr. On the other hand, unreleased allotments from SPFs are mainly for the Pension and Gratuity Fund, Allocation to LGUs, Budgetary Support to Government Corporations, and MPBF.

The government is optimistic that it can achieve its full-year spending target within the year. To facilitate budget execution, DBM Circular Letter No. 2023-10 was issued on August 9, 2023 requiring government agencies to conduct data analysis, identify programs and projects with low disbursement rates and anticipated delays, and submit their latest financial and physical accomplishments, among others. The consolidated report will be used to determine the release of programmed appropriations, schedule of fund releases for FY 2024, and the proposed budget level for FY 2025.

The implementation of catch-up plans is expected to aid in achieving the full-year disbursement program and real GDP growth target.

The Medium-Term Fiscal Program

The government is making strides towards achieving its socioeconomic development goals outlined in the PDP 2023-2028, while making sure to maintain macro-fiscal sustainability and sustainable growth through the MTFF.

Revenue projections are expected to improve from Php 3.729 trillion in 2023 to Php 6.670 trillion in 2028. To achieve these targets, the current Administration has identified legislative priorities, such as the Package

4 or the Passive Income and Financial Intermediary Taxation Act (PIFITA) of the Comprehensive Tax Reform Program (CTRP); Value-Added Tax (VAT) on digital service providers; and excise taxes on single-use plastics and pre-mixed alcoholic beverages.

In 2024, disbursements are set at Php 5.629 trillion. From 2023 to 2028, disbursements are sustained above 20 percent of GDP, reaching Php 5.228 trillion in 2023 and expanding to Php 7.819 trillion in 2028. This will enable the government to implement priority programs and strategies outlined in the 8-point Socioeconomic Agenda and PDP 2023-2028.

To maintain fiscal sustainability, the target deficit for the period 2023 to 2028 shall progressively decline from 6.1 percent of GDP in 2023 to 3.0 percent of GDP by 2028. The implementation of a fiscal consolidation strategy under the MTFF will equip the NG to handle future shocks and risks, particularly in light of emerging global and domestic challenges.

Revenues

In his State-of-the-Nation Address on July 24, 2023, the President emphasized importance of higher revenue collections, including increasing tax and revenue efforts to boost public investments.

The government expects that revenue collections will increase by 14.6 percent in 2024, resulting in an expected collection of Php 4.273 trillion. Relative to GDP, revenue collections are projected to reach 16.1 percent in 2024, up from 15.2 percent in the current year. This increase is the result of the government's focus on improving tax collection, with a tax effort of 15.3 percent of GDP in 2024, compared to 14.4 percent in 2023.

In 2024, the total projected revenue will amount to Php 4.273 trillion. Of this amount, 95.3 percent, or Php 4.074 trillion, will come from taxes. The remaining revenue will be from non-tax sources and privatization proceeds amounting to Php 198.5 billion and Php 500

Table 3. Medium-Term Fiscal Program, 2022-2026
(in billion Pesos)

Particulars	2022	2023	2024	2025	2026
	Actual	Program	Projections		
Revenues	3,545.5	3,729.0	4,272.6	4,729.5	5,294.9
% of GDP	16.1%	15.2%	16.1%	16.3%	16.6%
Growth Rates	18.0%	5.2%	14.6%	10.7%	12.0%
Disbursements	5,159.6	5,228.4	5,629.4	5,922.7	6,409.4
% of GDP	23.4%	21.3%	21.2%	20.4%	20.1%
Growth Rates	10.4%	1.3%	7.7%	5.2%	8.2%
Surplus/(Deficit)	(1,614.1)	(1,499.4)	(1,356.8)	(1,193.2)	(1,114.5)
% of GDP	-7.3%	-6.1%	-5.1%	-4.1%	-3.5%

million, respectively. These estimates already include the projected revenue of Php 120.5 billion from the proposed new measures, such as the Excise Tax on Sweetened Beverages and Junk Food; VAT on Digital Service Providers; and Mining Fiscal Regime.

The BIR is expected to generate the majority of tax revenues, amounting to Php 3.047 trillion. This is a 15.4 percent increase from the previous year's Php 2.639 trillion.

Table 4. Breakdown of Revenues, 2022-2026
(in million Pesos)

Particulars	2022	2023	2024	2025	2026
	Actual	Program	Projection	Projection	Projection
Tax Revenues^a	3,220,315	3,537,946	4,073,581	4,563,700	5,124,452
Bureau of Internal Revenue	2,335,674	2,639,174	3,046,751	3,442,462	3,902,134
Bureau of Customs	862,420	874,166	1,000,160	1,076,437	1,159,655
Others	22,221	24,607	26,670	44,801	62,663
Non-Tax Revenues	323,544	190,558	198,479	165,271	169,942
Bureau of the Treasury	154,764	58,294	71,102	70,178	74,528
Fees and Charges	26,384	27,993	29,869	32,020	34,357
Others	142,396	104,270	97,508	63,073	61,057
Privatization	1,646	500	500	500	500
Total Revenues	3,545,505	3,729,004	4,272,560	4,729,471	5,294,894
% of GDP	16.1	15.2	16.1	16.3	16.6
Growth Rates	18.0	5.2	14.6	10.7	12.0

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

^a Tax revenue projections already include proceeds from the proposed tax revenues measures that will start in FY 2024 and FY 2025.

Main sources of revenue will be personal and corporate income taxes, which will contribute Php 1.553 trillion, or 38.1 percent, of the total tax revenues. The second largest source of revenues will be taxes on domestic goods and services (GST tax), which will contribute Php 1.223 trillion, or 30.0 percent, of the total tax revenue. The BIR's GST proceeds for 2024 are expected to be 22.5 percent higher than the Php 998.7 billion collected in the previous year.

It is important to note that the total tax revenue collections of the BIR already include the proceeds from the government's proposed tax revenue measures. (see Table 5)

The BOC, on the other hand, is expected to contribute Php 1.0 trillion in tax revenues, which is 14.4 percent higher than the projected amount of Php 874.2 billion for 2023. The VAT on imports will make up 62.4 percent, or Php 623.9 billion, of this amount.

Other tax revenue-generating agencies will add approximately Php 26.7 billion, with the majority coming from the Motor Vehicle User's Charge of the Land Transportation Office (LTO), which amounts to Php 22.5 billion or 84.4 percent.

Additional Tax Measures. About Php 120.5 billion of the total revenues for 2024 represents fresh revenue from the introduction of new additional tax measures. For FYs 2025 and 2026, collections from these new measures are expected to increase to Php 152.2 billion and Php 183.2 billion, respectively.

Passive Income and Financial Intermediary Taxation (PIFITA). Package 4, also known as the PIFITA of the previous administration's CTRP, is designed to simplify the complex tax structure of financial transactions and deepen capital markets. For example, based on the approved law, the number of tax rates for passive income and financial intermediaries will decrease from 83 to 58.

As one of its features, Package 4 aims to impose a 20 percent final tax on interest income received from foreign currency bank deposits, deposit substitutes, funds, or similar arrangements. It also harmonizes the tax rates on interest, royalties, dividends, and capital gains to a standard 15 percent. Banks, quasi-banks, and other non-bank financial intermediaries are likewise subject to a single five (5) percent gross receipt tax rate.

Some tax exemptions and preferential treatment will also be abolished to broaden the tax base. The distinction between loan and non-loan income and the maturity of the instrument has been removed. All income, except dividends, participations, and net income of subsidiaries, is taxed at five (5.0) percent. The provision on Documentary Stamp Tax (DST) will also be amended to remove minor DST with low revenue in order to reduce friction cost.

Trading in the shares of domestic companies listed and traded on foreign exchange is subject to a reduced share transaction tax instead of the 15 percent capital gains tax so that the company can expand its sources of capital.

Starting in 2024, the government hopes to raise Php 8.5 billion from PIFITA.

Value-Added Tax (VAT) on Digital Service Providers. The government proposes to impose a 12 percent VAT on non-resident digital service providers (DSPs), such as Netflix and Spotify. This tax would require non-resident DSPs to collect and remit VAT on transactions processed through their platforms. However, educational services, including online courses and webinars from private institutions, are exempt from this VAT.

The government estimates that VAT collections from these DSPs will add Php 17.0 billion in new revenues in 2024.

Table 5. List of Revenue Measures, 2024-2026
(in million Pesos)

Particulars	Projection		
	2024	2025	2026
Bureau of Internal Revenue	107,520	121,347	134,969
VAT on Digital Service Providers	16,999	18,271	19,515
Passive Income and Financial Intermediary Taxation	2,720	810	(1,631)
Excise Tax on Single-use Plastics	6,535	6,960	7,412
Excise Tax on Pre-mixed Alcoholic Beverages	365	408	456
Excise Tax on Sweetened Beverages and Junk Food	68,501	82,028	95,856
Mining Fiscal Regime	12,400	12,872	13,362
Bureau of Customs	13,015	15,070	17,225
Excise Tax on Pickup Trucks (under PIFITA)	5,773	6,398	7,090
Excise Tax on Sweetened Beverages and Junk Food	7,242	8,672	10,134
Other Offices	--	15,782	31,007
Motor Vehicle Road User's Tax (MVRUT)	--	15,782	31,007
TOTAL	120,535	152,199	183,201

Note: Figures may not add up due to rounding off

Excise Tax on Sweetened Beverages and Junk Food.

The government is pushing for the passage and implementation of the Excise Tax on Sweetened Beverages and Junk Food. This introduces a new tax on junk foods while raising the levy and expanding the tax base on sweetened beverages. Taxation of sweetened beverages is not new, since the Duterte Administration began taxing sweetened beverages made with caloric and non-caloric sweeteners at Php 6 per liter in 2018 as part of its tax reform package. The new version of this tax measure plans to simplify and expand it.

These corrective taxes aim to achieve two (2) objectives: reducing excessive consumption of unhealthy foods, such as chips and sugars, while increasing the fiscal resources used for public services, such as Universal Health Care and the Food STAMP (Strategic Transfer and Alternative Measures Program) of the Department of Social Welfare and Development (DSWD). For FY 2024, this will translate to some Php 75.7 billion in additional tax revenues.

Currently, the varieties of food products to be taxed are being studied by the DOF, in collaboration with the DOH and other pertinent organizations. This strategy will be founded on science to guarantee that proposed policies yield favorable health outcomes and generate the right amount of revenue with the least amount of negative impact on low-income consumers.

Excise Tax on Single-Use Plastics (SUPs). The Administration is introducing the excise tax on single-use plastics in an effort to support the international movement addressing pollution and environmental degradation while also generating much-needed funds. This environmental tax is expected to curb single-use plastic bag consumption by almost 25.0 percent while generating around Php 6.5 billion in revenues in 2024, or the first year of its implementation.

Every kilogram of SUPs removed from the location of production or released from the BOC's custody will be

subject to a levy of Php 100. During the first year of implementation, it is predicted that the cost of a pack of *labo* bags will increase by about 75.0 percent while the volume will reportedly decrease by about 24.7 percent. The volume of *sando* bags will decrease by 26.1 percent while the retail price will increase by 79.3 percent.

Beginning in 2026, the proposed excise tax will increase annually by 4.0 percent, and any additional funds raised will go toward the programs of the Department of Environment and Natural Resources (DENR) for the implementation of Republic Act (RA) No. 9003, otherwise known as the Ecological Solid Waste Management Act of 2000.

Motor Vehicle Road User's Tax (MVRUT). The MVRUT, another tax reform measure, proposes a higher road user's tax rate for cars. The measure, however, imposes discounted rates for vehicles-for-hire and exempts motorcycles and tricycles from paying the charge. The aforementioned proposal aims to replace RA No. 8794, or the Motor Vehicle User's Charge (MVUC), which was enacted more than 20 years ago, with the MVRUT.

The implementation will begin in FY 2025 and is anticipated to produce earnings of Php 15.8 billion. This will be used to pay for improvements to road quality and safety, as well as the modernization of public transportation.

Mining Fiscal Regime. The government intends to create a new fiscal regime for the mining industry that will aim to charge miners a margin-based royalty and windfall profits tax. This measure will impose a 4.0 percent royalty rate on the gross output of minerals or mineral products extracted on large-scale metallic mining operations within mineral reservations.

The tax reform intends to simplify the extractives sector's current fiscal structure while ensuring that the government receives its fair share of mining revenues. It is anticipated to bring in about Php 12.4 billion in fresh revenues for FY 2024.

Excise Tax on Pickup Trucks (under PIFITA). The Excise Tax on Pickups, a rider to the PIFITA, removes the excise tax exemption of pickup trucks under the Tax Reform for Acceleration and Inclusion (TRAIN) Law. The measure is expected to bring additional revenues amounting to approximately Php 5.8 billion next year.

Borrowing Strategy

The Administration will need higher financing requirements owing to the accelerated spending for its Build Better More Program and other priority projects planned in the proposed FY 2024 National Budget.

From the projected Php 2.207 trillion in 2023 to the estimated Php 2.460 trillion next year, the borrowing program will increase by 11.5 percent. This will pay for

the Php 1.357 trillion projected budget deficit for 2024, which is 9.5 percent lower than the Php 1.499 trillion programmed deficit level for this year.

The ratio of domestic to foreign funding would be 75:25. This indicates that the government plans to raise Php 1.853 trillion from domestic lenders and Php 606.9 billion from overseas creditors. Financing the majority of its borrowing requirements from domestic sources represents one of the government's rigorous debt management strategies to strengthen local capital markets. This will also significantly reduce the country's debts denominated in foreign currencies, therefore lessening the country's vulnerability to volatilities in the foreign exchange market.

Table 6. National Government Financing, 2023-2024
(in million Pesos)

Particulars	2023	2024
Surplus/(Deficit)	(1,499,415)	(1,356,837)
Gross Borrowings	2,207,000	2,460,000
External (Gross)	553,500	606,850
Less: Amortization	118,588	237,823
External (Net)	434,912	369,027
Domestic (Gross)	1,653,500	1,853,150
Less: Amortization	3,356	1,520
Domestic (Net)	1,650,144	1,851,630

Source: BESF FY 2024

Foreign loans will come from the following sources:

- Php 295.8 billion program loans
- Php 36.0 billion project loans
- Php 275.0 billion bonds and other inflows

At the same time, domestic loans will come from the following sources:

- Php 51.1 billion treasury bills
- Php 1.802 trillion fixed rate treasury bonds

In 2024, foreign borrowings will increase from Php 553.5 billion to Php 606.9 billion. This level of borrowing will be supported by higher inflows from foreign bonds and other similar instruments totaling Php 275.0 billion from Php 220.0 billion program this year, as well as a decrease in the level of foreign loans totaling Php 331.9 billion from Php 333.5 billion this year.

Program loans and project loans are two (2) categories of foreign loans. The government will rely increasingly on program loans in 2024, as they will account for 48.8 percent of all foreign borrowings. These Php 295.8 billion NG program loans for next year indicate a 6.0 percent increase over its level of Php 279.2 billion this year.

The Administration has continued to favor utilizing faster disbursing and more lenient foreign loans, particularly program loans.

Program loans are preferred over project loans due to their speedy distribution qualities since they help to shore up foreign exchange reserves in addition to being primarily linked with structural reforms. These loans will come from multilateral institutions including the World Bank, Asian Development Bank, and Asian Infrastructure Investment Bank.

Project loans, on the other hand, would equal Php 36.0 billion in 2024, which is 33.7 percent less than this year's level of Php 54.3 billion and only 5.9 percent of all foreign borrowings.

Project loans finance particular projects like highways, power plants, and irrigation, among others, whereas program loans finance general development programs that the government may define.

Table 7. Gross Foreign Borrowing Components, 2023-2024
(in million Pesos)

Particulars	2023	2024
Gross Foreign Borrowings	553,500	606,850
Program Loans	279,180	295,845
Project Loans*	54,320	36,005
Bonds and Other Inflows**	220,000	275,000

* Based on BTr estimates of disbursements

** Based on actual peso proceeds of issued bonds and BTr estimate of remaining issuance for 2023

Table 8. Sources of Program Loans, 2022-2024
(in million US Dollars)

Particulars	2022 Actual	Program Availment	
		2023	2024
Asian Development Bank	1,670.00	1,389.28	2,350.00
World Bank-International Bank for Reconstruction and Development	718.50	2,328.83	1,359.63
Asian Infrastructure Investment Bank	--	1,197.00	1,246.88
Japan International Cooperation Agency	220.16	--	--
Agence Française De Développement	--	161.02	322.03
The Export Import Bank of Korea – Economic Development Cooperation Fund	--	--	100
TOTAL PROGRAM LOANS	2,608.66	5,076.13	5,378.54

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

Debt Management

The Administration remains committed to implementing the MTFF, which serves as the government's blueprint for reducing the country's debt-to-GDP ratio from 60.9 percent in 2022 to less than 60.0 percent by 2025, reducing the deficit-to-GDP ratio to 3.0 percent by 2028 and keeping infrastructure spending at 5.0 to 6.0 percent of GDP.

Last year's actual debt-to-GDP ratio of 60.9 percent was much lower than the 62.0 percent MTFF pledge. With the deficit program reduced to 6.1 percent this year and 5.1 percent next year, the Administration is confident that it will meet the MTFF near-term aim of lowering debt-to-GDP ratio to less than 60.0 percent by 2025, if not sooner. In fact, the NG's debt-to-GDP ratio was 61.0 percent in March 2023, down from the 63.5 percent ratio as of the first quarter of 2022.

The government is confident that revenue collections will continue to rise and the deficit will narrow as a result of ongoing improvements to tax administration and efficiency, as well as the implementation of key tax reforms under the fiscal consolidation program.

As of the end of 2022, the total outstanding NG debt was Php 13.419 trillion. Domestic liabilities account for Php 9.208 trillion, while international commitments account for the rest of Php 4.210 trillion. Total debt stock is estimated to reach Php 14.623 trillion in 2023 and Php 15.842 trillion in 2024.

Foreign currency denominated debts are estimated to account for only 31.3 percent of the country's total outstanding obligations in 2023 and 2024 with Php 4.584 trillion and Php 4.953 trillion, respectively.

Table 9. NG Cash Disbursements, 2022-2024
(in million Pesos)

Particulars	2022 Actual	2023 Program	2024 Projection
Current Operating Expenditures	3,831,789	3,932,112	4,180,485
Percent of GDP	17.4	16.0	15.7
Personnel Services	1,380,617	1,449,962	1,665,302
Maintenance and Other Operating Expenses	879,079	926,033	876,163
Subsidy	200,410	214,527	192,301
Allotment to LGUs	829,040	716,426	761,747
Interest Payments	502,858	610,665	670,471
Tax Expenditures	39,758	14,500	14,500
Capital Outlays	1,300,646	1,267,607	1,420,213
Percent of GDP	5.9	5.2	5.3
Infrastructure and Other Capital Outlays	1,015,244	1,036,868	1,176,382
Equity	11,158	2,411	1,499
Capital Transfers to LGUs	272,244	228,329	242,333
Net Lending	27,205	28,700	28,700
Percent of GDP	0.1	0.1	0.1
GRAND TOTAL	5,159,640	5,228,419	5,629,398
Percent of GDP	23.4	21.3	21.2

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

The continuous efforts to ensure that the NG's debt portfolio structure would allow it to limit and manage risks are reflected in the strong reliance on local borrowings and the continued fall in the country's foreign currency denominated loans. As a result, exposure to foreign exchange volatility is reduced while domestic bond market is strengthened.

Although the government's debt management policy will continue to emphasize domestic sources, it will also look into alternative financing options, such as Environmental, Social, and Governance (ESG) financing under the country's Sustainable Finance Framework.

Disbursement Program for FY 2024

Disbursements for next year are set at Php 5.629 trillion or 21.2 percent of GDP. Of this amount, Php 1.365 trillion, or 24.3 percent, will be used to finance the government's overall infrastructure program².

The Php 1.365 trillion disbursement program for infrastructure represents 5.1 percent of GDP and an increase of 5.6 percent over this year's Php 1.293 trillion program. Through the Build Better More Program, the government will make significant investments in the nation's public infrastructures despite the deficit declining in the upcoming years.

Budgetary priorities are strictly aligned with the MTFF and the PDP 2023-2028 given the limited fiscal space available from fiscal consolidation and competing priorities, which include mandatory expenditures, such as PS and NTA of LGUs. The government is also implementing measures to improve bureaucratic efficiency and absorptive capacities of both national government agencies and LGUs. Digital transformation, as well as the passage of critical public financial management reforms — such as the

Progressive Budgeting for Better and Modernized (PBBM) Governance Bill and National Government Rightsizing Program, as well as the implementation of the Budget and Treasury Management System (BTMS) — will be critical in ensuring that public resources are used effectively.

Although the country can rely on economic opportunities such as strong domestic demand, promising COVID-19 outlook with fewer severe cases, full resumption of economic activities, including face-to-face classes, revival in domestic and foreign tourism; and improved economic outlook in advanced economies, particularly in China, nevertheless, weather disruptions and natural disasters, elevated inflation, geopolitical tensions, and economic scarring caused by the pandemic all contribute to the less sanguine economic outlook.

To address these issues, the Administration is dedicated to strengthening public spending efficiency, rebuilding fiscal buffers, preserving sound macroeconomic fundamentals, reducing pandemic scarring effects, and maintaining last year's high economic growth path.

Endnotes:

¹Net of the releases for FY 2022 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations accommodated within the total obligation program.

²Projected disbursements from National Government infrastructure, infrastructure subsidy/equity to Government-Owned and/or -Controlled Corporations, and transfers to Local Government Units intended for infrastructure nationwide

III. Dimensions of the National Expenditure Program

To promote fiscal transparency and encourage active participation in the budgeting process, the National Budget is presented in ways that will allow Filipinos to easily understand and examine its size and allocation, the fairness of its distribution, and how it is supportive of the PDP 2023-2028.

Budget Dimensions, or budget classifications, play a vital role in this process. Effective fiscal policies and sound fiscal management are essential to achieve the national development goals of the country, which are aligned with the 8-point Socioeconomic Agenda, Medium-Term Fiscal Framework, and PDP 2023-2028.

In this chapter, the proposed Php 5.768 trillion National Expenditure Program for FY 2024 will be presented comprehensively through the following classifications: by Sector via Old/Traditional System and Classification of the Functions of Government (COFOG) System; by Expense Class; by Recipient Entity; by Departments and Special Purpose Funds (SPFs); by Appropriation Source; by Region; by Intergovernmental Transfers to Local Government Units (LGUs); and by Transfers to Government-Owned and/or -Controlled Corporations (GOCCs). Extrabudgetary funds, comprising the Earmarked Revenues and Off-Budget Accounts, will also be discussed although these are not part of the proposed National Budget.

A. By Sector

Since 2015, the DBM has been using two (2) systems to classify the National Budgets by sector: the Old/Traditional System and the COFOG System.

The Old/Traditional System presents the budgets into five broad categories, namely: social services, economic services, general public services, defense, and debt burden. This system categorizes the total budget of an agency by the specific sector to which they contribute the most.

The COFOG System, on the other hand, disaggregates an agency's budget according to its contribution to society. Its adoption in the preparation of the 2016 National Budget not only allowed easier comparison of budgets with other countries but also enabled better tracking of budgets based on their purpose, regardless of the implementing agency.

Old/Traditional System

Meanwhile, Php 2.183 trillion, or 37.9 percent of the proposed National Budget, will go to **Social Services**. Representing an 8.9 percent increase from the previous year's Php 2.004 trillion, this amount will support higher allocations for programs, activities, and projects (PAPs) that will help uplift the lives of Filipinos. It will specifically fund the Universal Access to Quality Tertiary Education (UAQTE) Program (Php 51.1 billion); the *Pantawid Pamilyang Pilipino* Program (4Ps) otherwise known as Conditional Cash Transfer (CCT) Program (Php 112.8 billion); and the Social Pension for Indigent Senior Citizens (Php 49.8 billion), among others.

The second highest allocation, Php 1.709 trillion or 29.6 percent of the proposed National Budget, will go to **Economic Services**. The 5.2 percent increase from the Php 1.624 trillion budget in 2023 can be attributed to higher allocations for infrastructure and agriculture

Table 1. Budget by Sector (Old/Traditional Method), 2022-2024
(in billion Pesos, unless otherwise indicated)

Particulars	2022 Actual	2023 Program	2024 Proposed	% Distribution for 2024
Social Services	1,885.0	2,004.3	2,183.0	37.9
Economic Services	1,687.4	1,624.2	1,709.4	29.6
General Public Services	833.7	796.0	893.3	15.5
Debt Burden	530.1	611.0	699.2	12.1
Defense	239.0	232.5	282.7	4.9
Total	5,175.2	5,268.0	5,767.6	100.0

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

expenditures. Some of the major allocations under this sector are the Network Development Program (Php 148.1 billion), Asset Preservation (Php 115.6 billion), irrigation services¹ (Php 32.5 billion), and farm-to-market roads² (Php 17.3 billion).

General Public Services will receive Php 893.3 billion or 15.5 percent of the proposed National Budget. This amount, which is higher by 12.2 percent than the 2023 allocation of Php 796.0 billion, will fund the day-to-day operations of government agencies, as well as activities related to electoral, audit, and lawmaking functions. This will also finance PAPs that will maintain public order and safety, including political administration.

To cover both principal and interest payments on loans from both domestic and foreign sources, the government will allot Php 699.2 billion, or 12.1 percent of the proposed National Budget, to cover **Debt Burden**. This amount is broken down into debt service-interest payments (Php 670.5 billion) and net lending for government corporations (Php 28.7 billion).

Lastly, **Defense** will be allocated Php 282.7 billion or 4.9 percent of the proposed National Budget. This amount is 21.6 percent higher than the previous year's budget of Php 232.5 billion, and will fund PAPs that maintain the country's sovereignty and ensure national security from both domestic and foreign threats.

COFOG System

The COFOG System groups public expenditures into ten (10) categories, namely: 1) General Public Services; 2) Defense; 3) Public Order and Safety; 4) Economic Affairs; 5) Environmental Protection; 6) Housing and Community Amenities; 7) Health; 8) Recreation, Culture, and Religion; 9) Education; and 10) Social Protection. On top of these broad categories, government PAPs are still subdivided into whether they benefit the people collectively or individually.

