



The DBM
Quarterly
REPORT 2nd Quarter 2020



APRIL
29



PH RETAINS NO. 1 SPOT IN BUDGET TRANSPARENCY IN SOUTHEAST ASIA

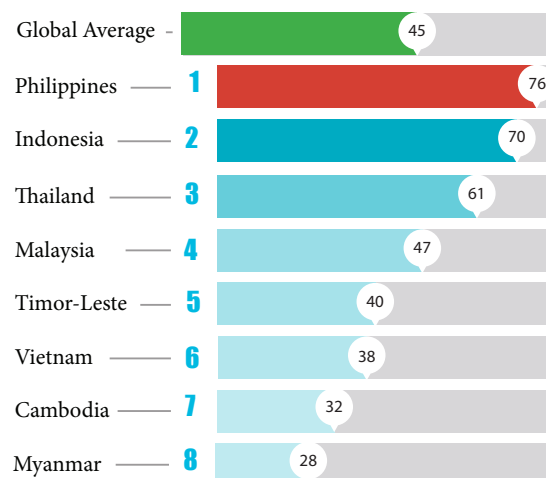
For the fifth time, the Philippines has secured the top spot in Southeast Asia for budget transparency. In the 2019 Open Budget Survey (OBS) results released on April 29, 2020, the country received an Open Budget Index (OBI) score of 76, the highest in the region and the second highest in Asia, next to Georgia. The OBS is a global biennial survey conducted by the IBP which assesses transparency based on the amount and timeliness of information governments make available to the public.

A transparency score of 61 and above implies comprehensive, timely and online publication of all eight (8) key budget documents such as the Pre-Budget Statement, Executive's Budget Proposal, Enacted Budget, Citizens' Budget, In-Year Reports, Mid-Year Review, Year-end Report, and the Audit Report.

The country also climbed nine notches in its global ranking, from 19th to 10th place. It is the first time the Philippines made it to the top 10 out of 117 countries surveyed worldwide by the International Budget Partnership (IBP).

Aside from transparency, the OBS likewise evaluates public participation in the budget process and budget oversight. The country's participation score is the sixth highest score worldwide (31 out of 100) and is significantly above the global average score of 14. This implies that the country should increase opportunities for meaningful and inclusive public engagement in the different stages of the budget process.

2019 Open Budget Survey Transparency Index in Southeast Asia



Global Ranking

1	New Zealand	87
2	South Africa	87
3	Sweden	86
4	Mexico	82
5	Georgia	81
6	Brazil	81
7	Norway	80
8	Australia	79
9	United States	76
10	Philippines	76

PH'S OBI SCORE, 2010-2019



OPEN BUDGET SURVEY



No. **1** in Southeast Asia
No. **10** worldwide



**JUNE
9**

KEY RELEASES TO ADDRESS THE COVID-19 CRISIS

To better respond to the Coronavirus disease (COVID)-19 crisis, the Congress, through Republic Act No. 11469 otherwise known as the “Bayanihan to Heal as One Act”, granted President Rodrigo Duterte the power to adopt emergency measures such as providing subsidies to the most vulnerable and most affected families, ensuring the protection of public health workers, fast and efficient procurement of goods such as personal protective equipment, and the reallocation and realignment from savings on other items in the 2020 Budget.

Pursuant to this Act, the Department of Budget and Management (DBM) issued National Budget Circular No. 580 on April 22, 2020 which provides for the adoption of economy measures in government. It mandated the discontinuance of Fiscal Years (FYs) 2019 and 2020 appropriated programs, activities, and projects (PAPs), whether released or unreleased including unobligated allotments of all entities covered under the Executive Branch as of March 31, 2020, to fund the government’s COVID-19 response.

As of June 9, PhP354.46 billion, in cash allocations, has been released. About PhP246.6 billion were sourced from discontinued PAPs, PhP215.88 billion from this year’s budget and PhP30.75 billion from last year’s budget. The excess revenue from actual dividend collections of the Bureau of the Treasury, worth PhP96.7 billion, has also been tapped for the COVID-19 response.



