

# PEOPLE'S BUDGET

# 2017



Republic of the Philippines  
**DEPARTMENT OF BUDGET AND MANAGEMENT**

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## FOREWORD



**W**hen President Rodrigo Roa Duterte signed into law the General Appropriations Act (GAA) embodying the Php 3.350 trillion National Budget of the Philippine Government for 2017, he used four compound words to describe this first budget of his Administration - pro-people, pro-investment, pro-growth, and pro-development.

The significance of these words is not in their parallel construction that makes for good rhetoric, but in the impact on the lives of the people when these four ideals - which on occasion can work against each other and result in counter-productivity - authentically describe and are truly present in the programs and projects.

As the first budget of the Duterte Administration, this 2017 National Budget sets the tone and pace for the next six years. It defines the priorities of the government that will be seriously pursued, in order to realize the leadership’s pledge and commitment to the people. It underscores the goals that will direct the course leading the nation to change - REAL change that makes a felt and lasting positive difference in the people’s lives.

Thus, we see in this 2017 People’s Budget, presented by the Department of Budget and Management (DBM) in a clear, concise and comprehensible format, a budget that is genuinely for and by the people, focused on the following aspirations:

### ■ Pro-People

The 2017 budget ensures that programs are in place to directly benefit the most underprivileged sectors, with social services receiving the largest share of the budget at 40.3 percent. Believing that the Filipino people are its greatest resource, the Administration makes human capital investment a top priority, increasing the budget for education by 31.6 percent, and the budget for health by 19.2 percent, from their 2016 levels. Social protection of the most vulnerable families is guaranteed by an allocation of Php 166.4 billion for social services and cash transfers.

### ■ Pro-Investment

The government aims to invest heavily in infrastructure and capital outlays, earmarking 23.1 percent of the total 2017 budget, especially focused on the improvement of road networks, transportation and communications. It will also provide support for economic programs to develop an enabling business environment to boost investments and productivity, especially in rural regions. Anchored on its O+10 socioeconomic agenda, the Administration targets to raise the country’s overall competitiveness by reducing criminality and improving the ease of doing business.

### ■ Pro-Growth

In a bold and unprecedented move to further spark economic momentum, spending for growth-enhancing infrastructure projects under the 2017 budget is targeted at 5.3 percent of GDP, compared to only an average of 2.9 percent since 2010. Public-private partnerships will also play a key role in the growth realization. And, to assure that the growth will not be disrupted or eroded by safety and security issues, the government has increased by 11 percent the budget for peace and order.

### ■ Pro-Development

Focused on nationwide progress through countryside development, the 2017 budget will fuel rural and value chain development toward increasing agricultural and rural enterprise productivity and rural tourism. Enhancement of the inherent innovative and creative capacity of Filipinos is the goal of the budget aimed at fostering the advancement of science, technology, as well as the creative arts for inclusive and sustainable development.

The foundation for the successful implementation of this 2017 National Budget, of course, lies in the judicious pursuit of a fiscal program anchored on governance and budget reforms, which are well-defined by the Administration.

Our aim is to achieve a robust, sustainable and equitable growth of between 6.5 to 7.5 percent beginning 2017, and slashing poverty incidence by 1.25 to 1.5 percentage points annually. This could lead to our ultimate goal of rewarding our people with the real change they have sought and clamored for, supported by an honest and compassionate government.

**BENJAMIN E. DIOKNO**  
Secretary

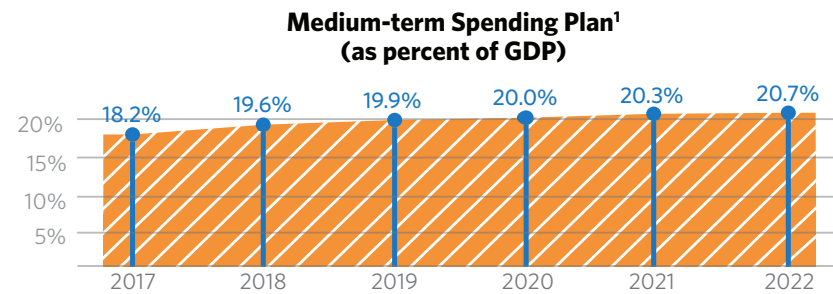
# A BUDGET FOR REAL CHANGE

The 2017 Budget embodies the Duterte Administration's resolve to effectively bring about REAL and lasting change. It was crafted with participation from the people and a strong commitment by the government to invest in their future.



In sustaining the country's growth momentum, the government commits to adhere to its fair fiscal policy. This includes:

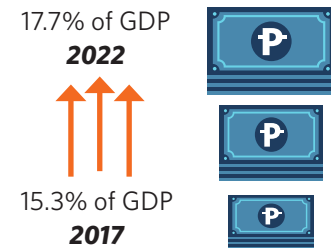
Increasing government spending levels by an average growth rate of 13.0 percent from 2017 to 2022, to achieve the medium-term spending plan of 20.7 percent of GDP by 2022



<sup>1</sup>Refers to disbursements

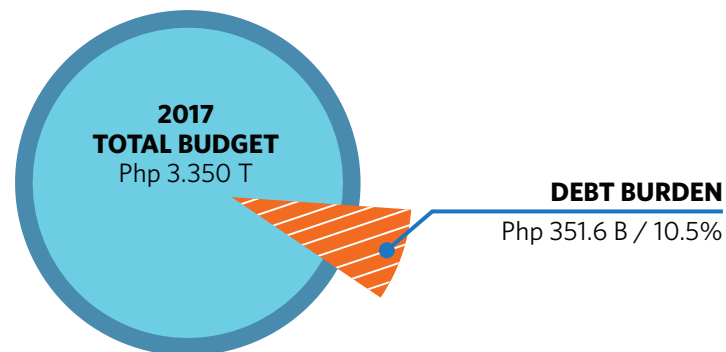
Improving revenue collections through a proposed comprehensive tax reform package

The tax reform package will raise the revenue effort from 15.3 percent of GDP in 2017 to 17.7 percent of GDP in 2022.<sup>2</sup>



<sup>2</sup>Consistent with the 189<sup>th</sup> DBCC Meeting held on 20 December 2016

Reducing the share of debt burden in the budget from 14.0 percent in 2016 to only 10.5 percent in 2017



## Credible Budgets

What you see is EXACTLY what you get. This is one of the overriding principles of the FY 2017 Budget under President Duterte. A credible budget means that what has been appropriated by Congress should be spent and implemented accordingly. Moves to address underspending by some government agencies have likewise been put in place to improve program/project implementation.



General Appropriations Act (GAA) as the Allotment Order

This means that the budgets of agencies are already considered comprehensively released upon the effectivity of the GAA, except for those items identified for conditional implementation.



24/7 construction work for major infrastructure projects



Simplification of the IRR of the Government Procurement Reform Law



Strengthening project monitoring

Implementation of the Public Financial Management (PFM) Reform Program

## Achieving Equitable Prosperity

Ultimately, the FY 2017 budget seeks to attain economic growth with equity for every Filipino by increasing expenditures on social and economic services, such as health, education, social welfare, and agriculture. These, in particular, fund key infrastructure investments across the country to provide employment opportunities and spread the benefits of growth to poverty-stricken regions.