Table 2. Budget by Sector (Old/Traditional Method), 2023-2024
(in billion Pesos, unless otherwise indicated)

Particulars	2023	2024	Increase / (Decrease)		% Share	
			Php	Growth Rate	2023	2024
General Public Services	2,152.0	2,516.0	364.0	16.9	40.9	43.6
Executive and legislative organs, financial and fiscal affairs, and external affairs	900.6	955.8	55.2	6.1	17.1	16.6
General Services	564.8	753.6	188.8	33.4	10.7	13.1
Public debt transactions	596.8	685.0	88.2	14.8	11.3	11.9
Economic Affairs	780.6	853.4	72.8	9.3	14.8	14.8
Transport	584.4	655.4	71.0	12.1	11.1	11.4
Agriculture, forestry, fishing, and hunting	149.6	154.9	5.3	3.5	2.8	2.7
General economic, commercial, and labor affairs	17.6	17.3	(0.3)	(1.7)	0.3	0.3
Education	857.0	886.8	29.8	3.5	16.3	15.4
Pre-primary and primary education	310.3	317.1	6.8	2.2	5.9	5.5
Secondary education	292.0	289.4	(2.6)	(0.9)	5.5	5.0
Tertiary education	110.0	105.2	(4.8)	(4.4)	2.1	1.8
Social Protection	616.8	612.3	(4.5)	(0.7)	11.7	10.6
<i>Pantawid Pamilyang Pilipino Program</i>	102.6	112.8	10.2	9.9	1.9	2.0
Survivors (Gender and Development, Internally Displaced Persons, and Disaster Relief Assistance)	76.2	83.0	6.8	8.9	1.4	1.4
Old age (Senior citizens)	25.6	50.0	24.4	95.3	0.5	0.9

Continuation of Table 2

Particulars	2023	2024	Increase / (Decrease)		% Share	
			Php	Growth Rate	2023	2024
Public Order and Safety	282.6	296.8	14.2	5.0	5.4	5.1
Police services	182.1	188.7	6.6	3.6	3.5	3.3
Law courts	37.8	39.6	1.8	4.8	0.7	0.7
Prisons	24.7	27.0	2.3	9.3	0.5	0.5
Fire-protection services	24.3	25.1	0.8	3.3	0.5	0.4
Health	321.3	308.2	(13.1)	(4.1)	6.1	5.3
Health insurance	100.2	101.5	1.3	1.3	1.9	1.8
Hospital services	86.4	86.6	0.2	0.2	1.6	1.5
Public health services	94.5	83.6	(10.9)	(11.5)	1.8	1.4
Defense	210.0	259.9	49.9	23.8	4.0	4.5
Military defense	207.2	253.5	46.3	22.3	3.9	4.4
Civil defense	2.5	6.2	3.7	148.0	0.0	0.1
Environmental Protection	21.9	21.8	(0.1)	(0.5)	0.4	0.4
Protection of biodiversity and landscape	8.7	8.8	0.1	1.1	0.2	0.2
Waste management	3.0	2.4	(0.6)	(20.0)	0.1	0.0
Pollution abatement	2.7	2.6	(0.1)	(3.7)	0.1	0.0

Continuation of Table 2

Particulars	2023	2024	Increase / (Decrease)		% Share	
			Php	Growth Rate	2023	2024
Housing and Community Amenities	18.7	7.3	(11.4)	(61.0)	0.4	0.1
Water supply	15.4	2.8	(12.6)	(81.8)	0.3	0.0
Community development	2.3	2.1	(0.2)	(8.7)	0.0	0.0
Housing development	0.8	1.9	1.1	137.5	0.0	0.0
Recreation, Culture, and Religion	7.0	5.1	(1.9)	(27.1)	0.1	0.1
Cultural services	2.8	2.8	0.0	0.0	0.1	0.0
Broadcasting and publishing services	0.6	1.1	0.5	83.3	0.0	0.0
Religious and other community services	0.6	0.6	0.0	0.0	0.0	0.0

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

This system provides more flexibility in grouping budgets as they are classified according to their economic function. It facilitates easier comparison with other countries, therefore ensuring compliance with the international standards and giving more opportunities to formulate better fiscal policies.

Sectors that Benefit Society as a Whole

General Public Services. A total of Php 2.516 trillion will be allocated to fund the administrative operations of government agencies and corporations. This amount will finance activities for economic cooperation with developing countries, services undertaken by central

offices from the national to the local level, and research on economic and social development of the country.

The bulk of this amount will go to: (1) executive and legislative organs, financial and fiscal affairs, and external affairs (Php 955.8 billion); (2) general services (Php 753.6 billion); and (3) public debt transactions (Php 685.0 billion).

Economic Affairs. A total of Php 853.4 billion has been earmarked for sectors that will be prioritized to propel economic growth, such as the transportation, agriculture, and communication sectors. The Php 655.4 billion will fund the Administration's flagship infrastructure program or the Build Better More Program.

Additionally, Php 154.9 billion will go to PAPs for agriculture, forestry, fishing, and hunting. Other sectors to be funded under Economic Affairs include fuel and energy (Php 12.4 billion) as well as general economic, commercial, and labor affairs (Php 17.3 billion).

Public Order and Safety. To reduce criminality and promote safety in communities, the government will allot Php 296.8 billion in 2024 for police (Php 188.7 billion) and fire-protection (Php 25.1 billion) services, as well as operations of law courts (Php 39.6 billion) and prisons (Php 27.0 billion).

Defense. The Defense sector will receive funding of Php 259.9 billion in 2024 under COFOG. Aligned with the government's commitment to strengthen the country's military forces in land, sea, air, and space, Php 253.5 billion and Php 6.2 billion of this allocation will fund military and civil defenses, respectively. Likewise, research and development (R&D) on defense and the United Nations Peacekeeping Mission will also receive funding for this fiscal year.

Environmental Protection. In order to achieve full socioeconomic development, the Administration strongly believes in the importance of protecting the environment while pursuing economic reforms. This is why some Php 21.8 billion will go to PAPs that will reduce and eliminate pollution, prevent environmental degradation, and protect wildlife and their habitats. Of this amount, Php 8.8 billion will go to the protection of biodiversity; Php 2.6 billion to pollution abatement; and Php 2.4 billion to waste management.

Sectors that Directly Benefit Individuals' Welfare and Development

Education. As the top budgetary priority mandated by the Constitution, Php 886.8 billion from various agencies will be allocated for education PAPs. This is composed of

Php 317.1 billion for pre-primary and primary education; Php 289.4 billion for secondary education; and Php 105.2 billion for tertiary education, among others. Other major programs under the Education sector include Governance Assistance Programs of the DepEd (Php 39.3 billion), Free Higher Education Program (Php 27.2 billion), Tertiary Education Subsidy Program (Php 20.5 billion), and funding for Textbooks and Other Instructional Materials (Php 12.0 billion).

Social Protection. Under COFOG, Social Protection PAPs will receive Php 612.3 billion to help uplift the lives of Filipinos, especially those belonging to the vulnerable sectors. This amount will cover the 4Ps or the Conditional Cash Transfer Program (Php 112.8 billion); Survivors (gender and development, internally-displaced persons, and disaster relief assistance) (Php 83.0 billion); Old Age (Senior Citizens) (Php 50.0 billion); and Family and Children (street families) (Php 24.7 billion), among others. Also for this sector, there will be allocations to address the needs of conflict-affected areas, persons with disabilities, and the unemployed.

Health. Despite the lifting of the state of public health emergency due to COVID-19, the government continues to steer the economy to overcome the effects of the pandemic. Following lessons from this, a total of Php 308.2 billion will go to the Health sector. This budget will cover health insurance (Php 101.5 billion), hospital services (Php 86.6 billion), public health services (Php 83.6 billion), medical products/appliances/equipment (Php 14.9 billion), and health R&D activities (Php 1.6 billion).

Recreation, Culture, and Religion. The Administration will allocate Php 5.1 billion for PAPs that will boost and promote Filipino culture and heritage. This includes Php 2.8 billion allocated for cultural services; Php 1.1 billion for broadcasting and publishing services; Php 648 million for religious and other community

services; and Php 322 million will be for recreational and sporting services.

Housing and Community Amenities. A total of Php 7.3 billion will be allocated for the creation and development of livable communities in the country. Of this amount, Php 2.8 billion will fund water supply projects; Php 2.1 billion will be devoted to community development projects; and Php 1.9 billion will be for housing development projects.

B. By Expense Class

The Php 5.768 trillion proposed National Budget for FY 2024 can also be classified into four (4) expense classes based on economic classification or the process/inputs involved in fulfilling the responsibilities of the government, including but not limited to the

delivery of goods and services. These include Personnel Services (PS), Maintenance and Other Operating Expenses (MOOE), Financial Expenses (FinEx), and Capital Outlays (CO).

Personnel Services. A total of Php 1.695 trillion will be allocated for PS, representing 29.4 percent of the proposed National Budget. Recording a 14.7 percent increase from the 2023 allocation of Php 1.477 trillion, this amount will cover the wages, salaries, and other allowances (e.g., salary increase and/or honoraria) of civilian and military employees, including the creation and filling up of new and existing positions. The biggest recipients are the DepEd with Php 567.5 billion and the Department of the Interior and Local Government (DILG) with Php 220.9 billion.

Likewise, funded under this expense class are the Php 17.2 billion allocation for the salaries of healthcare workers under the National Health Workforce Support

Table 3. Budget by Expense Class, 2023-2024
(in billion Pesos, unless otherwise indicated)

Particulars	Levels		Increase / (Decrease)		% Share	
	2023 GAA	2024 NEP	Php	Growth Rate	2023	2024
Personnel Services	1,477.1	1,694.9	217.8	14.7	28.0	29.4
Maintenance and Other Operating Expenses	2,030.3	2,155.8	125.5	6.2	38.5	37.4
Financial Expenses	583.2	670.5	87.3	15.0	11.1	11.6
Capital Outlays	1,777.4	1,246.4	69.0	5.9	22.4	21.6
Total	5,268.0	5,767.6	499.6	9.5	100.0	100.0

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

System and Php 125.1 billion for the regular pensions of military and uniformed personnel.

Maintenance and Other Operating Expenses. A total of Php 2.156 trillion will be set aside for the MOOE, which will receive the biggest share or 37.4 percent of the proposed National Budget. This will fund the day-to-day operations of the government, expenses for supplies and materials, utilities, repairs and maintenance, among others.

The hefty increase can be attributed to higher allocations for key priority PAPs, such as UAQTE Program, School-based Feeding Program, Provision of Textbooks and Other Instructional Materials, and Social Pension for Indigent Senior Citizens, among others.

Moreover, the MOOE covers allocations for LGUs under the National Tax Allotment (NTA), including the Php 871.4 billion NTA, and Php 191.3 billion subsidies to GOCCs.

Capital Outlays. In 2024, the sum of Php 1.246 trillion will be lodged under CO, taking up 21.6 percent of the proposed National Budget. This will cover the purchase of goods and services that can be utilized beyond the fiscal year, and ultimately become additional capital assets of the government.

Moreover, the Build Better More Program under CO PAPs will contribute to the Administration's Agenda for Prosperity by financing significant infrastructure projects, such as roads, bridges, school buildings, and hospitals.

Financial Expenses. FinEx will be receiving Php 670.5 billion in 2024, or 11.6 percent of the proposed National Budget, to settle the payments for management supervision/trusteeship fees, interest expenses, commitment fees, bank charges, and other financial charges incurred by National Government Agencies (NGAs) that are in the process of owning and/or renting assets or properties.

C. By Recipient Entity

The presentation of the proposed National Budget can be carried out through its recipient entity, namely: NGAs, LGUs, GOCCs, and Creditors.

The largest share of the proposed National Budget amounting to Php 3.866 trillion, or 67.0 percent, will go to NGAs. This budget will be used to fund their respective PAPs and operational requirements. Of this amount, Php 1.694 trillion will go to the compensation and benefits of employees in NGAs. The remaining Php 1.215 trillion will go to CO expenditures, such as infrastructure and special purpose funds with CO allocations, e.g., the National Disaster Risk Reduction and Management Fund (NDRRMF), Contingent Fund, and Revised Armed Forces of the Philippines (AFP) Modernization Program.

The second largest amount of Php 1.008 trillion, or 17.5 percent of the proposed National Budget, will go to LGUs. Included in this budget are the NTA (Php 871.4 billion), Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) Block Grant (Php 80.6 billion), and Special Shares in the Proceeds of National Taxes (Php 34.6 billion), to name a few.

On the other hand, GOCCs will receive Php 222.5 billion, or 3.9 percent of the proposed National Budget, to finance key PAPs of government corporations, such as the National Health Insurance Program and irrigation services. This amount also includes the Php 28.7 billion budget for net lending.

The remaining Php 670.5 billion will go to Creditors for loan repayments, including interest payments.

Table 4. Budget by Recipient Unit, 2022-2024
(in billion Pesos, unless otherwise indicated)

Particulars	2022 Actual	2023 Adjusted	2024	% Distribution for 2024
National Government Agencies	3,358.1	3,513.0	3,866.4	67.0%
Local Government Units	1,088.6	950.8	1,008.2	17.5%
Government-Owned and/or -Controlled Corporations (inclusive of Net Lending)	225.6	221.9	222.5	3.9%
Creditors	502.9	582.3	670.5	11.6%
Total	5,175.2	5,268.0	5,767.6	100.0%

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

D. By Department and Special Purpose Fund

The top ten (10) priorities will receive more than half of the proposed National Budget for FY 2024.

Education will receive Php 924.7 billion in 2024, recording a 3.3 percent increase from its Php 895.2 billion allocation in 2023. Complementing the Constitutional mandate of giving this sector the biggest share of the National Budget, this amount includes the budgets for the DepEd (Php 758.6 billion), SUCs (Php 105.6 billion), Commission on Higher Education (CHED) (Php 31.0 billion), Technical Education and Skills Development Authority (TESDA) (Php 15.2 billion), and other education-related institutions (Php 14.3 billion).

The majority of key PAPs under these agencies are financial assistance to qualified learners, such as Government Assistance Programs (DepEd, Php 39.3 billion), Free Higher Education Program (SUCs and CHED, Php 27.2 billion), Tertiary Education Subsidy Program (CHED, Php 20.5 billion), and Private Education Student Financial Assistance (TESDA, Php 200 million), among others.

Table 5. Top Priorities, 2023-2024
(in billion Pesos)

Particulars	2023 GAA	2024 NEP
Education ³	895.2	924.7
Public Works and Highways	894.2	822.2
Health ⁴	314.7	306.1
Interior and Local Government ⁵	253.2	259.5
Defense ⁶	203.4	232.2
Transportation	106.6	214.3
Agriculture ⁷	173.6	181.4
Social Welfare and Development	199.5	209.9
Judiciary	54.9	57.8
Labor and Employment ⁸	47.1	40.5

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

The Department of Public Works and Highways (DPWH) ranks second for the largest share of the proposed National Budget with Php 822.2 billion. This budget will be used to maintain 1,196.398 kilometers of roads, build 721.656 kilometers of new roads, and construct 15,208.83 lineal meters of new and replacement bridges.

Prioritizing health following the lessons from the COVID-19 pandemic, the government will allot the third highest allocation of Php 306.1 billion to the Department of Health (DOH) and Philippine Health Insurance Corporation (PHIC). Of this amount, Php 101.5 billion will be used to provide affordable and accessible health insurance to more than 21 million indigents, senior citizens, unemployed persons with disabilities, financially-incapable point-of-service patients, and beneficiaries of the *PAYapa at MASaganang PamayaNAn* (PAMANA) Program. Some Php 70.3 billion of this amount will also finance the Health Facilities Operations Program for the funding of city and regional hospitals, reference laboratories, blood centers, and other health facilities.

In 2024, the Department of the Interior and Local Government (DILG) and Department of National Defense (DND) will receive the fourth and fifth largest budgets with Php 259.5 billion and Php 232.2 billion, respectively. These agencies are responsible for maintaining peace and order, as well as defending the country against threats. Meanwhile, the Philippine National Police (PNP) will receive Php 196.1 billion in 2024 to enforce the law and ensure public safety. On the other hand, the flagship Revised AFP Modernization Program will get Php 50.0 billion to acquire and upgrade the equipment and systems of the AFP.

The Department of Transportation (DOTr) will get Php 214.3 billion in 2024, an increase from its Php 106.0 billion budget in 2023. The bulk of their budget will be allocated to public transportation projects. Some of these are the North-South Commuter Railway System

(Php 76.3 billion), LRT Line 1 Cavite Extension Project (Php 4.7 billion), MRT-3 Rehabilitation project (Php 2.9 billion), Cebu Bus Rapid Transit (BRT) Project (Php 700 million), Laoag International Airport (Php 500 million), Busuanga Airport (Php 405 million), Quinapondan Port in Eastern Samar (Php 50 million), and Araceli Port in Palawan (Php 36 million).

With a proposed budget of Php 209.9 billion, the Department of Social Welfare and Development (DSWD) will receive the seventh highest allocation in 2024. The allocation of Php 112.8 billion under the DSWD will continue supporting the poorest 4.4 million Filipino households through the *Pantawid Pamilyang Pilipino* Program (4Ps). To help indigent senior citizens purchase their basic and medical needs, Php 49.8 billion of the total DSWD budget will fund the Social Pension for Indigent Senior Citizens.

Agriculture is also among the top 10 priorities with an allocation of Php 181.4 billion in the proposed FY 2024 budget. Comprising the budgets for the DA and its attached agencies and corporations, as well as the Department of Agrarian Reform (DAR) and the Philippine Crop Insurance Corporation (PCIC), the Administration is hopeful that this will aid in the country's target of zero hunger by 2030. Some big ticket PAPs under this sector include Irrigation Services (Php 32.5 billion), the National Rice Program (Php 30.9 billion), Farm-to-Market Roads⁹ (Php 17.3 billion), the Buffer Stocking Program (Php 9.0 billion), and the Crop Insurance Program (Php 4.5 billion).

To ensure the swift administration of justice, the government will allot Php 57.8 billion for the Judiciary in 2024. This amount will be used to fund the operations of lower and higher courts nationwide, as well as the construction, completion, repair, and/or rehabilitation of Halls of Justices nationwide, among others.

Lastly, Labor, comprised of the Department of Labor and Employment (DOLE) and the Department of Migrant Workers (DMW), gets the tenth spot for the highest proposed FY 2024 allocations with Php 40.5 billion. This budget will ensure the provision of employment opportunities for Filipinos, improvement of the country's manpower resources, and safeguarding the well-being of overseas Filipinos. It will fund, among others, the Php 16.4 billion and Php 9.7 billion allocations required for the Livelihood and Emergency Employment Program and Emergency Repatriation Program, respectively.

Special Purpose Funds

For 2024, a total of Php 2.399 trillion will be set aside for Special Purpose Funds (SPFs). This takes up 41.6 percent of the proposed National Budget and is 17.9 percent higher than the 2023 allocation of Php 2.034 trillion.

SPFs are budgetary allocations that are set aside for specific purposes during budget preparation. The government currently follows two (2) types of SPFs: disaggregated and lump-sum SPFs.

Disaggregated SPFs. These are funds that already have specific details, such as GOCCs to be subsidized and specific purposes to be funded. The proposed budget for this type of SPFs is Php 1.669 trillion, up by almost 19.0 percent from the Php 1.403 trillion budget in 2023.

The bulk of this amount will be for the Allocations to Local Government Units (ALGU) with Php 1.007 trillion, which are then allocated for the NTA (Php 871.4 billion), BARMM Block Grant (Php 70.5 billion), Special Shares in the Proceeds for National Taxes (Php 34.6 billion), Local Government Support Fund (LGSF) (Php 16.6 billion), and Metropolitan Manila Development Authority (MMDA) (Php 4.1 billion).

Meanwhile, some Php 253.2 billion will go to the Pension and Gratuity Fund for the payments of pensions, retirement and terminal leave benefits, and monetized

leave credits of civil servants, among others. The Budgetary Support to Government Corporations (BSGC) will have Php 222.5 billion in 2024 to finance the equities and/or subsidies to government corporations. Likewise, Php 135.7 billion will go to the Miscellaneous Personnel Benefits Fund for expenditures that are related to the filling up of vacancies and creation of new positions in the government.

Lastly, the remaining Php 50.0 billion will go to the Revised AFP Modernization Program to upgrade the systems and equipment of the country's military forces as mandated by RA No. 10349¹⁰.

Lump-sum SPFs. These are funds that are yet to be disaggregated as the recipient agencies are not identified during budget preparation. The proposed allocation for this type of SPFs is at Php 729.7 billion, higher by 15.6 percent than the 2023 budget of Php 631.1 billion.

Lump-sum SPFs are usually socioeconomic development PAPs, and agencies are only allowed to receive these additional allocations during budget execution pursuant to the special provisions and conditions pertaining to said SPF.

The NDRRMF will receive Php 31.0 billion to fund the relief and rehabilitation efforts, including reconstruction, of areas affected by natural and man-made calamities. On the other hand, the Tax Expenditure Fund will be allotted Php 14.5 billion in lieu of actual payment of taxes and customs duties by government agencies and corporations, including LGUs.

Meanwhile, Php 13.0 billion will be set aside for the Contingent Fund to serve as standby funds for new and/or urgent PAPs that must be implemented during the fiscal year.

Some components under the ALGU are also lump-sum SPFs, namely: Special Shares in the Proceeds of Fire Code Fees (Php 774 million) and *Barangay* Officials Death Benefits (Php 50 million).

Table 6. Special Purpose Funds, 2022-2024
(in Pesos)

Particulars	2022 Actual	2023 Program	2024 Proposed
Disaggregated SPF	1.505 T	1.403 T	1.669 T
Allocations to LGUs	1,088.6 B	950.8 B	1,008.2 B
National Tax Allotment	959.0 B	820.3 B	871.4
BARMM	77.1 B	74.4 B	80.6 B
Block Grant	67.0 B	64.8 B	70.5
Special Development Fund	5.0 B	5.0 B	5.0 B
Share in National Taxes	5.1 B	4.6 B	5.1 B
Special Shares in the Proceeds of National Taxes	26.3 B	33.6 B	34.6 B
Local Government Support Fund	18.0 B	16.5 B	16.6 B
Metropolitan Manila Development Authority	5.7 B	5.3 B	4.1 B
Pension and Gratuity Fund	183.9 B	176.7 B	253.2 B
Budgetary Support to Government Corporations	209.2 B	221.9 B	222.5 B
Miscellaneous Personnel Benefits Fund	27.7 B	26.6 B	135.7 B
Revised AFP Modernization Program	--	27.5 B	50.0 B
Lump-sum SPFs	554.8 B	631.1 B	729.7 B
National Disaster Risk Reduction Management Fund	20.0 B	20.5 B	31.0 B
Tax Expenditure Fund	14.5 B	14.5 B	14.5 B
Contingent Fund	7.0 B	13.0 B	13.0 B
Allocations to LGUs	679 M	760 M	824 M
Special Shares in the Proceeds of Fire Code Fees	629 M	710 M	774 M
Barangay Officials Death Benefits	50 M	50 M	50 M
Debt Interest Payments	512.6 B	582.3 B	670.5 B

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

Table 7. Budget by Appropriation Source, 2022-2024
(in billion Pesos, unless otherwise indicated)

Particulars	2022	2023	2024	% Distribution for 2024
New General Appropriations	3.351	3.671	4.020	69.7
Automatic Appropriations	1.673	1.597	1.748	30.3
Total	5.024	5.268	5.768	100.0

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

Moreover, Php 670.5 billion of the total amount for lump-sum SPFs will go to Debt Interest Payments, which cover interest payments, such as commitment fees and other charges, incurred by the national government (NG) from both domestic and foreign borrowings.

E. By Appropriation Source

Another way of presenting the proposed 2024 National Budget is through its sources of appropriations. There are two (2) types of sources under this category: New General Appropriations and Automatic Appropriations.

New General Appropriations are the appropriations submitted to Congress annually for approval and legislation. Also known as the National Expenditure Program, this amounts to Php 4.020 trillion or 69.7 percent of the total proposed National Budget.

This type of appropriation can further be divided into two (2) types: Programmed and Unprogrammed. Programmed New General Appropriations include allocations for departments and agencies (Php 3.287 trillion) and SPFs (Php 733.3 billion) that already have definite or identified sources of funding

during budget preparation. Unprogrammed New General Appropriations will only be available when there are excess revenues, new revenue sources, or approved new loans for foreign-assisted projects (FAPs). These will provide financial support to FAPs (Php 117.7 billion), Budgetary Support to GOCCs (Php 110.2 billion), and strengthening assistance for government infrastructure and social programs (Php 50.0 billion), among others.

On the other hand, **Automatic Appropriations** are those that do not need approval of the legislative body since they are already authorized by existing laws. Amounting to Php 1.748 trillion, or 30.3 percent, of the proposed National Budget, this will fund the following:

- NTA: Php 871.4 billion
- Debt Service-Interest Payments: Php 670.5 billion
- BARMM Block Grant: Php 70.5 billion
- Retirement and Life Insurance Premiums: Php 65.7 billion
- Net Lending: Php 28.7 billion
- Special Accounts in the General Fund: Php 26.5 billion
- Tax Expenditure Fund: Php 14.5 billion
- Pension of Ex-Presidents/Spouses: Php 0.48 million

F. By Region

The Administration puts a premium on ensuring equitable socioeconomic development in the country. As a result, Php 3.630 trillion, or 62.9 percent of the proposed National Budget, will be categorized as the regionalized budget, i.e., the budgets will be directly allocated to all 17 regions. The remaining Php 2.137 trillion will go to Nationwide and Central Office allocations, or the non-regionalized budget.

For the regionalized budget, the largest allocation of Php 1.342 trillion will go to Luzon. This amount will be divided into seven (7) regions and will record a per capita budget of Php 26,305. Its top three (3) recipient regions are Region III (Php 311.9 billion), Region IV-A (Php 304.6 billion), and Region V (Php 199.7 billion).

The next highest allocation will go to Mindanao, amounting to Php 892.2 billion and a Php 30,384 per capita allocation. Region X is the top recipient region for Mindanao, with Php 164.5 billion, followed by Region XI (Php 157.5 billion) and BARMM (Php 142.2 billion).

Although the Visayas will get the smallest allocation among the island groups with Php 604.5 billion, the three (3) regions under it will actually receive some of the highest allocations among all regions. Region VII will get Php 212.4 billion; Region VI with Php 207.5 billion; and Region VIII with Php 184.6 billion. All residents of Visayas will also be allotted a per capita budget of Php 28,178.

The National Capital Region (NCR), on the other hand, will receive the highest allocation for regions with Php 854.2 billion. The highest per capita allocations in the proposed National Budget will be for the inhabitants of NCR with Php 59,330; followed by CAR with Php 49,790; and MIMAROPA with Php 40,385 in third place.

For the non-regionalized budget, nationwide allocations will amount to Php 1.509 trillion in 2024 and consist

of SPFs and lump-sums that will be distributed among departments and agencies of various regions during the fiscal year. Central Office allocations will also receive the remaining Php 629.0 billion to fund the assets managed by the head office of departments and agencies for their respective units.

G. Intergovernmental Transfers to LGUs

One way of ensuring sustainable and equitable development is through intergovernmental transfers. This practice guarantees faster delivery of public goods and services, as well as swift implementation of government projects until the grassroots levels.

In the Philippines, the enactment of RA No. 7160, or the Local Government Code (LGC) of 1991, provided “genuine and meaningful local autonomy” to local governments in order to “enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals”.

The LGC empowers local governments through the devolution of functions and responsibilities, such as basic agricultural support, social welfare, research, and general hygiene services, among others, ensuring the accountability and fiscal autonomy of LGUs. LGUs are likewise required to provide infrastructure facilities, such as multi-purpose halls, plaza, sports centers, tourism facilities, and satellite or public markets.

To help achieve the Administration’s Agenda for Prosperity, the NG will continue to provide hefty allocations for the ALGU in 2024. The proposed ALGU budget for this fiscal year is Php 1.008 trillion, 6.0 percent higher than the 2023 budget of Php 950.8 billion. This amount is divided into the following: NTA, BARMM Budget, Special Shares in the Proceeds of National Taxes, LGSF, MMDA, Special Shares in the Proceeds of Fire Code Fees, and *Barangay* Officials Death Benefits.