PhP354.46-B*

TOTAL COVID-RELATED RELEASES

* Cash allocations, net of withholding tax, as of June 9, 2020

FUNDING SOURCES

Discontinued PAPs - PhP246.62 B

2020 GAA: PhP215.88 B

2019 GAA: PhP30.75 B

Regular Agency Budget - PhP9.95 B

2020 GAA: PhP9.76 B

2019 GAA: PhP196.3 M

Special Purpose Funds - PhP97.84

FY 2020 National Disaster Risk Reduction Management Fund: PhP600 M

FY 2020 Contingent Fund: PhP520.6 M

FY 2020 Unprogrammed Appropriations: PhP96.7 B

Trust Receipts - PhP42.8 M



RELEASES FOR COVID-19 CRISIS

KEY RELEASES

Emergency Support for Vulnerable Groups



PhP199.95-B released to the Department of Social Welfare and Development (DSWD) to fund its Social Amelioration Program (SAP) intended for 18 million household beneficiaries, and other various programs to mitigate the impact of the pandemic.



PhP51-B released in April 2020 to DOF-SSS for the implementation of the Small Business Wage Subsidy Measure.



PhP8.5-B released to the Department of Agriculture to cover the funding requirements of the Rice Resiliency Project (RRP) under the Ahon Lahat, Pagkaing Sapat (ALPAS) Kontra COVID-19 Program. The RRP aims to ensure the availability of rice supply through increased local rice production during the 2020 wet season. Around 3 million rice farmers nationwide are expected to benefit from this program.



PhP30.8-B for the “Bayanihan Grant to Cities and Municipalities (BGCM)” to cover the funding requirements for the one-time financial assistance to cities and municipalities to boost their capacity in responding to the COVID-19 situation. The one-time BGCM is equivalent to a one-month FY 2020 IRA share of the cities and municipalities.



PhP6.2-B for the “Bayanihan Grant to Provinces (BGP)” to cover the funding requirements for the one-time financial assistance to provinces intended to support the government’s efforts in response to the COVID-19 pandemic. The amount is equivalent to one half (½) of the one-month FY 2020 Internal Revenue Allotment (IRA) share of 81 provinces nationwide.



PhP7.57-B released to DOLE to fund, among others, its COVID-19 Adjustment Measures Program (CAMP) and Tulong Panghanapbuhay sa Ating Displaced/Disadvantaged (TUPAD) Workers Program #Barangay Ko, Bahay Ko Disinfecting/Sanitation Project, and other various programs to mitigate the impact of COVID-19 to affected disadvantaged/displaced workers due to the ECQ.

Of said amount, PhP130 million was released to DOLE-Overseas Workers Welfare Administration (OWWA) for the implementation of its Emergency Repatriation Program.



PhP614-M released to the Department of the Interior and Local Government (DILG) for various COVID-19 measures.



Medical Resources to Fight COVID-19 and Ensure Safety of Frontliners



PhP48.2-B released to the Department of Health (DOH) to address the COVID-19 crisis. Of which:

- PhP1.8-B for the procurement of Reverse Transcription Polymerase Chain Reactor (RT-PCR) Severe Acute Respiratory Syndrome Coronavirus-2 (SARS-COV-2) Detection Kits
- PhP45.7-B to cover the funding requirements for the efficient implementation of Republic Act No. 11469 or the “Bayanihan to Heal as One Act” programs of the DOH



PhP400-M released to the Philippine General Hospital to augment its operational budget.



PhP53-M released to the Department of Science and Technology for the production of 1,300 COVID-19 testing kits for 26,000 tests. The amount also includes expenses for delivery and training for those who will administer the tests, as well as the cost of genome sequencing validation.