## Allocations for Selected Subsectors of Economic and Social Services, 2015-2017 (in billion Pesos)

Year	Expenditure Levels	Health	Agriculture, Agrarian Reform and Natural Resources	Social Security, Welfare and Employment	Education, Culture and Manpower Development	Infrastructure
2015	2,606.0	164.0	86.6	143.8	375.2	575.7
2016	3,001.8	245.8	93.7	125.4	508.5	756.4
<b>2017</b>	<b>3,350.0</b>	<b>258.2</b>	<b>93.2</b>	<b>143.5</b>	<b>667.4</b>	<b>847.2</b>

## Governance and Budget Reforms

To keep the people's trust in government, the Duterte Administration commits to pursue the following governance and budget reforms:

Passage of the Budget Reform Act to curb abuses and mismanagement of the country's spending plan—even when President Duterte's term of office ends

Pension reform for the military and uniformed personnel to address a looming pension fund crisis

Rightsizing of the government for better services

Tapping of local government units as able partners in national development

**Php 19.4 B** Assistance to Disadvantaged Municipalities to fund core local access roads, evacuation facilities, potable water supply, and small water impounding projects

**Php 18.0 B** Conditional Matching Grant to Provinces for the repair, rehabilitation and improvement of provincial roads nationwide

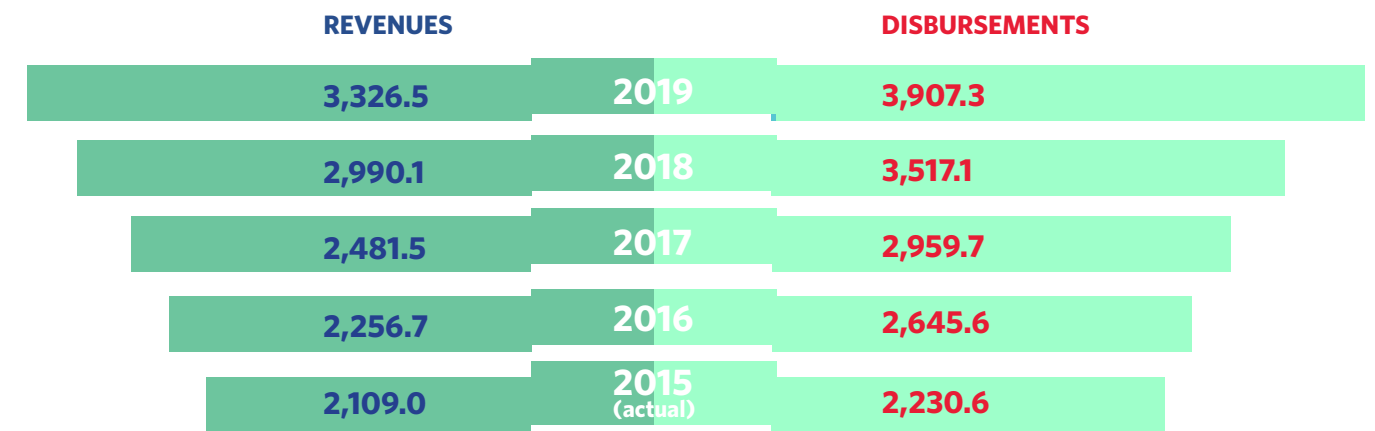
# FINANCING THE BUDGET



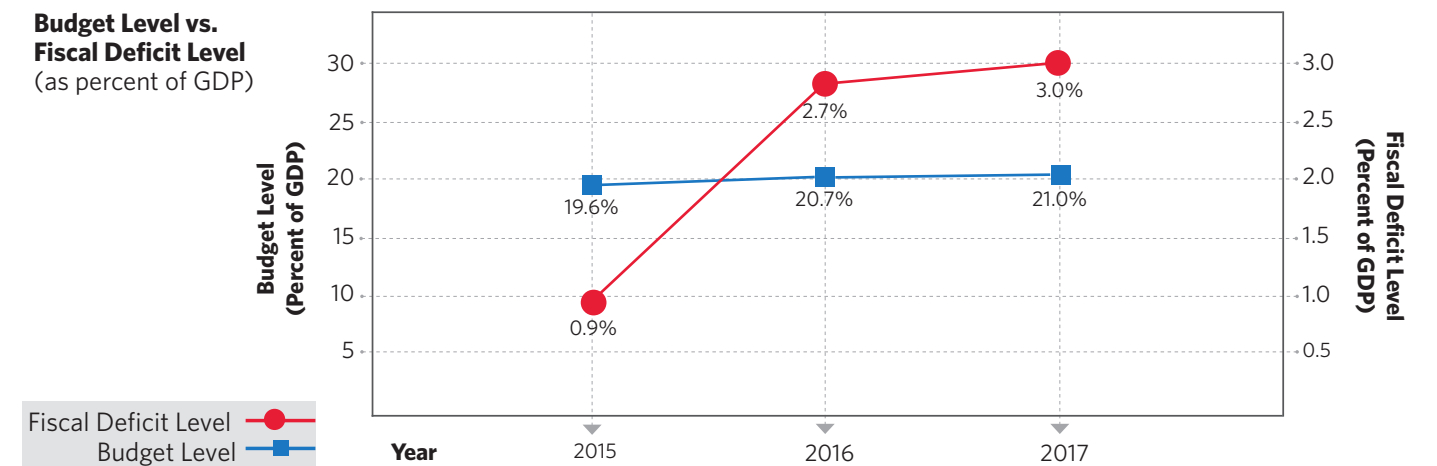
## THE FISCAL PROGRAM

The Duterte Administration aims to pump-prime the economy through its planned expansionary spending in the medium-term. For 2017, the slight increase in the deficit level from 2.0 percent to 3.0 percent of GDP represents increased investments in basic social services and labor-intensive infrastructure, and will sustain the country's growth momentum.

The Fiscal Program, 2015-2019\*  
(in billion Pesos)



Budget Level vs. Fiscal Deficit Level  
(as percent of GDP)



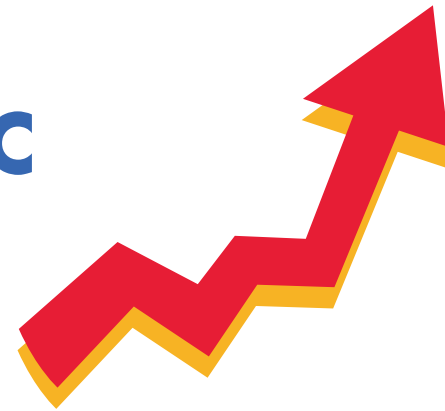
### Why do we have to incur a deficit?

The government runs on a deficit because it is spending more than what it is able to collect in the form of revenues. Deficit spending is not bad if it is sustainable, stimulates the economy, and increases productivity. Borrowed funds should be invested in:

- Programs that improve the welfare of the people such as education, health, and social services; and
- Infrastructure projects that can attract foreign investments and create jobs.

\* Data for 2016 - 2019 are based on 2017 BESF forecasts

# BUDGET SENSITIVITY TO MACROECONOMIC PARAMETERS



The Php 3.35-trillion 2017 Budget is based on realistic macroeconomic fiscal assumptions. In particular, revenues and expenditures account for fluctuations vis-a-vis the following macroeconomic indicators:

**Fiscal Sensitivity to Key Macroeconomic Indicators, 2016-2017**  
(in billion Pesos per annum)

Particulars	Revenues		Disbursements		Budget Balance <sup>1/</sup>	
	2016	2017	2016	2017	2016	2017
1 percentage point increase in real GDP growth	21.6	19.3			21.6	19.3
1 percentage point increase in inflation rate	20.8	18.4			20.8	18.4
1 percentage point increase in merchandise imports	4.3	3.7			4.3	3.7
1 percentage point increase in interest rates	0.6	0.5	3.2	3.2	-2.6	-2.7
1 percentage point increase in London Interbank Offered Rates (180 Days)			4.2	4.6	-4.2	-4.6
1 Peso depreciation in foreign exchange rate	10.5	9.2	2.1	2.0	8.4	7.2

<sup>1/</sup> A negative figure in the budget balance means an increase in deficit.

