

# Introduction

## INTRODUCTION

The proposed FY 2021 budget, the penultimate budget to be submitted by the Duterte Administration for Congressional review, was formulated within the overarching theme “**Reset, Rebound, and Recover: Investing for Resiliency and Sustainability.**” The theme is consistent with the Administration’s goal of overcoming the challenges brought by the COVID-19 pandemic while recovering the growth momentum of the economy. This will sustain the saving of lives and enhance communities’ adaptability for the country to resume its inclusive development trajectory.

The FY 2021 Budget Call, through National Budget Memorandum (NBM) No. 133 dated November 29, 2019, directed the preparation of agency budget proposals consistent with the 0+10 Point Socio-Economic Agenda, aligned with the National Development Plan. This included the annual contingency provisions for disasters and calamities, whether man-made or due to natural causes. However, the unexpected onset of the COVID-19 pandemic in the first quarter of 2020 and the socio-economic impact and the means to cope with such health emergency, called for re-calibration in the initial budget configuration to consider the emerging expenditure priorities as well as the consequent resource generation prospects brought about by the pandemic.

Accordingly, the Budget Priorities Framework, issued under NBM No. 136 dated May 21, 2020, prescribed the Administration’s priorities of saving lives and protecting communities, while providing support to vulnerable groups and stimulating the economy to create jobs and support growth. Given the required scale to efficiently deliver quality services in a timely manner, the national budget is reconfigured to ensure sustained availability of sufficient resources, incorporating multiple funding streams, facilitated by the continued adoption of the Program Convergence Budgeting (PCB) strategy. This allows the grouping of supplementary expenditures for such health emergency into a budgetary envelope earmarked for the response. Tapping available resources through the braid and blend funding strategy shall allow the sustainable implementation of comprehensive programs without losing efficiency while ensuring accountability in the use of the required sizeable funds.

For purposes of discussion of the FY 2021 Budget, the levels presented herein reflect the actual levels for FY 2019, the programmed levels for FY 2020 and the proposed levels for the FY 2021 budget. Some highlights of the intra-year adjustments in the FY 2020 budget on account of the COVID-19 pandemic measures may be mentioned but will not be incorporated in the numbers. However, the FY 2021 proposed budget shall reflect provisions to address the pandemic and for the mitigation of the impact and adaptation to the new normal to ensure economic recovery.

### THE PROPOSED FY 2021 NATIONAL GOVERNMENT FISCAL PROGRAM

The FY 2021 National Budget amounting to P4.506 trillion, is 9.9% higher or P406.0 billion more than the FY 2020 Budget of P4.100 trillion. The low conservative growth is consistent with the policy of keeping the budget deficit within sustainable levels.

While overcoming the adversities arising from the COVID-19 pandemic, the national government continues to observe the strategy of fiscal consolidation. With lower revenue collections prospects estimated at P2.72 trillion due to the weaker economic growth consequent to the measures to contain the COVID-19 virus transmissions, for FY 2021, the national government projected disbursements shall amount to P4.467 trillion. The difference between revenue collections and disbursements or the national government budget deficit is limited to P1.75 trillion, or 8.5% of GDP.

## Sources of Appropriations for the Proposed FY 2021 Budget

The total proposed expenditure program for FY 2021 amounts to P4.506 trillion, computed on a cash basis, covered by the following programmed appropriations:

Particulars	Levels (P Billion)		Increase/ (Decrease)		% of Expenditure Program	
	FY 2020 GAA	FY 2021 Proposed	Amount	Growth (%)	FY 2020 GAA	FY 2021 Proposed
<b>PROGRAMMED APPROPRIATIONS</b>						
<b>Programmed New General Appropriations</b>	<b>2,850.2</b>	<b>3,086.8</b>	<b>236.6</b>	<b>8.3</b>	<b>69.5</b>	<b>68.5</b>
Departments/Agencies	2,382.3	2,633.6	251.3	10.5	58.1	58.4
Others	467.9	453.2	(14.7)	(3.2)	11.4	10.1
<b>Automatic Appropriations</b>	<b>1,249.8</b>	<b>1,419.2</b>	<b>169.4</b>	<b>13.6</b>	<b>30.5</b>	<b>31.5</b>
Departments/Agencies	60.1	67.1	7.0	11.7	1.5	1.5
Others	1,189.7	1,352.1	162.4	13.6	29.0	30.0
<b>TOTAL EXPENDITURE PROGRAM</b>	<b>4,100.0</b>	<b>4,506.00</b>	<b>406.0</b>	<b>9.9</b>	<b>100.0</b>	<b>100.0</b>
Departments/Agencies	2,442.4	2,700.8	258.4	10.6	59.6	59.9
Others	1,657.6	1,805.2	147.6	8.9	40.4	40.1