SUMMARY BY PARENT AGENCY			
AGENCY	FUNDING SOURCE	ALLOTMENT	CASH ALLOCATION*
DSWD	Discontinued P/A/Ps	196,044,703,507.00	196,044,703,507.00
	FY 2020 GAA RAB	3,886,975,000.00	3,864,629,000.00
	FY 2019 GAA RAB	43,630,846.00	43,630,846.00
	DSWD TOTAL	199,975,309,353.00	199,952,963,353.00
DOLE	Discontinued P/A/Ps	2,500,000,000.00	2,500,000,000.00
	FY 2020 GAA RAB	***5,065,394,542.00	5,065,394,542.00
	FY 2020 GAA RAB	15,000,000.00	-
	DSWD TOTAL	7,580,394,542.00	7,565,394,542.00
DOH	Discontinued P/A/Ps	1,912,500,000.00	1,912,500,000.00
	FY 2020 GAA RAB	100,000,000.00	95,000,000.00
	FY 2020 NDRRMF	500,000,000.00	500,000,000.00
	FY 2020 UA	45,717,896,630.00	45,717,896,630.00
	DOH TOTAL	48,230,396,630.00	48,225,396,630.00
DOF	Discontinued P/A/Ps	**37,021,047,019.00	**37,021,047,019.00
	FY 2020 GAA RAB	500,000,000.00	500,000,000.00
	FY 2020 UA	51,000,000,000.00	51,000,000,000.00
	DOF TOTAL	88,521,047,019.00	88,521,047,019.00
DA	Discontinued P/A/Ps	8,500,000,000.00	8,500,000,000.00
	DA TOTAL	8,500,000,000.00	8,500,000,000.00
DILG	Discontinued P/A/Ps	93,099,182.00	93,099,182.00
	FY 2020 Contingent Fund	548,029,000.00	520,627,550.00
	DILG TOTAL	641,128,182.00	613,726,732.00
DND	Discontinued P/A/Ps	150,702,648.00	150,702,648.00
	FY 2020 GAA RAB	***249,745,250.00	99,745,250.00
	FY 2020 NDRRMF	446,082,080.00	100,000,000.00
	FY 2019 GAA RAB	128,091,703.00	131,072,087.00
	DND TOTAL	974,621,681.00	481,519,985.00
DFA	FY 2020 Contingent Fund	5,094,700.00	-
	DFA TOTAL	5,094,700.00	-
DOJ	Trust Receipts	-	41,095,945.00
	DOJ TOTAL	-	41,095,945.00
DTI	FY 2020 GAA RAB	203,000,000.00	78,139,146.00
	DTI TOTAL	203,000,000.00	78,139,146.00
DOST	FY 2020 GAA RAB	***53,230,732.00	53,230,732.00
	Trust Receipts	-	1,697,854.25
	DOST TOTAL	53,230,732.00	54,928,586.25
OPAPP	FY 2019 GAA RAB	500,000.00	21,628,902.00
	OPAPP	500,000.00	21,628,902.00
UP-PGH	Discontinued P/A/Ps	400,000,000.00	400,000,000.00
	UP-PGH	400,000,000.00	400,000,000.00
TOTAL		355,084,722,839.00	354,455,840,840.25

*net of withholding tax

**refers to Bayanihan Grant to provinces, municipalities, and cities

***includes For Comprehensive Releases (FCR) – GAA-as-Release-Order (GAARO)

STATUS OF FY 2020 BUDGET
JANUARY 1-MAY 31, 2020
(In Thousand Pesos)