Table 8. Regionalized Budget, 2022-2024
(in billion Pesos)

Particulars	2022 Actual	2023 Program	2024 Proposed
National Capital Region	980.1	846.1	854.2
Luzon	1,446.4	1,399.9	1,342.2
Cordillera Administrative Region	123.5	98.5	92.7
Region I	183.0	169.9	157.9
Region II	145.3	144.7	141.5
Region III	316.2	321.1	311.9
Region IV-A	324.0	318.7	304.6
MIMAROPA	138.5	134.2	133.8
Region V	215.9	212.8	199.7
Visayas	601.4	593.0	604.5
Region VI	216.1	203.5	207.5
Region VII	209.1	212.1	212.4
Region VIII	176.1	177.4	184.6
Mindanao	856.9	807.1	829.2
Region IX	123.4	126.8	132.0
Region X	171.4	175.0	164.5
Region XI	177.7	149.2	157.5
Region XII	121.7	116.5	123.1
CARAGA	123.5	109.3	109.9
BARMM¹¹	139.2	130.3	142.2
TOTAL	3,884.8	3,646.1	3,630.0

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

Table 9. Non-Regionalized Budget, 2022-2024
(in trillion Pesos)

Particulars	2022 Actual	2023 Program	2024 Proposed
Nationwide Allocations	0.535	1.174	1,509.0
Central Office Allocations	0.755	0.448	0.629
TOTAL	1.290	1.622	2.138

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

National Tax Allotment

The Supreme Court (SC) ruling on the Mandanas-Garcia case paved the way for better opportunities for local governments to improve the lives of their constituents. The new computation and base of their just shares in the national taxes allow a quicker response to the needs of the community, especially those devolved to the local government.

As seen in Table 10, the NTA shares decreased in FY 2023. This is due to reduced revenue collections caused by the COVID-19 pandemic during FY 2020, which is the base year of tax collections for the FY 2023 NTA shares. Nevertheless, the NTA shares increased to Php 871.4 billion in FY 2024 considering the gradual opening up of the economy during FY 2021. Local governments will use these funds to cover the cost of providing the basic services and facilities enumerated under Section 17 (b) of the LGC, before applying the same for other purposes.

Bangsamoro Autonomous Region in Muslim Mindanao

Pursuant to RA No. 11054, or the Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao, the NG shall provide an annual block grant for this

Table 10. NTA Shares in the National Taxes, 2022-2024

Particulars	Amount
2022	Php 959.0 B
2023	Php 820.3 B
2024	Php 871.4 B

region in order to help them foster their socioeconomic development, while conserving their system of life prescribed by faith, therefore contributing to the achievement of national goals.

Further, the national government shall provide a special development fund to the Bangsamoro Government for the rebuilding, rehabilitation, and development of its conflict-affected communities.

For FY 2024, a total of Php 80.6 billion has been allocated for the BARMM, up by 8.4 percent from Php 74.4 billion in 2023. Of this amount, Php 70.5 billion is automatically

Table 11. ALGU Budget, 2022-2024
(in Pesos)

Particulars	2022 Actual	2023 Program	2024 Proposed
National Tax Allotment	959.0 B	820.3 B	871.4 B
Bangsamoro Autonomous Region in Muslim Mindanao	77.1 B	74.4 B	80.6 B
Special Shares of LGUs in the National Taxes	28.8 B	33.6 B	34.6 B
Local Government Support Fund	18.2 B	16.5 B	16.6 B
Metropolitan Manila Development Authority	5.5 B	5.3 B	4.1 B
Special Shares of LGUs in the Proceeds of Fire Code Fees	--	710 M	774 M
Barangay Officials Death Benefits	--	50 M	50 M
TOTAL	1,088.6 B	950.8 B	1,008.2 B

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

appropriated for the share of BARMM in the national internal revenue tax collections of the BIR and collections of the BOC, including prior years.

Another Php 5.0 billion will be allocated for the rehabilitation and development of the conflict-affected communities in BARMM, and the remaining Php 5.1 billion will come from the region's share in their own taxes, fees, and charges.

Special Shares in the Proceeds of National Taxes

The 1987 Philippine Constitution states that local governments shall have their just share in the national taxes collected by the government. This share will be automatically released to them for the development of

their respective areas and ensuring that its inhabitants directly benefit from it.

Aside from the Php 871.4 billion NTA, a total of Php 34.6 billion will be collected from various sources governed by several laws. Some Php 17.0 billion will be collected from the excise taxes on locally-manufactured Virginia-type cigarettes and customs duties on imported blending tobacco (RA No. 7171¹¹). Additional Php 4.0 billion will be collected from the excise taxes on burley and native tobacco (RA No. 8240¹² as amended by RA No. 10351¹³, as amended by RA No. 11346¹⁴).

Likewise, Php 12.9 billion will be from the proceeds of the utilization and development of national wealth within a local government's jurisdiction (RA No. 7160¹⁵ and 9513¹⁶). The remaining Php 775 million and Php 12 million will represent the shares of local governments in the incremental collections from value added tax

(RA No. 7643¹⁷, 8424¹⁸, and 9337¹⁹) and gross income taxes paid by all businesses and enterprises within ECOZONES or special economic zones (RA No. 7922²⁰).

Local Government Support Fund

Another form of intergovernmental transfer is through the Local Government Support Fund (LGSF). This form of financial assistance to local governments will help them implement and deliver basic services to their constituents.

The NG recognizes their crucial role in attaining the country's goals and targets, that is why Php 16.6 billion will be earmarked for this purpose. More than half of this amount will be used to fund the Support to the *Barangay* Development Program of the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC). It targets to benefit 864 cleared *barangays*, wherein each of them will receive Php 10 million for projects such as farm-to-market roads, school buildings, water and sanitation systems, health stations, and electrification.

Moreover, an allocation of Php 2.0 billion will be directed to the Green Green Green Program, which will focus on assisting LGUs in creating sustainable and livable communities through the development of green open spaces and infrastructure projects for active mobility. This program will assist in the development of green open spaces (e.g., public parks, plazas, arboretum, and botanical gardens) and infrastructure for active mobility (e.g., bicycle lanes and racks, sports facilities, and recreational trails).

Furthermore, Php 1.0 billion will fund the implementation of Support and Assistance Fund to Participatory Budgeting, which is dedicated to financing water supply system projects identified through local participatory budgeting. It aims to accelerate access to safe and resilient water supply and sanitation services in lagging municipalities, in partnership with local civil society organizations. Eligible focus municipalities include those in the fourth to sixth

income classes with established LGU-managed water utilities and project readiness, as demonstrated by endorsed plans and identified feasible water sources.

Lastly, the amount of Php 5.0 billion will be allocated to the Financial Assistance to LGUs, dedicated to support the implementation of projects of LGUs related to agriculture, support to cotton and textile industry, establishment of materials recovery facility, adaptation and mitigation projects, development of information and communications technology systems, disaster response and rescue programs, and other infrastructure projects.

Metropolitan Manila Development Authority

As the government arm mandated to plan, monitor, coordinate, regulate, and supervise authority over the delivery of metro-wide services within Metro Manila, Php 4.1 billion of the proposed National Budget will fund the MMDA's operational requirements and PAPs.

This budget will cover the Solid Waste Management Program (Php 2.0 billion) for the payment of disposal fees of designated sanitary landfill facilities; Traffic Management Program (Php 611 million) for the operations and maintenance of various transport facilities and infrastructures and implementation of locally-funded projects; and Flood Control Program (Php 1.5 billion) for the implementation of flood control measures and operations of related structures, facilities, equipment, and waterways.

Special Shares of LGUs in the Proceeds of Fire Code Fees

To prevent all kinds of destructive fires and ensure public safety against it, the government collects taxes and fees from, among others, the issuance of certificates, permits, and licenses; and services fees from fire, earthquake, and explosion hazard reinsurance surveys.

As stated in the Fire Code of the Philippines of 2008 (RA No. 9514), 20 percent of this amount will be given to LGUs for the operation and maintenance of their local fire stations. A total of Php 774 million will be set aside for this purpose in 2024.

Barangay Officials Death Benefits

Some Php 50 million will fund the payment for death benefits of *barangay* officials who passed away during their term of office. This includes, among others, the *punong barangay* and regular/ex-officio members of the *sangguniang barangay*, including the Indigenous Peoples representative. Beneficiaries of these officials can receive Php 20,000 death benefit and Php 2,000 burial expenses, pursuant to Executive Order No. 115, s. 2002.²¹

H. Transfers to Government-Owned and/or Controlled Corporations

Government corporations play a key role in achieving sustainable development in the country. Considered as important partners of the government in achieving national goals, they are any stock or non-stock corporation authorized to collect revenues and perform essential functions for public benefit.

As such, the government provides financial assistance to these corporations every year through the Budgetary Support to Government Corporations (BSGC). These are in the form of equity, subsidy, and net lending.

Equity is the investment of the government in the authorized capital stock of GOCCs, while subsidy covers their programs and operational expenses not supported by their income. Net lending, also called relent loan proceeds, are advances for the servicing of debts guaranteed by the NG.

Table 12. BSGC, 2023-2024
(in billion Pesos, unless otherwise indicated)

Particulars	2023		2024	
	Php	% Share of Total BSGC	Php	% Share of Total BSGC
Subsidy	192.3	86.7	192.4	86.5
Equity	0.9	0.4	1.4	0.6
Net Lending	28.7	12.9	28.7	12.9
TOTAL	221.9	100.0	222.5	100.0

Note: Figures include automatic appropriations and net lending, and may not add up due to rounding off.

For 2024, a total of Php 222.5 billion financial assistance will be given to government corporations. This budget is 0.3 percent higher than the Php 221.9 billion allocation in 2023. Of this amount, Php 192.4 billion will go to subsidies and Php 1.5 billion for equity (excluding net lending).

Top 10 recipient-corporations of the BSGC are the following:

1. Philippine Health Insurance Corporation

Php 101.5 billion

This amount will be used to provide health insurance premiums to indigents, senior citizens, point-of-service patients, and unemployed persons with disability, among others. It will also be used for benefit package improvement and health insurance premiums of *PAyapa at MAsaganang PamayaNAn* Program beneficiaries.

2. National Irrigation Administration

Php 41.3 billion

This amount will be used to irrigate more than 30,000 hectares of farmland during all the crop seasons of the year.

3. National Food Authority

Php 9.0 billion

This amount will be used to procure 473,684 metric tons of *palay* that will form part of their buffer stock that will be distributed during emergencies and calamities.

4. Power Sector Assets and Liabilities Management Corporation

Php 8.0 billion

This amount will finance the payments for stranded contract costs and stranded debts of the National Power Corporation.

5. Philippine Fisheries Development Authority

Php 4.9 billion

This amount will be used to construct, rehabilitate, improve, and operate fish ports in Navotas, General Santos, and Zamboanga.

6. Philippine Crop Insurance Corporation

Php 4.5 billion

This amount will be used to protect 2,291,897 farmers and fisherfolk listed in the Registry System for Basic Sectors in Agriculture against losses from natural calamities or pest infestations.

7. National Electrification Administration

Php 2.3 billion

This amount will be used to fund the electrification of 500,000 households in rural areas through the National Rural Electrification Program.

8. Bases Conversion Development Authority

Php 2.1 billion

This amount will be used for the implementation of the Infrastructure Development Program.

9. National Housing Authority

Php 2.0 billion

This amount will be used to provide housing and community facilities nationwide, as well as funding of the resettlement program for informal family settlers located in the waterways along the Manila Bay.

10. Philippine Heart Center

Php 1.8 billion

This amount will cover the subsidy for the assistance to indigent patients.

I. Earmarked Revenues

Earmarking revenues is the process of allocating funds for specific expenditures that are governed by certain laws. It is the practice of depositing revenues into a special account — the General Fund — which is designated to be used specifically for certain activities, benefits, or purposes as mandated by the earmarking law.

There are two types of earmarking revenues in the Philippines: 1) Use of Income in the General Fund and 2) Special Accounts in the General Fund (SAGF).

Table 13. Earmarked Revenues, 2023-2024
(in pesos)

Particulars	2023 Program		2024 Proposed	
	Revenues	Expenditures	Revenues	Expenditures
Use of Income, General Fund	952.3 B	949.2 B	1,017.0 B	1,007.6 B
Department of Agriculture	10.0 B	10.0 B	10.0 B	10.0 B
Department of Public Works and Highways	18.4 B	15.3 B	24.6 B	15.2 B
Department of Science and Technology	24 M	P8 M	26 M	8 M
Bangsamoro Autonomous Region in Muslim Mindanao	69.4 B	69.4 B	75.6 B	75.6 B
Local Government Units	854.6 B	854.6 B	906.8 B	906.8 B
Special Accounts in the General Fund	57.4 B	22.2 B	51.4 B	26.5 B
Department of Agrarian Reform	5 M	1.0 B	5 M	60 M
Department of Agriculture	3.4 B	1.8 B	3.4 B	2.1 B
Department of Education	--	3 M	--	--
Department of Energy	28.4 B	8.8 B	19.0 B	8.9 B
Department of Environment and Natural Resources	484 M	177 M	500 M	251 M
Department of Finance	1.5 B	1.9 B	2.4 B	1.9 B
Department of Health	854 M	770 M	985 M	770 M
Department of Information and Communications Technology	3.2 B	2.5 B	3.4 B	2.5 B
Department of the Interior and Local Government	3.4 B	1.0 B	3.8 B	1.0 B
Department of Justice	2.2 B	570 M	2.3 B	1.1 B
Department of Labor and Employment	0.4 M	0.4 M	0.4 M	0.4 M
Department of Migrant Workers	737 M	163 M	740 M	163 M
Department of National Defense	3.8 B	--	3.6 B	3.6 B

Continuation of Table 13

Particulars	2023 (Program)		2024 (Proposed)	
	Revenues	Expenditures	Revenues	Expenditures
Department of Public Works and Highways	--	--	75 M	38 M
Department of Science and Technology	38 M	--	--	--
Department of Tourism	--	5 M	--	5 M
Department of Trade and Industry	600 M	23 M	633 M	23 M
Department of Transportation	300 M	148 M	605 M	282 M
National Economic and Development Authority	11 M	8 M	11 M	8 M
Other Executive Offices	637 M	1.5 B	1.8 B	2.0 B
Budgetary Support to Government Corporations	7.9 B	1.7 B	8.2 B	1.8 B
TOTAL	1.010 B	971.4 B	1.068 B	1.034 B

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

The first type is based on the expected revenue collections, deposited in the General Fund such as taxes and fees. For 2024, the earmarked revenue collections under the Use of Income in the General Fund will amount to Php 1.017 trillion, which is 6.8 percent higher than the Php 952.3 program in 2023.

The biggest recipient under this category is the LGUs with Php 906.8 billion revenues in 2024. Bulk of this will go to the NTA²² (Php 871.4 billion), which is governed by RA No. 7160²³ and 11683²⁴, to serve as the share of local governments in national taxes for the implementation of their own PAPs. It is then followed by the BARMM with Php 75.6 billion for their annual block grant and shares in the taxes, fees, and

charges collected in this region; DA with Php 10.0 billion for the Rice Competitiveness Enhancement Fund (RA No. 11203)²⁵; DPWH with Php 24.6 billion for the Motor Vehicle User's Charge tax collections (RA No. 11239)²⁶; and Department of Science and Technology (DOST) with Php 26 million for the fees and charges from metrological works of the National Metrology Laboratory (RA No. 9236)²⁷ and fees collected from the Philippine Science High School System (RA No. 9036)²⁸.

Meanwhile, SAGF is a fund wherein proceeds from specific revenue measures are allocated for identified PAPs, which are still governed by the law. The projected amount for this in 2024 is Php 51.4 billion. The decrease of 10.5 percent from the 2023 revenue program of

Php 57.4 billion can be largely attributed to the decreases in the government share from the National Wealth, specifically the Malampaya gas field.

The highest earmarked revenue collection under SAGF will come from the Department of Energy (DOE) as mandated by RA No. 9513²⁹ and 11371³⁰, as well as Presidential Decree No. 87³¹, 972³², and 1234³³. Of the Php 19.0 billion earmarked revenue collection target under this department, Php 12.7 billion will come from the government's royalty share from Malampaya operations.

Meanwhile, the BSGC's projected earmarked revenue will amount to Php 8.2 billion revenues in 2024. The National Tobacco Administration will receive the most with the Php 6.3 billion expected to be collected from locally-manufactured Virginia-type cigarettes and tariff duties on imported leaf tobacco.

J. Off-Budget Accounts

Off-Budget Accounts (OBA) are extrabudgetary funds or receipts that are authorized to be deposited to government financial institutions. These are categorized into: 1) retained income/receipts, 2) revolving funds, and 3) receipts from the borrowings by the BTr.

These retained incomes/receipts are collections governed by laws and will be used directly by agencies for their operations or specific expenditures. Revolving funds, on the other hand, are generated from business-type activities that are considered self-liquidating and deposited in an authorized government depository bank.

Moreover, these are subjected to audit and inspection by the Commission on Audit to ensure transparency in the use of public funds.

For 2024, a total of Php 161.4 billion revenues from OBA are expected to be collected by government agencies. Higher by 6.1 percent from the Php 152.1 billion allocation, this amount will be used to finance or augment funds for specific expenditures amounting to Php 136.4 billion.

The DOH is expected to post the highest revenue amounting to Php 37.6 billion, which will come from hospital fees and sales of drugs and medicines, among others. Of this amount, Php 30.2 billion will be used for the purchase of drugs, medical supplies, and medical equipment, as well as security deposits or professional fees for refund to doctors and patients from the PHIC.

It is followed by the Judiciary with Php 37.2 billion worth of revenues that will be collected from legal fees, fines and penalties, legislation fees, bail bonds, and other service income sources. The bulk of this amount — Php 23.5 billion — will be used as refund of bail bonds, as mandated by Rule 141 of the Rules of Court, Office of the Court Administrator (OCA) Circular No. 56-2007, SC Administrative Circular No. 35-2004, Administrative Matter No. 04-2-04-SC, and OCA Circular No. 140-2011.

Another major source of revenues from OBA in 2024 will be the SUCs. A total of Php 35.6 billion will be collected from tuition fees, collection from students, and other sources to fund their PS, MOOE, and CO amounting to Php 34.8 billion.

K. Foreign-Assisted Projects

Foreign-assisted projects, or FAPs, refer to programs or projects that are financed, supported, or implemented by foreign countries, international organizations, or foreign entities in partnership with the government of the host country. These aim to address a wide range

Table 14. Revenues and Expenditures of OBA, 2023-2024
(in pesos)

Particulars	2023 Program		2024 Proposed	
	Revenues	Expenditures	Revenues	Expenditures
Office of the President	52 M	--	57 M	--
Department of Agriculture	1.8 B	1.7 B	1.4 B	1.1 B
Department of Education	5.7 B	5.4 B	6.3 B	5.9 B
State Universities and Colleges	32.4 B	34.1 B	35.6B	34.8 B
Department of Energy	200 M	789 M	1.1 B	50 M
Department of Environment and Natural Resources	286 M	29 M	301 M	268 M
Department of Finance	4.5 B	3.7 B	4.9 B	4.3 B
Department of Foreign Affairs	363 M	503 M	363 M	457M
Department of Health	34.2 B	27.7 B	37.6 B	30.2 B
Department of Information and Communications Technology	0.3 M	0.3 M	0.4 M	0.3 M
Department of the Interior and Local Government	2.4 B	2.3 B	2.6 B	2.4 B
Department of Justice	4.2 B	2.8 B	4.5 B	3.0 B
Department of Labor and Employment	5.3 B	4.2 B	5.5 B	4.4 B
Department of Migrant Workers	2.7 B	2.1 B	2.8 B	2.2 B
Department of National Defense	2.1 B	3.4 B	2.1 B	2.8 B
Department of Public Works and Highways	2.8 B	339 M	2.8 B	524 M
Department of Science and Technology	1.8 B	1.9 B	1.8 B	1.7 B
Department of Social Welfare and Development	20 M	226 M	10 M	8 M
Department of Tourism	60 M	304 M	95 M	339M
Department of Trade and Industry	331 M	342 M	753 M	463 M
Department of Transportation	5.9 B	5.8 B	2.9 B	2.9 B

Continuation of Table 14

Particulars	2023 Program		2024 (Proposed)	
	Revenues	Expenditures	Revenues	Expenditures
National Economic Development Authority	357 M	337 M	594 M	1.5 B
Other Executive Offices	1.3 B	1.4 B	1.4 B	1.4 B
Presidential Communications Office	7.7 B	6.8 B	8.1 B	7.1 B
The Judiciary	35.1 B	13.5 B	37.2 B	27.7 B
Civil Service Commission	10 M	6 M	32 M	31 M
Commission on Audit	106 M	83 M	155 M	108 M
Commission on Elections	149 M	144 M	156 M	156 M
Commission on Human Rights	69 M	311 M	64 M	375 M
Office of the Ombudsman	9 M	--	9 M	--
Metro Manila Development Authority	161 M	161 M	174 M	174 M
TOTAL	152.1 B	P120.6 B	161.4 B	136.4 B

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

of development challenges, which usually includes infrastructure development, poverty reduction, education, health, and environmental protection, among others.

FAPs may take different forms (i.e., loans, grants, technical assistance) and may involve various stakeholders (i.e., NGAs and private sector entities). These projects often require careful planning and effective collaboration among multiple sectors — including international donors, national authorities, and local communities — to ensure effective implementation and sustainability.

The departments with the biggest allocations for the FAPs are the DOTr and DPWH with Php 161.3 billion and Php 70.8 billion, respectively. This is in line with the

Administration's goal of infrastructure development being the key to economic development. Some of the big-ticket FAPs under these two departments include:

DOTr

- Metro Manila Subway Project Phase I: Php 68.4 billion
- LRT Line 1 Cavite Extension Project: Php 4.7 billion
- Philippine National Railways South Long Haul Project: Php 3.1 billion
- Metro Rail Transit (MRT) Line 3 Rehabilitation Project: Php 2.9 billion
- Davao Public Transport Modernization Project: Php 1.0 billion

- Cebu Bus Rapid Transit Project:
Php 700 million
 - Maritime Safety Enhancement Project:
Php 635 million
 - Davao City Bypass Construction Project:
Php 4.2 billion
 - Improving Growth Corridors
in Mindanao Road Sector Project:
Php 3.3 billion
 - Panguil Bay Bridge Construction Project:
Php 2.5 billion
 - Cebu-Mactan Bridge
and Coastal Road Construction Project:
Php 2.0 billion
- DPWH**
- Bataan Cavite Interlink Bridge Project:
Php 9.5 billion
 - Metro Manila Flood Management
Phase I: Php 6.0 billion
 - Laguna-Lakeshore Road Network Project:
Php 5.6 billion

Table 15. Foreign-Assisted Projects, 2023-2024
(in million Pesos, unless otherwise indicated)

Particulars	2023 Program			2024 Proposed		
	Peso Counterpart	Loan Proceeds	Total	Peso Counterpart	Loan Proceeds	Total
Departments	57,717	-	57,717	135,985	109,589	245,574
Department of Agrarian Reform	1,587	-	1,587	813	-	813
Department of Agriculture	940	-	940	1,249	5,037	6,286
Department of Education	-	-	-	604	-	604
Department of Finance	334	-	334	265	573	838
Department of Health	-	-	-	-	2,474	2,474
Department of Labor and Employment	-	-	-	279	1,555	1,834
Department of Public Works and Highways	7,938	-	7,938	50,701	20,000	70,701
Department of Social Welfare and Development	3,777	-	3,777	615	68	683
Department of Transportation	42,895	-	42,895	82,063	79,277	161,340
Special Purpose Funds	109	747	856	417	71	489
Budgetary Support to Government Corporations	49	205	254	417	71	489
Total	57,826	747	58,573	136,403	109,660	246,062

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

Endnotes:

¹ Includes budgets from the National Irrigation Administration (Php 31.2 billion) and Department of Agriculture (Php 1.3 billion)

² Includes locally-funded projects only

³ Includes budgets for Department of Education, State Universities and Colleges, Commission on Higher Education, Technical Education and Skills Development Authority, and other education-related institutions

⁴ Includes budget for Philippine Health Insurance Corporation/PhilHealth

⁵ Excludes education-related agencies and Education and Training program of the Philippine National Police Academy

⁶ Excludes education-related agencies

⁷ Includes budgets for the Department of Agriculture's attached agencies and corporations, and Department of Agrarian Reform

⁸ Includes budget for Department of Migrant Workers; excludes budget for Technical Education and Skills Development Authority

⁹ Capital Outlays only (locally-funded project)

¹⁰ Armed Forces of the Philippines Modernization Act

¹¹ An Act to Promote the Development of the Farmer in the Virginia Tobacco Producing Provinces

¹² An Act Amending Sections 138, 140, and 142 of the National Internal Revenue Code

¹³ Sin Tax Reform Act of 2012

¹⁴ An Act Increasing the Excise Tax on Tobacco Products, Imposing Excise Tax on Heated Tobacco Products and Vapor Products, Increasing the Penalties for Violations of Provisions on Articles Subject to Excise Tax, and Earmarking a Portion of the Total Excise Tax Collection from Sugar-Sweetened Beverages, Alcohol, Tobacco, Heated Tobacco and Vapor Products for Universal Health Care, Amending for this Purpose Sections 144, 145, 146, 147, 152, 164, 260, 262, 263, 265, 288, and 289, Repealing Section 288(B) and 288(C), and Creating New Sections 263-A, 265-B, and 288-A of the National Internal Revenue Code of 1997, as Amended by Republic Act No. 10963, and for Other Purposes.

¹⁵ Local Government Code of 1991

¹⁶ Renewable Energy Act of 2008

¹⁷ An Act Restructuring the Value Added Tax (VAT) System, Widening its Tax Base, and Enhancing its Administration, and for these Purposes Amending and Repealing the Relevant Provisions of the National Revenue Code

¹⁸ Tax Reform Act of 1997

¹⁹ An Act Amending Sections 27, 28, 34, 106, 107, 108, 109, 110, 111, 112, 113, 114, 116, 117, 119, 121, 148, 151, 236, 237, and 288 of the National Internal Revenue Code of 1997, as Amended, and for Other Purposes

²⁰ Cagayan Special Economic Zone Act of 1995

²¹ In compliance with the SC Ruling in the Mandanas-Garcia cases

²² Michael, J. (2015 Aug.) Earmarking State Tax Revenues. Retrieved from <https://www.house.mn.gov/hrd/pubs/earmarking.pdf>.