### New General Appropriations

The annual new general appropriations enacted by Congress is composed of programmed and Unprogrammed Appropriations (UA). While programmed appropriations are available for release upon effectivity of the GAA, whether comprehensively or by specific amounts depending on compliance with budgetary and accounting rules and regulations, UA are not part of the overall expenditure program and remain unreleased unless the conditions of additional or new revenues or loan proceeds become available.

Summary of Proposed New Appropriations, FY 2020-2021 In Billions						
PARTICULARS	Annual General Appropriations		Increase/ (Decrease)		Share of Annual General Appropriations	
	Enacted FY 2020 GAA	Proposed FY 2021 GAA	Amount	Growth (%)	Enacted FY 2020 GAA	Proposed FY 2021 GAA
<b>Total New General Appropriations</b>	<b>3,066.5</b>	<b>3,263.1</b>	<b>196.6</b>	<b>6.4</b>	<b>100.0</b>	<b>100.0</b>
Less : Unprogrammed Appropriations	216.3	176.3	(40.0)	(18.5)	7.1	5.4
<b>Equals: Programmed New Appropriations</b>	<b>2,850.2</b>	<b>3,086.8</b>	<b>236.6</b>	<b>8.3</b>	<b>92.9</b>	<b>94.6</b>

The proposed GAA level of P3.263 trillion for FY 2021 increases by 6.4% over the FY 2020 GAA, while UA are proposed to be reduced by 18.5%. Considering the tight revenue prospects for the coming year, programmed appropriations under the submitted appropriations measure shall be limited to P3.1 trillion. This increases by 8.3% or by P236.6 billion over the FY 2020 GAA level.

For FY 2021, UA amounting to P176.3 billion or 5.4% of the new annual general appropriations represent standby authority to be released only when revenue collections in any one of the identified revenue sources exceed targets per Budget of Expenditures and Sources of Financing (BESF) or when foreign loans or grants are received. About P86.6 billion or almost half of the proposed P176.3 billion UA for FY 2021 are mainly accounted by Support to FAPs (P43.6 billion), Budgetary Support to GOCCs-conversion of advances into subsidy (P28.0 billion), and Risk Management Program (P15.0 billion). UA net of the P43.6 billion for FAPs will amount to P132.7 billion, corresponding to 2.9% of total expenditure program. The sizeable standby-appropriations for FAPs considered the possible approval within FY 2021 of foreign loans to finance priority infrastructure programs. These programs were not included in the proposed programmed national expenditures due to the non-existence of signed loan agreements within the designated cut-off date, i.e., June 1, 2020.

## Automatic Appropriations

For FY 2021, automatically appropriated expenditures or those authorized from automatic appropriations and thus do not require regular annual legislative approval by virtue of their nature and specific enabling laws, amount to P1,419.2 billion or 31.5% of the P4,506.0 billion budget, increasing by P169.4 billion, or by 13.6% over the FY 2020 level. The bulk of this expansion is accounted for by the P80.6 billion increase in interest payments which grows by 17.9%. The breakdown of Automatic Appropriations is as follows:

PARTICULARS	LEVELS (P Billion)		AS PERCENT OF TOTAL AUTOMATIC APPROPRIATIONS		INCREASE/ (DECREASE) 2020-2021		AS PERCENT OF TOTAL BUDGET	
	2020	2021	2020	2021	P Billion	Rate (%)	2020	2021
Internal Revenue Allotment	648.9	695.5	51.9	49.0	46.6	7.2	15.8	15.4
Bangsamoro Block Grant	63.6	71.7	5.1	5.0	8.0	12.6	1.6	1.6
Debt Service-Interest Payment	451.0	531.5	36.1	37.5	80.6	17.9	11.0	11.8
Retirement and Life Insurance Premiums	49.3	56.2	3.9	4.0	6.9	14.0	1.2	1.2
Net Lending	10.0	28.7	0.8	2.0	18.7	187.0	0.2	0.6
Tax Expenditure Fund	14.5	14.5	1.2	1.0	-	-	0.4	0.3
Special Accounts in the General Fund	12.5	21.1	1.0	1.5	8.6	69.2	0.3	0.5
Pension of Ex-Presidents/Spouses (<P0.1B)	0.0	0.0	0.0	0.0	-	-	0.0	0.0
<b>Total</b>	<b>1,249.8</b>	<b>1,419.2</b>	<b>100.0</b>	<b>100.0</b>	<b>169.4</b>	<b>13.6</b>	<b>30.5</b>	<b>31.5</b>