PARTICULARS	FY 2020 PROGRAM			TOTAL RELEASES	BALANCE	% of Release over Program
	PROGRAM	ADJUSTMENT	ADJUSTED PROGRAM			
A. FY 2020 GENERAL APPROPRIATIONS ACT (GAA), REPUBLIC ACT (RA) NO. 11465	2,850,210,977	(9,300,000)	2,840,910,977	2,303,495,601	537,415,376	81.1%
Departments	2,382,312,032	(7,863,700)	2,374,448,332	2,074,832,278	299,616,054	87.4%
Special Purpose Funds	467,898,945	(1,436,300)	466,462,645	228,663,323	237,799,322	49.0%
B. AUTOMATIC APPROPRIATIONS	1,249,789,023	9,300,000	1,259,089,023	1,251,185,726	7,903,297	99.4%
Retirement and Life Insurance Premiums	49,317,919		49,317,919	50,131,878	a/ (813,959)	
Internal Revenue Allotment	648,921,246		648,921,246	648,921,246	-	100.0%
Block Grant	63,634,076		63,634,076	63,634,076	-	100.0%
Pension of Ex-Pres./Ex Pres. Widows	480		480	-	480	0.0%
Special Account in the General Fund	12,451,302	9,300,000	21,751,302	20,552,654	1,198,648	94.5%
Net Lending	10,000,000		10,000,000	10,000,000	-	100.0%
Interest Payments	450,964,000		450,964,000	450,964,000	-	100.0%
Tax Expenditures Fund/Customs Duties and Taxes	14,500,000		14,500,000	6,981,872	7,518,128	48.2%
ORIGINAL PROGRAM	4,100,000,000	-	4,100,000,000	3,554,681,327	545,318,673	86.7%
OTHER RELEASES			-	181,326,086	b/ (181,326,086)	
FY 2019 CONTINUING APPROPRIATIONS, RA NO. 11260			-	61,591,488	(61,591,488)	
Departments			-	54,944,359	(54,944,359)	
Special Purpose Funds			-	6,647,129	(6,647,129)	
UNPROGRAMMED APPROPRIATIONS			-	118,739,837	(118,739,837)	
OTHER AUTOMATIC APPROPRIATIONS			-	994,761	(994,761)	
Grants/Donations			-	508,935	(508,935)	
AFP Modernization Program (Revalidation)			-	485,826	(485,826)	
TOTAL	4,100,000,000	-	4,100,000,000	3,736,007,413	363,992,587	91.1%

Details of Releases

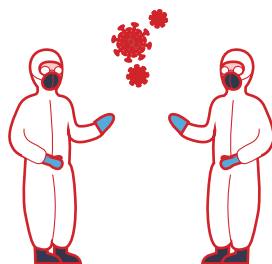
Details of Program Adjustments

Notes:

a/ Inclusive of P813.96 Million pertaining to additional requirement for RLIP of various agencies corresponding to the newly-created/filled up positions

b/ Authorized releases to be accommodated within the FY 2020 Expenditure Program per DBM National Budget Circular No. 578

**APRIL-
MAY**



PROCUREMENT OF MEDICAL GRADE PPE SETS

The Procurement Service of the Department of Budget and Management (PS-DBM) procured 1 million sets of medical grade personal protective equipment (PPE) from China to bolster the country's fight against the coronavirus disease (COVID)-19. Said PPE sets, worth PhP1.8 billion, have been fully delivered. The last batch was turned over last May 20, 2020.

The procured PPE sets were forwarded to the Department of Health for distribution to the frontliners. To ensure their safety, the PPE sets were decontaminated before they were distributed to healthcare facilities.

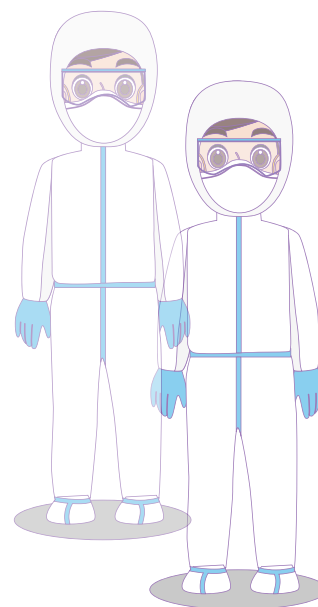
Each PPE set includes a medical grade protective coverall, head and shoe covers, three-ply surgical mask, N95/KN95 mask, medical gloves, medical goggles, and surgical gown.

Officer-in-Charge-Executive Director of PS-DBM Undersecretary Lloyd Christopher Lao noted that the procured PPE sets are "medical grade", thus the level of protection is very high.