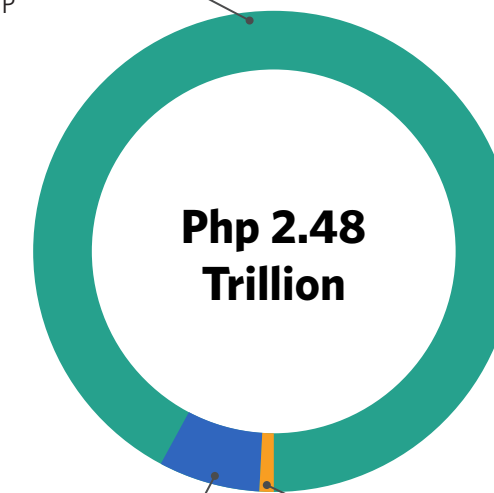
# REVENUES

The government needs to fund the budget with the income it generates. For 2017, revenue collections are targeted to reach Php 2.48 trillion, or 15.6 percent of GDP. The amount represents a 10 percent increase from the 2016 level of Php 2.26 trillion.

Government revenues usually come in the form of taxes, fees and charges, income from operations and privatization proceeds, among others.

## Tax Revenues

Php 2,313 B / 14.5% of GDP



## Non-Tax Revenues

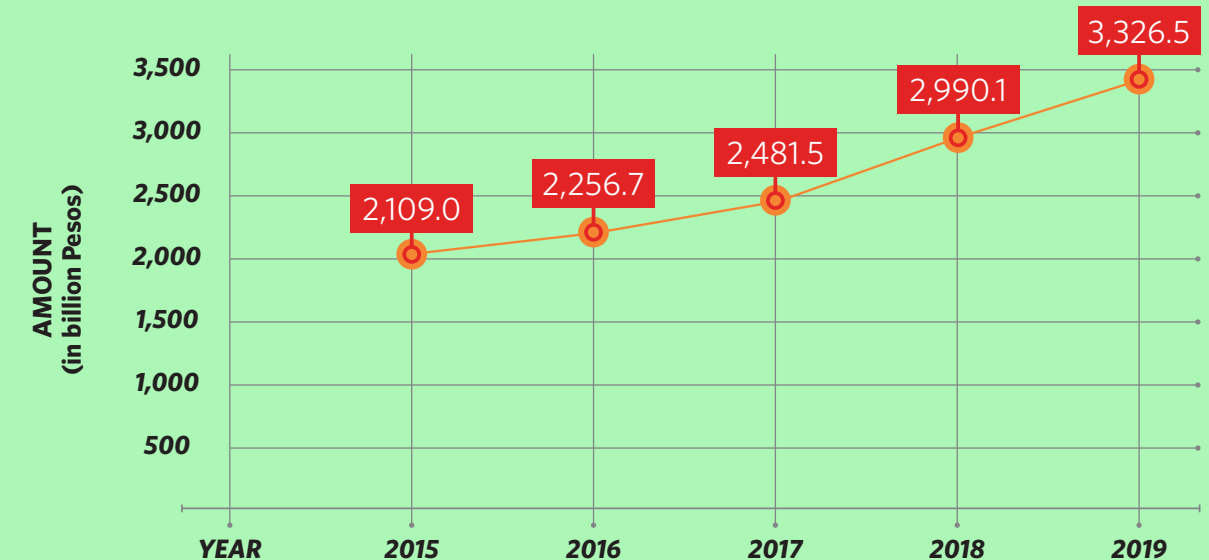
Php 166.5 B / 1.0% of GDP

The Duterte Administration expects revenues to increase by 11 to 12 percent a year to reach Php 4.68 trillion or 18.1 percent of GDP by 2022. To achieve this, the Administration is pushing a comprehensive package of tax reforms to raise the government's tax effort to be at par with ASEAN countries. The proposed tax measures will lighten the burden of taxes on the poor and the middle class, simplify the confusing tax system and raise its efficiency.

## Privatization

Php 2.0 B / Negligible Share of GDP

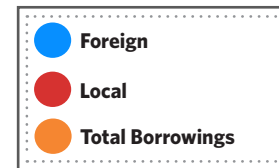
## Total Revenues, 2015-2019\*



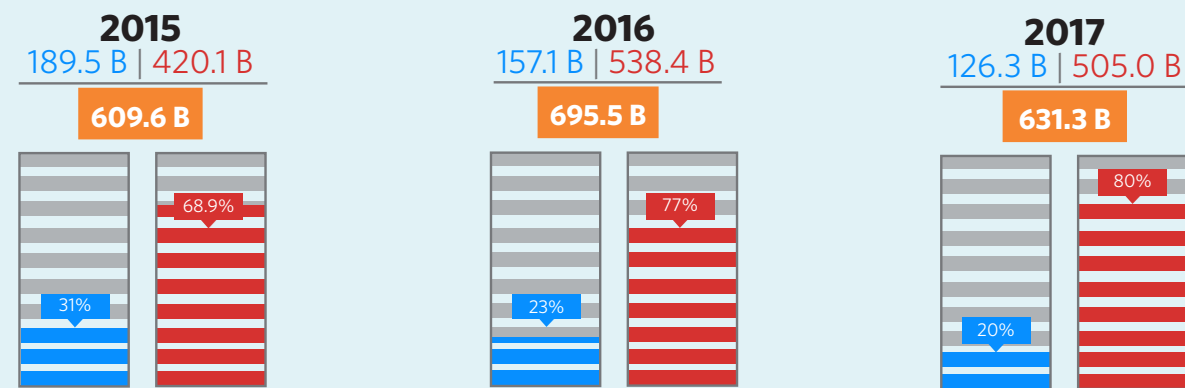
\* Data for 2016 - 2019 are based on 2017 BESF forecasts

# FISCAL DEFICIT AND BORROWINGS

The government runs on a deficit spending of about 3.0 percent of GDP. To finance this, it has to borrow some Php 631 billion from local and foreign sources.



## Borrowing Requirements (in billion Pesos)

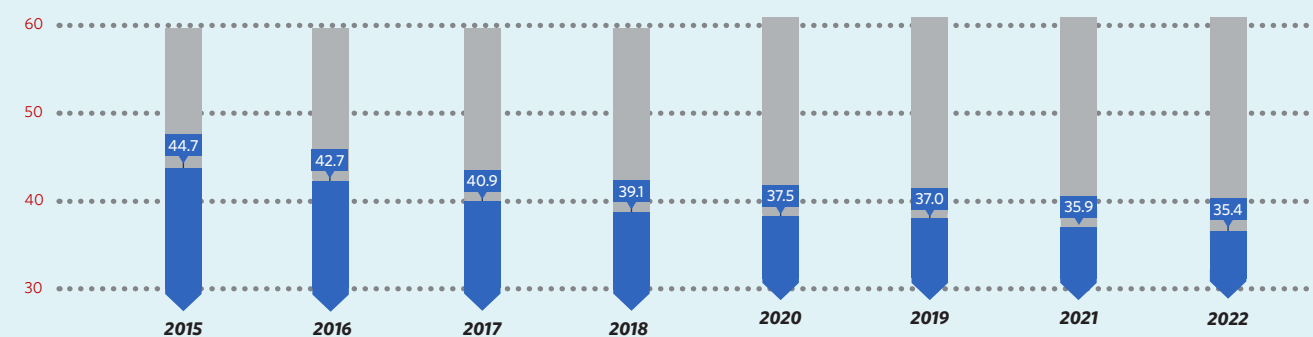


As a precautionary measure, the Duterte Administration will finance 80 percent of its total borrowings from domestic sources, while the remaining 20 percent will come from foreign sources to avoid possible shocks amidst prevailing global economic uncertainties.