²³ Local Government Code of 1991

²⁴ An Act Amending Section 450 of RA No. 7160, Otherwise Known as the Local Government Code of 1991, as Amended by RA No. 9009

²⁵ Rice Liberalization Law

²⁶ An Act Abolishing the Road Board and Providing for the Disposition of the Motor Vehicle User's Charge Collections

²⁷ The National Metrology Act of 2003

²⁸ An Act Strengthening the Governance and Defining the Scope of the Philippine Science High School (PSHS) System, Amending for the Purpose Republic Act No. 8496

²⁹ Renewable Energy Act of 2008

³⁰ *Murang Kuryente Act*

³¹ Amending Presidential Decree No. 8 issued on October 2, 1972 and Promulgating an Amended Act to Promote the Discovery and Production of Indigenous Petroleum and Appropriate Funds Therefor

³² Promulgating an act to promote an accelerated exploration, development, exploitation, production, and utilization of coal

³³ Instituting a procedure for the management of special and fiduciary funds earmarked or administered by departments, bureaus, offices, and agencies of the National Government, including Government-Owned and/or -Controlled Corporations

Education

While the WHO has declared that COVID-19 is no longer a global health emergency, the devastating impact that the pandemic has left on education systems around the globe has resulted in significant learning setbacks for students of all ages. Children, particularly those in crucial developmental stages, have faced various challenges, including mental distress, and an increased risk of dropouts due to school closures¹.

For 2024, following the Constitutional mandate that the State shall assign the highest budget priority to education, the Education sector remains the top recipient of the proposed National Budget with Php 924.7 billion. This amount includes the budgets of the DepEd, Php 758.6 billion; SUCs, Php 105.6 billion; CHED, Php 31.0 billion; TESDA, Php 15.2 billion; and other education-related institutions², Php 14.3 billion.

Table 1. Budget Allocations in the Education Sector (in billion Pesos)

Particulars	2024 NEP
Education Sector	924.7
Department of Education	758.6
State Universities and Colleges	105.6
Commission on Higher Education	31.0
Technical Education and Skills Development Authority	15.2
Other Educational-related Institutions	14.3

Bridging Gaps in Basic Education, Higher Learning, and Research Excellence

Basic and Secondary Education

Access to basic and secondary education is crucial for students to acquire fundamental knowledge and skills that will equip them to succeed in the modern workforce and become active and engaged citizens³. In today’s fast-paced world, literacy, numeracy, and problem-solving skills are vital for individuals. Moreover, learners need to develop their critical thinking and learning abilities to adapt to new challenges quickly. Basic and secondary education can also play a crucial role in promoting social justice and equity by ensuring that every learner has equal access to quality education⁴.

Improving School Facilities for Better Learning.

The DepEd is set to receive a significant budget of Php 33.8 billion for its Basic Education Facilities (BEF) Program. This allocation aims to improve learning environments and address critical needs in both infrastructure and learning resources.

The bulk of this budget, amounting to Php 19.7 billion, will be used to construct and complete 7,879 classrooms for kindergarten, elementary, and secondary school buildings. This also includes the development of technical-vocational laboratories, along with improvements in water and sanitation facilities.

Some Php 6.5 billion, also under the BEF Program, will be allotted for the rehabilitation, renovation, repair, and

Table 2. Major Programs under the DepEd
(in billion Pesos)

Particulars	2024 NEP
Department of Education	758.6
Government Assistance and Subsidies	39.3
Basic Education Facilities	33.8
New School Personnel Positions	26.2
Textbooks and other Instructional Materials	12.0
Computerization Program	8.9
Inclusive Education Program	6.0
Learning Tools and Equipment	3.9

improvement of 10,050 classrooms of existing schools to provide students with well-equipped learning facility/ environment. Another Php 2.5 billion will be used to procure 21,557 sets of school desks, furniture, and fixtures.

Furthermore, Php 1.3 billion will be allocated to provide electricity to 432 classrooms in unenergized schools, as well as modernize the electrical systems of on-grid schools.

The Last Mile Schools (LMS) Program will be allocated Php 3.0 billion to address the challenges faced by schools in geographically-isolated, disadvantaged, and conflict-affected areas.

The LMS Program may also be used for the construction of Administration and Climate Change Emergency Storage and Shelter (ACCESS) buildings, which serve various purposes such as storage of school equipment and supplies during calamities or as dormitories for teachers and students in remote areas.

Investing in Additional Learning Resources. To ensure the availability of sufficient learning tools and materials for students, the DepEd will allocate Php 12.0 billion for

Table 3. Procurement Targets for Learning Resources

Particulars	2023 Targets	2024 Targets
Textbooks and Instructional/Learning Materials	4,628,245	71,407,893
Science and Math Equipment	11,016,797	3,299,748
Technical and Vocational Livelihood Equipment	427,438	1,162,865
Information and Communication Technology Package	3,700	18,130

the procurement of textbooks and other instructional materials. Some Php 3.9 billion will also be used to acquire technical-vocational resources, and learning tools and equipment for science and mathematics.

Additionally, Php 8.9 billion will support the DepEd Computerization Program. This initiative aims to enhance technological integration in education by providing essential information and communication technology (ICT) equipment, including 1,410 eLearning cart packages; 5,818 smart TV packages; 6,900 laptops for teachers; 4,001 laptops for non-teaching personnel; and one (1) lot of MATATAG center ICT equipment.

Supporting the Human Resources in the Education Sector. Recognizing the significant role of educators in developing the intellectual capacity, skills, and capabilities of learners, the government will provide Php 2.6 billion for DepEd's Education Human Resource Development Program. Of this amount, Php 2.4 billion will go to human resource development for personnel in schools and learning centers. This will cover the Php 778 million that will be used for the In-Service Training of public school teachers, administrators, and

other school personnel to boost their proficiency and improve their delivery of educational functions.

Additionally, Php 9.6 billion will cover the implementation of the grant of cash allowance, hardship pay, and reclassification of positions to help support educators. On the other hand, some Php 5.5 billion will be allocated for the creation of additional 20,000 teaching positions to augment the number of teachers in the country.

Promoting the Importance of Health and Nutrition of Students. In line with the Administration's commitment to help every learner reach their full potential, Php 11.7 billion will be allocated to the School-based Feeding Program. This initiative aims to provide nutritious food products, such as hot meals and milk, to 1,678,704 severely wasted, moderately wasted, and wasted learners⁵.

Building an Inclusive Education System. To provide every Filipino learner access to quality education regardless of their economic, social, political, and cultural standing, the Administration will allocate Php 6.0 billion for the Inclusive Education Program. This includes the budgets for Flexible Learning Options Program, Php 4.3 billion; Special Needs Education Program, Php 999 million; Madrasah Education Program⁶, Php 432 million; Multigrade Education, Php 162 million; and Indigenous Peoples Education (IPEd) Program, Php 154 million.

Providing Financial Assistance and Subsidies to Students.

The government will allocate Php 39.3 billion to provide financial assistance to students enrolled in private and non-DepEd educational institutions through various programs under the DepEd's Government Assistance and Subsidies. These programs, specifically the Senior High School (SHS) Voucher Program, Education Service Contracting (ESC) Program, and Joint Delivery Voucher Program, are geared towards ensuring the accessibility and delivery of quality elementary and secondary education in partnership with private educational entities.

The bulk of this budget, amounting to Php 25.3 billion, will be dedicated to the SHS Voucher Program. This allocation will allow eligible high school students to enroll in private secondary schools, higher education institutions, and technical-vocational institutions. This initiative is expected to alleviate overcrowding in public secondary institutions.

Likewise, Php 1.5 billion will be allocated for the Joint Delivery Voucher Program, allowing qualified public SHS students specializing in the Technical Vocational and Livelihood (TVL) track to access TVL subjects in private or non-DepEd schools and institutions.

Furthermore, the ESC Program will receive Php 12.5 billion to facilitate a fixed tuition subsidy for graduates of public elementary schools who opt to enroll in participating private educational institutions.

Table 4. Schemes under the Government Assistance and Subsidies of the DepEd (in billion Pesos)

Particulars	No. of Beneficiaries	2024 NEP
Senior High School Voucher Program	1,342,420	25.3
Educational Service Contracting Program	1,031,605	12.5
Joint-Delivery Voucher Program	117,889	1.5

Table 5. Allocations for Higher Education
(in billion Pesos)

Particulars	2024 NEP
State Universities and Colleges	105.6
Commission on Higher Education	31.0
Universal Access to Quality Tertiary Education - Tertiary Education Subsidy	20.5
Universal Access to Quality Tertiary Education - Free Higher Education	5.5
Student Financial Assistance Programs	1.5
Financial Assistance for Postgraduate Students	0.5
Medical Scholarship and Return Service Program	0.5

Tertiary Education

The government will continue to improve the educational curriculum and make it easier for students to transition from school to work, especially after completing tertiary education. Out of the total budget for the Education sector, Php 105.6 billion will be allocated for the 116 SUCs nationwide and Php 31.0 billion will be earmarked for the CHED. Through these allocations, the government will continue providing high-quality and accessible tertiary education, focusing on meeting the needs of poor Filipinos.

The budget of the CHED will be used to support its projects and programs, such as the UAQTE, Student Financial Assistance Programs (StuFAPs), Financial Assistance for Postgraduate Students, and the Medical Scholarship and Return Service Program.

Of the Php 26.0 billion that will be allocated for the implementation of the UAQTE, Php 5.5 billion will support 437,500 students in CHED-recognized Local Universities and Colleges under the Free Higher Education Program while Php 20.5 billion will cover 399,168 students under the Tertiary Education Subsidy Program, including *Tulong Dunong* Program.

Under the StuFAPs, Php 1.5 billion from the CHED budget will support the learning expenses of targeted 29,375 qualified students who are enrolled in public and private Higher Education Institutions. This amount includes the Php 65 million budget allocation to fund the scholarship grants for dependents of sugar industry workers and small farmers.

Furthermore, Php 505 million will be allocated for the Financial Assistance for Postgraduate Students. This program aims to provide financial assistance/scholarships to 850 postgraduate students, including 100 short-term scholarship grantees. In addition, Php 500 million will be allotted for the Medical Scholarship and Return Service Program to cover 3,600 beneficiaries.

Recognizing the vital role of SUCs in providing accessible tertiary education for Filipinos, Php 105.6 billion will be allocated for the maintenance, rehabilitation, and modernization of services and facilities of 116 SUCs across the country.

Table 6. Regional Allocations for SUCs
(in billion Pesos)

Particulars	No. of SUCs	2024 NEP
NCR	8	30.0
Region I	6	3.1
CAR	5	5.0
Region II	5	3.8
Region III	12	8.8
Region IV-A	5	6.0
MIMAROPA	6	3.3
Region V	9	5.5
Region VI	11	8.4
Region VII	5	4.8
Region VIII	10	6.1
Region IX	6	3.1
Region X	8	5.1
Region XI	6	2.2
Region XII	4	2.1
Region XIII	4	2.4
BARMM	6	6.0
TOTAL	116	105.6

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

Technical-Vocational Education

With the continuous demand for skilled workers, the Administration will set aside Php 15.2 billion for the TESDA in 2024. This budget will be used to provide opportunities for Filipinos to develop the skills needed to enter and excel in the labor market.

Table 7. Allocations for the Technical-Vocational Education
(in billion Pesos)

Particulars	2024 NEP
Technical Education and Skills Development Authority	15.2
Universal Access to Quality Tertiary Education	3.4
Training for Work Scholarship Program	3.2
Special Training for Employment Program	1.3
Tulong Trabaho Scholarship Program	1.0
Private Education Student Financial Assistance	0.2

Of the total budget allotted for the TESDA, some Php 3.4 billion will be used for free technical education and training under the UAQTE Program and provide financial assistance to Filipino students to help them pursue their technical-vocational education in state-run technical vocational institutions.

In addition, the Training for Work Scholarship Program will receive a budget of Php 3.2 billion to create, sustain, and develop courses in priority industries and key employment generators, such as agri-fishery, agri-business, and agro-industrial and general infrastructure, among others.

To increase the number of skilled Filipino workers, Php 1.3 billion will be earmarked for the Special Training for Employment Program. The budget will be used for the development, promotion, and implementation of special training and seminars for communities in need of specific skills and to promote employment through entrepreneurship and service-oriented activities.

Some Php 1.0 billion will be allotted for the *Tulong Trabaho* Scholarship Program to strengthen the qualification of the Filipino workforce and meet the challenges of the rapidly evolving workplaces and work structures; provide for more innovative approaches to Technical and Vocational Education and Training (TVET) linked to the requirement of industries to primarily address unemployment and job-skills mismatch; facilitate the access to quality TVET; and encourage the participation of industries and communities in competencies formation and upgrading.

A total of Php 200 million from the TESDA budget will be allocated for the Private Education Student Financial Assistance Program to provide financial assistance to underprivileged students attending technical-vocational courses and private institutions in need of a steady supply of enrollees to their course offerings.

In the government's bid to modernize the country's technical and vocational education and training system, Php 1.8 billion will go to the Supporting Innovation in the Philippine Technical and Vocational Education and Training System. This aims to improve the quality of skilling programs, upgrade training facilities and equipment, and build the capacity of trainers to impart the higher-level skills and competencies demanded by the job market.

Building a Future-Ready Society through Inclusive, Resilient, and Quality Education

Education not only benefits individuals but society as a whole. It is both a tool and foundation that will help Filipinos become more active members of society. As such, it is critical to continue to prioritize and invest in the programs and projects for adaptive, accessible, and inclusive education for all.

The path to building a future-ready society through inclusive, resilient, and quality education is both a collective endeavor and a shared responsibility. It necessitates a commitment from the government, institutions, educators, and communities to create environments where every Filipino can thrive, adapt, and contribute to a future characterized by progress, equity, and resilience. Investing in inclusive, resilient, and quality education is one of the best investments the government can make for a future-proof and sustainable economy.

Endnotes:

¹ Asian Development Bank. (2022, July). *How to Recover Learning Losses from COVID-19 School Closures in Asia and the Pacific*. Retrieved from <https://www.adb.org/sites/default/files/publication/808471/adb-brief-217-learn>

² Includes Science Education Institute, Philippine Science High School, Philippine National Police Academy, Philippine Military Academy, Philippine Public Safety College, Local Government Academy, and National Defense College of the Philippines

³ United Nations Educational, Scientific and Cultural Organization. (2023). *Education*. Retrieved from <https://www.unesco.org/en/education>

⁴ World Bank. (2023). *Education*. Retrieved from <https://www.worldbank.org/en/topic/education>

⁵ Wasted learners are students whose weight-for-height is below the standard deviation cut-off established by the WHO for well-nourished populations.

⁶ The Madrasah Education Program aims to enhance the basic educational development of Filipino Muslims by providing the support mechanism necessary for the teaching of Islamic studies and Arabic literacy.

Infrastructure Development

Investments in public infrastructure can lead to increased gains in GDP by improving the movement and accessibility of people, goods, and services. These investments not only facilitate trade and generate employment, but also contribute to reducing vulnerability and the overall cost of doing business. Additionally, they unlock more productive economic opportunities. Because of this powerful multiplier effect, the government recognizes the need to boost spending for inclusive and resilient public infrastructure that will be crucial for the country's development.

Throughout the years, the government has invested heavily in the Infrastructure sector to help overcome the challenges that hinder the country's development. From the previous Administration's infrastructure program to the current Administration's Build Better More Program, the country remains on track toward the Golden Age of Infrastructure, with the sustained 2024 infrastructure program amounting to 5.3 percent of the country's GDP — well within the target 5.0 to 6.0 percent of GDP.

Table 1. Public Sector Infrastructure Budget
(in billion Pesos)

Particulars	2022 Actual	2023 Program	2024 Proposed
National Government Agencies	1,054.6	1,089.0	1,164.6
Local Government Units	217.9	198.2	209.1
Government-Owned and/or -Controlled Corporations	41.2	43.0	43.8
TOTAL	1,313.6	1,330.2	1,417.5

Continuing Build Better More

For 2024, Php 1.418 trillion will be allocated for the Build Better More Program of the current Administration, 6.6 percent higher than the 2023 allocation of Php 1.330 trillion. Of this amount, Php 1.165 trillion will fund the day-to-day operations of involved NGAs, such as

subscription expenses, machinery and equipment outlays, payments for rent or lease, land improvement outlays, and buildings and other structures. Php 209.1 billion and Php 43.8 billion will support the infrastructure PAPs of LGUs and GOCCs, respectively.

Table 2. Top 10 Recipients of the FY 2024 Infrastructure Budget
(in billion Pesos)

Particulars	2024 NEP
Department of Public Works and Highways	801.2
Department of Transportation	176.4
Department of Education	44.6
Department of Agriculture	24.4
Department of Health	15.4
Other Executive Offices	5.8
Department of Information and Communications Technology	5.2
The Judiciary	4.7
Department of National Defense	4.3
State Universities and Colleges	3.4

As the leading implementing agencies in this sector, the DPWH and the DOTr will be the biggest recipients of the 2024 infrastructure budget for NGAs with Php 801.2 billion and Php 176.4 billion, respectively.

They are followed by:

- DepEd with Php 44.6 billion;
- DA with Php 24.4 billion;
- DOH with Php 15.4 billion;
- OEOs with Php 5.8 billion;
- DICT with Php 5.2 billion;
- The Judiciary with Php 4.7 billion;
- DND with Php 4.3 billion; and
- SUCs with Php 3.4 billion.

Regionalized and Non-Regionalized Infrastructure Budgets

The Php 1.418 trillion allocated for infrastructure projects can be categorized into two (2) main segments: regionalized and non-regionalized budgets.

In the regionalized infrastructure budget, the top three (3) regions receiving the highest allocations, excluding the NCR, are Region III (Php 22.3 billion), Region IV-A (Php 21.9 billion), and Region I (Php 18.0 billion). The NCR is slated to receive a total of Php 52.7 billion, which encompasses the funding needs of departments or agencies located in this region with nationwide coverage but lacking regional operating units.

On the other hand, the non-regionalized infrastructure budget comprises Php 13.6 billion for Nationwide Allocations and Php 1.155 trillion for Central Office Allocations. Nationwide Allocations refer to budgets that are for distribution to various regional offices of departments or agencies, as well as multi-user special purpose funds (such as calamity funds). Meanwhile, Central Office allocations represent infrastructure funding managed by the head offices of departments or agencies for their respective units.

Table 3. Regional Breakdown of the Infrastructure Outlays, 2023-2024
(in billion Pesos)

Particulars	2023 Program	2024 Proposed
Non-Regionalized Budget		
Nationwide ^a	0.2	13.6
Central Office ^b	957.4	1,155.3
Regionalized Budget		
NCR ^c	54.6	52.7
CAR	11.6	10.5
Region I	40.0	18.0
Region II	23.1	12.3
Region III	38.3	22.3
Region IV-A	30.3	21.9
MIMAROPA	11.9	8.0
Region V	24.0	12.7
Region VI	22.5	14.3
Region VII	22.6	16.3
Region VIII	26.5	16.0
Region IX	12.9	7.4
Region X	18.3	10.9
Region XI	11.8	9.6
Region XII	12.6	9.2
CARAGA	10.1	6.2
BARMM ^d	1.5	0.3
TOTAL	1,330.2	1,417.5

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

^a Nationwide allocations pertain to allocations that are yet to be distributed to various regional offices of departments/agencies and to multi-user special purpose funds (e.g., Calamity Funds).

^b Central Office allocations consist of infrastructure allocations being managed by the head offices of departments/agencies for their respective units.

^c Regional allocations for the NCR include funding requirements of departments/agencies located in the NCR with nationwide coverage, but without regional operating units.

^d Inclusive of infrastructure projects located in the BARMM (and former ARMM) provinces

Constructing Enhanced Networks for Better Connectivity

As the government's engineering and construction department, the DPWH will be allocated Php 822.2 billion in 2024. This amount reflects an 8.1 percent decrease from its previous budget of Php 894.2 billion in 2023, due to the smaller allocation for the Convergence and Special Support Program.

Likewise, the DOTr is set to receive a substantial allocation of Php 214.3 billion in 2024, showing a 102.2 percent increase from its 2023 allocation of Php 106.0 billion. The increase in the DOTr's budget can be attributed to the loan proceeds requirements of its foreign-assisted projects.

These budgetary allocations underscore strategic fiscal planning to meet evolving priorities and ensure the implementation of critical infrastructure and transportation projects.

Roads and Bridges

For 2024, Php 148.1 billion has been allotted for the Network Development Program, which will cover road widening projects and construction of by-pass, diversion roads, flyovers, interchanges, underpasses, and long-span bridges, as well as the paving of unpaved roads, among others.

Php 115.6 billion will go to the Asset Preservation for the preventive maintenance of primary, secondary, and tertiary roads nationwide. This amount is also for the construction, rehabilitation, reconstruction, and/or upgrading of damaged roads, roads with slips, slope collapses and landslides, and drainages along national roads.

Meanwhile, the Php 45.8 billion for the Bridge Program will fund the replacement of permanent weak bridges, as well as the retrofitting, strengthening, and widening of permanent bridges.

Table 4. Accomplishments and Targets of the DPWH, 2023-2024

Particulars	Baseline	2023 Program	2024 Proposed
Roads			
Maintained roads	503.391 kilometers (km)	891.110 km	1,196.398 km
Rehabilitated/reconstructed/ upgraded roads	--	334.537	798.711
Newly constructed roads	362.211	50.804	721.656
Widened roads	--	494.65	647.288
Bridges			
Maintained and rehabilitated bridges	--	304 bridges	525 bridges
(New and replacement) constructed bridges	4,594.732 linear meters (lm); N/A	19,570.052 lm; N/A	15,208.83 lm; 156,156.76 m ²

Public Transportation and Infrastructure Program (Rail, Aviation, Maritime, and Land)

Rail Transport. The Rail Transport Program of the DOTr will be allotted Php 163.7 billion, approximately 76.4 percent of the DOTr's budget, to improve current and establish new railway systems in the country. This budget includes the following: the North-South Commuter Railway System (Php 76.3 billion), linking New Clark City in Capas, Tarlac, to Calamba, Laguna; Metro Manila Subway Project Phase I (Php 68.4 billion), building 15 stations from Valenzuela City to Pasay City; LRT Line 1 Extension Project (Php 4.7 billion), extending the existing railway system by 11 kilometers; Philippine National Railways (PNR) South Long Haul Project (Php 3.1 billion), reconstructing the PNR South Main Line; and the Metro Rail Transit (MRT) Line 3 Rehabilitation Project (Php 2.9 billion), funding the upgrade of its facilities.

Land Public Transport. The Land Public Transportation Program will receive Php 6.4 billion in 2024 to improve and modernize public transport in the country. The program will fund the following projects: Davao Public Transport Modernization Project (Php 1.0 billion), modernizing outdated transport-related services in Davao City; EDSA Busway Project (Php 909 million), aiming to support around 600,000 commuters per day; Cebu Bus Rapid Transit Project (Php 700 million), helping to decongest roads in the city; Active Transport Bike Share System and Safe Pathways Program in Metropolitan Areas (Php 500 million), constructing bike lanes and proper public transport stops; and EDSA Greenways Project (Php 263 million), addressing the poor and unsafe walkways around Metro Manila.

Additionally, the DOTr will set aside Php 2.5 billion for the provision of financial assistance or fuel vouchers to qualified drivers of public utility vehicles, taxis, tricycles, and full-time ride-hailing and delivery services nationwide, as identified and validated by the Land Transportation and Franchising and Regulatory Board (LTFRB). This subsidy aims to mitigate the effects

of rising fuel prices that threaten the livelihood of drivers nationwide.

Aviation Transport. For 2024, the DOTr's Aviation Program will receive Php 6.1 billion to modernize and globalize our airports. Of this amount, Php 1.3 billion will go to the New Communications, Navigation, and Surveillance/Air Traffic Management (CNS/ATM) System Development Project, which will allow air traffic controllers to operate and communicate with aircraft operators using upgraded and modernized technology.

The remaining amount will be used for the construction, rehabilitation, and/or improvement of the following airports: Ninoy Aquino International Airport (NAIA) (Php 1.6 billion); Kalibo International Airport (Php 581 million); Laoag International Airport (Php 500 million); Tacloban Airport (Php 500 million); New Dumaguete Airport Development Project (NDADP) (Php 500 million); Busuanga Airport (Php 405 million); New Zamboanga International Airport (Php 300 million); New Manila International Airport (Php 200 million); Bukidnon Airport (Php 120 million); and New Bohol Airport Construction and Sustainable Environment Protection Projects (Php 97 million).

Maritime Transport. Sea transport is an integral part of the transportation network in an archipelago like the Philippines. Thus, under the proposed budget of the DOTr, the Maritime Infrastructure Program will receive Php 988 million in 2024. Of this amount, Php 625 million will be used for the Maritime Safety Enhancement Project that aims to improve reliability and ensure sustainable maritime transportation safety. Another Php 134 million will go to the Maritime Safety Capability Improvement Project Phase I to improve response capabilities in maritime incidents and enhance the conduct of maritime law enforcement and security operations.

For the port development projects, some Php 228 million will be allocated for the following: Sta. Catalina Port (Php 82 million), Quinapondan Port (Php 50 million);

Araceli Port (Php 36 million); Corcuera Port (Php 20 million); *Barangay* Punta Buri Port (Php 20 million); Bonbon Port (Php 10 million); and *Barangay* Tagubanhon Port (Php 10 million). The remaining Php 1 million will be allotted for the construction, rehabilitation, and improvement of other maritime transportation infrastructure.

Advancing Infrastructure Development Across All Sectors

To attain the Administration's infrastructure goals, fostering collaborations among National Government Agencies is crucial. In 2024, the DPWH's Convergence and Special Support Program will be allocated with Php 174.1 billion. This allocation aims to streamline the joint identification, planning, implementation, and monitoring of infrastructure projects across all sectors. The objective is to align these efforts with the PDP 2023-2028 and the President's 8-point Socioeconomic Agenda.

Basic Infrastructure Program (BIP). Various essential projects are being funded under the DPWH's Basic Infrastructure Program to fortify and enhance public infrastructure. Php 27.7 billion will be allocated for multi-purpose buildings and facilities to support social services, while Php 303 million will be set aside for the establishment of evacuation centers, quarantine facilities, and public health facilities.

Additionally, Php 18.1 billion will be earmarked for access roads and bridges from national roads leading to major public buildings. Some Php 11.0 billion will go to flood mitigation facilities that protect public infrastructures. For environmental protection and conservation, Php 2.6 billion will be used to construct coastal roads and causeways.

Other allocations include Php 913 million for inter-jurisdictional roads and bridges (roads that traverse

multiple LGUs); Php 777 million for public water supply systems; Php 539 million for access roads and bridges connecting to Indigenous People (IP) communities; and Php 84 million for the Major Buildings and Facilities Structural and Resilience Program.

Sustainable Infrastructure Projects Alleviating Gaps (SIPAG) Program. To enhance the nation's infrastructure and ensure accessibility, safety, and resilience across various sectors, the government will continue to support the SIPAG program. Some Php 32.2 billion will be allocated for access roads and/or bridges from national roads leading to major and/or strategic public buildings and facilities. Another Php 22.9 billion will be allotted for the flood mitigation structures, protecting public infrastructures and facilities.

Additionally, Php 4.3 billion will be allocated for the creation of interjurisdictional roads and/or bridges; Php 2.0 billion for coastal roads/causeways aimed at environmental protection and conservation; Php 1.0 billion for the Major Buildings and Facilities Structural and Resilience Program; Php 226 million for access roads and/or bridges connecting to IP communities; and Php 225 million for the establishment of evacuation centers, quarantine facilities, and public health facilities.

Tourism Road Infrastructure Program. In line with the cooperative efforts and initiatives between the DPWH and the DOT, Php 14.0 billion will be allocated for the construction, reconstruction, upgrading, and improvement of roads and bridges leading to declared tourism destinations. This program prioritizes tourism clusters and development areas stated in the National Tourism Development Plan.