The Department of Health has ordered another 5.1 million PPE sets amounting to around PhP10.2 billion. The procurement of which is ongoing.



The Chinese government, through a 'goodwill flight,' delivers thousands of PPE sets procured by PS-DBM from China.



PROCUREMENT OF PPE SETS

**APRIL-
JUNE**



EMERGENCY PROCUREMENT

Republic Act (RA) No. 11469 otherwise known as the “Bayanihan to Heal as One Act” (Bayanihan Act) authorizes President Duterte to exercise powers that are necessary to respond to the COVID-19 crisis, such as undertaking the procurement of identified goods and services, as exemptions from the provisions of RA No. 9184 or the Government Procurement Reform Act in response to the Declaration of a State of National Emergency due to the COVID-19 outbreak.

Accordingly, the Executive Secretary issued a Memorandum directing the Secretary of the Department of Budget and Management, who is also the Chairperson of the Government Procurement Policy Board (GPPB), to craft guidelines for procurement activities that are entirely exempt from RA No. 9184 under the Bayanihan Act.

Pursuant to this, the GPPB issued Circular No. 01-2020 on April 6, 2020 which sets the guidelines for Emergency Procurement under the Bayanihan Act. The Circular aims to expedite the procurement of highly needed supplies, materials, equipment, utilities, telecommunications, and other critical services authorized under the Bayanihan Act at the most advantageous price to the government with the necessary safeguards for the prevention of abuses and corruption in the procurement process.

Key Features of the Emergency Procurement under the Bayanihan Act

- The Procuring Entity (PE) may commence with the procurement even without an approved Annual Procurement Plan (APP), provided there is a document or certification from the budget officer or equivalent position showing that there is a budget for the purpose. The updated APP shall, however, be submitted no later than 30 September 2020 through the GPPB Online portal.
- The PE shall directly negotiate or procure from a legally, technically, and financially capable supplier, distributor, manufacturer, contractor, or consultant.
- During negotiations, a formal written offer or bid may be submitted but is not required. Verbal agreement on the price and compliance or commitment to comply with the legal, technical and financial requirements of the Procurement Project shall be sufficient basis to recommend award of contract to the supplier, distributor, manufacturer, contractor, or consultant.



EMERGENCY PROCUREMENT

- To help our local farmers who are left with excess supply of farm and agricultural products as a result of the Community Quarantine and channel these supplies to government agencies who are tasked with the provision of basic necessities to those affected, PEs are encouraged to directly purchase agricultural products from local farmers or farmers' associations or cooperatives.
- In consideration of the urgent necessity of the items to be procured, difficulty in accurately estimating the quantity needed, and the limited funds available at the time of original purchase, PEs are given the option to avail of a Special Repeat Order once the PE determines, after conducting a market survey, that there is no other supplier that can offer the Goods to be reordered at a lower price and that the previously awarded supplier can deliver the Goods at the same or lower price as in the original contract.



Since the implementation of the Circular, a total of PhP4.6 billion worth of contracts on COVID-19 related procurement have been awarded as of June 19, 2020, as reported in the GPPB Online Portal.

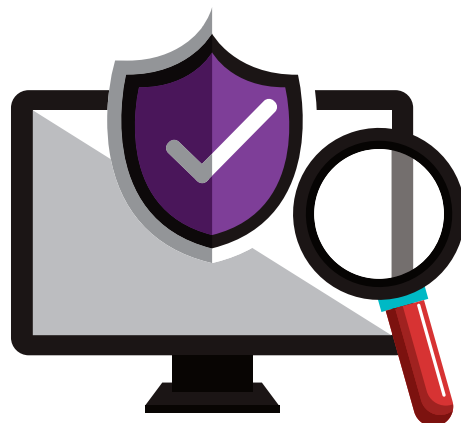
Other Measures to Streamline Procedures and Adapt to the New Standards of Government Operations

Use of Information Technology in the Conduct of Procurement

- Procuring Entities are enjoined to use videoconferencing, webcasting and similar technology in the conduct of any of the meetings and determination of quorum by the Bids and Awards Committee (BAC) in accordance with the GPPB Resolution No. 24-2018 dated 4 December 2018.
- To further facilitate the issuance of procurement related documents, PEs, especially those which have not yet adopted the use of digital signature secured from the Department of Information and Communications Technology pursuant to GPPB Resolution No 16-2019, may now also use other forms of digital or electronic signature in accordance with GPPB Resolution No. 09-2020.