## How much deficit and debt is too much?

The answer really depends on the nature of the deficit spending. Deficit spending should be sustainable for the economy. It should be invested in capital assets such as road networks, airports and seaports, so that not only the present but also the future generations will reap the benefits of such investments. The government managed to bring down the national government debt level to a high of 52.4 percent of GDP in 2010 to safer levels of 44.7 percent of GDP by end-2015. The plan is to bring it down further by 2022 and to invest the borrowings in productive assets to help the economy grow further.

## Debt as a Percentage of GDP, 2015-2022



Sources: DBM, DBCC

# COMPARISON OF THE FY 2017 GAA VS. THE PROPOSED EXECUTIVE BUDGET

The Congress-approved budget maintains the total spending program of the government amounting to Php 3.35 trillion.

BY SECTOR	NEP* (in billion Pesos)	GAA** (in billion Pesos)	INCREASE/ (DECREASE)
Social Services	1,344.8	1,351.4	6.6
Economic Services	924.0	922.9	(1.1)
Defense	147.8	148.7	0.9
General Public Services	581.8	575.4	(6.4)
Debt Burden	351.6	351.6	0.0
<b>TOTAL</b>	<b>3,350.0</b>	<b>3,350.0</b> (may exceed)	<b>0.0</b>
<b>BY DEPARTMENT/AGENCY</b>			
Departments	2,007.8	2,028.4	20.6
Special Purpose Funds	1,342.2	1,321.6	(20.6)
<b>TOTAL</b>	<b>3,350.0</b>	<b>3,350.0</b>	<b>0.0</b>
<b>BY EXPENSE CLASS</b>			
Personnel Services	997.0	990.5	(6.5)
Infrastructure and Other Capital Outlays	780.5	773.3	(7.2)
Maintenance Expenditures	531.0	536.4	5.4
Allocation to LGUs	558.5	560.0	1.5
Support to GOCCs	131.4	138.2	6.8
Debt Burden	351.6	351.6	0.0
<b>TOTAL</b>	<b>3,350.0</b>	<b>3,350.0</b> (may exceed)	<b>0.0</b>

\* The National Expenditure Program (NEP) or the proposed Executive Budget contains the details of the proposed spending for each department and agency, and is submitted to Congress for approval.

\*\* The General Appropriations Act (GAA) refers to the approved budget of the national government.

Upon signing the 2017 Budget on 22 December 2016, President Duterte exercised his Constitutionally mandated power to veto certain changes made by Congress in the Executive-proposed spending program. Key veto items include:

PROVISIONS	RATIONALE/AFFECTED AGENCIES
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### DIRECT VETO

Direct use of income by some agencies not authorized by a separate substantive law	The special provisions authorizing the Energy Regulatory Commission, COMELEC, DOLE, DA and Bureau of Immigration to directly use their income without a separate substantive law as basis are considered riders
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### CONDITIONAL IMPLEMENTATION

Availability of appropriations one fiscal year after the end of the year in which such items were appropriated	Agencies should obligate allotments not later than December 31, 2017 to promote fiscal discipline
Free tuition fees for undergraduate courses and tuition fee subsidies for the Doctor of Medicine Program	Pending relevant guidelines to be issued by the DBM and CHED, priority should still be given to financially disadvantaged but academically able students
Rationalization of Scholarship Programs in Higher Education	The CHED and DBM, in coordination with various stakeholders, are directed to ensure that the existing scholarship programs are rationalized with the provision of free tuition fees and tuition fee subsidies
Availability of appropriations and year-end cash balances until fully spent	Congress and COA should join the executive to champion shared fiscal responsibility. Unreleased appropriations and unobligated allotments authorized in the GAA should revert to the general fund at the end of the validity of the appropriations and shall be available for expenditure only upon subsequent legislative enactment
Rice Subsidy for Military and Uniformed Personnel	Directing the DND and the DILG to ensure that this grant is received by military and uniformed personnel in a timely and efficient manner

### Curiosity: What are the types of veto actions by the President?

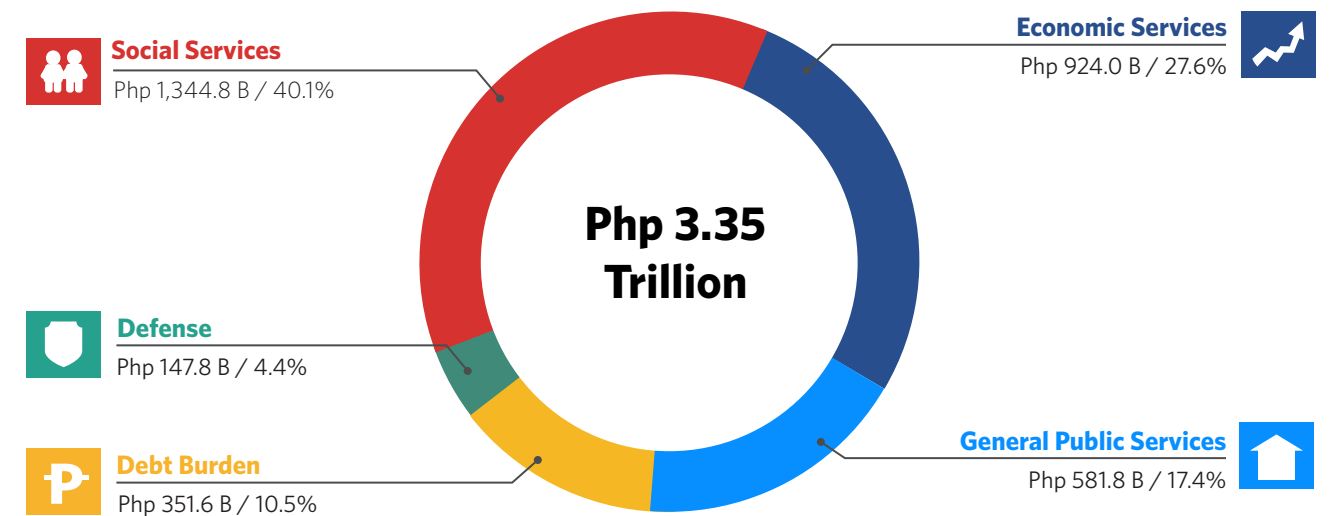
A	B	C	D
<b>Direct Veto</b> Renders the provision inoperative, as if not written in the GAA	<b>Conditional Implementation</b> Specifies conditions in the implementation of a provision	<b>General Observation</b> Clarifies how a provision is to be implemented	<b>Adoption</b> Makes the inserted proviso or provision effective and applicable in the release of funds