Roads Leveraging Linkages of Industry and Trade (ROLL-IT) Program. The DPWH will set aside Php 10.0 billion for industry-developing infrastructure PAPs that will boost growth in priority economic and manufacturing zones in the country. Specifically, this program will support the construction,

reconstruction, upgrading, and improvement of access roads and bridges to the areas identified in the Philippine Inclusive Innovation Industrial Strategy and Comprehensive National Industrial Strategy of the Department of Trade and Industry (DTI).

Tatag ng Imprastruktura para sa Kapayapaan at Seguridad (TIKAS) Program. Cognizant of the crucial role of peace and security in national development, Php 3.8 billion will support the construction, rehabilitation, upgrading, and improvement of facilities for the military and police. This funding aims to bolster the capabilities of these facilities, enhancing their readiness to ensure a secure environment that fosters social and economic development.

Kalsada Tungo sa Paliparan, Riles at Daungan (KATUPARAN) Program. Recognizing the pivotal role of roads linking airports, seaports, and railway stations, the DPWH will continue to fund the construction and improvement of access roads leading to seaports (Php 1.7 billion), airports (Php 882 million) and railway stations (Php 58 million) through its KATUPARAN Program.

Other PAPs. In addition to the PAPs above, the DPWH will also allot portions of its budget for the construction and/or rehabilitation of water supply/septage and sewerage/rainwater collector systems (Php 2.0 billion), disaster-related infrastructure and other facilities (Php 1.0 billion), and facilities for persons with disabilities and elderly/senior citizens, including gender-responsive facilities (Php 480 million).

Financial support will likewise be earmarked for social infrastructure development to help strengthen the foundation of resilient and thriving communities and enhance the quality of life for all. Social infrastructure includes school buildings (Php 40.6 billion) and hospitals and health centers (Php 15.3 billion), as well as water and power supply systems (Php 9.0 billion).

Supporting Digital Infrastructure

The government is dedicated to investing in essential infostructure and services, acknowledging the significance of enhancing digital infrastructure. This commitment is evident in the Build Better More Program, which allocates funding for specific projects aimed at improving the country's digital infrastructure.

The National Government Data Center Infrastructure (NGDCI) will receive Php 1.7 billion to plan, design, develop, implement, and integrate a secure data infrastructure. The NGDCI aims to deliver speedy and efficient government services to the people.

Php 1.5 billion under this will be allocated for the National Broadband Plan (NBP), the framework for establishing a robust broadband infrastructure in the Philippines. The NBP aims to establish a comprehensive network nationwide by deploying fiber optic cables and wireless technologies.

In 2024, the National Government Portal (NGP) is allocated Php 303 million to cover the operational expenses of gov.ph, the platform hosting all government websites. The NGP serves as a hub for government agencies to collaborate, cooperate, and ensure interoperability. It functions as a tool to facilitate quicker and more efficient public service delivery.

Strengthening Partnerships with the Private Sector

Some Php 10.0 billion will go to the Public-Private Partnership Infrastructure Projects (PPP) for 2024. However, this is only the government's share or counterpart as the remaining requirements will be funded by the private sector. Some of the PPP projects that are funded in the proposed FY 2024 National Budget are:

- Tarlac-Pangasinan-La Union Expressway
- NLEX-SLEX Connector Road Project
- Cavite-Laguna Expressway Project
- Muntinlupa-Cavite Expressway (Daang Hari-SLEX Link Road)
- NAIA Expressway
- Quirino Highway Project
- DPWH-Central Office Building
- Central Luzon Link Expressway (CLLEX), Phase II (PPP hybrid modality)
- North Luzon Expressway East (NLEE), Phase I and II
- Metro Cebu Expressway
- Iloilo-Capiz-Aklan Expressway (ICAX)
- Naawan-Opol-Cagayan de Oro-Villanueva Expressway Project
- Dingalan-Capas-Botolan Expressway Project
- Pangasinan-Nueva Ecija Expressway (PaNEX)
- Cavite-Tagaytay-Batangas Expressway (CTBEx)
- Tarlac-Pangasinan-La Union Expressway (TPLEx) Extension Project
- Boracay Bridge Projects
- Pacific Eastern Seaboard Expressway
- Mindoro-Batangas Super Bridge
- Rehabilitation/Reconstruction/Improvement, Operation, and Maintenance of Kennon Road Project

Fostering Growth through Increased Infrastructure Investment

Investing in public infrastructure is paramount for the country's economic growth and development. The impact of such investments goes beyond enhancing the movement of people, goods, and services — it creates a ripple effect, fostering trade, generating employment, and reducing vulnerability and business costs. Supporting this initiative takes us a step closer to a thriving era of improved infrastructure, addressing our evolving needs, and achieving a future-proof and sustainable economy.

Food Security and Safety

Addressing the challenges of food insecurity faced by the country requires a comprehensive approach by the government. The transformation and modernization of Philippine agricultural systems are imperative to amplify domestic agricultural production. This, in turn, will result in a plentiful food supply, increased income for food growers, affordable and healthy diets, and expanded livelihood opportunities, ultimately contributing to accelerated economic growth.¹

Table 1. Breakdown of the Agriculture Sector Budget, 2023-2024
(in million Pesos)

Particulars	2023 GAA	2024 NEP
Department of Agriculture and attached Agencies	101,211	108,500
Department of Agrarian Reform	11,315	9,393
Corporations under the Agriculture sector	61,048	63,458
National Dairy Authority	856	272
National Food Authority	9,000	9,000
National Irrigation Administration	40,863	41,270
National Tobacco Administration	551	551
Philippine Coconut Authority	1,166	1,181
Philippine Fisheries Development Authority	2,463	4,937
Philippine Rice Research Institute	650	746
Sugar Regulatory Administration	1,000	1,000
Philippine Crop Insurance Corporation	4,500	4,500

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

In support of this transformation, public expenditure for the Agriculture sector will increase to Php 181.4 billion in 2024, marking a 4.5 percent rise from the 2023 level of Php 173.6 billion. This includes allocations for the DA, including its affiliated agencies (Php 108.5 billion), corporations under the DA (Php 59.0 billion), the DAR (Php 9.4 billion), and the Philippine Crop Insurance Corporation (PCIC)² (Php 4.5 billion).

With this budget, the government aims to enhance the resilience of food systems, expand agricultural infrastructure, push advancements in agricultural research and development, provide support to small-scale food producers, ensure food safety, and expedite land distribution processes.

Fostering Adaptable and Resilient Food Systems

Rice Buffer Stock. For 2024, the National Food Authority (NFA) will allocate Php 9.0 billion for its Buffer Stocking Program to ensure enough rice buffer stock in the country in the event of calamities, fortuitous events, or production shortfalls.

Under this program, the NFA seeks to purchase 473,684 metric tons of *palay* exclusively from local rice farmers to guarantee the country's buffer stock capacity will last for at least 15 days. The agency also aims to ensure that 99.5 to 100 percent of the total stored rice reserves are maintained in good and consumable condition.

Crop Insurance. The allocation for the Crop Insurance Program of the PCIC will remain at Php 4.5 billion. This will cover the full insurance premiums for crops, livestock, fisheries, as well as the non-crop agricultural assets of 2,291,897 farmers and fisherfolk registered in the Registry System for Basic Sectors in Agriculture (RSBSA). The coverage aims to protect local farmers and fisherfolk from losses incurred due to natural calamities or pest infestations.

Seed Buffer Stocking. The DA will allocate Php 889 million to acquire high-quality rice and corn seeds to ensure an ample supply of these crops during calamities and emergencies that affect their production. In the distribution of seeds, priority will be given to geographically isolated and disadvantaged provinces that are considered major producers of rice and corn, as well as provinces affected by typhoons and calamities.

Strengthening the Backbone of Agricultural Infrastructure

Agricultural Machinery, Equipment, and Facilities. Of the total DA budget, Php 6.9 billion will be allocated for the construction of agricultural facilities and

procurement of on-farm and post-harvest machinery, facilities, and equipment.

Farm-to-Market Roads. To enable food growers to transport their goods to markets and consumers with relative ease and at lesser costs, Php 17.3 billion will be allocated to support locally-funded farm-to-market road (FMR) projects of the DA in 2024. The said amount will cover the construction of 1,144.58 kilometers (km) of

Table 2. Regional Allocations of FMRs^a, 2024
(in million Pesos)

Particulars	2024 NEP	% Share to Total
CAR	497	2.9
Region I	2,011	11.6
Region II	1,040	6.0
Region III	1,787	10.3
Region IV-A	1,268	7.3
MIMAROPA	484	2.8
Region V	2,108	12.2
Region VI	1,135	6.6
Region VII	922	5.3
Region VIII	2,178	12.6
Region IX	918	5.3
Region X	795	4.6
Region XI	831	4.8
Region XII	695	4.0
CARAGA	600	3.5
TOTAL	17,269	100.0

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

^a Includes locally-funded projects only

FMRs in designated key production areas, slightly higher than the 2023 target of 1,111.19 km.

Irrigation. Acknowledging the importance of constructing effective and climate-resilient irrigation systems to increase farmers' crop yields and revenues³, the government will earmark Php 32.5 billion to help farmers overcome the limitations caused by water scarcity and climate uncertainties. This allocation will support the irrigation of 1,544,183.75 hectares of agricultural land across the country.

Of this amount, Php 31.2 billion will be allocated to the National Irrigation Administration (NIA). This will fund the Irrigation Systems Restoration Program (Php 19.9 billion), which aims to restore 11,758 irrigation systems and provide continuous irrigation service to 1,525,095 hectares of agricultural land through national irrigation systems. Under the Irrigation Systems Development Program (Php 11.3 billion), 11,225 hectares of new service areas are targeted to be developed.

The remaining Php 1.3 billion will go to the Irrigation Network Services Sub-Program of the DA. This will

support the implementation of small-scale irrigation projects of the Bureau of Soils and Water Management that will ensure the irrigation of 7,863.75 land hectares.

Fish Ports. The Philippine Fisheries Development Authority (PFDA) will receive Php 4.9 billion for 2024. With this allocation, the PFDA will construct, rehabilitate, and improve major fish ports in the country through its Fisheries Infrastructure Development Program.

Farm-to-Mill Roads, Bridges, and Sugar Block Farms. For 2024, the Sugar Regulatory Administration (SRA) will be given Php 1.0 billion for its Sugarcane Industry Development Program to support the local sugar industry and restore its competitiveness.

A total of 500 million under the SRA's budget will be used to improve infrastructure for sugar production and transportation. This budget will fund the construction of 27 km of farm-to-mill roads (Php 485 million) and 15-meter bridge (Php 15 million) in key sugarcane-producing provinces following the approved farm-to-mill road master plan.

Table 3. Selected Targets of the NIA, 2023-2024

Particulars	2023 Target	2024 NEP Target
Irrigation Systems Restoration Program		
Number of hectares irrigated in all cropping seasons		
National irrigation systems	1,519,052	1,525,095
Communal irrigation systems	930,622	--
Number of hectares in irrigation systems restored	23,901	11,758
Kilometers of canal network repaired/rehabilitated with and without canal lining	615	741.28
Irrigation Systems Development Program		
No. of hectares of new service areas developed	15,941	11,225

Boosting Agricultural Output

National Programs of the DA. In order to boost the productivity and income of small farmers and fisherfolk, thus contributing to food security and poverty alleviation, the DA will be given Php 50.6 billion for its banner programs on prime commodities.

The National Rice Program will receive the highest allocation with Php 30.9 billion to further develop rice farming practices and profitability by providing rice farmers with high-quality seeds; fertilizer support; education and training services; support for research and development; irrigation; and agricultural machinery and equipment.

For the National Fisheries Program, Php 6.9 billion will be earmarked to spur the growth of aquaculture and empower local fisheries in order to boost their production and help the country attain food and fish sufficiency. The program aims to achieve a target of 0.903 million metric tons (MMT) of commercial fisheries production, 1.168 MMT of municipal fisheries production, and 2.460 MMT of aquaculture production.

The National Livestock Program will be allotted Php 4.3 billion to produce 1.800 MMT of hogs and 1.942 MMT of chicken. The budget is slightly lower than the Php 4.5 billion budget in 2023 due to the DA's more focused Integrated National Swine Production Initiatives for Recovery and Expansion Program that will center on providing agricultural equipment and machinery to beneficiaries in order to further modernize and improve their capacity to market their product.

For 2024, the National Corn Program will be allocated Php 5.3 billion, slightly higher than the Php 5.0 billion budget in 2023. The National High-Value Crops Development Program will also receive a higher budget amounting to Php 1.9 billion.

For the National Organic Agriculture Program, Php 922 million will be for the conversion of 197.18 hectares of land to organic farming.

Table 4. National Program of the DA, 2023-2024
(in billion Pesos)

Particulars	2023 GAA	2024 NEP
National Rice Program	30.3	30.9
National Fisheries Program	6.2	6.9
National Corn Program	5.0	5.3
National Livestock Program	4.5	4.3
National High Value Crops Development Program	1.8	1.9
National Organic Agriculture Program	0.9	0.9
National Urban and Peri-Urban Agriculture Program	0.3	0.4
TOTAL	49.0	50.6

To promote food production in urban areas and peri-urban areas or places located between the city and the countryside, the National Urban and Peri-Urban Agriculture Program will receive Php 436 million in 2024.

Rice Competitiveness Enhancement Fund (RCEF).

Php 10.0 billion will be allotted for the RCEF to further enhance the productivity in the Agriculture sector through upgraded rice development strategies and farm mechanization, among others.

The budget for the RCEF will be released directly to the implementing agencies and used to achieve the objectives and plans under the rice industry roadmap, to be allocated as follows:

- Rice Farm Machineries and Equipment (50.0 percent): For release to the Philippine Center for Postharvest Development and Mechanization (PhilMech) as grants-in-kind to eligible farmers

associations, registered rice cooperatives, and local government units, to improve farm mechanization. This will be provided in the form of rice farm equipment, such as tillers, tractors, seeders, threshers, rice planters, harvesters, irrigation pumps, small solar irrigation, reapers, driers, millers, and the like.

- **Rice Seed Development, Propagation, and Promotion (30.0 percent):** For release to the Philippine Rice Research Institute (PhilRice) for the development, propagation, and promotion of inbred rice seeds to rice farmers. This will establish seed growers associations and/or cooperatives engaged in seed production and trade.
- **Expanded Rice Credit Assistance (10.0 percent):** For the provision of a credit facility with minimal interest rates and collateral requirements for rice farmers and cooperatives. This will be managed equally by the Land Bank of the Philippines and the Development Bank of the Philippines.
- **Rice Extension Services (10.0 percent):** For the funding of extension services for teaching skills on rice crop production, modern rice farming techniques, seed production, farm mechanization, and knowledge/technology transfer through farm schools nationwide. These services will be conducted by the PhilMech (1.0 percent), PhilRice (1.0 percent), Agricultural Training Institute (1.0 percent), and TESDA (7.0 percent).

Coconut and Palm Oil Industry. The Philippine Coconut Authority will receive Php 1.2 billion to increase coconut production and reduce poverty among coconut farmers through the development of the coconut and palm oil industry.

Of the said amount, Php 803 million will be for the Coconut Industry Development Program, which targets the planting of 2,455,310 coconut seedlings in 17,170 hectares of land area, and for the maintenance or operationalization of 2,813 hectares intercropped

with coconut trees. Meanwhile, Php 79 million will be allotted for the implementation of the Oil Palm Industry Development Program. This allocation will fund the Smallholders Oil Palm Plantation Development Project, which aims to expand the areas dedicated to oil palm production by converting suitable idle lands into oil palm plantations and/or replanting existing oil palm plantations with high-yield hybrids.

Dairy Industry. To enhance the dairy industry's profitability, competitiveness, and sustainability, Php 272 million will be allocated for the National Dairy Authority, of which Php 218 million will be used to implement its Dairy Industry Development Program.

Targets under this program include the following: (1) train 1,142 dairy farmers/cooperatives; (2) accumulate and maintain an inventory of 76,857 dairy animals through the build-up of existing local animals and animal infusion in dairy areas; (3) assist 60 processors who are suppliers to the Milk Feeding Program; and (4) increase the volume of milk produced to 27.13 million liters.

Transforming Agriculture into a Modernized Sector

Philippine Rural Development Projects. In support of a modern, climate-smart, and market-oriented Agri-Fisheries sector, Php 3.4 billion is allotted for the Second Additional Financing for the Philippine Rural Development Project (PRDP) to further improve the capacities of local government units to effectively invest in agriculture development.

Meanwhile, Php 577 million under the PRDP Scale-Up will provide an expanded response to the persistent challenges confronting the Agriculture and Fisheries (A&F) sector and rural communities in the country. By building on the gains of the original project, it will further improve the access of farmers and fisherfolk to markets and increase their income from selected A&F value chains.

Agricultural Research and Development (R&D). The DA recognizes the need for better investments in agricultural R&D due to the numerous challenges this sector is facing — global warming, rising costs of farm inputs, declining local production, and higher demand for healthy food. For 2024, the DA will allot Php 2.3 billion to fund R&D activities for its national programs on major commodities.

The Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (PCAARRD) will also receive Php 1.6 billion. Of this amount, Php 1.5 billion will support the implementation of the National Agriculture, Aquatic, and Natural Resources R&D Program. This program aims to support facility development, capacity building, and research projects on marine environment, genomics, animal and plant diseases, and innovative horticulture, among others. The PCAARRD aims to fund and monitor 677 and 656 R&D projects, respectively.

Furthermore, Php 342 million of the PhilMech's budget will fund the implementation of the Agricultural Mechanization and Postharvest Research, Development, and Extension Program.

Likewise, Php 344 million of the National Fisheries and Research Development Institute will fund the development and dissemination of technologies and information on aquaculture, capture fisheries, and fisheries postharvest.

Agricultural Competitiveness Enhancement Fund (ACEF). For 2024, the budget for ACEF will remain at Php 1.7 billion. Of this amount, Php 829 million will be used to provide loan/credit with reasonable interest for the acquisition and establishment of agri-based production and postproduction, as well as processing machinery, equipment, and facilities.

A total of Php 388 million will also finance grants for R&D and the commercialization of agricultural and fishery products, including the upgrading of research facilities of qualified SUCs.

The remaining Php 468 million will finance the grant-in-aid program for agriculture, forestry, fisheries, and veterinary medicine, to be released directly to the CHED.

National Soil Health Program. To enhance the management and sustainable use of the country's soil resources, the National Soil Health Program will receive Php 916 million in 2024. The program also aims to tackle land degradation issues and promote increased crop productivity.

Providing Assistance to Producers

Credit Support Services. The Agricultural Credit Policy Council (ACPC) will allocate Php 2.8 billion for the Agricultural Credit Program. This will finance the implementation of the Agro-Industry Modernization Credit and Financing Program, which will establish a flexible credit facility for small farmers and fisherfolk listed under the RSBSA. Through this program, the ACPC seeks to grant reasonably priced loans to 261 credit retailers/lenders and 36,333 end-borrowers, and provide institutional capacity-building assistance to 12 farmers and fisherfolk organizations.

Special Area for Agricultural Development (SAAD). Php 1.7 billion will be allocated to support Phase 2 of the SAAD Project. Said amount will be lodged under the DA-Office of the Secretary (DA-OSEC) (Php 1.1 billion) and the Bureau of Fisheries and Aquatic Resources (BFAR) (Php 587 million). This locally-funded program is designed to help reduce poverty in the Agri-Fishery sector by providing identified beneficiaries with agricultural interventions on animals, crops, and fisheries to help increase their productivity.

Fuel Assistance. The government will provide Php 1.0 billion to help food producers cope with the rising fuel costs. Specifically, Php 510 million from the DA-OSEC

will be designated as fuel assistance for farmers, while Php 490 million from the BFAR will be allocated as fuel subsidy for fisherfolk.

Maintaining the Safety Standards of Food

Regulatory Programs and Measures. The DA's Agriculture and Fishery Regulatory Support Program will be allocated Php 1.8 billion, the bulk of which will be used for quarantine services and quality control and inspection of agri-fishery products.

Other regulatory programs are as follows:

- Fisheries Regulatory and Law Enforcement Program of the BFAR (Php 1.4 billion);
- Meat Regulatory Program of the National Meat Inspection Service (Php 354 million); and
- Fertilizer and Pesticide Regulatory Program of the Fertilizer and Pesticide Authority (Php 115 million)

Facilitating Land Distribution

Land Distribution. The government continues to sustain its efforts towards the Comprehensive Agrarian Reform Program to grant land ownership to landless farmers and farm laborers. To support this endeavor, the DAR will be allotted Php 9.4 billion, with Php 2.7 billion earmarked for the Land Tenure Security Program that supports the acquisition and distribution of private agricultural lands and government-owned lands. For 2024, the program aims to distribute 27,757 hectares of land and register 24,112 hectares with Emancipation Patents/Certificate of Land Ownership Award.

Aside from this, the DAR's Support to Parcelization of Lands for Individual Titling (SPLIT) Project — a foreign-assisted project — will be allocated Php 813 million to

complete the parcelization of the remaining agricultural lands under the collective Certificate of Land Ownership Award into individual titling.

Support to Agrarian Reform Beneficiaries (ARB).

Php 1.7 billion will be allotted for the AR Beneficiaries Development and Sustainability Program of the DAR to improve the farm productivity and income of ARBs. With this, the program targets to train 306,730 ARBs; give 122,841 ARBs access to credit and microfinance services; and provide 3,060 ARB organizations with technical, enterprise, and farm productivity support and physical infrastructure.

Laying the Groundwork for Long-Term Food Security

Enhancing agricultural modernization — through strategic investments and the implementation of impactful food policies — is essential for fostering a resilient, dynamic, competitive, technologically-advanced, and socially just Agriculture sector. This transformative endeavor holds the key to steering the Philippines towards a food-secure future, ensuring that every Filipino has ample and nutritious food on their table. To contribute to this vision, it is imperative for the government, alongside citizens and communities, to actively engage in supporting and implementing these critical measures to shape a sustainable and food-secure Philippines.

Endnotes:

¹ Lin, J. (2018, February 8). Agriculture is key for economic transformation, food security, and nutrition. Retrieved from <https://www.ifpri.org/blog/agriculture-key-economic-transformation-food-security-and-nutrition>

² Transferred to the Department of Finance per Executive Order No. 148, s. 2021

³ Inocencio & Briones. (2021). Revitalizing Philippine Irrigation: A Systems and Governance Assessment for the 21st Century. Philippine Institute for Development Studies. Retrieved from https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsbk2021-irrigation_book.pdf (Original work published 2021.)

Health and Nutrition

In line with the Administration's socioeconomic agenda and one of the goals in the Philippine Development Plan 2023-2028, the government strives to ensure that Filipinos will enjoy longer and healthier lives. To achieve this, challenges in the Health sector are being addressed through a holistic approach that uses the convergence of efforts in strengthening health systems; improving healthcare accessibility, quality, and efficiency; addressing social determinants of health; and promoting healthy choices and behaviors.

Table 1. Health Sector Budget, FY 2024
(in Pesos)

Particulars	2023 Program	2024 Proposed
Department of Health	214.5 B	204.6 B
Office of the Secretary	214.0 B	204.3 B
National Nutrition Council	444 M	296 M
Philippine National AIDS Council	53 M	46 M
Other Agencies/ Government Corporations	107.1 B	106.7 B
Philippine Health Insurance Corporation	100.2 B	101.5 B
Philippine Heart Center	2.1 B	1.8 B
Philippine Children's Medical Center	2.1 B	1.4 B
National Kidney and Transplant Institute	1.7 B	1.2 B
Lung Center of the Philippines	835 M	561 M
Philippine Institute of Traditional and Alternative Health Care	156 M	174 M

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

For 2024, the DOH, as the lead agency for health, will receive Php 204.6 billion. With this allocation, the DOH aims to improve and provide efficient and reliable public health services, enhance the national healthcare system, and promote inclusive and supportive healthcare systems.

Funding the Operations and Improvements of the Public Healthcare System

Health Facilities Operations. For 2024, the DOH will earmark Php 70.3 billion for its Health Facilities Operations Program to ensure continuous health services nationwide.

A total of Php 67.3 billion will fund the operations of the DOH hospitals and other health facilities. Of this amount, Php 49.8 billion will cover the hospitals and other health facilities in the regions, and the remaining Php 17.6 billion will go to Metro Manila-based hospitals.

For the national and sub-national reference laboratories, Php 732 million will be earmarked to guarantee quality confirmatory testing, surveillance, outbreak response, and research in the country.

Additionally, Php 639 million will be allotted to ensure the safety, availability, and accessibility of voluntarily donated blood supplies through the operations of blood centers and national voluntary blood services.

Table 2. Regional Allocations for the Health Facilities Operations Program
(in Pesos)

Particulars	DOH Hospitals and Other Health Facilities	Blood Centers and National Voluntary Blood Services	Dangerous Drug Abuse Treatment and Rehabilitation Centers	National and Sub-National Reference Laboratories
CAR	3,019,211,000	1,500,000	8,669,000	3,262,000
Region I	3,642,896,000	15,638,000	134,056,000	-
Region II	3,913,272,000	18,211,000	72,779,000	-
Region III	5,201,145,000	16,717,000	138,489,000	-
NCR	20,417,603,000	450,433,000	301,204,000	683,153,000
Region IV-A	1,825,398,000	2,000,000	126,962,000	-
MIMAROPA	572,951,000	2,584,000	-	-
Region V	3,312,071,000	14,168,000	149,330,000	32,507,000
Region VI	3,439,500,000	1,432,000	66,100,000	3,262,000
Region VII	5,310,065,000	22,645,000	161,126,000	3,262,000
Region VIII	1,622,058,000	15,522,000	76,574,000	-
Region IX	3,086,082,000	17,453,000	9,228,000	-
Region X	3,967,158,000	13,378,000	128,782,000	-
Region XI	5,329,102,000	28,485,000	42,753,000	6,631,000
Region XII	1,522,196,000	15,861,000	48,948,000	-
CARAGA	1,144,954,000	3,092,000	116,127,000	-
TOTAL	67,325,662,000	639,119,000	1,581,127,000	732,077,000

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

For rehabilitative health services, Php 1.6 billion will cover the operations of 23 Dangerous Drug Abuse Treatment and Rehabilitation Centers.

Aside from ensuring the availability of funds for the continuous operations of health facilities, Php 4.5 billion will be given to Public Health Management and Php 625 million for Local Health Systems Development and Assistance to support the management and strengthening of local health units across the country

in line with the devolved role of local government units pursuant to the Universal Health Care Act.

Health Facilities Enhancement. For 2024, Php 23.0 billion will be allotted for the Health Facilities Enhancement Program (HFEP). This is to provide and improve the access and delivery of essential healthcare services nationwide through the construction, rehabilitation, and upgrading of health facilities and the purchase of medical equipment and medical transport vehicles.