## DIMENSIONS OF THE 2021 BUDGET

Government expenses may be classified in various categories, for purposes of recording, presentation and reporting. Economic or expense classification distributes the budget by expense class or type of expenditure incurred, like salaries, goods and services, interest payment, etc. Functional or sectoral classification identifies expenditure as to the intended purpose or objective. On the other hand, administrative classification segregates the budget according to implementing entity which manages the funds.

### By Expense Class

The main expense classes are Personnel Services (PS), Maintenance and Other Operating Expenses (MOOE), Financial Expenses (FinEx) and Capital Outlays (CO), with proposed allocation broken down as follows:

PARTICULARS	Amount (P Billion)		INCREASE/(DECREASE)		Budget Share (%)	
	2020	2021	Amount	% Growth	2020	2021
Current Operating Expenditure						
Personnel Services	1,184.8	1,316.3	131.5	11.1	28.9	29.2
Maintenance and Other Operating Expenses*	2,085.9	2,237.4	151.5	7.3	50.9	49.7
Sub-Total	3,270.6	3,553.7	283.0	8.7	79.8	78.9
Capital Outlays and Net Lending	829.4	952.3	123.0	14.8	20.2	21.1
<b>TOTAL</b>	<b>4,100.0</b>	<b>4,506.0</b>	<b>406.0</b>	<b>9.9</b>	<b>100.0</b>	<b>100.0</b>

\*Inclusive of Financial Expenses

Relative to budget shares, there are minimal changes from the FY 2020 budget configuration by main expense categories.

The proposed PS allocation of P1,316.3 billion, accounting for 29.2% of the budget, shall cover among others the expanded hiring of health workers under the DOH's Human Resource for Health Program, the implementation of the second tranche of the Salary Standardization Law of 2019, and the increased pension

requirements of military and uniform personnel which includes the pension arrearages due to the FY 2018 suspension of the pension indexation.

Maintenance and other operating expenses continue to account for the largest share of the budget at almost 50%, with P2,237.4 billion allocation, mainly with the inclusion of the government's interest payments on its borrowings (P531.5 billion), the budgetary transfers to Local Government Units (LGUs) totaling P836.0 billion with P695.5 billion from internal revenues, P80.3 billion for BARMM and Block grant, among others. The DA's Rice Programs, the DOH's health banner programs, the OWWA's Adjustment Measures Program are covered with the proposed allocation. The COMELEC's preparatory activities for the conduct of the FY 2022 National and Local Elections likewise account for the sizeable budget proposal for MOOE, with almost P10.0 billion incremental allocation for the purpose.

Consistent with the government's resolve to put the economy on track towards inclusive growth and institutionalize efforts to adapt to health emergencies or other natural or man-made calamities, the proposed P952.3 billion allocation for capital outlays and net lending, increases by P123.0 billion or by 14.8%. These covers programs/projects such as the DOH's Health Facilities Enhancement Program which will be provided P4.7 billion for the purchase of medical equipment and ambulances. The Build, Build, Build Program shall continue to be advanced to promote infrastructure development with its consequent employment multiplier effect, complemented with the Balik Probinsya Program which shall combine to attract private investments in the countryside to further enhance the country's economic recovery prospects. The more than doubling of the net lending provision, from P10.0 billion in FY 2020 to P28.7 billion in FY 2021, is accounted for by the P27 billion provision for the winding down of National Food Authority (NFA) operations pursuant to Rice Liberalization Act for the settlement of its liabilities.