# BUDGET DIMENSIONS

## By Sectoral Allocation\*

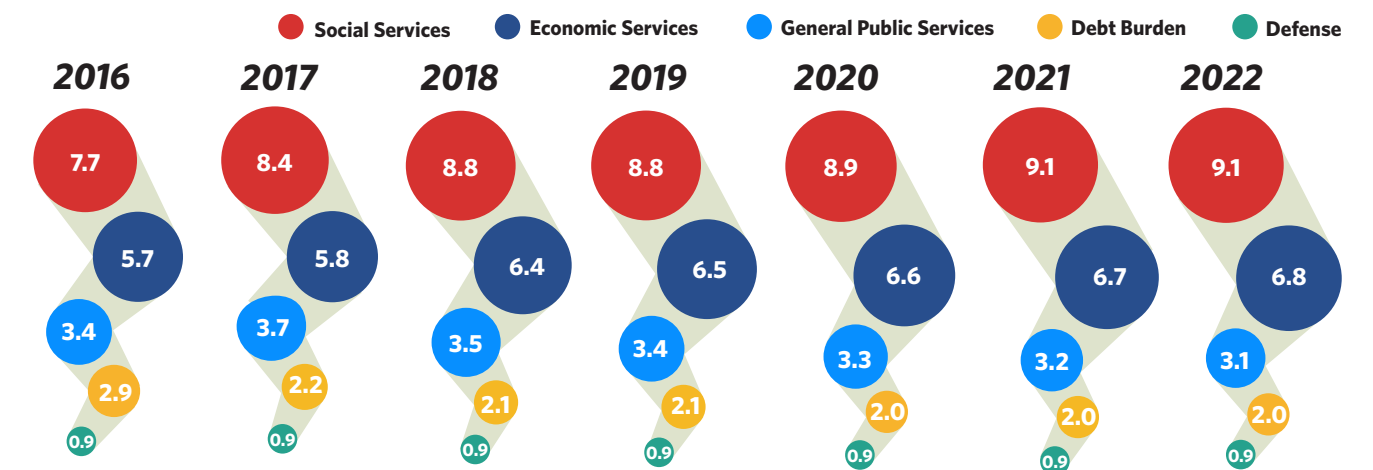
The FY 2017 budget leans towards programs that directly benefit the poorest sectors. The social services sector receives the largest share of the budget with 40.3 percent, followed by the economic services sector (27.6 percent), and the general public services sector (17.2 percent). Our debt burden has a 10.5 percent share, while defense has a 4.4 percent share.

### Percentage Share of Sectors to Total Budget



Allocation for the social services sector has increased substantially from 7.7 percent of GDP (Php 1,119.8 billion) in 2016 to 8.4 percent (Php 1,344.8 billion) in 2017 - and is expected to further expand to 9.1 percent of GDP by 2022. Likewise, spending for economic services will rise from 5.7 percent of GDP in 2016 to 6.8 percent by 2022. Share of debt payments will decline as a percent of GDP.

### Sectoral Allocations 2016-2022, as a percent of GDP

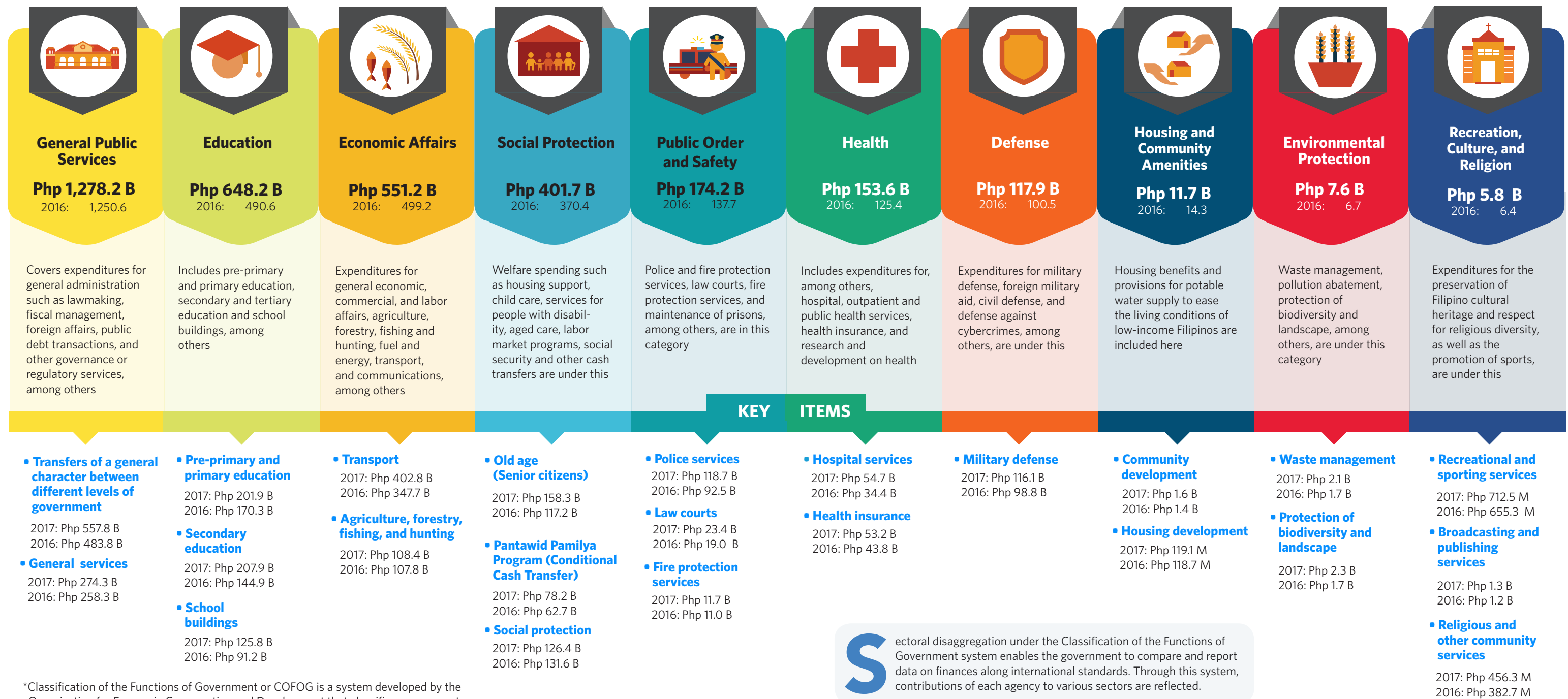


\*/ Using the Old/Traditional Method

# BUDGET DIMENSIONS

By Sector (Using COFOG\*)

Share of Sectors to Total Budget (in billion Pesos)



\*Classification of the Functions of Government or COFOG is a system developed by the Organisation for Economic Co-operation and Development that classifies government expenditures into ten divisions based on their purpose. Each division is further split into various categories.

**S**ectoral disaggregation under the Classification of the Functions of Government system enables the government to compare and report data on finances along international standards. Through this system, contributions of each agency to various sectors are reflected.



# BUDGET DIMENSIONS

By Expense Class

## Personnel Services 2017: Php 990.5 B, 29.6%

Represents the salaries and other compensation of civil servants. The amount is 22 percent higher than 2016 to fund, among others, requirements for the second of four tranches of the salary increase of government workers, including the grant of additional allowance for military and uniformed personnel.

## Infrastructure and Capital Outlays 2017: Php 773.3 B, 23.1%

Funds the basic facilities such as transportation and communications, including the acquisition of fixed assets and other goods and services that contribute to productivity. The amount is Php 117 billion higher than the 2016 level of Php 656.3 billion to build more roads, health facilities, and school buildings.

The 2017 Budget invests heavily in infrastructure and capital outlays with Php 773.3 billion, or 23.1 percent of the total budget. Personnel Services (PS), on the other hand, accounts for 29.6 percent, or Php 990.5 billion. Other items include Maintenance Expenditures, Allocation to LGUs, Support to Government-Owned and/or -Controlled Corporations (GOCCs), and Debt Burden.