Table 3. Breakdown of FY 2024 HFEP Budget
(in Pesos)

Particulars	Infrastructure	Medical Equipment	Motor Vehicle	Total
Barangay Health Station (BHS)	395,750,000	303,500,000	-	699,250,000
Completion/Upgrading/Repair and Equipping of BHSs	395,750,000	303,500,000	-	699,250,000
Rural Health Units (RHU)	2,070,000,000	1,007,000,000	267,000,000	3,344,000,000
Construction of New Super Health Centers/RHUs	1,404,000,000	-	-	1,404,000,000
Completion/Equipping of Super Health Centers	342,000,000	814,000,000	83,000,000	1,239,000,000
Completion/Upgrading/Repair and Equipping of RHUs	324,000,000	193,000,000	184,000,000	701,000,000
Polyclinics	-	20,000,000	-	20,000,000
Completion/Upgrading/Repair and Equipping of Existing Polyclinics	-	20,000,000	-	20,000,000
Local Government Unit Hospitals	2,619,680,000	766,830,000	21,000,000	3,407,510,000
Department of Health Hospitals	8,193,214,000	4,532,173,000	-	12,725,387,000
Department of Health Hospitals	4,904,600,000	4,532,173,000	-	9,436,773,000
Multi-Year Contractual Authority (MYCA)	3,288,614,000	-	-	3,288,614,000
Other Healthcare Facilities	1,688,986,000	1,017,567,000	17,500,000	2,724,053,000
Treatment and Rehabilitation Centers	208,500,000	98,485,000	2,500,000	309,485,000
Blood Service Facilities	60,000,000	25,000,000	-	85,000,000
Regional Offices	292,000,000	-	-	292,000,000
Provincial Offices		1,000,000		1,000,000
Other Facilities	37,000,000	13,000,000		50,000,000
Military Hospital	50,000,000	16,500,000	2,500,000	69,000,000
State Universities	20,000,000	10,000,000	-	30,000,000
Bureau of Quarantine	5,000,000	5,326,000	7,500,000	17,826,000
Central Office	976,486,000	848,256,000	5,000,000	1,829,742,000
Food and Drug Administration	40,000,000			40,000,000
TOTAL	14,967,630,000	7,647,070,000	305,500,000	22,920,200,000

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

Of the allocation for HFEP, Php 12.7 billion will go to the DOH hospitals; Php 3.3 billion for the RHUs; Php 3.4 billion for LGU hospitals; Php 699 million for BHSs; Php 20 million for polyclinics; and Php 2.7 billion for other healthcare facilities.

Providing People-Oriented and Comprehensive Quality Healthcare Services

National Health Insurance Program. The National Health Insurance Program will be allocated with Php 101.5 billion. This amount will fund the health insurance premiums of the following: 12.75 million indigents under the National Household Targeting System; 8.26 million senior citizens pursuant to RA No. 10645 or the Expanded Senior Citizens Act of 2010; 136,030 unemployed persons with disability; 15,683 financially-incapable point-of-service patients; and 25,512 *PAYapa at MASaganang PamayaNAn (PAMANA)* beneficiaries.

Family Health, Immunization, Nutrition, and Responsible Parenting. A total of Php 8.3 billion will be allocated to Family Health, Immunization, Nutrition,

and Responsible Parenting, under RA No. 10354 or the Responsible Parenthood and Reproductive Health Law. This will cover the procurement of needed commodities for immunization, nutrition, oral health, family planning, and responsible parenting services.

Prevention and Control of Communicable and Non-Communicable Diseases. A total of Php 4.8 billion will be allocated for the Prevention and Control of Communicable Diseases for the procurement of commodities for the diagnosis, prevention, treatment, and control of infectious diseases. On top of this amount, Php 15 million will also be allotted for the assistance to the Philippine Tuberculosis Society.

Meanwhile, some Php 1.7 billion will be allocated to the Prevention and Control of Non-Communicable Diseases for the procurement of medical commodities for the prevention and treatment of cancer and mental health conditions.

Medical Assistance to Indigent and Financially-Incapacitated Patients. To further achieve an inclusive healthcare system, Php 22.3 billion will be allocated under the Medical Assistance to Indigent and Financially-Incapacitated Patients. This program aims to provide medical assistance to 1.31 million indigent and financially-incapacitated patients needing consultation, rehabilitation, and examination in government hospitals.

Epidemiology and Surveillance. As part of strengthening the monitoring and surveillance capacity in the healthcare system, Php 638 million is allocated for the national surveillance network to fund the redesigning of the health statistical systems and programs to better address data and information needs.

Table 4. Target Beneficiaries of the National Health Program

Particulars	Target No. of Beneficiaries
Indigents under the National Household Targeting System	12,745,885
Senior Citizens	8,263,710
Unemployed Persons with Disabilities	136,030
Financially-Incapable Point-of-Service Patients	15,683
<i>PAYapa at MASaganang PamayaNAn</i> beneficiaries	25,512

Investing in Human Resources for Health

To ensure that there will be a sufficient workforce for inclusive and accessible healthcare services, the DOH will earmark Php 18.0 billion for the National Health

Workforce Support System. This aims to deploy 26,035 doctors, midwives, nurses, and other health-related workers in low-income, high-poverty, and geographically isolated and disadvantaged areas (GIDAs).

Furthermore, Php 355 million will be allocated to the DOH's Pre-Service Scholarship Program. This will provide scholarships to aspiring medical and health professionals, especially those who are from GIDAs or areas with IP communities, and belonging to the low-income bracket.

With the implementation of RA No. 11712, or the Public Health Emergency Benefits and Allowance for Healthcare Workers Act, Php 20.0 billion will be allocated for emergency benefits and allowances of healthcare and non-healthcare workers. This will cover the COVID-19 allowances of 653,295 public and private healthcare workers and non-healthcare workers, as well as the COVID-19 compensation of 32,000 public and private healthcare workers and non-healthcare workers involved in the COVID-19 response.

Promoting Proper Nutrition for Filipinos

As part of the country's effort to address the high incidence of stunting among Filipino children, the Philippine Multi-Sectoral Nutrition Project — spearheaded by the DOH and the DSWD — will receive Php 2.8 billion. This will fund the provision of nutrition-specific packages and nutrition-sensitive interventions that aim to reduce stunting in 235 municipalities.

To support LGUs in providing additional sustenance to nutritionally at-risk pregnant women and children 0 to 24 months old, the Early Childhood Care Development First 1,000 Days Program of the National Nutrition Council (NNC) will receive Php 52 million. Furthermore, the NNC's *Tutok Kainan* Dietary Supplementation Program will also be allocated Php 49 million to help improve the food and nutrient intakes of pregnant women and children.

In addition, other agencies have programs dedicated to improving the nutrition of Filipinos, such as the School-based Feeding Program of the DepEd and the Supplemental Feeding Program and Philippine Food Strategic Transfer and Alternative Measures Program (Philippine Food STAMP) of the DSWD.

The DepEd's School-Based Feeding Program will receive Php 11.7 billion to provide hot meals or nutritious food products and milk for 1.68 million severely wasted and wasted learners¹ from Kinder to Grade 6.

Meanwhile, the DSWD's implementation of the Supplementary Feeding Program and Philippine Food STAMP will be allocated Php 4.1 billion and Php 1.9 billion, respectively. The Supplementary Feeding Program aims to serve nutritious meals to 2.0 million undernourished children from ages 3 to 5 in Community Development Centers and Supervised Neighborhood Plays. On the other hand, the Philippine Food STAMP aims to address and alleviate involuntary hunger and malnutrition among Filipino families by providing cash-based assistance to approximately 50,000 food-poor households with digital cards they can use to purchase food from DSWD-accredited retailers.

Fostering Holistic Health Care for All

Through the collaborative efforts of healthcare providers, policymakers, communities, and individuals, the government is confident that the country will be able to pave the path toward a healthier and more resilient society.

Endnote:

¹ Wasted learners are students whose weight-for-height is below the standard deviation cut-off established by the World Health Organization for well-nourished populations.

Social Protection

The COVID-19 pandemic brought to light entrenched inequalities and notable gaps in social protection coverage, comprehensiveness, and adequacy across various countries.¹ This pivotal revelation served as a catalyst, presenting individuals with unique opportunities to take a significant step towards more equitable and robust social protection and actively engage in driving transformative change. By taking in diverse and plural perspectives constructively, people became empowered to drive positive shifts and advancements for the benefit of all.²

Governments strategically deploy social protection as a frontline measure to safeguard the health, employment, and incomes of their citizens. They use a proactive approach to demonstrate their commitment to adaptability in the face of evolving societal needs as they expand coverage to include previously underserved groups, adjust administrative and delivery mechanisms, and mobilize supplementary financial resources.³

These insights allowed the Administration to lay the foundation for the idea of universal social protection and realize the human right to social security. This ultimately underscores the essence of a people-centric mindset that places the well-being of people at the forefront of the pursuit of social justice.⁴

Enabling a Responsive and Progressive Social Safety Network

As the primary government agency entrusted with the formulation, execution, and coordination of social protection and poverty alleviation strategies, the DSWD and its attached agencies will receive a budget allocation of Php 209.9 billion for FY 2024. This allocation represents a 5.2 percent increase compared to the programmed budget of Php 199.5 billion in 2023. This commitment highlights the government's dedication to fortifying social safety nets and intensifying efforts toward poverty reduction in the coming year.

Upholding the Well-being of the Marginalized and Vulnerable

Following its commitment to uplift economic well-being and pursue inclusive socioeconomic development, the government actively supports initiatives focused on enhancing the overall socioeconomic landscape of the Philippines. These concerted efforts operate within a strategic framework that prioritizes the well-being of marginalized and vulnerable sectors, heightens their resilience, and elevates their level of protection. This multifaceted approach emphasizes the government's dedication to creating a robust and equitable foundation for sustainable socioeconomic advancement.

Pantawid Pamilyang Pilipino Program. In line with the national government's poverty reduction and social development strategy, Php 112.8 billion will be allocated for the *Pantawid Pamilyang Pilipino Program* (4Ps), also known as the Conditional Cash Transfer Program. This program aims to help a total of 4,400,000 household beneficiaries through the provision of educational and health grants, as well as rice subsidies.

The qualified beneficiaries were identified through the National Household Targeting System for Poverty Reduction or *Listahanan*. This list encompasses a diverse range of individuals, such as farmers, fisherfolk, homeless families, indigenous peoples, persons with disabilities, residents in geographically isolated and disadvantaged areas, individuals affected by natural and man-made disasters resulting in homelessness and loss of livelihood, and other household beneficiaries.

Table 1. Select Programs under the DSWD
(in billion Pesos)

Particulars	2023 GAA	2024 NEP
Department of Social Welfare and Development	199.5	209.9
<i>Pantawid Pamilyang Pilipino Program</i>	102.6	112.8
Social Pension for Indigent Senior Citizens	25.3	49.8
Protective Services for Individuals and Families in Difficult Circumstances	36.8	20.0
Sustainable Livelihood Program	6.5	5.6
Supplementary Feeding Program	5.2	4.1
Philippine Food Strategic Transfer and Alternative Measures Program	--	1.9

Supporting the Well-being of Senior Citizens. With the implementation of RA No. 11916 or the Social Pension for Indigent Seniors Act, the DSWD will earmark Php 49.8 billion for its Social Pension for Indigent Senior Citizens program. This allocation will guarantee continued support for the country's over 4 million (4,085,066) indigent senior citizens, who are not members of any pension system, with a Php 1,000 monthly allowance to cover their daily subsistence and other medical needs.

Additionally, Php 186 million will be allocated for the implementation of RA No. 10868 or the Centenarians Act of 2016, which pays tribute to Filipino citizens who have reached the age of 100. This program will provide a cash gift of Php 100,000 to 1,807 centenarians in 2024.

Support for Individuals and Families Facing Crisis Scenarios.

For 2024, the DSWD's Protective Services for Individuals and Families in Difficult Circumstances Program will receive Php 20.0 billion. Through this funding, 3,867,673 beneficiaries will receive services such as financial assistance, psychosocial support, and material assistance, among others.

Additionally, Php 34 million will be allotted to the Comprehensive Project for Street Children, Street

Families, and Indigenous Peoples — especially *Badjaos*. This project aims to assist 2,815 street children and 1,210 street families.

Prioritizing Nutrition in the Fight Against Hunger

Ensuring Nutritional Support for Women and Children.

In its commitment to early childhood care and development, the DSWD will allocate Php 4.1 billion to the Supplementary Feeding Program. This initiative aims to provide nutritious hot meals for 2,020,927 children enrolled in LGU-managed child development centers and supervised neighborhood play, as well as supplying milk to 112,530 malnourished children aged 3 to 5 years old.

The Bangsamoro *Umpungan sa Nutrisyon* Program is set to receive Php 155 million to combat the high incidence of hunger and malnutrition among children in the Bangsamoro region. It aims to improve the weight and health of children while encouraging parents or household heads to achieve food security and overall family well-being. The program will benefit 18,700 children and 3,300 pregnant and lactating women.

The DSWD's Philippine Food Strategic Transfer and Alternative Measures Program (Philippine Food STAMP) will be funded with Php 1.9 billion to support 50,000 households. The program aims to address and alleviate involuntary hunger and malnutrition among Filipino families belonging to the lowest bracket income through the disbursement of cash-based aid using electronic benefit transfer (EBT) cards. These EBT cards will facilitate direct payments to merchants and provide a tangible solution to alleviate the pressing challenges of hunger and nutritional deficiencies in the targeted communities.

Advancing Community Resilience and Livelihood Restoration

In addition to extending financial assistance to marginalized individuals, the government supports capacity-building and community-driven development initiatives. These programs empower local communities, encourage active participation, and act as responsive mechanisms tailored to their needs. With the goal of providing valuable education, stimulating sustainable livelihoods, and creating long-term employment opportunities for Filipinos, these initiatives play a crucial role in contributing to the economy's enduring growth and enhancing the capabilities of each individual.

Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services. The *Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services: Kapangyarihan at Kaunlaran sa Barangay* is one of the government's poverty alleviation programs which employs a community-driven development approach. This locally-funded project will receive Php 1.9 billion for 2024 to empower and uplift communities by addressing poverty through comprehensive social services and fostering empowerment and progress at the barangay level.

Sustainable Livelihood Program. For 2024, the DSWD's Sustainable Livelihood Program will receive Php 5.6 billion. This amount aims to empower 277,128 households by

fostering entrepreneurship and ensuring sustainable employment opportunities through its Microenterprise Development and Employment Facilitation tracks.

The Microenterprise Development track will provide skills training and capital funding support to enable the establishment of businesses. On the other hand, the Employment Facilitation track will offer pre-employment training and facilitate access to locally available jobs.

Disaster Response and Management Program.

The government will allocate Php 3.2 billion for the DSWD's Disaster Response and Management Program to expedite the revitalization of affected communities, restore normalcy, and improve the overall well-being of the populace. The said amount will be used to implement comprehensive rehabilitation and relief programs, specifically in areas that may be adversely affected by a spectrum of events such as natural disasters, human-induced calamities, epidemics, and other catastrophes.

Social Services from Other Departments

National Health Insurance Program. The National Health Insurance Program under the Philippine Health Insurance Corporation (PHIC) will receive Php 101.5 billion to subsidize the health insurance premiums of indigent families, senior citizens, unemployed persons with disabilities, financially-incapable point-of-service patients, and PAMANA beneficiaries.

Medical Assistance to Indigent and Financially-Incapacitated Patients. The DOH's Medical Assistance to Indigent and Financially-Incapacitated Patients will be given Php 22.3 billion to ensure that individuals facing financial hardships have access to high-quality medical care, bridging the gap for those who would otherwise be unable to afford such services.

Tulong Panghanapbuhay sa Ating Disadvantaged Workers.

The government has allocated Php 12.9 billion for the *Tulong Panghanapbuhay sa Ating* Disadvantaged Workers to ensure targeted support for displaced, vulnerable, and marginalized workers. This program of the DOLE underscores the government’s commitment to addressing their specific needs, emphasizing the importance of targeted assistance in mitigating the challenges they face.

Emergency Repatriation Program. The Emergency Repatriation Program of the DMW is slated to receive a Php 9.7 billion allocation for 2024 to assist — including emergency transportation assistance, temporary accommodation, and essential psychosocial counseling services — distressed Overseas Filipino Workers in the event of political unrest or natural calamities.

Pambansang Pabahay Para sa Pilipino Program.

The Department of Human Settlements and Urban Development (DHSUD) will receive an allocation of Php 1.5 billion to support the Administration’s flagship housing initiative — the *Pambansang Pabahay Para sa Pilipino* (4PH) Program. This amount will cover the 5.0 percent interest subsidy, which will be disbursed to Government Financial Institutions and private banks. The program’s goal is to start the construction of six (6) million decent and affordable housing options for Filipino families.

Fuel Assistance and Subsidies for Public Transport Drivers, Operators, Farmers, and Fisherfolk.

Given the volatile nature of fuel prices, the government will allocate Php 3.5 billion for its fuel assistance programs in 2024. Of this amount, Php 1.0 billion is lodged under the DA to be disbursed among farmers and fisherfolk.

The remaining Php 2.5 billion will be allotted to the DOTr for the issuance of financial assistance or fuel vouchers to eligible drivers of public utility vehicles, taxis, tricycles, and full-time ride-hailing and delivery services nationwide.

Table 2. Major Programs under the Social Sector (in billion Pesos)

Particulars	2024 NEP
National Health Insurance Program (PHIC/PhilHealth)	101.5
Medical Assistance to Indigent and Financially-Incapacitated Patients (DOH)	22.3
<i>Tulong Panghanapbuhay sa Ating Disadvantaged Workers (DOLE)</i>	12.9
Emergency Repatriation Program (DMW)	9.7
<i>Pambansang Pabahay Para sa Pilipino</i> (4PH) Program (DHSUD)	1.5
Fuel Subsidies to Transport Sector Affected by Rising Fuel Prices (DOTr)	2.5
Fuel Assistance to Corn Farmers and Fisherfolk (DA)	1.0

Identification and validation of qualifying individuals under this project will be conducted by the Land Transportation Franchising and Regulatory Board. The release of funds will be triggered when the average Dubai crude oil price, based on the Mean of Platts Singapore (MOPS) for three months, reaches or exceeds eighty dollars (USD 80) per barrel.

Enabling a Responsive and Progressive Social Safety Network

Existing gaps in social service delivery are impeding the holistic growth of marginalized and vulnerable populations. In response to this challenge, the government is committed to providing empowering opportunities for Filipinos. The strategic implementation of social protection strategies is integral to the reinforcement and promotion of social development, with a specific focus on prioritizing the diverse needs of the population.

Endnotes:

¹ International Labour Organization. (2021). World Social Protection Report 2020–22: Social protection at the crossroads – in pursuit of a better future. Retrieved from https://www.ilo.org/wcmsp5/groups/public/@ed_protect/@soc_sec/documents/publication/wcms_817572.pdf

² United Nations Development Programme. (2022). Human Development Report 2021/2022: Uncertain Times, Unsettled Lives: Shaping our Future in a Transforming World. Retrieved from https://hdr.undp.org/system/files/documents/global-report-document/hdr2021-22pdf_1.pdf

³ International Labour Organization. (2021). World Social Protection Report 2020–22: Social protection at the crossroads – in pursuit of a better future. Retrieved from https://www.ilo.org/wcmsp5/groups/public/@ed_protect/@soc_sec/documents/publication/wcms_817572.pdf

⁴ Ibid.

Labor Protection

The PDP for 2023-2028 aims to increase the earning potential of Filipinos, including overseas Filipino workers (OFWs) and their families. To achieve this, the PDP will focus on increasing the employability of Filipinos, expanding their employment opportunities, and ensuring that labor welfare and protection measures are in place. For FY 2024, the DOLE and the DMW will receive substantial funding to ensure that these objectives are met.

The DOLE's proposed budget for next year is Php 20.9 billion, and it will be used to facilitate employment, preserve jobs, enhance the quality of employment, and protect workers and their welfare. The majority of this amount, which is Php 16.6 billion or 79.4 percent, goes to Workers Protection and Welfare. The second-highest allocation is for Employment Facilitation, Php 1.3 billion or 6.1 percent; followed by Employment Preservation and Regulation, which is Php 757 million or 3.6 percent.

Workers Protection and Welfare Program

The Workers Protection and Welfare Program aims to provide workers, particularly the most vulnerable groups, with protective and welfare services to safeguard them from hazardous and unhealthy working conditions. The program also extends financial support to the families of workers who suffer from work-related sickness or injury.

The budget for the Workers Protection and Welfare Program is mostly allocated to Livelihood and Emergency Employment, with Php 16.4 billion, or 98.8 percent, of the total budget. This funding covers the *Tulong Panghanapbuhay sa Ating* Disadvantaged Workers (TUPAD) Program, DOLE Integrated Livelihood Program (DILP), Government Internship Program (GIP), and Adjustment Measures Program (AMP).

Tulong Panghanapbuhay sa Ating Disadvantaged Workers Program

The DOLE's TUPAD Program will receive a budget of Php 12.9 billion for FY 2024. This amount will benefit more than 1.358 million displaced, vulnerable, or marginalized workers. This community-based assistance package provides emergency employment opportunities to disadvantaged workers aged 18 and above, including senior citizens who are fit to work and would not engage in hazardous work. The program offers employment to Filipinos for at least 10 days, up to a maximum of 90 days, depending on the nature of the work. Only one (1) member per family is eligible for the assistance, and beneficiaries can avail themselves of it only once in a calendar year, except in the case of natural or human-induced disasters or calamities.

DOLE Integrated Livelihood Program

The *Kabuhayan* Program, also known as DILP, is a grant assistance program for disadvantaged workers. It provides grant assistance to both individuals and group workers and has three (3) components: Formation, Enhancement, and Restoration. The Formation component helps beneficiaries start their individual or group livelihood projects, while the Enhancement component upgrades existing livelihood projects to make them more sustainable and profitable. The aim is to provide income comparable to that of minimum wage earners. The Restoration component, on the other hand,

helps workers who lost their livelihoods due to natural disasters, human-induced disasters, economic crises, or other calamities.

The program considers projects that fulfill the needs of workers and contribute to the development of the community. It also prioritizes regional or local development priorities, such as rural agricultural economy diversification for off-farm/non-farm livelihood, as well as projects related to key employment-generating sectors.

Projects can be either individual or group-based. For individual projects, beneficiaries can receive Livelihood Kits and/or *Negosyo sa Kariton* (Nego-Kart) worth between Php 10,000 and Php 30,000, depending on the project's requirements. The maximum financial assistance for individual motorized boats is Php 40,000.

Group beneficiaries may receive a grant assistance of around Php 500,000 for associations with 15 to 25 members, Php 1 million for associations with 26 to 50 members, and Php 1.5 million to associations with 51 members and above.

The program is expected to benefit 63,959 marginalized workers with its Php 2.3 billion budget for 2024.

Government Internship Program

The GIP provides internship opportunities for high school, technical-vocational, or college graduates who want to pursue a career in public service in either local or national government. The government will allocate Php 808 million for the GIP, which will be used to pay for stipends equivalent to the minimum wage prevailing in the region of the beneficiaries aged 18 and above.

DOLE expects the program to provide opportunities to 13,554 youth-beneficiaries next year.

Adjustment Measures Program

The DOLE-AMP is a program that aims to provide assistance and intervention to individuals, workers, and companies across the country to help them cope with economic disruptions. The program will be allotted Php 407 million to enhance the competitiveness and employability of workers and assist at-risk companies in adopting socially-responsible workforce restructuring policies and positive workforce adjustment measures in order to prevent or minimize job losses.

The assistance provided by this program includes job search services, livelihood, entrepreneurship, enterprise development, labor-management education, customized training, intensive skills development and enhancement, financial assistance, legal assistance (including conciliation-mediation and arbitration), and formulation of an internal adjustment/restructuring plan for affected companies.

The program is designed to benefit workers who are displaced or at risk of being displaced, or whose household income is affected due to socioeconomic reasons such as rightsizing, redundancy, import competition, introduction of technological change and labor-saving devices, national policy shifts, and contingencies that affect the domestic labor market. It also benefits at-risk companies, particularly those that want to implement responsible workforce restructuring, and communities with large-scale displacement of the local workforce.

Employment Facilitation Program

DOLE will set aside Php 1.3 billion for its Employment Facilitation Program in 2024. The aim of this program is to provide free employment facilitation services to workers, such as conducting job fairs and disseminating labor market information, to help them access employment opportunities. Among the specific allocations under this

program are the Special Program for Employment of Students (SPES) and JobStart Philippines.

Special Program for Employment of Students

The SPES will be allocated Php 829 million to support the DOLE's youth employment-bridging program. This program aims to provide temporary employment to poor but deserving students, out-of-school youth, and dependents of displaced or would-be displaced workers during summer, Christmas vacation, or any time of the year to augment the family's income and ensure that beneficiaries can continue their education. In 2024, the program will assist 99,983 youth-beneficiaries.

To be eligible for this program, applicants must meet the following requirements:

1. The applicant must be a student or an out-of-school youth (OSY) between the ages of 15 and 30;
2. The combined net income of the applicant's parents, including their own, if applicable, should not exceed the regional poverty threshold;
3. Students must have achieved a passing general weighted average (GWA); and
4. OSY must obtain certification from the local Social Welfare and Development Office (SWDO) confirming their status as OSY.

JobStart Philippines

JobStart Philippines, or JobStart, plans to allocate Php 205 million to assist 5,676 youth-beneficiaries. JobStart's aim is to enhance the employability of young people by reducing their job search period and increasing their skills through training in both life and technical skills required by industries. The program also offers paid internships and full employment facilitation services.

As part of the program, JobStart trainees receive an allowance during their training period. They also get a chance to undertake internships with establishments for

up to three (3) months, with a stipend not less than 75 percent of the prevailing minimum wage in the locality.

Employment Preservation and Regulation Program

DOLE will allocate Php 757 million for its Employment Preservation and Regulation Program to support the promotion of industrial peace through education, fair and swift resolution of labor disputes, enhancement of labor-management cooperation, and promotion of tripartism in policy and decision-making.

The program comprises items of appropriation such as Labor Law Compliance (Php 608 million), Promotion of Rights at Work and Labor Standards (Php 52 million), Promotion of Good Labor-Management Relations (Php 38 million), Workers Organizations Development and Empowerment (Php 30 million), Tripartism and Social Dialogue (Php 20 million), and Case Management (Php 9 million).

Labor Law Compliance accounts for over 80 percent of the budget for the Employment Preservation and Regulation Program. It plays a crucial role in protecting the welfare and safety of workers, employers, and companies. The Php 608 million budgetary provision for this will ensure that workers are treated fairly and provided with essential rights and benefits, such as proper wages, safe working conditions, reasonable working hours, overtime compensation, and protection against discrimination or harassment.

To ensure compliance with labor laws and standards, the DOLE has a Labor Inspection Program in place, which strengthens the implementation of visitorial and enforcement powers under the Labor Code. This program aims to secure a higher level of compliance with labor laws and standards and ensure the continuity and sustainability of compliance at workplaces.

Migrant Workers' Welfare and Protection

The remittances of OFWs serve as a catalyst for economic activity, as noted by the BSP. These remittances provide a stable source of income for personal households and foreign currency reserves for the country. The BSP manages these reserves to maintain the international stability of the Philippine Peso.

The DMW has set aside a budget of Php 3.4 billion, with the bulk of it, Php 2.8 billion, allocated to its Overseas Employment and Welfare Program. Of this amount, Php 2.7 billion will be used to effectively implement worker's welfare and government placement services, and Php 56 million will fund overseas employment facilitation services.

