

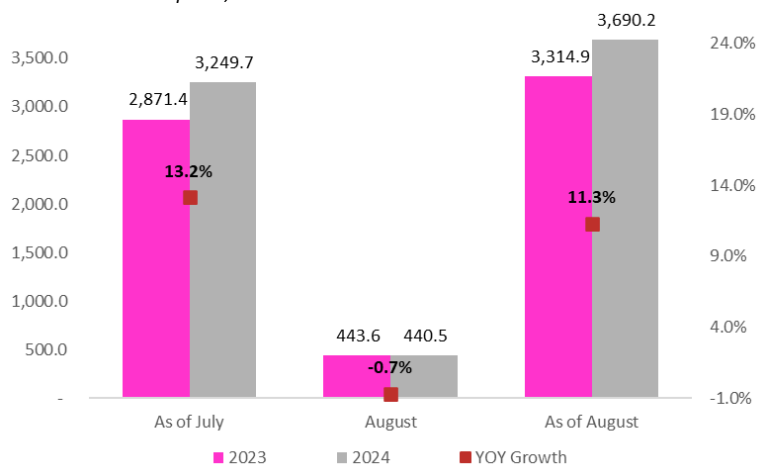
NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE

AS OF AUGUST 2024

National Government (NG) disbursements for the month of August 2024 amounted to P440.5 billion, lower by P3.0 billion or 0.7 percent year-on-year mostly on account of the decline in infrastructure spending and subsidy support to government corporations. On a year-to-date basis, however, disbursements for the first eight months of the year which amounted to P3,690.2 billion were higher by P375.3 billion or 11.3 percent than the previous year's level.

Figure 1. National Government Disbursements

Amounts in billion pesos, unless otherwise indicated



By type of disbursements, cash disbursements, or those issued with Notice of Cash Allocations

(NCAs), decreased to P369.5 billion in August 2024, down by P13.7 billion or 3.6 percent year-on-year. This was mainly due to the lower capital outlays, subsidy, and personnel services (PS) expenditures. On the other hand, non-NCA disbursements increased to P71.0 billion, P10.7 billion or 17.8 percent more year-on-year due to higher interest payments and net lending. Year-to-date, NCA disbursements reached P2,958.9 billion, up by P246.7 billion or 9.1 percent year-on-year; while non-NCA disbursements totaled P731.3 billion, larger by P128.6 billion or 21.3 percent from the level for the comparable period last year.

Table 1. Comparison of NCA and Non-NCA Disbursements, 2023-2024

(Amount in billion pesos, unless otherwise indicated)

Particulars	As of July				August				As of August			
	2023	2024	Inc/(Dec)		2023	2024	Inc/(Dec)		2023	2024	Inc/(Dec)	
			Amt	%			Amt	%			Amt	%
NCA ^{a/}	2,329.0	2,589.4	260.4	11.2	383.2	369.5	(13.7)	(3.6)	2,712.2	2,958.9	246.7	9.1
% of Eff. NCA	94.7%	94.2%			101.1%	95.2%			95.6%	94.3%		
Non-NCA	542.4	660.3	117.9	21.7	60.3	71.0	10.7	17.8	602.7	731.3	128.6	21.3
TOTAL	2,871.4	3,249.7	378.3	13.2	443.6	440.5	(3.0)	(0.7)	3,314.9	3,690.2	375.3	11.3
Memo Item												
Effective NCAs issued net of Trust Liabilities, Gross of Working Fund												
As of July					August				As of August			
	2023	2,458.1			2023	379.2			2023	2,837.3		
	2024	2,748.5			2024	387.9			2024	3,136.4		
Allotment Releases ^{b/}												
As of August 2023		5,019.7 ^{c/}	95.3% of the P5,268.0 billion obligation program									
As of August 2024		5,589.3 ^{c/}	96.9% of the P5,767.6 billion obligation program									

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

^{a/} NCA disbursements pertain to negotiated checks.