#### By Sector

SECTORS	LEVELS (P Billion)		INCREASE/ DECREASE		BUDGET SHARE (%)	
	2020	2021	in P Billion	%	2020	2021
ECONOMIC SERVICES	1,200.0	1,347.2	147.2	12.3	29.3	29.9
SOCIAL SERVICES	1,495.0	1,663.8	168.8	11.3	36.5	36.9
DEFENSE	197.4	210.6	13.2	6.7	4.8	4.7
GENERAL PUBLIC SERVICES	746.7	724.2	(22.5)	(3.0)	18.2	16.1
DEBT BURDEN	461.0	560.2	99.3	21.5	11.2	12.4
<b>TOTAL</b>	<b>4,100.0</b>	<b>4,506.0</b>	<b>406.0</b>	<b>9.9</b>	<b>100.0</b>	<b>100.0</b>

The sectoral allocation of the FY 2021 budget reflects the Administration's thrust to address the impact of the COVID 19 pandemic and resume the path towards inclusive economic growth.

Social services, with P1.7 trillion allocation, remain the recipient of the largest share with 36.9% of the budget pie. The P168.8 billion incremental allocation over the FY 2020 budget incorporates the funds to be spent to strengthen the country's capacity to address the COVID-19 pandemic. Consistent with the Constitutional mandate, education accounts for 29.9% of the allocation for the social services sector. With the COVID-19 pandemic's impact on the learning and employment landscape, the education sector needs to reformulate the instructional methods as well as to focus on the development of expertise and skills which will be most adaptive to the new normal. Hence, the priority programs under this subsector include, among others, the Universal Access to Quality Tertiary Education (P47.1 billion) through the Free Higher Education, Free Tech-Voc Education and Training, Tertiary Education Subsidy, and Student Loan Programs; DepEd Education Service Contracting for Junior High School and the Senior High School Voucher Programs (P26.3 billion). The Basic Education Learning Continuity Plan is provided P15.2 billion, inclusive of the development of modules for blended learning.

The social services allocation include programs for health system improvement, social health protection through continuing subsidies under the National Health Insurance Program for health insurance premiums of indigent Filipinos amounting to P71.3 billion, the DOH's P16.2 billion allocation under the Medical Assistance to Indigent Patients, to enable poor Filipinos to avail of medical services in government health facilities, and the P16.6 billion allocation for the DOH's Human Resources for Health Program for purposes of expanding deployment of health professionals in critical areas and during health emergencies.

The economic sector's P1.3 trillion allocation will sustain the implementation of the Build, Build, Build Program to ensure that there will be adequate infrastructure base to support business activity for both the industrial and agricultural industries. The DPWH and the DOTr account for the largest shares of the economic sector allocation, with P667.3 billion and P143.6 billion, constituting 14.9% and 3.2% shares respectively. The DPWH's Convergence and Special Support Program is allocated P50.2 billion, covering access roads to airports and seaports as well as to declared tourist sites (P23.9 billion) and to trade, industries and economic zones (P11.6 billion). In the case of DOTr, the Rail Transport Program remains the biggest ticket, with P106.3 billion funding for FY 2021.

General public services ranks third in terms of budget allocation (P724.2 billion) with a 16.1% share of the total budget, mainly for building a more secure and peaceful nation by ensuring the internal security of the country and maintaining public order. The National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) is allocated P19.1 billion to include the implementation of the Barangay Development Program through provision of infrastructure projects and assistance to indigent individuals or families in LGUs in cleared barangays.

Debt burden (interest payments and net lending to be disbursed to the creditors/recipients) is allotted P560.2 billion, or 12.4% of the total FY 2021 budget. This is consistent with the budget deficit target of P1,749.6 billion or 8.5% of GDP. Such increased provision for interest payments, from P451.0 billion in 2020 to P531.5 billion correspond to the borrowings to be availed of to finance the deficit to implement urgent big-ticket programs/projects, with higher interest and foreign exchange rates anticipated. On the other hand, the P28.7 billion net lending provision includes the P27.0 billion requirement for NFA to settle its obligations as it winds down its operations pursuant to the Rice Liberalization Law.

### Recipient Entity

RECIPIENT ENTITY	LEVELS (P Billion)		INCREASE/ (DECREASE)		% of Total Budget	
	2020	2021	in P Billion	%	2020	2021
National Government Agencies	2,658.7	2,950.4	291.8	11.0	64.8	65.5
Local Government Units	782.7	837.8	55.1	7.0	19.1	18.6
Govt-Owned or -Controlled Corporations	207.7	186.2	(21.4)	(10.3)	5.1	4.1
Creditors	451.0	531.5	80.6	17.9	11.0	11.8
<b>TOTAL</b>	<b>4,100.0</b>	<b>4,506.0</b>	<b>406.0</b>	<b>9.9</b>	<b>100.0</b>	<b>100.0</b>

The largest share of the proposed budget for FY 2021, amounting to P2,950.4 billion, or 65.5% of the budget pie, is allocated for the programs/projects/activities being implemented by national government agencies inclusive of transfers from special purpose funds and tax expenditures.