The DMW's welfare services for workers, on the other hand, include the Pre-employment Orientation Seminar, Mediation through Alternative Dispute Resolution Mechanisms, Livelihood Assistance Program, *Balik Pinay! Balik Hanapbuhay!*, OFW Hospital and Medical Assistance, and Special Program for Children of OFWs.

The welfare and protection services of the DMW are expected to serve and benefit a total of 1,017,960 OFWs and beneficiaries in 2024.

Meanwhile, the Overseas Workers Welfare Administration (OWWA) will have a budget allocation of Php 11.9 billion in 2024, majority of which will also be for welfare services. Specifically, Php 10.7 billion will be allocated for the Emergency Repatriation Program (ERP), which provides assistance to distressed OFWs and human remains in the event of political unrest or natural calamities. The program provides airport assistance, temporary shelter at the OWWA Halfway Home, psycho-social counseling, stress debriefing, and transport services or fares for their onward travel to their respective provinces or destinations. In 2024, the program expects to assist a total of 226,000 OFWs.

Protection for the Plight of Filipino Seafarers

In 2022, the number of Filipino sailors working on ships globally reached over 489,000, making them a significant part of the maritime workforce. Their USD 6.72 billion remittances make up 1.7 percent of the country's GDP, which has not only benefited their families and communities but also the overall economic development of the Philippines.¹

Filipino seafarers are well-known for their English proficiency, quality education and training, cultural affinity for seafaring, and cost-effectiveness. Their irreplaceable role in maintaining the world's supply chains and ensuring the safety of both ship passengers and cargo is undeniable.

However, the deployment of Filipino seafarers has not always been smooth sailing. In 2022, the European Maritime Safety Agency (EMSA) found that the country was non-compliant with the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers (ISTCW). This resulted in a potential ban on Filipino seafarers working on European vessels.²

To address the European Commission's concerns, the Maritime Industry Authority (MARINA) has outlined 19 steps, seven (7) of which have already been completed. The government has also revised policy, standards, and guidelines for Bachelor of Science programs in Marine Transportation (BSMT) and Marine Engineering (BSMarE). Moreover, the CHED and MARINA are releasing an enhanced curriculum for maritime schools, as well as upskilling and retraining maritime faculty. To evaluate existing programs in the country's accredited MHEIs, CHED has implemented a 5-year moratorium on new maritime programs.

To fund DMW's Maritime Research and Skills Competency Program, a total of Php 75 million will be allocated for this purpose. The program provides maritime upgrading, specialized and basic training courses, and competency assessment services through theoretical and practical exercises that comply with the 2010 Amendments to the 1978 International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers to meet international shipping requirements. The funding will benefit 10,000 trainees/participants who have completed the course.

Endnotes:

¹Tech. (2023). VERA FILES FACT SHEET: Understanding the plight of Filipino seafarers. VERA Files. <https://verafiles.org/articles/vera-files-fact-sheet-understanding-the-plight-of-filipino-seafarers>

²The Maritime Executive. (2023, March 31). EU drops proposed ban of Filipino seafarers over training deficiencies. <https://maritime-executive.com/article/eu-drops-proposed-ban-of-filipino-seafarers-over-training-deficiencies>

Trade and Industry Development

The PDP 2023-2028 recognizes that developing trade and industry can help the country grow through market access, specialization, technology transfer, foreign investments, and diversification. To achieve this, the public and private sectors, along with social partners, will work together to create jobs, improve skills, and reduce poverty by expanding the market, moving up the value chain, and building links between different areas. They will also make sure that science, technology, and innovation are available to help micro, small, and medium enterprises (MSMEs).

To increase the competitiveness of local industries, the DTI will be given Php 7.9 billion. For 2024, the DTI aims to generate USD 102.7 billion in exports and increase investments to Php 1.151 trillion compared to the Php 995.5 billion this year.

Under trade and industry development, the following initiatives are designed to stimulate economic growth and development in the Philippines.

Empowering and Enhancing the Productivity and Resilience of Businesses

MSME Development. A total of Php 1.5 billion subsidy for the SBC will fund the implementation of the *Pondo sa Pagbabago at Pag-Asenso* Program, which is a micro-financing program for MSMEs. In the selection of beneficiaries, the DTI will prioritize MSMEs in provinces where the absolute number of indigents and the incidence of poverty are high, as identified in the latest official poverty statistics of the PSA; MSMEs of indigenous peoples; and MSMEs involved in sustainable rural livelihood. For 2024, a total of 40,000 MSMEs are expected to benefit from this program.

Also tucked under the DTI's proposed budget is the MSME Development Program, which will have a budget of Php 783 million to assist 461,114 MSMEs, up from 395,660 in 2023.

Shared Services Facilities Project (SSF). The SSF will be allocated Php 579 million for projects that will improve the quality and productivity of MSMEs. This initiative is based on priority industry clusters identified by the DTI. It is a private-public partnership that provides MSMEs with machinery, equipment, tools, skills, and knowledge under a shared system. The project has generated substantial success stories, benefitting coffee farmers, weavers, meat processors, and sectoral organizations. As of July 2023, the SSF has already made a significant impact by assisting over 600,000 MSMEs and generating 300,000 employment opportunities nationwide.

Industry Development Program. With an allocation of Php 474 million, the Industry Development Program aims to enhance local industries' competitiveness and attract new foreign and domestic investments. This program uses the cluster development approach to organize industry actors effectively and access the market. This initiative is expected to generate Php 995.6 billion in new foreign and domestic investments for the Board of Investment firms.

Establishment of Negosyo Centers. With a budget of Php 454 million, *Negosyo* Centers promote ease of doing business and provide services to MSMEs. These centers have been established nationwide to facilitate entrepreneurship development and promote job

creation. These are found in strategic areas convenient for existing and would-be entrepreneurs, such as DTI offices, LGUs, and malls, among other strategic locations. The program is seen to assist 811,242 clients in 2024.

Cooperative Development Program. As of 2022, the Philippines boasts of 20,105 cooperatives, with an impressive 12.1 million members and over 334 thousand employees¹. These cooperatives collectively generate a business volume of Php 525.8 billion, with total assets of Php 623.2 billion and a net surplus of Php 26.9 billion. Out of 82 provinces, 76 have existing cooperatives.

The Cooperative Development Authority (CDA) has received almost Php 705 million in the 2023 National Budget. In the FY 2024 National Expenditure Program, the CDA will be granted around Php 1.3 billion, an 85.1 percent increase from its previous allocation. This substantial increase aims to provide crucial support for the establishment of new and startup cooperatives, as well as to aid, strengthen, and enhance the capability of micro and small cooperatives. The increase in funding shall cover the construction/renovation of various CDA buildings and training centers, provision of information and communications technology (ICT) requirements, and support for the CDA's new locally-funded programs, such as the Capability Enhancement of Micro Agriculture Cooperatives through the Cooperative Development Project and the Micro and Small Consumer Marketing, Producers, and Logistics Cooperatives Start-up Capital Assistance. These programs will provide necessary assistance to micro and small cooperatives to improve their socioeconomic status.

Furthermore, the CDA provides technical assistance on Cooperative Development, Research Communication and Advocacy, Standard Setting and Accreditation, Awards and Recognition, Documentation of Best Practices, Capability Building Program for Cooperatives, and Project Development Assistance.

With these initiatives, the CDA aims to foster and develop cooperatives in the Philippines, creating a positive impact on the country's economy and people.

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

The OTOP Next Generation program is an exciting government initiative that aims to empower MSMEs in the Philippines. With a generous budget allocation of Php 76 million, the program seeks to stimulate local economic growth by supporting MSMEs to innovate and produce market-ready products and services.

OTOP Next Gen is the DTI's program to improve and level up products and services. Building on the gains of OTOP first generation, this initiative offers public-private assistance packages to MSMEs with minimum viable products. It encourages them to come up with new or better offerings with significant improvements and innovations in quality, design, packaging, standards compliance, marketability, production capability, brand development, and more. By providing support to MSMEs, the program fosters a more inclusive and prosperous local economy.

Malikhaing Pinoy Program. This program, a government initiative with a budget of Php 50 million, is dedicated to harnessing Filipino creativity to support the country's economic growth and recovery. The creative industries in the Philippines have already made a significant contribution to the GDP, generating Php 1.605 trillion in revenues and employing over seven (7) million Filipinos, which accounts for 7.3 percent of the country's GDP¹⁷.

The DTI recognizes the immense potential of the creative industries to improve economic and employment opportunities in the country. Therefore, this program aims to foster a robust and all-inclusive creative ecosystem in the Philippines, thus harnessing Filipino creativity as a key driver of economic growth and recovery. With this program, the DTI is confident that the creative industries will make a substantial contribution to the country's GDP and support the economic recovery of the Philippines.

Go Lokal. The government will allocate Php 47 million to support the *Go Lokal* project. This initiative is a powerful platform that empowers MSMEs to access mainstream markets.

The DTI, in collaboration with select retail partners, launched the *Go Lokal* platform to help MSMEs penetrate the mainstream market. This program offers free services, such as merchandise development assistance and market access, to ensure MSMEs succeed in the competitive market. This program also helps them gain access to stores and spaces provided by retail partners, such as mall and retail operators. With the *Go Lokal* initiative, MSMEs have the opportunity to grow their businesses and achieve success.

Supporting Trade and Investments

Exports and Investments Development Program. This program boasts a Php 957 million budget and a clear aim to promote, facilitate, and develop exports and investments. Its ultimate goal is to propel the economy towards high-growth and inclusive development, with a strong focus on poverty reduction and job creation.

Recently, the Philippine Export Development Plan (PEDP) 2023-2028 was approved by the Office of the President. The PEDP is poised to invigorate poverty reduction and job creation measures by guiding the economy

towards a high-growth path and developing a resilient, inclusive, and prosperous society. It directs all concerned government agencies to identify and implement relevant programs, activities, and projects in support of the PEDP.

Investment Promotion Program. With a budget of Php 123 million, the Investment Promotion Program aims to generate investments and employment through the promotion of foreign and local investments. The target is to generate Php 1.151 trillion from investments approved by Investment Promotion Agencies, creating 95,439 employment opportunities.

Future Prospects

The Philippines has great potential to keep progressing in terms of trade and industry. By tackling the challenges and leveraging its strengths, the country can expand its economy and play a bigger role in the global trade network. Furthermore, the government's emphasis on sustainable development and inclusive growth ensures economic progress that will benefit every citizen.

Endnote:

¹Philippine Statistics Authority. (2023, March 23). Country's Creative Economy Reached PhP 1.60 Trillion in 2022, with 7.3 Percent Contribution to the Gross Domestic Product. <https://psa.gov.ph/statistics/creative-economy>

Digitalization and Innovation

The call for the digitalization of public services has been one of the main thrusts of the current Administration. It is pushed as one of the cornerstone strategies of the government to fight corruption, institutionalize technological innovations, and streamline processes within the bureaucracy. While the transition and transformation to a more digital government entails a systematic study of public service processes, through research and development (R&D), this movement to create new technologies and strategies will enable the Philippines to gain a competitive edge in the global market, and ultimately generate faster and more efficient opportunities to achieve the goals in the PDP.

To further reinforce this shift into digitalization, the NEDA specified the medium to long-term plans to R&D in the PDP 2023-2028. The PDP includes strategies to (1) advance R&D, technology, and innovation from knowledge creation to commercialization of R&D products; and (2) reinforce the innovation and entrepreneurship ecosystem.¹ The ultimate goal is to strengthen R&D and knowledge creation, accelerate innovation, and scale-up technological adoption and utilization.

The promotion and commercialization of R&D in the Philippines has been on the rise throughout the years. Based on the DOST's Compendium of Science and Technology Statistics, the total R&D expenditures jumped from Php 21.9 billion in 2015 to Php 57.6 billion in 2018. Developing countries, like the Philippines have been aiming for a 1.0 percent gross expenditure on R&D in relation to their GDP. However, the Philippines has been constantly at the 0.11 to 0.16 percent, increasing to 0.32 percent of the GDP in 2018².

The Global Innovation Index (GII) ranks world economies according to their innovation capabilities. In 2023, out of the 132 economies featured in the GII, the Philippines ranked 56th. This is three (3) ranks higher compared to the 2022 GII, which ranked the country 59th. Likewise, the Philippines ranked 11th out of the 16 economies in Southeast Asia, East Asia, and Oceania³. Based on the same index, the Philippines ranks 69th in innovation inputs, or the elements of the economy that enable and facilitate innovative activities. Likewise, the country

ranked 52nd in innovation outputs, or the result of innovative activities within the economy.

Table 1. Philippines GII Ranking

Year	GII Position	Innovation Inputs	Innovation Outputs
2020	50 th	70 th	41 st
2021	51 st	72 nd	40 th
2022	59 th	76 th	51 st
2023	56 th	69 th	52 nd

Source: World Intellectual Property Organization (WIPO)

Based on the findings of the 2023 GII, the Philippines is said to be performing above expectations for its level of development. The country produces more innovation outputs in correlation to the level of its innovation investments. However, based on each of the seven (7) indicators of the GII, the Philippines generally performs below the regional average when benchmarked against countries in Southeast Asia, East Asia, and Oceania. Compared to the 2022 GII, the Philippines has a significant rise in market sophistication and institutions, from 78 and 90 to 55 and 79 in 2023, respectively.

Table 2. GII Indicator Rankings of Selected Southeast Asian Countries, 2023

Country	Indicator						
	Institutions	Human Capital and Research	Infrastructure	Market Sophistication	Business Sophistication	Knowledge Technology and Outputs	Creative Outputs
Philippines	79	88	86	55	38	46	60
Brunei	20	57	54	105	80	126	127
Cambodia	87	101	108	59	125	93	103
Indonesia	70	85	69	37	77	61	68
Malaysia	29	32	51	18	36	37	47
Singapore	1	2	8	6	3	10	18
Thailand	85	74	49	22	43	42	44

Source: WIPO

Advancing R&D and Innovation

While the government is tasked to increase the employability of Filipinos, job opportunities and job security are also attainable by advancing R&D and innovation in the country. The continued advancement of science and technology (S&T) in the country encourages scientists, technologists, and experts to invest their knowledge and talent in the development and enhancement of various local industries. Moreover, aid, grants, and scholarships help ensure the Filipino youth of the availability of government assistance as they pursue S&T careers.

Supporting the main programs of DOST

The DOST has a total proposed budget of Php 25.9 billion for FY 2024. Of this amount,

Php 6.6 billion has been earmarked for the DOST-OSEC and Php 5.3 billion for the DOST's Grants-in-Aid (GIA) program.

The National S&T agenda will be supported with Php 3.61 billion as implemented by the DOST Central Office. Moreover, Php 1.7 billion will be implemented by the DOST Regional Offices for the diffusion and transfer of knowledge and technologies, and other related activities.

The GIA program aims to harness the country's S&T capabilities to spur and attain sustainable economic growth and development. Through the funding of relevant S&T undertakings, the GIA program will contribute to the improvement of productivity and quality of life of Filipinos by generating and promoting appropriate technologies. Furthermore, it also seeks to strengthen the participation of various S&T sectors. These include R&D, technology transfer and utilization, human resource development, information dissemination, advocacy, and linkages.

Table 3. Allocations for Selected Programs of the DOST-OSEC 2023-2024
(in billion Pesos)

National Climate Change Action Plan Strategic Priorities	2023 NEP	2023 GAA	2024 NEP
Department of Science and Technology- Office of the Secretary	6.1	6.5	6.6
GIA Program	5.0	5.3	5.3
Support to Harmonized National S&T Agenda (GIA Program of Central Office)	3.6	3.6	3.6
Diffusion and Transfer of Knowledge and Technologies and other related projects and activities (GIA Program of Regional Offices)	1.4	1.7	1.7
Scholarship Programs	7.4	7.4	7.6
Philippine Science High School	0.4	0.4	0.4
Science Education Institute	7.1	7.1	7.2

The GIA program also includes the Science for Change Program (S4CP) which will all have a budget of Php 923 million. This will allow the S4CP to accelerate Science, Technology, and Innovation (STI) in the country to keep up with the technological developments of our time.

Another Php 860 million will be set aside for the Small Enterprises Technology Upgrading Program (SET-UP). SET-UP will provide micro, small, and medium enterprises (MSMEs) with equipment and technical assistance to increase sales and production, streamline and improve overall operations, upgrade the quality of products and services, and be competitive in the MSMEs' respective industries.

In driving STI education forward, a bigger budget is allocated for the DOST's scholarship programs

from the Philippine Science High School (PSHS) and Science Education Institute (SEI). A total of 61,225 scholars, 10,609 students in secondary education, and 50,616 higher education students will be supported with their combined Php 7.6 billion budget for 2024.

Support for Disaster Resiliency through Technology

To strengthen and further develop the country's resilience and to mitigate the impact of natural disasters and calamities, the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) and the Philippine Institute of Volcanology and Seismology (PHIVOLCS) will be provided higher allocations for 2024.

Table 4. DOST Budget 2023-2024
(in million Pesos)

Particulars	2023 GAA	2024 NEP
Office of the Secretary	6,480	6,570
Advanced Science and Technology Institute	424	364
Food and Nutrition Research Institute	602	553
Forest Products Research and Development Institute	223	262
Industrial Technology Development Institute	431	462
Metals Industry Research and Development Center	247	292
National Academy of Science and Technology	163	139
National Research Council of the Philippines	185	162
Philippine Atmospheric, Geophysical and Astronomical Services Administration	1,240	1,520
Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development	1,435	1,555
Philippine Council for Health Research and Development	772	795
Philippine Council for Industry, Energy and Emerging Technology Research and Development	835	852
Philippine Institute of Volcanology and Seismology	530	730
Philippine Nuclear Research Institute	462	1,035
Philippine Science High School System	2,941	2,604
Philippine Textile Research Institute	157	219
Science Education Institute	7,208	7,322
Science and Technology Information Institute	127	115
Technology Application and Promotion Institute	173	181
TOTAL	24,535	25,940

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

Particularly, PAGASA will receive Php 1.5 billion, higher than the Php 1.2 billion allocated in 2023. This is mainly to support its weather and climate forecasting and warning program. Meanwhile, PHIVOLCS is set to receive Php 730 million, significantly higher than the 2023 budget of Php 532 million. The increase is for the operations and development of its volcano and earthquake monitoring and warning systems.

Supporting the R&D Institutes

For 2024, the eight (8) R&D Institutes under the umbrella of the DOST have been given a total allocation of Php 870 million for their R&D initiatives. This is higher by 18.0 percent compared to the Php 740 million provided under the FY 2023 GAA.

These R&D Institutes include:

1. Advanced Science and Technology Institute
2. Food and Nutrition Research Institute
3. Forest Products Research
and Development Institute
4. Industrial Technology Development Institute
5. Metals Industry Research
and Development Center
6. National Research Council of the Philippines
7. Philippine Nuclear Research Institute
8. Philippine Textile Research Institute

Bolstering Digitalization and Innovation

Technological advancement has given rise to a burgeoning digital economy. This enables our country to create new work opportunities and transform the socioeconomic landscape. An investment in digitalization initiatives is, therefore, integral for the bureaucracy to enhance its public service efficiency and generate more quality jobs for the Filipino people. As such, the proposed Budget for 2024 will earmark Php 38.8 billion for digitalization

while promoting a whole-of-government approach. This is a 60.6 percent increase from the Php 24.1 billion budget allocated in 2023.

The shift to digitalization is an integral part of the country's development. Based on the four-year data from the GII, the performance of the Philippines in the information and communications technologies (ICT) sub-pillar is on a downward trend.⁵

Despite the COVID-19 pandemic making the populace more reliant on alternative digital technologies, this has barely made a dent in the country's overall support and adoption of digitalization. This is further supported by the data presented by the 2019 National ICT Household Survey, which states that around 82.0 percent of the participating 43,800 households do not have access to the internet. Out of the 2,600 *barangays* that participated, 70 percent do not have a telecommunication hub or tower within their vicinity, effectively limiting their internet and connectivity access.⁶

An updated digital infrastructure is also vital for enhancing the digital economy. A total of Php 1.0 billion will be allocated for the ICT Systems and Infostructure Development, Management, and Advisory Program. This will be used to provide reliable internet connection nationwide through various programs and projects by the DICT.

In connection with this, Php 1.5 billion will be for the National Broadband Plan, which aims to improve the internet speeds and affordability in the Philippines by laying out fiber optic cables and wireless technologies across the country.

Meanwhile, Php 1.7 billion will be allotted for the National Government Data Center Infrastructure (NGDCI). This program aims to plan, design, develop, implement, and integrate a secure data infrastructure in the bureaucracy. It will allow speedy and efficient delivery of public services to the people through an established and stable digital

Table 5. Philippine Rankings in the ICT Sub-Pillar of the GII, 2020-2023

Sub-Pillar: ICT Indicators	Year and Rank ^a			
	2020	2021	2022	2023
ICT Access	91	100	100	103
ICT Use	84	98	95	100
Government's Online Service	30	60	60	76
E-participation	19	57	57	79

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

^a Out of 132 economies in the GII.

backbone. The NGDCI will also reduce government spending by providing resources to government agencies through its colocation or cloud services.

In addition, the Php 303 million National Government Portal will promote easy access to government services by funding the operational expenses of *gov.ph*, which houses all government websites.

Other digitalization efforts also include a Php 2.5 billion provision for free internet wi-fi access and connectivity in public places and SUCs nationwide; an allocation of Php 2.0 billion for the expansion of E-Gates in international ports of entry and exit; a Php 470 million provision for a unified cloud-based information system and queueing management system for the

Table 6. Budgets of Agencies under the DICT, 2023-2024
(in million Pesos)

Particulars	2023 GAA	2024 NEP
Office of the Secretary	7,186	6,168
Cybercrime Investigation and Coordination Center	348	321
National Privacy Commission (NPC)	220	337
National Telecommunications Commission (NTC)	535	429
Total	8,289	7,255

Note: Figures may not add up due to rounding off

Land Registration Authority (LRA); and the eApostille System of the DFA with a provision of Php 55 million.

Supporting the Attached Agencies of the DICT

The NTC will once again receive the highest allocation among the attached agencies of the DICT, with a budget of Php 429 million. This provision will be spent primarily on the regulation of radio communications, broadcast, and telecommunications facilities.

The NPC will be allocated Php 337 million to regulate and enforce privacy and data security in the Philippine ICT systems. Meanwhile, the Cybercrime Investigation and Coordination Center will be given Php 321 million as funding to bolster efforts against cybercrime through plans and policies and the handling and monitoring of cybercrime cases.

Bolstering Digitalization and Innovation

Now that the country is moving forward following the COVID-19 pandemic and its correlative effects, there is now a fresh chance to finally innovate and institutionalize a more digital approach to government processes and services. This is the right opportunity to bolster further research and innovation that will help the country grow and advance its technological capabilities. The significant leap in investments in STI and ICT is a step toward a more digital and knowledge-based economy that supports the Agenda for Prosperity.

Endnotes:

¹ National Economic Development Authority. (2023). Philippine Development Plan 2023-2028. Retrieved from <https://pdp.neda.gov.ph/philippine-development-plan-2023-2028/>.

² Department of Science and Technology. (2021, August). *Compendium of Science and Technology Statistics*. Retrieved from <https://www.dost.gov.ph/phocadownload/Downloads/Statistics/Compendium-of-ST-Statistics-as-of-Aug-2018.pdf>.

³ World Intellectual Property Organization. (2023). *Global Innovation Index 2023: Innovation in the face of uncertainty*. Geneva: WIPO.

⁴ Ibid.

⁵ Ibid.

⁶ Cabaero and Muñoz. (2021). *Expanded Data Analysis and policy Research for National ICT Household Survey 2019*.

Good Governance

The Administration of President Ferdinand R. Marcos Jr. promotes a bureaucracy that is open and transparent to the public, encouraging citizen participation and allowing Filipinos to transact conveniently and efficiently with the government, as well as access clear and capable platforms that effectively receive and respond to their needs.

Transparency and Open Governance

The DBM leads the country's Fiscal Openness Program, ensuring that the funds spent on public services are made transparent to citizens even at the most crucial times.

When the COVID-19 pandemic severely affected the country, the DBM made sure that the limited resources of the government were still prudently managed. The International Budget Partnership (IBP) — the world's leading non-profit organization promoting more responsible, effective, and equitable management of public money — recognized the Philippines to be one of the four countries and the only Asian country to have achieved an adequate level of accountability in its early COVID-19 fiscal policies. This is conducted along with the 2021 Open Budget Survey (OBS), where the country's score remained above the global average which positioned the Philippines within the top 30 of 120 participating countries and a leader in the ASEAN Region in terms of budget transparency or Open Budget Index (OBI), public participation, and budget oversight.

In 2024, the DBM will allot around Php 47 million for its Fiscal Discipline and Openness Program. This program covers the formulation and preparation of fiscal, expenditure, and reform frameworks to link the budget with national development goals, as well as the promotion of fiscal transparency and participation standards and strategies. With this program, the DBM targets to attain a score of at least 71 in its transparency

score in the OBS in 2024. It is committed to publish on time all seven (7) essential budget documents under its responsibility pursuant to the requirements of the OBI.

Gearing toward the post-pandemic era, the government aims to sustain fiscal openness initiatives. In June 2023, the President signed Executive Order (EO) No. 31, s. 2023¹ that institutionalized the Philippine Open Government Partnership (PH-OGP). The EO directs the creation of a Steering Committee, chaired by the DBM Secretary and composed of representatives from the government and Civil Society Organizations (CSOs), which will set the direction, programs, and activities of the PH-OGP. This landmark measure also has the executive, legislative, and judiciary working hand-in-hand to synchronize open government reforms.

Open Budget Index. The Philippines maintained its lead in the Southeast Asian region on the Public Participation indicator of the 2021 OBS conducted by the IBP. The OBS measures three (3) important criteria related to good governance and accountability, namely transparency, which assesses public access to budget information; formal opportunities for public participation in the budget process; and the role of budget oversight institutions in the budget process.

Freedom of information. To broaden access to information, the Administration strengthens Freedom of Information (FOI) through the FOI Program Management Office (FOI PMO) under the Presidential Communications Office (PCO), the lead communications arm of the government.

In 2024, the budget of the PCO is pegged at Php 496 million, the bulk of which is devoted to the formulation, coordination, and implementation of plans and programs for integrated public information. To widen the reach of the impact of FOI, the PCO coordinates not just with national government agencies but also with LGUs.

Moreover, the FOI PMO will continue to carry out the FOI Awards. This is an annual gathering of leading FOI practitioners and FOI Champions from government and non-government sectors, that aims to recognize the significant contribution of key actors and organizations in the overall progress and development of the FOI Program.

The DBM was recognized as a top agency committed to freedom of information in the 2022 FOI Awards held on November 25, 2022. The DBM was one of the top requested and performing agencies in the eFOI Portal.

Seal of Good Local Governance. The Seal of Good Local Governance (SGLG) puts primacy to integrity and good performance as pillars of meaningful local autonomy and development. It is a progressive assessment system that gives distinction to remarkable local government performance across several areas.