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

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

Allotment Releases

As of August 31, 2024, allotment releases amounted to P5,589.3 billion, equivalent to 96.9 percent of the P5,767.6 billion obligation program for the year. Releases for the month of August 2024 alone amounted to P75.8 billion, which included the following big-ticket items:

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
LGUs	Shares of local government units (LGUs) from the CY 2022 collections of excise tax on locally manufactured Virginia-type cigarettes	P21.0 billion
	Share of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) in taxes, fees and charges collected in the Bangsamoro Autonomous Region	P1.8 billion
	Funding requirements for the implementation of water supply system projects of beneficiary municipalities, and priority programs and projects included in the respective Devolution Transition Plans of beneficiary barangays chargeable against the Local Government Support Fund-Growth Equity Fund (LGSF-GEF) under the FY 2023 General Appropriations Act (GAA), Continuing Appropriations	P1.0 billion
Department of Education (DepEd)	PS requirements, mostly for the implementation of the 1 st tranche of Salary Adjustment and grant of FY 2022 Performance-Based Bonus to qualified teaching personnel	P14.5 billion
	Funding requirements for the rehabilitation, renovation, repair and improvement of elementary and secondary school buildings	P1.5 billion
Department of Transportation (DOTr)	Capital outlays, mostly to cover the loan proceeds requirement for the implementation of the Davao Public Transport Modernization Project and for the payment of Right-of-Way expenses relative to the implementation of the Metro Manila Subway Project Phase I and North-South Commuter Railway System	P13.3 billion
Department of Information and Communications Technology (DICT)	Funding requirements for the implementation of Free Internet Wi-Fi Connectivity in Public Places	P3.7 billion
Department of Health (DOH)	PS requirements, mostly for the implementation of the 1st tranche of Salary Adjustment	P1.5 billion

Year-on-Year Performance, by Expense Class

For the Month of August 2024

NG disbursements in August 2024 declined to P440.5 billion, slightly lower by P3.0 billion or 0.7 percent year-on-year. This resulted from the contraction in the following expense items:

- Infrastructure and other capital outlays dropped to P108.6 billion, down by P13.5 billion or 11.1 percent year-on-year mainly due to the lower disbursements recorded in the DPWH which were attributed to the following reasons:
 - i. P22.0 billion worth of outstanding checks as end-August 2024, up from P17.0 billion for the same period in August 2023. These outstanding checks represented payments for progress billings, completed infrastructure works/activities but were not yet encashed by contractors;
 - ii. Delays in the submission of billing documents by contractors which affected the timelines for the processing and release of payments for ongoing projects;
 - iii. Adverse weather conditions which slowed down project implementation; and
 - iv. Adjustments in project timelines, as some major infrastructure projects encountered delays or were re-scheduled.

Likewise, capital expenditures were down year-on-year sans the big-ticket releases for local counterpart funds for the various foreign-assisted projects of the DOTr.

- Subsidy slid to P9.1 billion, lower by P9.8 billion or 51.9 percent year-on-year, owing to the schedule of releases to the Philippine Health Insurance Corporation (PHIC) considering its current financial position and substantial cash holdings. There were no significant releases to the PHIC as of end-August 2024, while a total of P50.6 billion were released to the state health insurer for the comparable period in 2023; of which P12.9 billion was released in August 2023.

The decrease, however, was tempered by the releases to the National Irrigation Administration (NIA) for its contract farming, repair of national irrigation systems, and the establishment of pump irrigation (P5.6 billion); as well as to the Philippine Crop Insurance Corporation (PCIC) for its Crop Insurance Program (P1.9 billion).

- PS expenditures amounted to P108.1 billion, P1.6 billion or 1.4 percent lower year-on-year due to the timing of releases for the Performance Based Bonus (PBB) of qualified employees of the DepEd. Some P8.5 billion was released to the department in August 2023 for the FY 2021 PBB, while only P6.3 billion was released in August this year for the FY 2022 PBB. Subsequent releases for the FY 2022 PBB of the DepEd were made in September 2024.