## Allocation to LGUs 2017: Php 560.0 B, 16.7%

Consists primarily of the Internal Revenue Allotment and Special Shares of LGUs to National Taxes. Compared to 2016, it is 15.3 percent higher mainly due to the 108.4 percent increase in funding for the Local Government Support Fund (LGSF) intended to assist LGUs, particularly disadvantaged municipalities.

## Debt Burden 2017: Php 351.6 B, 10.5%

Represents allocations for interest payments and net lending. This item continues to decline. It is 3.5 percent below the 14.0 percent share in 2016.

## Support to GOCCs 2017: Php 138.2 B, 4.1%

Amounts to P138.2 billion in terms of equity and subsidy, or a 4.1 percent share of the total budget. This is 31.3 percent higher than the 2016 allocation due to the transfer of the health insurance premiums for indigents from the DOH to the Philippine Health Insurance Corporation.

## Maintenance Expenditures 2017: Php 536.4 B, 16%

Supports the delivery of government services (e.g., larger funding for conditional cash transfer, education and health services), regular operations of agencies (e.g., training and seminar expenses, water, and electricity), and other maintenance and operating requirements.

# BUDGET DIMENSIONS

BY DEPARTMENT AND SPF (in billion Pesos)

DEPARTMENTS	2016	2017	% Increase
Congress of the Philippines	13.88	15.44	11.2
Office of the President	2.86	20.21	606.6
Office of the Vice-President	0.50	0.43	(14.0)
Department of Agrarian Reform	10.39	10.14	(2.4)
Department of Agriculture	48.94	45.95	(6.1)
Department of Budget and Management	1.42	1.48	4.2
Department of Education	433.38	568.44	31.2
State Universities and Colleges	49.66	61.44	23.7
Department of Energy	1.87	2.66	42.2
Department of Environment and Natural Resources	22.27	27.35	22.8
Department of Finance	20.22	23.17	14.6
Department of Foreign Affairs	20.77	16.72	(19.5)
Department of Health	124.95	98.40	(21.2)
Department of the Interior and Local Government	125.39	149.36	19.1
Department of Information and Communications Technology	-----	3.59	-----
Department of Justice	13.78	16.56	20.2
Department of Labor and Employment	18.77	11.73	(37.5)
Department of National Defense	117.73	137.44	16.7
Department of Public Works and Highways	397.10	467.66	17.8
Department of Science and Technology	18.22	20.96	15.0
Department of Social Welfare and Development	110.91	128.41	15.8
Department of Tourism	3.64	2.56	(29.7)
Department of Trade and Industry	4.30	4.83	12.3
Department of Transportation	-----	55.70	-----
Department of Transportation and Communications	44.29	-----	-----
National Economic and Development Authority	5.79	5.44	(6.0)
Presidential Communications Operations Office	1.25	1.37	9.6
Other Executive Offices	20.45	45.95	124.7
Autonomous Region in Muslim Mindanao	29.41	33.47	13.8
Joint Legislative-Executive Development Council	2.9 m	3.3 m	13.8
The Judiciary	26.79	32.77	22.3
Civil Service Commission	1.32	1.43	8.3
Commission on Audit	9.33	10.96	17.5
Commissions on Elections	16.16	3.32	(79.4)
Office of the Ombudsman	2.06	2.29	11.2
Commission on Human Rights	0.46	0.75	63.0
<b>SPECIAL PURPOSE FUNDS</b>			
Budgetary Support to Government Corporations	131.75	154.93	17.6
Allocation to Local Government Units	485.83	560.04	15.3
Customs Duties & Taxes, Incl. Tax Expenditures	25.48	19.50	(23.5)
Debt Service Fund-Interest Payments	392.80	334.88	(14.7)
National Disaster Risk Reduction and Management Fund	38.90	15.76	(59.5)
Contingent Fund	2.50	5.50	120.0
Miscellaneous Personal Benefits Fund	96.26	89.10	(7.4)
Pension and Gratuity Fund	109.97	141.92	29.1
<b>GRAND TOTAL</b>	<b>3,001.80</b>	<b>3,350.00</b>	<b>11.6</b>

Note: May not sum up due to rounding off

# BUDGET DIMENSIONS

By Region

## LUZON



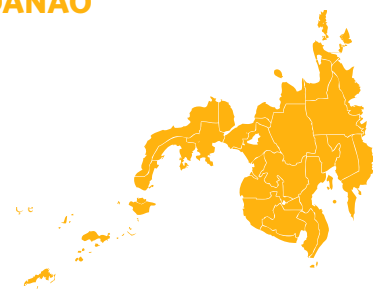
	Budget	Per Capita Allocation
2017 :	Php 718.0 B	Php 16,102
2016 :	Php 628.3 B	Php 13,803

## VISAYAS



2017 :	Php 328.7 B	Php 21,976
2016 :	Php 298.3 B	Php 14,916

## MINDANAO



2017 :	Php 416.5 B	Php 17,257
2016 :	Php 396.9 B	Php 15,919

## NATIONAL CAPITAL REGION



2017 :	Php 536.6 B	Php 41,674
2016 :	Php 445.7 B	Php 34,856

2015: Actual Population as of August 1, 2001, PSA, Census of Population

Some Php 2.0 trillion, or about 59.7 percent, of the total Php 3.35 trillion budget is directly allocated to the regions to accelerate rural and urban development in the countryside. The amount is 13 percent higher compared with the 2016 allocation of Php 1.77 trillion, assuring the regions of their rightful share in the national budget.

## Distribution of the Regionalized Budget

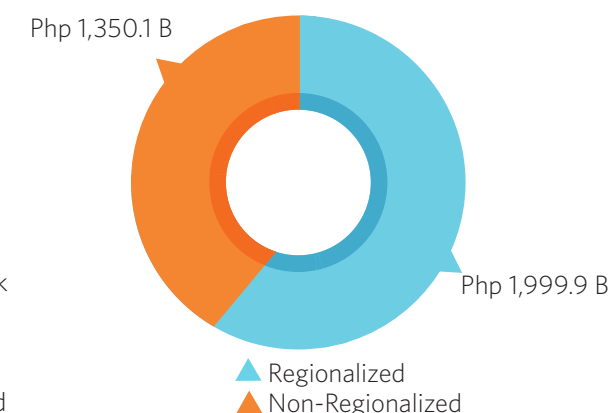
Region	2017 Allocation	Region	2017 Allocation
Region I	Php 91.23 B	Region IX	Php 77.61 B
CAR	Php 45.62 B	Region X	Php 83.19 B
Region II	Php 72.05 B	Region XI	Php 76.41 B
Region III	Php 161.72 B	Region XII	Php 82.47 B
Region IV-A	Php 170.62 B	CARAGA	Php 56.77 B
Region IV-B	Php 66.84 B	ARMM	Php 40.04 B
Region V	Php 109.94 B	Region VIII	Php 96.54 B
Region VI	Php 119.33 B		
Region VII	Php 112.88 B		

## Non-Regionalized Budget, FY 2017

The non-regionalized budget consists of nationwide and central office allocations:

**Nationwide** - Refers to allocations to be distributed from the departments/agencies to multi-users of special purpose funds such as the Allocation to Local Government Units, Pension and Gratuity Fund and National Disaster Risk Reduction and Management Fund

**Central Office** - Pertains to allocations being managed by the Head Office for the departments/agencies and Debt Service Fund



# TOP 10 DEPARTMENTS

The budgets of the top 10 departments comprise 50.8 percent of the 2017 Budget, compared with 48.1 percent in 2016. The Department of Education will receive the largest increase to support its K-to-12 Program. The budget of the Department of Agriculture, on the other hand, has decreased because of completed projects and the reduced requirements of the foreign-assisted Philippine Rural Development Project. The lower allocation for the Department of Health is due to the transfer of its National Health Insurance Program to PhilHealth.