By incentivizing good performance, the Seal has been instrumental in increasing transparency and accountability, promoting proactive actions to prepare for challenges posed by disasters, and influencing LGU behavior that is supportive of both national and international developmental goals, among others.

In 2022, a total of 350 LGUs across the country received the SGLG award from the DILG for their best practices amid the COVID-19 pandemic.

For 2024, the DILG will be allocated Php 1.0 billion for the SGLG Incentive Fund. The fund is pursuant to RA No. 11292² and will be utilized to pay the financial

incentive granted to qualified LGUs under the DILG's Local Governance Performance Management Program. The incentive will be used for local priority projects or reforms that will help enhance transparency and accountability in all local government transactions, intensify the preparedness of LGUs against disasters, cultivate the welfare of vulnerable sectors, ensure the delivery of quality health services, support the vision of quality education for all, promote peace and order, and stimulate meaningful participation in local governance, among others.

National Government Portal (NGP). The NGP aims to provide a one-stop gateway where citizens can transact Government-to-Government, Government-to-Citizen, and Government-to-Business services and vice-versa. Services, including the *Contact Center ng Bayan* (CCB) FOI portals for the disclosure of requested government information, are accessible through a single window at www.gov.ph. This portal is being maintained by the DICT.

Philippine Government Electronic Procurement System (PhilGEPS). The PhilGEPS is the single, centralized electronic portal that serves as the primary and definitive source of information on government procurement. This system provides and implements a total e-Government procurement solution to achieve transparency in all stages of government procurement.

The PhilGEPS now conducts free online training on the new features and functionalities of the modernized PhilGEPS (mPhilGEPS) in preparation for the full implementation of the platform. Free training will be available to all PhilGEPS users including government agencies, merchants, observers, and COA auditors. PhilGEPS also maintains a Virtual Store which serves as a platform for online ordering of common-use supplies and equipment.

Project DIME. The DBM recalibrated Project DIME (Digital Imaging for Monitoring and Evaluation). In recalibrating

the project, the DBM is closely working with the Philippine Space Agency (PhilSA) for the utilization of digital imaging technologies, such as satellite imaging and drones to monitor on-going big-ticket projects of the government.

The project was officially launched in March 2018 by then DBM Secretary Benjamin E. Diokno with the DOST. It won several awards since its launch, including recognition as one of the game-changing transparency and accountability projects of the government during the first Anniversary of the Presidential Anti-Corruption Commission and the *Kabalikat* Government Partner Award from the DOST.

Public Accountability and Integrity Bolstered

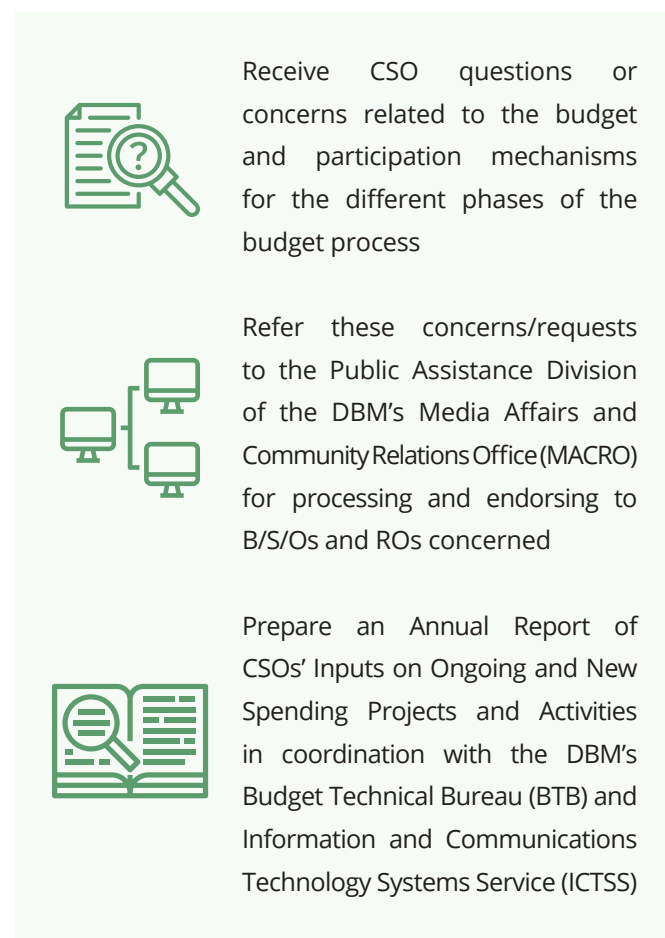
8888 Hotline. 8888 is a platform for reporting complaints and grievances on graft and corruption, the slow processing of government functions, and/or requests for government assistance as well as commendations or suggestions, intended for government agencies, officers, and employees. The 8888 Hotline is a free service and operates 24 hours a day and seven days a week.

CSO Desks. The DBM's strong commitment to fiscal openness has also resulted in the establishment of the DBM CSO Desk, which is the focal unit in the DBM for all concerns related to CSO participation in the budget process. The CSO Desk is a platform that addresses budget-related concerns and inquiries of CSOs. It also responds to their requests for information/data and clarification on budget-related matters.

Since its reestablishment, the CSO Desk has been working on responding to all inquiries and requests. As of August 2023, it has received 278 requests, 213 of which have been successfully resolved.

Anti-Red Tape Authority's Harmonized Client Satisfaction Measurement. In 2022, the ARTA established a feedback mechanism to adopt a harmonized and

Figure 1. Roles and Responsibilities of the CSO Desk



standardized framework in measuring client satisfaction across all levels of the government. This aims to assess the overall satisfaction of clients on how government agencies properly assisted their needs and concerns.

This initiative covers all government agencies and offices, including but not limited to LGUs, GOCCs, local water districts, SUCs, and other government instrumentalities.

Contact Center ng Bayan. The CCB of the CSC is a feedback mechanism designated as the government's main helpdesk where citizens can request for information and assistance on government frontline service procedures and express commendations, report complaints, and feedback.

The CCB was established by the CSC and the Information and Communications Technology Office-National Computer Center to support the implementation of RA No. 9485 or the ARTA of 2007.

The CCB serves as a centralized contact point where all communications from the public may be routed, logged, responded to, and ultimately distributed to the different government agencies for proper handling and resolution, and follow through if necessary.

Data from these communications can be collected, processed, and converted into useful information and reports to assist the government in performance evaluation and to seek improvement of its system of service delivery to the people.

Government Functions Rationalized. The National Government Rightsizing Program, which is a priority bill of the administration of President Ferdinand R. Marcos Jr., aims to streamline and modernize government systems and processes to raise overall productivity and deliver better quality services to the public. It will also serve as a tool to upskill and reskill the current government workforce.

A Committee on Rightsizing the Executive Branch (CREB) will be created to oversee the implementation of the Rightsizing Program. To ensure transparency and participation in the implementation of the program, the CREB shall consult with concerned government agencies, accredited public sector unions, and other stakeholders. Retirement benefits and separation incentives will also be granted to personnel who may be affected by the program.

Budget Systems Modernized. The DBM remains committed to pushing for the passage of the Progressive Budgeting for Better and Modernized Governance Bill, which is one of the priority legislative measures of the current Administration.

This seeks to institutionalize the cash-based budgeting system to strengthen fiscal discipline in the allocation and use of budget resources. It will also promote public participation in the local budgeting process for shared accountability.

Sound Fiscal Management. To ensure sound fiscal management, the government will continue to invest in the necessary information systems to support the processes of the oversight and collection agencies consistent with EO No. 29³ on the adoption of the Integrated Financial Management Information System.

As such, some Php 2.92 billion will be allocated to improve the information systems of the BIR for the efficient collection of revenues. Similarly, the BTR's development of a Treasury Single Account will be supported to allow for the consolidation and optimal utilization of government cash resources. Alongside this, the DBM will continue to implement its Public Financial Management Program (PFMP), which includes the BTMS.

With the thrust to build resilience against disaster events, the government is developing a National Indemnity Insurance Program for strategically important and critical government assets, so damaged infrastructure can readily be repaired and rehabilitated. For 2024, the government envisions this program to cover the DepEd schools in disaster-prone and vulnerable areas so that learners can continue to have access to education.

Bureaucratic Efficiency Enhanced

The PhilSys will continue to be supported with Php 1.6 billion for the acceleration of the issuance of National IDs.

Meanwhile, in line with the government's commitment to reduce bureaucratic red tape, Php 146 million will be used to strengthen the implementation of the Ease of Doing Business and Efficient Government Service Delivery Act.

Table 1. Initiatives to Ensure Sound Fiscal Management
(in billion pesos)

Particulars	2023 NEP	2023 GAA	2024 NEP
Revenue Information Systems Development and Infrastructure Support (BIR)	2.6	2.6	3.0
Development of the Treasury Single Account (BTr)	0.7	0.7	0.6
Public Financial Management Program (DBM)	0.2	0.2	0.4
National Indemnity Insurance Program ^a (BTr)	--	--	2.0

^a To be sourced from the payout from the 2019-2021 Philippine Catastrophe Bond

Table 2. Initiatives to Enhance Bureaucratic Efficiency
(in billion pesos)

Particulars	2023 NEP	2023 GAA	2024 Proposed
Philippine Identification System (PSA)	2.1	2.1	1.6
Exports and Investments Development Program (DTI)	0.8	0.8	1.0
Investment Promotion Program (Board of Investments)	0.1	0.1	0.1
Ease of Doing Business and Efficient Delivery of Government Services Program (ARTA)	0.2	0.2	0.2
Provision of Consular Services including issuance of passports, visas, and other consular documents (DFA)	7.2	7.4	8.1
Justice System Infrastructure Program (The Judiciary)	1.3	1.3	4.2
Expansion of E-Gates in the International Ports of Entry and Exit (BI)	--	--	2.0
Upgrading of the Clearance Processing and Issuance System (NBI)	--	-	1.8
Support to Land Titling and Registration Program (LRA)	0.04	0.04	0.5

The DFA will be allocated with a higher allocation of Php 8.1 billion to support its digitalization initiatives to ensure the unhampered provision of consular services, including the issuance of passports, visas, and other consular documents. This will include a higher allocation of Php 4.1 billion for ePassport and an allotment of Php 55 million for the eApostille System.

To expedite passenger flow and enhance the security capabilities of the Bureau of Immigration (BI) through digitalization, Php 2.0 billion has been allocated for the expansion of E-Gates in International Ports of Entry and Exit.

Other digitalization initiatives include the enhancement of the LRA Unified Cloud-Based Information System and Queueing Management System, and the upgrading of the National Bureau of Investigation's (NBI) Clearance Processing and Issuance System, among others.

Upholding Peace and Public Order

As the country's primary law enforcement agency, the Philippine National Police (PNP) is committed to maintaining public order, enforcing laws and ordinances, and preventing, detecting, and investigating criminal activities. To fulfill its duties and to ensure peace and order even in the farthest and most interior communities, the PNP has been given a budget allocation of Php 196.0 billion.

Crime Suppression. The bulk of the PNP's budget will be earmarked for the Crime Prevention and Suppression Program, its banner program for the conduct of police patrol operations and other related confidential activities against dissidents, subversives, lawless elements, and organized crime syndicates; and for the campaign against kidnapping, trafficking of women and minors, smuggling, carnapping, gunrunning, illegal fishing, and trafficking of illegal drugs.

With an allocation of Php 181.7 billion, the Program targets to increase the number of foot and mobile patrol operations by 5.0 percent and achieve a 69.3 percent feeling safety rating for the National Safety Index.

The said program includes a Php 13.1 billion budget for the procurement, transport, storage, and distribution of supplies and materials, including the maintenance of equipment and facilities. A total of Php 1.1 billion will also be used for intelligence and counterintelligence activities.

To increase police visibility throughout the country, an amount of Php 1.4 billion will be earmarked to the PNP for the construction of various police stations in strategic areas nationwide.

Drug Abuse Prevention and Control. The government aims to take a holistic approach to the drug problem in the country, focusing more on dismantling drug syndicates and strengthening re-education and rehabilitation programs.

The Philippine Anti-Illegal Drugs Strategy (PADS), which solidifies the foundation of the government's drug abuse prevention and control agenda, will be supported with a Php 2.7 billion budget for 2024. The PADS serves as a blueprint for national collaboration to harmonize the efforts of the government and all of its sectors in cutting the supply of and demand for illegal drugs.

Of the Php 2.7 billion budget for the PADS, Php 1.6 billion will be allocated to the DOH for the operating requirements of 23 Dangerous Drugs Abuse Treatment and Rehabilitation Centers throughout the country, which will enable drug personalities to safely reintegrate into mainstream society.

Meanwhile, an amount of Php 546 million will be allocated to the PNP under the PADS for its community-based recovery and wellness program, anti-illegal drugs campaigns, and high-value target operations, among others.

Table 3. PADS Budgets, 2023-2024
(in billion pesos)

Particulars	2023 NEP	2023 GAA	2024 Proposed
PADS	2.5	2.6	2.7
<i>Of which:</i>			
Department of Health – Office of the Secretary	1.5	1.5	1.6
Philippine National Police	0.6	0.6	0.6
Philippine Drug Enforcement Agency	0.3	0.3	0.3
Dangerous Drug Board	0.1	0.1	0.1

The Philippine Drug Enforcement Agency (PDEA) and Dangerous Drugs Board (DDB) will be allocated Php 286 million and Php 116 million, respectively, to conduct the *Barangay* Drug Clearing Program and other anti-illegal drugs activities.

Genuine and Inclusive Peace. The NTF-ELCAC, a convergence program composed of projects administered by several participating agencies focused on development, good governance, and peace and security interventions, will be supported with Php 10.3 billion in 2024. This is 8.9 percent more than the previous year, reflecting the government's commitment to sustaining genuine peace.

The bulk of the NTF-ELCAC budget, or Php 8.6 billion, will support the implementation of the Support to the *Barangay* Development Program (SBDP) to fund various infrastructure projects and provide assistance to indigent individuals or families in *barangays* certified by the NTF-ELCAC.

Each targeted *barangay* will be given with Php 10.0 million to implement priority development projects, such as farm-to-market roads, school buildings, water and sanitation systems, health stations, and electrification. This will benefit the 822 *barangays* identified and assessed through the Retooled Community Support Program (RCSP).

The DILG, one of the participating agencies of the NTF-ELCAC, will also receive a budget of Php 1.2 billion for the implementation of projects aimed at upholding peace. Of this amount, Php 1.1 billion will be allotted for the PNP for its activities that address the root causes of insurgency, internal disturbances and tension, and other armed conflicts and threats, in cooperation with the Armed Forces of the Philippines (AFP).

Meanwhile, the amount of Php 264 million will be given to the DSWD for the implementation of various projects under the Sustainable Livelihood Program, and Rights Advocacy and Monitoring for Indigenous Peoples, among others.

Table 4. NTF-ELCAC Budget, 2023-2024
(in billion pesos)

Particulars	2023 NEP	2023 GAA	2024 Proposed
NTF-ELCAC	13.1	9.5 ^a	10.3
Of which:			
Support to the <i>Barangay</i> Development Program (LGSF) ^b	10.0	6.3 ^a	8.6
Department of the Interior and Local Government	1.2	1.2	1.2
Department of Social Welfare and Development	0.4	0.4	0.3
Office of the President	0.1	0.1	0.1

^a Provision under the SPF

^b Local Government Support Fund

Finally, the OP will be allocated with Php 130 million for the President's activities and initiatives as chairperson of the NTF-ELCAC.

Crime Investigation. To further support the government's commitment to fighting impunity for atrocity crimes, the PNP will receive Php 752 million for the conduct of criminal investigation and other related confidential activities through its Crime Investigation Program.

With the allotted amount, the PNP targets to increase its Crime Solution Efficiency to 72.1 percent, up by 3.0 percent from the baseline of 70.0 percent. It also targets to increase the number of arrested wanted persons by 10.0 percent, as well as the crime clearance efficiency by 3.0 percent.

Protection Against External and Internal Threats. As highlighted in the PDP 2023-2028, the government will continue to prioritize upholding the safety, security, territorial integrity, and sovereignty of the country.

To further strengthen the defense capabilities of the country and its protection against threats, the amount of Php 234.0 billion has been allocated to the DND. The AFP accounts for the bulk of the budget to cover programs that target to attain the level of mission capability in ground, air, and naval defense operations.

The Land Defense Program of the Philippine Army will be allocated Php 109.5 billion to maintain 243 tactical battalions and 88 ready reserve battalions.

Meanwhile, the Philippine Air Force's Defense Program will be given Php 42.0 billion to ensure that 100 percent of its tactical air operations group supports the unified commands. The Philippine Air Force also targets to increase the number of its supportable aircraft to 172 for 2024, higher than its baseline and 2023 target of 169 aircraft.

Table 5. AFP Budget, 2023-2024
(in billion pesos)

Particulars	2023 NEP	2023 GAA	2024 Proposed
Land Defense Program (Philippine Army)	102.7	103.2	109.5
Air Forces Defense Program (Philippine Air Force)	33.4	33.6	42.0
Naval Forces Defense Program (Philippine Navy)	30.5	30.7	37.0
Revised AFP Modernization Program (DND-GHQ)	40.0	27.5	50.0^a

^a Provision under the SPF

Lastly, the Philippine Navy's Defense Program will be allocated with Php 37.0 billion for 2024. With this amount, the Philippine Navy targets to provide 100 percent of Naval units to unified commands and deploy and sustain 120 units for utilization and employment in 2024, higher than its 118 units in 2023.

Special provisions amounting to Php 50.0 billion are also allotted to support the Revised AFP Modernization Program, which will cover the military's capability, material, and technology development; bases and other support systems development; and human resource development, among others.

The increase in the funds for the programs of the AFP is attributed to the recruitment of additional troops and capability enhancements under the Land, Air, and Naval Forces Defense Programs.

Endnotes:

¹ Institutionalizing the Philippine Open Government Partnership and for Other Purposes

² The Seal of Good Governance Act of 2019

³ Strengthening the Integration of Public Financial Management Information Systems, Streamlining Processes thereof, and Amending EO No. 55 (s. 2011) for the Purpose

Environment, Climate Adaptation, and Disaster Resilience

Climate change has become a major threat to development and humanity. According to the WHO, climate change has been increasing mortality and driving health disparities.¹ Based on research conducted by the Swiss Re Institute, climate change “could wipe off up to 18 percent of GDP off the worldwide economy by 2050 if global temperatures rise by 3.2°C.”²

In the Philippines, climate change is estimated to reduce the country’s GDP by as much as 13.6 percent by 2040³ if no action is taken to mitigate its impact.

Natural disasters and extreme weather conditions are identified as the country’s top risks based on the Global Risks Report 2023⁴. Given the country’s vulnerability to the climate crisis, it is critical to mitigate and adapt to its risks.

Accelerating Climate Action

Future-proofing the country to address climate change is among the top priorities of the current Administration. In the 2024 Budget Message of President Ferdinand R. Marcos Jr., he emphasized that climate change is an important criterion in the planning, decision-making, and implementation of programs that are integral to the country’s national policies.

The latest PDP underscores the country’s climate agenda, targeting more resilient communities and institutions to ensure the country is protected against the effects of natural disasters and climate change by 2028.⁵ To attain this, the Administration is employing a whole-of-nation approach and collaborating with local governments, the private sector, and the international community to boost sustainable green investments and climate-proof the country.

Through a multi-sectoral process, a National Climate Change Action Plan (NCCAP) was crafted to ensure that the concerns of various sectors and challenges of climate change are dealt with. The said plan contains the country’s framework for adaptation and mitigation which are categorized into strategic priorities and outcomes. These are 1) water sufficiency; 2) sustainable energy; 3) food security; 4) ecosystem and environmental stability; 5) human security; 6) climate-smart industries and services; and 7) knowledge and capacity development.

Expenditures to address climate change increased by around 60.0 percent in 2023, from an allocation of Php 289.7 billion in 2022 to Php 464.5 billion in 2023. This was further increased to Php 543.4 billion in 2024, equivalent to 9.4 percent of the total proposed Budget, giving more room to meet the government’s commitment of 8.0 percent share indicated in the PDP.

About 69.0 percent of the government’s climate change expenditures for 2024 will go to adaptation measures intended to reduce the vulnerability of humans and ecosystems to the effects of climate change and climate risks. The country’s adaptive capacity will be strengthened by building resilience to current and future risks.

The remaining 31.0 percent will be for mitigation measures meant to reduce greenhouse gas emissions. Such measures include renewable energy projects, reforestation, enhanced forest management, improved transport systems, better energy efficiency, among others.

Table 1. Climate Change Expenditures, 2024
(in million Pesos)

NCCAP Priorities	Adaptation	Mitigation	Total
Water Sufficiency	294,462	--	294,462
Sustainable Energy	20,810	159,907	180,717
Food Security	37,523	2,659	40,182
Knowledge and Capacity Development	12,949	26	12,975
Climate-Smart Industries and Services	3,567	2,58	6,025
Ecosystem and Environmental Sustainability	2,492	3,460	5,952
Human Security	2,585	--	2,585
Cross-Cutting Action	505	45	550

Source: FY 2024 BESF, Table B.22

Among the strategic priorities on climate action, water sufficiency gets the biggest funding at Php 294.5 billion under the proposed 2024 National Budget. This is followed by sustainable energy at Php 180.7 billion; food security, Php 40.2 billion; knowledge and capacity development, Php 13.0 billion; climate-smart industries and services, Php 6.0 billion; ecosystem and environmental stability, Php 6.0 billion; and human security, Php 2.6 billion.

Expenditures on climate change are tracked and reported through the Climate Change Expenditure Tagging (CCET) system. Adopted almost a decade ago, the CCET has allowed the government, particularly the DBM, to determine the scope and distribution of climate action in the country through the identification and tagging of environment-related programs and projects in the National Budget. This tagging system was enhanced, starting in the FY 2024 National Expenditure Program, to enable the assignment of multiple typologies to PAPs.

The programs tagged under the CCET system are intended to preserve, protect, and manage the country's natural resources to ensure the well-being of the present and future generations.

Fostering Environmental Sustainability

National Greening Program. This program of the DENR will receive Php 2.5 billion in 2024, 4.6 percent higher than its 2023 GAA allocation of Php 2.39 billion. With this budget, about 19.16 million seedlings are targeted to be planted on 31,992 hectares nationwide.

Manila Bay Rehabilitation. As part of the continuing efforts of the government to clean-up, rehabilitate, and preserve the Manila Bay, the government has earmarked Php 1.5 billion for its rehabilitation. The bulk of the funds will be used to clean and clear waterways connected to the Manila Bay and relocate informal settlers living along these waterways.

Protected Areas Development and Management. The DENR will also receive Php 1.0 billion to manage the conservation of protected areas such as wetlands and caves.

Green, Green, Green Program. To make cities more livable and sustainable, the government will set aside a total of Php 2.0 billion under the LGSF for the Green, Green, Green Program. This program will support local government units in establishing green open spaces in urban areas, such as parks, arboretums, and bike lanes.

Coastal and Marine Ecosystems Rehabilitation. Some Php 217 million will be earmarked for the rehabilitation of coastal areas in various municipalities nationwide.

Clean Water Program. To ensure sufficient supply of potable water, Php 198 million will be allocated to improve the water quality of 45 priority water bodies.

Clean Air Program. To effectively monitor the air quality in the country, Php 181 million will be allocated to operate and maintain 118 Air Quality Monitoring Stations all over the country.

Strengthening Disaster Resilience

As a country highly vulnerable to climate-related risks and disasters, the government is strengthening the country's resilience to climate change to significantly reduce risks to economic and human development.

As such, under the proposed 2024 National Budget, Php 215.6 billion will be allocated for the flood management program of the DPWH which targets the construction, maintenance, and repair of some 2,465 flood mitigation structures and drainage systems.

National Disaster Risk Reduction and Management Fund (NDRRMF). The government will also allot Php 31.0 billion under the NDRRMF to expedite the recovery of areas and communities impacted by calamities and disasters. This fund may be used for the reconstruction, rehabilitation, repair, aid, relief, and other works or services, including pre-disaster activities, in connection with the occurrence of natural or human-induced calamities; epidemics as declared by the DOH; crises resulting from armed conflicts; insurgency; terrorism; and other catastrophes. The NDRRMF also serves as an additional funding source to the Quick Response Fund (QRF) of the implementing agencies concerned when the balance of their QRF has reached 50.0 percent.

QRF. To help provide immediate response to disasters and other complex emergencies, the government will give Php 7.4 billion under the QRF to these agencies: DepEd, Php 3.0 billion; DSWD, Php 1.3 billion; DA, Php 1.0 billion; DPWH, Php 1.0 billion; DOH, Php 500 million; Office of Civil Defense, Php 500 million; Philippine Coast Guard, Php 75 million; PNP, Php 50 million; and Bureau of Fire Protection, Php 50 million.

Endnotes:

¹ World Health Organization. (2021). Fast Facts on Climate Change and Health. Retrieved from <https://www.who.int/publications/m/item/fast-facts-on-climate-change-and-health>

² Merchant, N. (2021). This is how climate change could impact the world economy. Retrieved from <https://www.weforum.org/agenda/2021/06/impact-climate-change-global-gdp/>.

³ The World Bank. (2022, November). Philippine Country Climate and Development Report. Retrieved from [https://www.worldbank.org/en/country/philippines/publication/philippines-country-climate-and-development-report#:~:text=If percent20nothing percent20is percent20done percent2C percent20climate,the percent20poorest percent20households percent20most percent20affected.](https://www.worldbank.org/en/country/philippines/publication/philippines-country-climate-and-development-report#:~:text=If%20nothing%20is%20done%2C%20climate,the%20poorest%20households%20most%20affected.)

⁴ World Economic Forum (2023). The Global Risks Report 2023 18th Edition. Retrieved from https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf.

⁵ National Economic and Development Authority. (2023). Philippine Development Plan 2023-2028. Retrieved from <https://pdp.neda.gov.ph/wp-content/uploads/2023/07/Chapter-15.pdf>.



TECHNICAL NOTES ON THE PROPOSED NATIONAL BUDGET Fiscal Year 2024

Production Team

Advocacy, Communications, and Training Service

Functional Group Head

Undersecretary Margaux Salcedo

ACTS Director

Atty. Diana C. Camacho-Mercado

Editorial Team

John E. Lansangan
Ria Consuelo C. Mendoza
Mark Angelo R. Dator
Joy S. Almazan
Kenneth Gerald G. Mallari
Emil John T. Manguerra
Rey Angelo Jose M. Gonzaga
Hazel Anne T. Intia
Joshua Antonio Elliott M. Vera

Creative Team

Pierre Angelica C. Rañon
Ma. Soraya E. Salvador
Jeannie S. Ponio

Data Integrity

Budget and Management Bureaus
Budget Technical Bureau
DBM National Capital Region
Fiscal Planning and Reforms Bureau
Local Government and Regional Coordination Bureau

Project Management Support

Administrative Service
Budget Technical Bureau
Information and Communications Technology
Systems Service
Richard A. Purisima
Shirley E. Laro

Department of Budget and Management

© October 2023

All rights reserved.

For inquiries, comments, suggestions, and requests for copies and other information,
please email us at publications_division@dbm.gov.ph.



DEPARTMENT OF BUDGET AND MANAGEMENT
General Solano St., San Miguel, Manila