Table 2. NG Disbursements for the Month of August, 2023 and 2024

(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	August			
	2023 ^{a/}	2024	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	307.2	315.1	7.9	2.6
Personnel Services	109.7	108.1	(1.6)	(1.4)
MOOE	73.5	77.3	3.8	5.2
Subsidy	18.9	9.1	(9.8)	(51.9)
Allotment to LGUs	60.2	65.6	5.4	9.0
IP	42.7	52.8	10.1	23.7
TEF	2.1	2.1	(0.0)	(1.3)
CAPITAL OUTLAYS	137.4	125.5	(11.9)	(8.7)
Infra and Other CO	122.1	108.6	(13.5)	(11.1)
Equity	0.0	0.0	(0.0)	(66.7)
Capital Transfers to LGUs	15.2	16.9	1.6	10.8
NET LENDING	(1.0)	-	1.0	(100.0)
TOTAL	443.6	440.5	(3.0)	(0.7)

^{a/} Adjusted based on the full-year 2023 BTr Cash Operations Report (COR).

Meanwhile, the growth in interest payments, transfers to LGUs, and maintenance spending moderated the downturn in disbursements for the month:

- Interest payments grew to P52.8 billion, up by P10.1 billion or 23.7 percent year-on-year on account of the coupon payment for FY 2023 and additional issuances of Fixed Rate Treasury/Benchmark Bonds, FY 2024 issuances of Retail Treasury Bonds, and effect of foreign exchange fluctuations.
- Combined allotment and capital transfers to LGUs rose to P82.5 billion, P7.0 billion or 9.3 percent more year-on-year due to the higher National Tax Allotment (NTA) shares of LGUs and Annual Block Grant to the BARMM¹, as well as the release of the P1.0 billion LGSF-GEF under the FY 2023 GAA.
- Maintenance and other operating expenses (MOOE) increased to P77.3 billion, higher by P3.8 billion or 5.2 percent year-on-year. This was credited to the larger disbursements posted by the DOH for its Medical Assistance for Indigents (MAIP) Program and payments for health emergency allowance (HEA) claims of healthcare workers; and to the Department of Labor and Employment (DOLE) for the implementation of its emergency and livelihood programs, such as the *Tulong Pangkabuhayan sa Ating Disadvantaged/Displaced* (TUPAD) Workers Program, the DOLE Integrated Livelihood Program (DILP), and the Government Internship Program (GIP).

Meanwhile, one-off big-ticket expenses of the DOTr-Land Transportation Office in August 2023 related to the additional requirements for the procurement of motorcycle and motor vehicle plates to cover previous year's backlogs weighed down the growth of MOOE for the same month this year.

¹ As a result of the recovery of tax revenue collections in 2021 - the base year for which the actual FY 2024 NTA shares were determined. Based on the Supreme Court (SC) Ruling on the Mandanas Case, LGUs shall have a forty percent (40%) share in the national tax revenues based on the collection of the third fiscal year preceding the current fiscal year. This was a modification of Section 284 of the Local Government Code of 1991 (Republic Act No. 7160) after the SC declared the phrase "internal revenue" as unconstitutional.

For the Period January to August 2024

NG disbursements as of end-August 2024 expanded to P3,690.2 billion, up by P375.3 billion or 11.3 percent year-on-year. The following expenditures posted sizeable increases for the period: (i) interest payments (up by 120.8 billion or 31.1 percent), (ii) MOOE (up by P105.3 billion or 19.4 percent), (iii) infrastructure and other capital outlays (up by P105.0 billion or 14.2 percent), (iv) transfers to LGUs (up by P59.2 billion or 9.7 percent), and (v) PS expenditures (up by P19.0 billion or 2.2 percent).

Conversely, subsidy (down by P28.8 billion or 24.9 percent) and net lending (down by P15.3 billion or 99.4 percent) were lower when compared to the level recorded a year ago. Subsidy to government corporations was lower sans the significant releases to the PHIC, while net lending substantially declined on account of the change in the maturity profile of the debt obligations of the National Food Authority (NFA). Although some P1.4 billion advances were released to the NFA in August earlier this year, most of its availments were expected beginning this September 2024 in line with its maturity schedule.