GOCCs are proposed to be allocated P186.2 billion in budgetary support (in terms of subsidies and equity, including conversion of advances into subsidies), comprising 4.1% of the budget. The P21.4 billion reduction or 10.3% contraction in budget allocation for this group of recipients is mainly on account of the completion of the Unconditional Cash Transfer Program in FY 2020 and the completion of some NIA projects.

The proposed allocation to LGUs amounts to P837.8 billion, or 18.6% of the budget. The 7.0% increase over the FY 2020 allocation largely corresponds to the P55.1 billion higher Internal Revenue Allotment (IRA) shares as well as the funding requirements for the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). The automatically appropriated IRA shares amounting to P695.5 billion continues to account for the lion share (83.0%) of the ALGU funds. This will increase to 91.6% when combined with the BARMM block fund of P71.7 billion. The other government transfers to LGUs include P28.7 billion for special shares of LGUs in the proceeds in the national taxes, including fire code fees; P4.4 billion for MMDA and P28.8 billion provision for Local Government Support Fund (LGSF).

For FY 2021, payments to creditors (in terms of interest payments) are proposed to be provided P531.5 billion, increasing by P80.6 billion or by 17.9% over the FY 2020 program. This is attributed to the deficit to be financed in FY 2021, higher borrowing costs due to increased interest rates (2.5-3.5% to 3.0-4.5%) and foreign exchange assumptions (50-52 to 50-54), among others.

## Departments with Highest Agency-Specific Budget Allocations

Out of the P2,700.8 billion proposed budget for departments including automatic appropriations, the top ten highest recipients of the FY 2021 budget allocation account for P2,487.4 billion or 92.1% of the allocation. Their combined budgets comprise 55.2% of the P4,506.0 billion expenditure program.

DEPARTMENT	2020 PROGRAM		2021 PROPOSAL		2020-2021	
	Amount (P Billion)	Rank	Amount (P Billion)	Rank	Amount (P Billion)	% Change
<b>TOTAL NATIONAL BUDGET</b>	<b>4,100.0</b>		<b>4,506.0</b>		<b>406.0</b>	<b>9.9</b>
<b>TOP TEN DEPARTMENTS</b>	<b>2,227.4</b>		<b>2,487.4</b>		<b>260.1</b>	<b>11.7</b>
<i>% of National Budget</i>	<i>54.3</i>		<i>55.2</i>			
<i>% of All Departments</i>	<i>91.2</i>		<i>92.1</i>			
Education (DepEd, SUCs, CHED and TESDA)	692.6	1	754.4	1	61.8	8.9
DPWH	581.7	2	667.3	2	85.6	14.7
DILG	241.6	3	246.1	3	4.5	1.9
DND	192.1	4	209.1	4	17.0	8.8
DSWD	164.0	5	171.2	5	7.2	4.4
DOTr	100.6	7	143.6	6	42.9	42.6
DOH	104.5	6	131.7	7	27.2	26.1
DA	64.7	8	66.4	8	1.7	2.6
Judiciary	41.2	9	43.5	9	2.3	5.6
DOLE	17.9		27.5	10	9.6	53.7
DENR	26.4	10	26.5		0.1	0.4
<b>OTHER DEPARTMENTS</b>	<b>215.0</b>		<b>213.3</b>		<b>(1.7)</b>	<b>(0.8)</b>
<b>REST OF NATIONAL BUDGET</b>	<b>1,657.6</b>		<b>1,805.2</b>		<b>147.6</b>	<b>8.9</b>

With the combined allocation for DepEd, CHED, SUCs and TESDA, the education sector will have the largest budget at P754.4 billion making up 16.7% of the total 2021 budget. To accelerate human capital development by providing learning opportunities to all, the DepEd's budget of P606.5 billion will cover basic education, including the continuous implementation of the K to 12 program. The amount will also be used, among others, to construct classrooms (P12.935 billion); procure school seats/school desks (P4.8 billion); repair and rehabilitate classrooms (P4.706 billion). To further improve the employability of Junior and Senior high school students, the Department of Education (DepEd) is also provided with P2.1 billion for the acquisition of Science and Mathematics equipment and P9.0 billion to fund its Computerization Program.