Digitization of Procurement Submissions (pursuant to GPPB Resolution No, 09-2020)

- Taking into consideration the PE's procurement needs and capabilities, submission of procurement related documents, except for the submission and receipt of bids, through electronic mail or facsimile subject to the submission of the printed copies as soon as practicable, as determined by the BAC, are now allowed.
- For procurement modalities where a two-envelope procedure or sealed price quotation is required, online or electronic submission and receipt of bids are likewise allowed until such time as the online bidding facility under the modernized Philippine Government Electronic Procurement System (mPhilGEPS) becomes fully operational.
- The GPPB Online Portal which was established to promote accountability and transparency in the conduct of Emergency Procurement under the Bayanihan Act is now being further developed so online submission and receipt of bids can be accommodated.





**APRIL-
MAY**

HIRING OF ADDITIONAL MEDICAL WORKFORCE



16,614
EOS workers

24% doctors
40% nurses
17% nursing attendants
14% other allied medical
personnel
5% administrative/
support staff

The Department of Budget and Management has approved the request of the Department of Health for authority to engage a total of 16,614 contract of service workers who will work for three months. They will augment the existing medical, allied medical, and support personnel in the COVID-19 referral hospitals, quarantine areas, emergency health call centers, and health facilities in regions, provinces, municipalities or cities undertaking critical tasks related to the containment of COVID-19.

Section 4(m) of Republic Act No. 11469, or the “Bayanihan to Heal as One Act” dated March 24, 2020, authorizes the temporary engagement of human resources for health (HRH) such as medical and allied medical staff to complement or supplement the current health workforce or man the temporary medical facilities that will be established to provide treatment and health care service.

HIRING OF MEDICAL PERSONNEL

COS MEDICAL WORKERS PER POSITION

Position Title/ Salary Grade (SG)	No. of COS Workers		
	Approved Under the DOH's First Request	Approved Under the DOH's Second Request	Total
Medical Specialist II, SG 23	-	1,046	1,046
Medical Officer III, SG 21	82	2,857	2,939
Nurse II, SG 15	267	6,420	6,687
Medical Technologist II, SG 15	-	847	847
Radiologic Technologist II, SG 15	-	604	604
Respiratory Therapist II, SG 14	-	278	278
Medical Equipment Technician III, SG 11	-	278	278
Radiologic Technologist I, SG 11	35	-	35
Respiratory Therapist I, SG 10	85	-	85
Administrative Assistant II, SG 8	-	708	708
Ward Assistant I, 7	118	-	118
Medical Equipment Technician I, SG 6	30	-	30
Nursing Attendant II, SG 6	204	2,591	2,795
Administrative Aide IV (Ambulance Driver), SG 4	36	128	164
Total	857	15,757	16,614

COMPENSATION & ALLOWANCES

As indicated in the Memorandum from the Executive Secretary dated March 28, 2020, the HRH personnel to be hired by the DOH on temporary basis shall receive the appropriate compensation and allowances, and those of them serving at the front lines during the state of calamity due to COVID-19 shall receive hazard pay from the government.