	2016 Budget	2017 Budget
<b>Total</b>	<b>1,444.9 B</b>	<b>1,701.8 B</b>
% Share of the total Budget	48.1%	50.8%

# OFF-BUDGET ACCOUNTS

Off-budget accounts are revenues or spending that are not accounted for in the national budget. However, like all public funds, they are still subject to scrutiny by the Commission on Audit. About 78.3 percent, or Php 48.98 billion, of the total Php 62.54 billion estimated retained revenues of selected government agencies through off-budget accounts will be used to fund or augment certain expenditures authorized by law.

## Off-Budget Accounts, 2017 (in million Pesos)



<b>TOTAL:</b>	Retained Revenue	<b>62,535.1</b>
	Amount to be spent	<b>48,976.6</b>

# KEY FEATURES OF THE NATIONAL BUDGET

IN SUPPORT OF THE PHILIPPINE DEVELOPMENT PLAN 2017-2022

## 1. Enhancing the Social Fabric ("Malasakit")



## 2. Reducing Inequality in Economic Development Opportunities ("Pagbabago")



## 3. Increasing Potential for Growth ("Kaunlaran")



## 4. Promoting an Enabling and Supportive Environment



## 5. Foundations for Inclusive and Sustainable Development



# 1 ENHANCING THE SOCIAL FABRIC ("MALASAKIT")



## Citizen-centered, Clean and Efficient Delivery of Public Goods and Services



The FY 2017 Budget incorporates provisions to ensure a responsive and transparent public sector by implementing governance reforms, promoting participation and assuring public access to information.

Targets include:

Php 3.0 billion budget of the Department of Information and Communications Technology includes a provision for Technology for Education (Tech4ED) which brings government and other ICT-enabled activities to the unserved and underserved communities

500 additional Tech4ED centers by end of 2017

Development of the Budget and Treasury Management System (BTMS) as an initial step towards a government integrated financial management information system

2017: Go live for BTMS portal, Budget Execution, Cash Management, Budget Management modules

Proportion of national government agencies (NGAs) under the Executive Branch with Freedom of Information (FOI) Manuals achieved

2017: 100% (185 NGAs and GOCCs)  
2016: 71% (131 NGAs and GOCCs)

## Promoting Philippine Culture and Values



### Harnessing the Creative Arts

In support of the growth of the creative industries, the government provides allocations to promote culture and the arts.



**Php 838 M** for the Cultural Center of the Philippines to fund the construction of the Artists' Center and the New Performing Arts Theatre, up by 50 percent from its 2016 allocation of Php 557 million



**Php 95 M** for the Design Center of the Philippines to promote good design and innovation among SMEs and strengthen the country's design industry



**Php 131 M** for the Philippine High School for the Arts to develop artistically gifted and talented students, up by 28.5 percent from its 2016 level of Php 102 million



## Swift and Fair Administration of Justice



The FY 2017 Budget is anchored on the government's resolve to achieve its end goal of a coordinated delivery of justice that is swift, fair and real-time.

To ensure the effective administration of justice, Php 16.6 billion is allocated to the Department of Justice, representing a 20.2 percent increase from the 2016 level of Php 13.8 billion. Key deliverables include:

#### Rule of Law

- 325,000 criminal complaints to be investigated and resolved by prosecutors
- 75% prosecutions with favorable judgments
- 17,000 requests for legal services to be acted upon



For 2017, the Judiciary receives a 22.4 percent increase, or Php 6.0 billion, from Php 26.8 billion in 2016 to Php 32.8 billion to fund, among others:



- Php 1.1 B** Enterprise Information System Plan to establish eCourts that involves a court-wide use of ICT in both adjudicative and non-adjudicative functions. eCourts minimize several discretion points and manual interventions along the lifecycle of a case, thereby enhancing fairness and transparency.
- 207,791 cases to be resolved/decided by Regional Trial Courts
- 41,857 cases to be resolved/decided by Child and Family Courts

## 2 REDUCING INEQUALITY IN ECONOMIC DEVELOPMENT OPPORTUNITIES ("PAGBABAGO")

### Expanding Economic Opportunities in Industry



The Philippines' growing MSME sector is seen as a key driver of economic growth. With a budget of Php 4.8 billion for 2017, a 12.2 percent increase from its 2016 allocation, the Department of Trade and Industry (DTI) commits to support MSMEs through its various programs and projects.



**Php 530 million** is allotted to establish 150 additional Negosyo Centers, maintain the existing 118 centers, and assist a total of 15,000 MSMEs.

The Negosyo Centers aim to promote ease of doing business and facilitate access to services among MSMEs.



**Php 211 million** is provided for the Bamboo Industry Development Project, Livelihood Seeding Program, and One Town One Product (OTOP): Next Generation to encourage entrepreneurship and generate more jobs.



**Php 70 million** is allocated for the Shared Service Facilities Program to enhance the productivity and competitiveness of MSMEs and address bottlenecks in the industry cluster.



**Php 1.0 billion** is earmarked under the Small Business Corporation, which is on top of the DTI's budget, for the *Pondo sa Pagbabago at Pag-asenso* Program to provide loans at almost no interest to microenterprises.



### Expanding Opportunities in Services

To maximize the benefits to the people of sectors such as tourism and business process outsourcing, where the country has an inherent advantage:

**Php 12.3 billion**

is allotted for the Tourism Road Infrastructure Program to construct, rehabilitate, upgrade, and repair roads and bridges leading to tourist destinations as identified in the National Tourism Development Program.

**Php 2.4 billion**

is for the skills training of 322,000 enrollees and 289,800 graduates under the Training for Work Scholarship Program (TWSP), which includes scholarship vouchers on business process outsourcing, construction and tourism, among others.

# Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries



The Duterte Administration allots Php 108.4 billion budget for agriculture, forestry, and fishery, of which Php 96.1 billion is intended to fund agricultural development. This sector targets most importantly the increased productivity of farmers and fisherfolk, and the expansion of the contribution of our forests to economic development through diversified products such as plywood, biofuel, paper and bamboo.



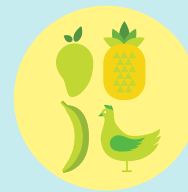
### Php 45.95 B

is for the Department of Agriculture (DA) to fund R&D, market development, credit support services, as well as the construction and rehabilitation of 541 km of farm-to-market roads.



### Php 561 M

is for the Rice Research and Development Program of the Philippine Rice Research Institute.



### Php 18.9 B

is for the DA's National Programs on Rice, Corn, High Value Crops Development, Organic Agriculture and Livestock to increase the production of major crops with export potential (such as banana, pineapple, mango, cacao, coffee and rubber), livestock (such as hog and chicken), and *bangus*.



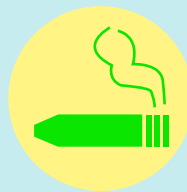
### Php 1.4 B

is for the Philippine Coconut Authority to increase the average annual income per hectare of coconut farmers from Php 20,000 to Php 40,000 in 2017.



### Php 1.4 B

is for the Sugar Regulatory Administration to assist sugar farmers increase their sugar production from 2.23 MT to 2.3 MT in 2017.