In addition, tertiary education is proposed to be allotted a total budget of P121.3 billion disaggregated into P68.5 billion for State Universities and Colleges (SUCs), P50.9 billion budget for Commission on Higher Education (CHED) and P13.7 billion budget for Technical Education and Skills Development Authority (TESDA). To support the Administration's pilot program on education, Universal Access to Quality Tertiary Education (UAQTE), the amount of P44.2 billion is proposed to be released to the CHED while P2.91 billion will be allocated to TESDA.

Coming at 2<sup>nd</sup> and 6<sup>th</sup> places are infrastructure departments, DPWH (P667.3 billion) and DOTr (P143.6 billion), respectively. These amounts will provide connectivity for all Filipinos and for the implementation of major projects of the Administration's ambitious Build, Build, Build Program. The bulk of the allocation for DOTr will be spent for rail transport program to fund its various railway projects, air transport program to improve airports in terms of safety and on-time performance, and sea transport to provide convenient and affordable sea transportation.

Out of the DPWH budget, some P64.2 billion is for the construction of by-passes and diversion roads with P34.9 billion is allocated for the construction of missing links and new roads. The flood management program has an allocation of P125.9 billion. Also, an amount of P11.6 billion is allocated for the construction/improvement of access roads leading to trade, industries and economic zones and P23.9 billion for construction or improvement of access roads leading to declared tourism destinations.

Other major infrastructure investments under the Build, Build, Build Program for 2021 include the P34.6 billion Metro Manila Subway Project Phase 1, which is the first subway of the country; the P58.6 billion North-South Commuter Railway System, the consolidated PNR North 1 (Tutuban – Malolos) formerly North-South Commuter Railway Project Phase I and PNR South Commuter (Solis – Los Baños) formerly North – South Rail Project Phase II; the P3.1 billion Metro Rail Transit 3 Rehabilitation; and the P3.0 billion PNR South Long Haul Railway.

The DILG is to be allotted P246.1 billion, the 3<sup>rd</sup> highest allocation for a department tasked to help public safety, efficient delivery of public goods and services at the local level and strengthening peace and order efforts. The P4.5 billion increase over the FY 2021 budget is allocated for the creation of positions for BFP, BJMP and PNP; construction of jail buildings/facilities; provision of Information and Communications Technology projects, among others.

To provide a secure, orderly and safe environment conducive to social and economic development, the DND is likewise provided P209.1 billion, ranking 4<sup>th</sup> among the top ten departments. This budget is allocated to strengthen and support the operational requirements of military units, the provision for the procurement of military hardware for its modernization program and training support for its various personnel.

The DSWD, coming in 5<sup>th</sup> position, with its proposed budget of P171.2 billion, will implement the P113.8 billion Pantawid Pamilyang Pilipino Program (4Ps) that will provide cash grants to extremely poor households. The P3.7 billion will be allocated for the supplementary feeding program of day-care children. The said budget for DSWD will protect Filipino individuals and families against situations that threaten their quality of life while ensuring that these will give them self-sufficiency and confidence.

The DOH's P131.7 billion budget, ranked 7<sup>th</sup> among the top ten departments, is an assurance of the commitment to make available health services to the poor. Some P17.3 billion of the budget will be allocated to provide medical assistance to Indigent Patients. Furthermore, a total of P7.7 billion will be earmarked to cover the full immunization of children. Further, to provide immunization against the COVID-19 virus, the amount of P2.5 billion will be provided to procure the necessary COVID-19 vaccines.

The P66.4 billion proposed DA budget (ranked 8<sup>th</sup>) is aimed at increasing rice production and fishing output (commercial, municipal and aquaculture) and sustain the sector's strong performance while ensuring continued food security for all Filipinos. The DA is also expected to ensure that farmers are protected, amidst recent developments in the agricultural sector. The amount of P10.0 billion is earmarked for the Rice Competitiveness Enhancement Fund (RCEF) in accordance with Republic Act No. 11203 "An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice, and for Other Purposes". The RCEF will be used to provide farmers tools and equipment, assistance in the production, promotion, and distribution of certified rice seeds, upgrading of post-harvest storage facilities, credit assistance, irrigation support, and research and development support. Further, P10.3 billion is allocated for Farm-to-Market Roads (FMRs) that can increase local trade and productivity, reduce transportation costs of farm input and output, and minimize post-harvest losses. It connects farms and coastal areas to main roads, hence promoting agro-tourism.

