

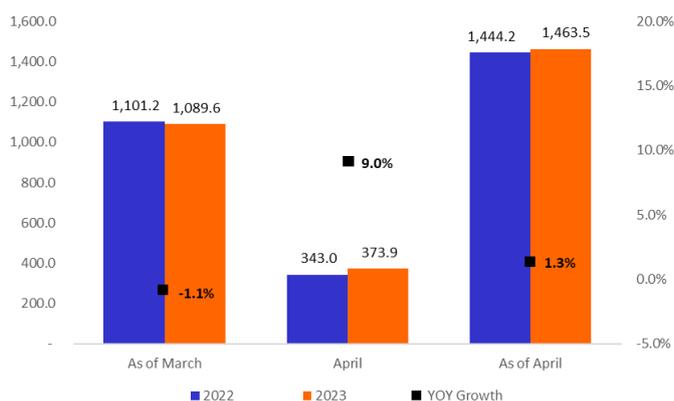
NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF APRIL 2023

National Government (NG) disbursements in April 2023 grew by P30.9 billion or 9.0 percent year-on-year to reach P373.9 billion. The robust disbursement performance was driven mostly by higher infrastructure spending. For the first four months of the year, disbursements were recorded at P1,463.5 billion, P19.2 billion or 1.3 percent more than the outturn for the same period last year. The uptick was credited mainly to the higher infrastructure and other capital outlays and maintenance spending, albeit partly offset by the decline in the transfers to Local Government Units (LGUs) due to the lower National Tax Allotment or NTA (see year-on-year performance discussion).

Figure 1. National Government Disbursements

Amounts in billion pesos, unless otherwise indicated



By type of disbursement, Notice of Cash Allocation (NCA) or cash disbursements in April 2023 grew to P304.1 billion, or by P16.4 billion (5.7 percent) from a year ago primarily from higher capital outlays, but was slightly offset by lower transfers to LGUs. Meanwhile, non-NCA disbursements amounted to P69.8 billion, P14.4 billion or 26.1 percent more than the previous year owing mainly to larger interest payments and constructive receipts of cash (CRC) payments.¹ Year-to-date, NCA disbursements were posted at P1,158.9 billion, up by P23.7 billion or 2.1 percent year-on-year, while non-NCA disbursements reached P304.6 billion, down by P4.5 billion or 1.5 percent a year ago due to lower tax expenditures, encashment of check floats,² and CRC payments.

Table 1. Comparison of NCA and Non-NCA Disbursements, 2022-2023

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of March				April				As of April			
	2022	2023	Inc/(Dec)		2022	2023	Inc/(Dec)		2022	2023	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA	847.5	854.8	7.3	0.9	287.6	304.1	16.4	5.7	1,135.1	1,158.9	23.7	2.1
% of Eff. NCA	95.1%	98.7%			77.9%	80.1%			90.1%	93.0%		
Non-NCA	253.7	234.8	(18.9)	(7.5)	55.4	69.8	14.4	26.1	309.1	304.6	(4.5)	(1.5)
TOTAL	1,101.2	1,089.6	(11.6)	(1.1)	343.0	373.9	30.9	9.0	1,444.2	1,463.5	19.2	1.3
Memo Item												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
	As of March				April				As of April			
	2022	891.0			2022	369.5			2022	1,260.4		
	2023	866.2			2023	379.6			2023	1,245.8		
Allotment Releases ^{1/}												
As of April 2022		4,300.3 ^{2/}	85.6% of the P5,023.6 billion obligation program									
As of April 2023		4,518.2 ^{2/}	85.8% of the P5,268.0 billion obligation program									

Sources: Bureau of the Treasury and DBM-Budget Technical Bureau

^{1/} Based on the Status of Allotment Releases available at <https://www.dbm.gov.ph/index.php/programs-projects/status-of-allotment-releases>.

^{2/} Includes other releases coming from Prior Year's Continuing Appropriations, Unprogrammed Appropriations, and Other Automatic Appropriations.

¹ Direct payments made to suppliers by development partners for the implementation of Foreign-Assisted Projects.

² Checks issued late last year but were only presented for payment during the first three months of this year.