Table 3. NG Disbursements for the Period January to August, 2023 and 2024
(Amount in billion pesos, unless otherwise indicated)

Expenditure Class	January to August			
	2023 ^{a/}	2024	Increase/(Decrease)	
			Amt	%
CURRENT OPERATING EXP.	2,419.7	2,680.6	260.9	10.8
Personnel Services	881.6	900.6	19.0	2.2
MOOE	542.4	647.7	105.3	19.4
Subsidy	115.9	87.0	(28.8)	(24.9)
Allotment to LGUs	474.4	509.0	34.6	7.3
IP	388.7	509.4	120.8	31.1
TEF	16.8	26.8	10.1	60.0
CAPITAL OUTLAYS	879.8	1,009.5	129.8	14.7
Infra and Other CO	740.3	845.3	105.0	14.2
Equity	0.2	0.3	0.1	74.7
Capital Transfers to LGUs	139.3	163.9	24.7	17.7
NET LENDING	15.4	0.1	(15.3)	(99.4)
TOTAL	3,314.9	3,690.2	375.3	11.3
Memo item:				
Infrastructure Disbursements ^{b/}	876.6	989.4	112.7	12.9

^{a/} Adjusted based on the full-year 2023 BTR Cash Operations Report (COR).

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

Outlook for the Rest of the Year

The program balance as of end-August 2024 amounted to P178.3 billion² or 3.1 percent of the P5,767.6 billion obligation program for the year. For the month of September 2024 alone³, some P108.1 billion worth of allotments had been issued and are expected to propel spending performance for the remainder of the year:

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
DepEd	PS requirements, mostly for the implementation of the 1 st tranche of Salary Adjustment and grant of FY 2022 PBB to qualified teaching personnel	P26.1 billion
DPWH	Capital Outlays, mostly to cover the FY 2024 additional GOP counterpart requirements of various Foreign-Assisted Projects	P15.1 billion
DOTr	Capital Outlays, mostly to cover the GOP counterpart requirements for the implementation of the Metro Manila Subway Project Phase I, North-South Commuter Railway System, and Davao Public Transport Modernization Project; to cover the Loan Proceeds requirements for the implementation of the New Cebu International Container Port Project; and for the payment of Right-of-Way expenses relative to the implementation of the LRT Line 1 Cavite Extension Project	P12.5 billion

² Net of the releases for FY 2023 Continuing Appropriations, Unprogrammed Appropriations, and other Automatic Appropriations accommodated within the total obligation program.

³ Based on SARO Listing for the period September 1 to 30, 2024. Generated from the DBM eBudget System.

DEPARTMENT/GOCC	PURPOSE	AMOUNT (In billion pesos)
Department of National Defense (DND)	Funding requirements for projects under the Revised AFP Modernization Program	P10.0 billion
PHIC	To cover the implementation of health insurance coverage for indigents under the Sin Tax Law	P8.3 billion
DOH	To cover the funding requirements for the construction, completion, and equipping of three (3) DOH health facilities under the Health Facilities Enhancement Program (HFEP)	P3.4 billion
Bureau of the Treasury (BTr)	To cover payment of documentary stamp taxes on domestic debt securities issued and foreign exchange transactions of the National Government for the months of July and August 2024	P3.3 billion
Philippine Statistics Authority (PSA)	To cover the funding requirements for the implementation of the 2024 Census of Population and Community-Based Monitoring System	P2.2 billion
Marawi Compensation Board	To cover the release of the Marawi Siege Victims Compensation Fund for FY 2024	P1.0 billion

Meanwhile, based on preliminary bank and treasury data, disbursements for September 2024 were expected to rebound from the 0.7 percent contraction posted in August this year and increase by at least 10.0 percent to outgrow the 8.1 percent expansion recorded in September last year. This strong spending performance was likely driven by large capital expenditures in the DPWH, DOTr, DND, and social protection programs of the DSWD with the crediting of 4Ps payouts, as well as the medical assistance programs of the DOH.

Higher PS expenditures were also anticipated with the implementation of the 1st tranche of salary adjustments of qualified civilian government employees pursuant to EO No. 64 dated August 2, 2024⁴. The increase in the base pay of employees, including salary differentials (covering the period January to August following the retroactive application of the pay hike to January 1, 2024) were already released to some of the departments/agencies starting in September this year.

⁴ Entitled "Updating the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of an Additional Allowance, and for Other Purposes".