In pursuit of the Administration's support to improve access to justice with a peaceful and inclusive societies founded on the principles of good governance and the rule of law, The Judiciary with a proposed budget of P43.5 billion ranked 9<sup>th</sup> among the top ten agencies.

The DOLE ranked 10<sup>th</sup> with P27.5 billion proposed budget allotted to promote employment opportunities, maintain industrial peace and to protect workers' welfare. Further, DOLE incorporated programs to address the impact of the COVID-19 pandemic which includes P10.5 billion for the Livelihood and Emergency Program which encompasses the Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers (TUPAD) and Government Internship Program; OWWA's P2.5 billion for financial assistance to onsite OFW and repatriated OFWs (Balik Manggagawa) as well as the DOLE-OWWA's Emergency Repatriation Program which will be allocated P6.15B to provide airport assistance, temporary shelter, and other service including transport services/allowance to their hometowns.

The details of the budgets of Departments and Special Purpose Funds are presented in the following tables:

Table 1	-	Summary of Proposed New Appropriations by Department, FY 2020-2021 (Inclusive of Automatic Appropriations)
Table 2	-	Summary of Proposed Special Purpose Funds, by Appropriation Source, FY 2020-2021
Table 3	-	Summary of Unprogrammed Appropriations for FY 2021, By Expense Class



**Table 1**  
**Summary of Proposed New Appropriations by Department, 2020-2021**  
**In Thousand Pesos**

Departments/Agencies	FY 2020 GAA	FY 2021 Proposed (Inclusive of Automatic Appropriations)	FY 2021 Proposed (Net of Automatic Appropriations)
Congress of the Philippines	27,322,701	24,942,756	24,347,699
Office of the President	8,250,182	8,238,691	8,186,079
Office of the Vice-President	708,019	679,739	670,948
Agrarian Reform	9,526,342	8,850,769	8,435,092
Agriculture	64,676,405	66,381,875	63,964,033
Budget and Management	2,331,352	1,908,137	1,837,942
Education	554,213,312	606,474,623	568,659,859
State Universities and Colleges	77,351,897	83,313,279	79,162,179
Energy	2,336,639	2,149,334	1,384,564
Environment and Natural Resources	26,443,689	26,542,047	25,553,356
Finance	19,974,461	17,475,911	16,012,306
Foreign Affairs	24,366,186	22,092,670	21,881,507
Health	104,493,263	131,721,390	127,774,956
Human Settlements and Urban Development	893,061	632,601	606,477
Information and Communications Technology	11,344,458	10,928,725	8,139,746
Interior and Local Government	241,572,570	246,109,992	244,309,293
Justice	23,465,112	24,081,461	22,572,447
Labor and Employment	17,907,698	27,531,446	27,010,678
National Defense	192,056,644	209,051,681	208,705,354
Public Works and Highways	581,674,912	667,324,243	666,474,289
Science and Technology	20,523,615	23,890,979	23,619,023
Social Welfare and Development	164,022,505	171,221,255	170,990,835
Tourism	4,057,580	3,841,209	3,789,861
Trade and Industry	21,355,387	20,593,817	20,162,352
Transportation	100,648,823	143,561,720	143,109,854
National Economic and Dev. Authority	12,132,306	10,982,618	10,746,783
Presidential Communications Operations Office	1,757,722	1,587,825	1,519,495
Other Executive Offices	61,762,823	60,816,415	58,452,333
Joint-Executive-Legislative Council	4,643	4,160	3,860
The Judiciary	41,233,143	43,545,160	42,343,899
Civil Service Commission	1,792,069	1,881,434	1,780,305
Commission on Audit	13,086,106	13,567,536	12,915,156
Commission on Elections	4,043,226	14,565,258	14,344,897
Office of the Ombudsman	4,105,784	3,363,323	3,297,917
Commission on Human Rights	963,625	900,651	857,098
<b>Total Programmed Appropriations</b>	<b>2,442,398,260</b>	<b>2,700,754,730</b>	<b>2,633,622,472</b>