Allotment Releases

As of end-April 2023, allotment releases totaled P4,518.2 billion, equivalent to 85.8 percent of the P5,268.0 billion aggregate obligation program for the year. In April 2023, some P143.0 billion worth of allotments were released, which included the following big-ticket items:

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
Department of Transportation (DOTr)	To cover the loan proceeds requirement of the North-South Commuter Railway System Project	P48.8
PhilHealth	To cover the implementation of health insurance coverage for indigent senior citizens	P42.9
Commission on Higher Education (CHED)	For the implementation of the Universal Access to Quality Tertiary Education (UAQTE)	P21.3
Department of the Interior and Local Government (DILG)	PS requirements, mostly for the 2 nd quarter pension, gratuity, burial, and medical reimbursement claims of uniformed personnel retirees	P3.5
Department of National Defense (DND)	For the implementation of project/s under the Revised Armed Forces of the Philippines Modernization Program (RAFPMP)	P1.1

Year-on-Year Performance, by Expense Class

For the Month of April 2023

NG spending for the month of April 2023 jumped to P373.9 billion, higher by P30.9 billion or 9.0 percent year-on-year on account of the following expenditure items:

- Infrastructure and other capital outlays soared to P87.3 billion, up by P23.5 billion or 36.8 percent compared to the outturn in April last year. The substantial growth was credited to the billings for advance payments or mobilization costs for the implementation of ongoing projects of the Department of Public Works and Highways (DPWH). It can also be noted that CRC payments in April 2023 were P4.3 billion higher than the previous year's level, mainly on account of the Malolos-Clark Railway Project of the DOTr.
- Interest payments increased to P46.3 billion, P9.0 billion or 24.0 percent more year-on-year due primarily to coupon payments for Global bonds issued in October 2022, as well as higher foreign interest and exchange rates this year.
- Subsidies to government corporations climbed to P9.0 billion, up by P3.8 billion or 75.1 percent year-on-year due largely to the releases to the National Irrigation Administration (NIA) for its Irrigation Systems Restoration Program and the National Food Authority (NFA) for the grant of the one-time rice assistance to all employees and workers of the NG for FY 2022.

Table 2. NG Disbursements for the Month of April, 2022 and 2023

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	April			
	2022 ^{1/}	2023	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	260.6	266.7	6.1	2.3
Personnel Services	93.9	95.5	1.6	1.7
MOOE	50.3	53.6	3.3	6.5
Subsidy	5.1	9.0	3.8	75.1
Allotment to LGUs	68.4	59.3	(9.1)	(13.3)
IP	37.3	46.3	9.0	24.0
TEF	5.6	3.2	(2.4)	(43.5)
CAPITAL OUTLAYS	81.0	102.1	21.1	26.1
Infra and Other CO	63.8	87.3	23.5	36.8
Equity	0.0	0.0	(0.0)	(74.5)
Capital Transfers to LGUs	17.1	14.8	(2.3)	(13.4)
NET LENDING	1.4	5.1	3.6	252.7
TOTAL	343.0	373.9	30.9	9.0

^{1/} Adjusted based on the full-year 2022 BTr Cash Operations Report (COR).

- Net lending expanded by P3.6 billion to reach P5.1 billion in April 2023, mainly on account of the NG advances to the NFA amounting to P4.9 billion for the debt servicing of both its short-term and long-term loans. This compares to the P1.2 billion net lending assistance to NFA in April 2022, intended only for the debt servicing of its long-term loans.
- Maintenance and other operating expenditures (MOOE) grew to P53.6 billion, P3.3 billion or 6.5 percent higher year-on-year, attributed to the implementation of the Free Higher Education Program of State Universities and Colleges (SUCs), as well as the payment for the Health Emergency Allowance (HEA) for non-plantilla healthcare workers, procurement of drugs and medicines, and implementation of the Medical Assistance for Indigent Patients Program of the DOH. The growth of MOOE, however, was slightly tempered by the lower disbursements recorded in the Commission on Elections (COMELEC) sans their expenditures for the National and Local Elections (NLE) in April, and in the Department of Social Welfare and Development due to minimal availment of their Protective Services for Individuals, Families and Communities in Difficult Circumstances Program during the period.

On the other hand, lower disbursements were recorded in the combined allotment and capital transfers to LGUs and tax expenditures. Specifically, transfers to LGUs decreased by P11.4 billion or 13.3 percent due to the lower NTA of LGUs³, while tax expenditures declined by P2.4 billion or 43.5 percent on account of lower documentary stamp taxes on government securities.

For the Period January to April 2023

For the first four months of 2023, total NG disbursements amounted to P1,463.5 billion, P19.2 billion or 1.3 percent more than the outturn last year.