Monthly salary



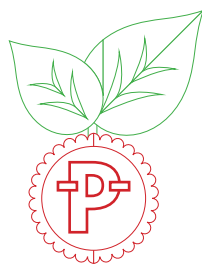
COVID-19 Hazard Pay at P4P500/per day/per person



COVID-19 Special Risk Allowance*

* Administrative Order No. 28 dated April 6, 2020 authorizes the grant of a one-time COVID-19 SRA equivalent to a maximum of 25% monthly basic salary/pay to public health workers who have great exposure to health risks and physical hardships in the line of duty. Budget Circular No. 2020-2, issued on 07 April 2020, provides the guidelines on the grant of the COVID-19 SRA to frontline public health workers during the period of the enhanced community quarantine.





May 21

FY 2021 BUDGET PRIORITIES

Aside from the 2019 and 2020 Budgets, the government will also tap next year's budget to address the COVID-19 pandemic. The DBM has instructed agencies to reprioritize their programs, activities, and projects (PAPs) under the proposed PhP4.335-trillion cash budget for fiscal year (FY) 2021. The refocusing of the PAPs aims to contain the spread and mitigate the effects of the COVID-19, as well as marshall an economic recovery under the "new normal". To guide agencies, the DBM issued National Budget Memorandum No. 136 on May 21, 2020 which contains the expenditure directions for FY 2021.

EXPENDITURE DIRECTIONS

As laid out in the report of the National Economic and Development Authority, "We Recover As One," the banner programs for FY 2021 are:

HEALTH

- Improve the country's health system by establishing more health facilities and laboratories and purchasing necessary hospital equipment to address COVID-19 and other infectious diseases.
- Sustain funding for regular health programs of the Department of Health and the implementation of the Universal Health Care Law.
- Ensure the sufficient and efficient deployment of Human Resources for Health.
- Sustain the budget for indigent members of PhilHealth to cover emerging or re-emerging diseases.



FOOD SECURITY

- Ensure unhampered movement of agricultural goods and services through efficient transport and logistics systems.
- Intensify provision of support services and farm machineries and equipment to farmers and agriculture-based enterprises.

FY 2021 BUDGET PRIORITIES

INFRASTRUCTURE

- Prioritize crucial and shovel-ready projects under the Build, Build, Build Program to focus on health-related facilities and digital infrastructure.
- Construct and enhance logistics and road infrastructures.



GOVERNANCE

- Fast-track implementation of the Philippine Identification System.
- Invest in information and communications technology for online and remote government operations and continue support for Department of Information and Communications Technology programs.
- Conduct capacity building and continuous learning programs, including the use of e-learning platforms and digital upskilling.

INDUSTRY & LIVELIHOOD

- Expand Shared Service Facilities and Regional Inclusive Innovation Centers.
- Assist micro, small, and medium enterprises (MSME) through the MSME Resiliency Program and other capacity building projects.
- Promote the *Balik Probinsya* program to ensure a healthy population and a more agile workforce, and business resiliency.



FISCAL PROGRAM

In spite of the expected rise of the budget deficit to 8.4% of GDP this year, the Government will gradually bring down the deficit for FY 2021 and 2022 to return to sustainable debt levels. For 2021, the cash budget is set at PhP4.335 trillion.

Particulars (in billion pesos)	2019 Actual	Projections		
		2020	2021	2022
Revenues	3,137.5	2,612.6	2,929.0	3,270.7
% of GDP	16.1	13.6	13.6	13.9
Growth Rate	10.1	(16.7)	12.1	11.7
Disbursements	3,797.7	4,225.2	4,357.5	4,451.5
% of GDP	19.5	21.9	20.3	19.0
Growth Rate	11.4	11.3	3.1	2.2
Fiscal Balance	(660.2)	(1,612.6)	(1,428.6)	(1,180.8)
% of GDP	(3.4)	(8.4)	(6.6)	(5.0)
Growth Rate	(18.3)	(144.2)	11.4	17.3
Debt-to-GDP Ratio	39.6	49.8	51.5	52.3
Appropriations	3,661.6	4,100.0	4,335.2	4,414.2
% of GDP	18.8	21.3	20.2	18.8
Growth Rate	3.7	12.0	5.7	1.8

*Consistent with the growth assumptions and fiscal targets approved via DBCC Ad Referendum dated May 27, 2020.