**TABLE 2****Summary of Proposed Special Purpose Funds, by Appropriation Source, FY 2020-2021  
(In Thousand Pesos)**

Particulars	FY 2020 GAA	FY 2021 Proposed (Inclusive of Automatic Appropriations)	FY 2021 Proposed (Net of Automatic Appropriations)
Budgetary Support to Government Corporations	197,664,373	157,540,339	147,364,734
Allocations to LGUs	70,144,489	70,631,107	70,625,811
Share in Proceeds of Taxes	29,093,329	28,269,833	28,269,833
Barangay Officials Death Benefits Fund	50,000	50,000	50,000
Local Government Support Fund	28,852,461	28,836,019	28,836,019
Share in the Proceeds of Fire Code Fees	365,463	458,580	458,580
Bangsamoro Autonomous Region in Muslim Mindanao	7,000,000	8,613,514	8,613,514
Special Development Fund	5,000,000	5,000,000	5,000,000
Share in Internal Revenue Taxes	2,000,000	3,613,514	3,613,514
Metro Manila Development Authority	4,783,236	4,403,161	4,397,865
Contingent Fund	13,000,000	13,000,000	13,000,000
Miscellaneous Personnel Benefits Fund	56,578,765	29,273,591	29,273,591
National Disaster Risk Reduction Management Fund	16,000,000	20,000,000	20,000,000
Pension and Gratuity Fund	116,194,791	172,893,651	172,893,651
<b>Subtotal SPFs in GAA</b>	<b>469,582,418</b>	<b>463,338,688</b>	<b>453,157,787</b>
Interest Payments	450,964,000	531,544,000	531,544,000
Internal Revenue Allotment	648,921,246	695,492,749	695,492,749
ALGU-BARMM	63,634,076	71,669,833	71,669,833
Net Lending	10,000,000	28,700,000	28,700,000
RLIP	-	-	56,245,626
Special Account	-	-	21,067,053
Pension	-	-	480
Tax Expenditure Fund	14,500,000	14,500,000	14,500,000
			-
<b>Subtotal SPFs Automatically Appropriated</b>	<b>1,188,019,322</b>	<b>1,341,906,582</b>	<b>1,419,219,741</b>
<b>TOTAL SPFs</b>	<b>1,657,601,740</b>	<b>1,805,245,270</b>	<b>1,872,377,528</b>

**TABLE 3**  
**Summary of Unprogrammed Appropriations for FY 2021, By Expense Class**  
(In Thousand Pesos)

PURPOSE	PS	MOOE	CO	TOTAL
1 Support for Infrastructure Projects and Social Programs	-	8,612,366	19,078,305	27,690,671
2 AFP Modernization Program			5,000,000	5,000,000
3 Budgetary Support to Government-Owned and/or -Controlled Corporations		27,964,815		27,964,815
4 Support to Foreign-Assisted Projects		6,590,905	37,003,260	43,594,165
5 Risk Management Program		15,000,000		15,000,000
6 Payment of Arrears of LTO-IT Service		2,000,000		2,000,000
7 Refund of the Service Development Fee for the Right to Develop the Nampaidai Property in Tokyo, Japan		210,579		210,579
8 Prior Years' LGU Shares		14,623		14,623
9 Bangko Sentral ng Pilipinas (BSP) Equity Infusion pursuant to RA 11211			10,000,000	10,000,000
10 Health Facilities Enhancement Program			5,518,411	5,518,411
11 For Payment of Personnel Benefits	3,000,000			3,000,000
12 Prior Year's BARMM Shares		333,382		333,382
13 Social Protection Programs due to COVID-19 Pandemic		10,108,114		10,108,114
14 Basic Education Facilities			3,849,540	3,849,540
15 Government Assistance and Subsidies - Voucher Program for Private Senior High School (per RA No. 10533)		10,531,284		10,531,284
16 Last Mile Schools Program			6,500,000	6,500,000
17 Flexible Learning Options		5,000,000		5,000,000
<b>TOTAL</b>	<b>3,000,000</b>	<b>86,366,068</b>	<b>86,949,516</b>	<b>176,315,584</b>

## **FY 2021 NATIONAL EXPENDITURE PROGRAM**

**Sec. 1. Appropriation of funds.** The amount of Three Trillion, Two Hundred Sixty Three Billion, Ninety Five Million Eight Hundred Forty Three Thousand Pesos (P3,263,095,843,000) is hereby appropriated out of any funds in the National Treasury of the Philippines not otherwise appropriated, for the operation of the Government of the Republic of the Philippines from January One to December Thirty One, Two Thousand and Twenty One, except where otherwise specifically provided herein:

Said amounts shall be disbursed and utilized only for the purposes authorized under Volume Nos I to III and subject to the General and Special Provisions in this Act.