This was largely due to higher infrastructure and other capital outlays that resulted from the accelerated implementation of various infrastructure projects of the DPWH nationwide, and the direct payments made by development partners for the implementation of foreign-assisted rail projects of the DOTr. Similarly, maintenance spending was bolstered by the releases for the HEA of non-plantilla staff and other banner health programs of the DOH, the Free Higher Education program of SUCs, as well as the transfer of P15.0 billion to the Coconut Farmers and Industry Trust Fund (CFITF) for the implementation of the Coconut Farmers and Industry Development Plan.

Meanwhile, disbursements were weighed down by lower transfer to LGUs, particularly their NTA. For FY 2023, the full year NTA shares of LGUs amounted to P820.3 billion vis-à-vis the P959.0 billion in 2022. The decline was due to the lower tax base in 2020 amid the COVID-19 pandemic. Tax expenditures contracted, resulting from the lower documentary stamp taxes on government securities which was affected by the timing or schedule of debt issuances.

Table 3. NG Disbursements for the Period January to April, 2022 and 2023
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to April			
	2022 ^{1/}	2023	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	1,117.0	1,105.0	(12.0)	(1.1)
Personnel Services	389.5	394.2	4.7	1.2
MOOE	221.8	248.5	26.7	12.0
Subsidy	31.4	30.3	(1.1)	(3.6)
Allotment to LGUs	275.4	236.3	(39.1)	(14.2)
IP	186.6	188.2	1.6	0.9
TEF	12.2	7.5	(4.8)	(39.0)
CAPITAL OUTLAYS	325.0	352.7	27.7	8.5
Infra and Other CO	247.1	284.0	36.9	14.9
Equity	0.5	0.1	(0.4)	(76.2)
Capital Transfers to LGUs	77.4	68.6	(8.8)	(11.3)
NET LENDING	2.2	5.7	3.5	162.4
TOTAL	1,444.2	1,463.5	19.2	1.3
Memo item:				
Infrastructure Disbursements ^{2/}	325.3	346.9	21.7	6.7

^{1/} Adjusted based on the full-year 2022 BTr Cash Operations Report (COR).

^{2/} Include estimated NG infrastructure disbursements, and infrastructure components of subsidy and equity to GOCCs and transfers to LGUs.

³ The tax revenue base, from which the NTA shares of LGUs in 2023 is determined, was the actual tax collections in 2020. Due to the impact of the economic and mobility restrictions at the height of the pandemic, tax revenue collections in 2020 contracted by P323.4 billion or 11.4 percent from the actual outturns in 2019.

Outlook for the Rest of the Year

As of end-April 2023, the remaining balance from the P5,268.0 billion obligation program for the year amounts to P749.8 billion⁴ or 14.2 percent. Based on preliminary data on the allotment releases as of May 31, 2023,⁵ some P164.2 billion worth of allotments have been issued in May 2023, which include the following big-ticket releases:

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
PhilHealth	To cover the implementation of health insurance coverage for indigents	P25.2
DPWH	Various capital outlay projects	P22.1
DND	RAFPMP	P17.9
DSWD	Targeted Cash Transfer (TCT) Program	P7.7
Bureau of the Treasury	To cover the funding requirements for the proposed programs/activities/projects of the Bangsamoro Government for the rebuilding, rehabilitation, and development of the conflict-affected communities in the Bangsamoro Autonomous Region in Muslim Mindanao	P5.0
CHED	UAQTE – Tertiary Education Subsidy (TES) and <i>Tulong Dunong</i> Program under TES (TDP-TES)	P4.2
National Housing Authority	FY 2023 NG subsidy	P2.7
COMELEC	Preparatory activities and conduct of the Sangguniang Kabataan and Barangay Elections in October 2023	P2.6

While the overall growth of NG disbursements for the year will continue to be moderated by the lower NTA of LGUs, spending is expected to accelerate for the rest of the second quarter with the release of subsidies to the PhilHealth for the premium subsidy of indigent beneficiaries under the National Health Insurance Program and to the Power Sector Assets and Liabilities Management Corporation for the implementation of the *Murang Kuryente* Act. Furthermore, the payment for completed/partially-completed infrastructure projects of the DPWH and rail transport foreign-assisted projects of the DOTr, as well as the release of the TCT Program of the DSWD and the FY 2023 mid-year bonus of qualified government employees would buoy disbursements for the current quarter.

⁴ Net of the releases for FY 2022 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations accommodated within the total obligation program.

⁵ Based on SARO Listing for the period May 1 to 31, 2023. Generated from the DBM eBudget System.