### Php 386 M

is for the implementation of programs supporting our tobacco growers.



### Php 38.4 B

is for the National Irrigation Administration for the construction, maintenance, rehabilitation and repair of irrigation facilities.

**Farmer beneficiaries:** 1.1 million  
**Irrigated areas:**



Dry season: 886,067 hectares



Wet season: 977,496 hectares



### Php 2.5 B

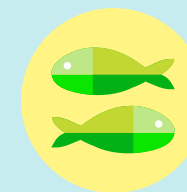
is for crop insurance services under the Philippine Crop Insurance Corporation to cover 921,770 subsistence farmers and fisherfolk.



### Php 5.1 B

is for the National Food Authority to fund the Food Security Program, including the importation of around 10% of the projected rice needs of the country.

Volume (in metric tons)	2015	2016	2017
Volume of Palay Production (DA)	18.15 M MT	17.63 M MT	20.79 M MT
Volume of Palay Procurement (NFA)	219,800 MT	211,292 MT	291,945 MT



### Php 4.1 B

is for the National Fisheries Program to increase, among others, total production of fishery commodities for food security such as *tilapia*, milkfish and sardines from 1,079,351 MT in 2016 to 1,092,000 MT in 2017.



### Php 225 M

is for the Philippine Fisheries Development Authority to construct, rehabilitate and improve fish ports.



### Php 200 M

is for the implementation of the Herd Build-up Program, Dairy Enterprise Development Program, and Market Development Program of the National Dairy Authority.



### Php 259 M

is for the Forest Product Development Institute to fund, among others, provisions for forest research and development, and the rehabilitation of its facilities on biomass energy, and pulp and paper.

### FAST FACT

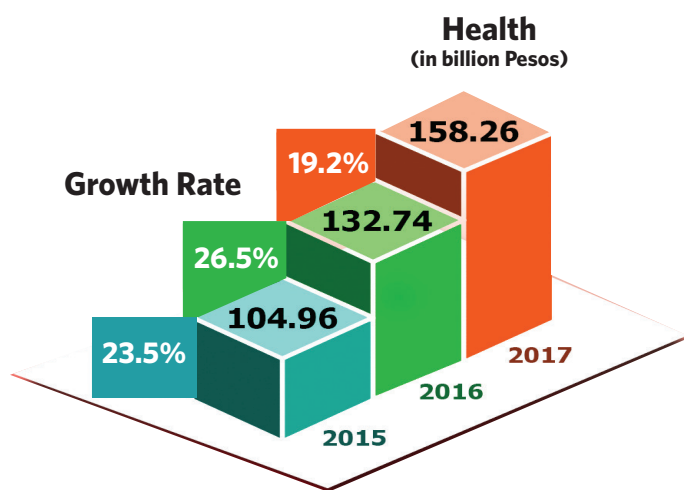
The 2017 GAA requires the DENR to allocate a portion of its Php 3.0-billion National Greening Program for bamboo, coconut and mangrove reforestations which are important for traditional use and livelihood of indigenous peoples and local communities.



# Reducing Inequality in Opportunities for Human Development - Nutrition and Health



Consistent with the government's commitment to invest in human capital and support the Filipinos' desire to stay healthy, a budget of Php 158.3 billion is provided for the health sector, a 19.2 percent increase over the 2016 level.



## Preventive and Promotive Health Programs

Php 98.40 billion, or almost two-thirds of the total health sector budget, will be implemented by the Department of Health. This amount represents a 21.4 percent increase over its 2016 level of Php 81.06 billion. The major programs supported are:



**Health Human Resource Program (Php 7.8 B)** to hire health personnel to ensure the delivery of basic health services especially in hard to reach areas



**Early Childhood Care and Development Program (Php 294 M)** under the National Nutrition Council to cover 100 percent of the 9.3 million children under five years given essential vitamins and minerals



**National Immunization Program (Php 7.1 B)** to cover the full immunization of 2.4 million children nationwide from vaccine-preventable diseases such as diphtheria, measles, and rubella (German measles)



**Other Infectious Diseases Program (Php 1.969 B)** to reduce the public health impact of infectious diseases, and strengthen preparedness and response to emerging and re-emerging infectious diseases



**Tuberculosis Control Program (Php 1.3 B)** to ensure a treatment success rate of 90%

## Health Facilities Enhancement Program



The Health Facilities Enhancement Program (HFEP) receives Php 24.2 billion:

**Php 11.5 billion**

to purchase hospital equipment for government health care facilities to be constructed, upgraded or expanded

**Php 12.7 billion**

to construct, upgrade, expand, rehabilitate and repair barangay health stations, rural health units, LGU hospitals and drug rehabilitation centers, among others

## National Health Insurance Program



The National Health Insurance Program (NHIP) receives Php 53.2 billion to ensure that low income individuals stay healthy and will be productive in their work, resulting in higher income opportunities. This allocation particularly targets the poorest of the poor, including those from the informal sector and the senior citizens:

**15.5 M**

indigent families identified under the National Household Targeting System

**5.5 M**

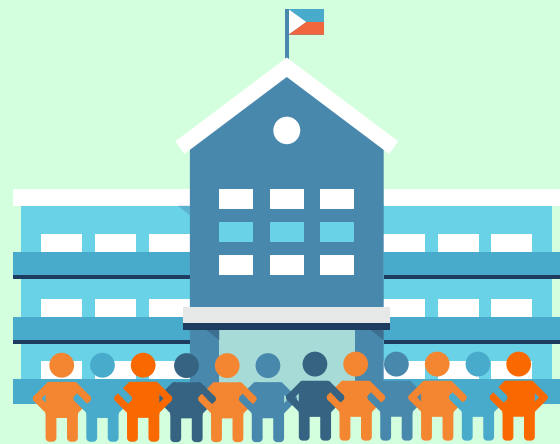
poor senior citizens

**48,221**

PAYapa at MASaganang PamayaNAn (PAMANA) beneficiaries



# Reducing Inequality in Opportunities for Human Development - Education



## BASIC EDUCATION

With **Php 568.4 billion**, the Department of Education gets the biggest share of the budget allocated to executive departments to fund programs and projects for 21.9 million students. This amount is 31.1 percent higher than last year's Php 433.4 billion.

Full implementation of the K to 12 program requires additional educational inputs such as:

### Manpower

2017: Php 19.4 B  
2016: Php 16.9 B  
↑ by 14.8%

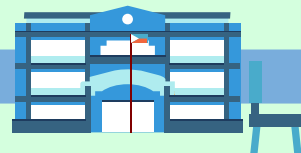


To fund the creation of:

- 53,831 teaching positions
- 13,280 non-teaching positions for public elementary and high schools

### Facilities

2017: Php 118.8 B  
2016: Php 82.3 B  
↑ by 44.3%



To fund the construction/purchase of:

- 47,492 classrooms
- 69,106 sets of school furniture for some 2.9 million students

### Learning Resources

2017: Php 14.4 B  
2016: Php 13.5 B  
↑ by 6.7%



To fund the procurement of:

- 55M textbooks and instructional materials
- Science and mathematics equipment for 8,833 schools
- 30,697 computer packages for the ICT program

**P**roviding more opportunities for the public to access quality education and improving overall learning conditions in schools are government priorities this year.

To realize these, the budget of the education sector, at all levels, has been substantially increased. Some Php 663.2 billion has been given to the sector, higher by 31.6 percent than last year's Php 503.8 billion.

### 2017 Targets of the DepEd

	Baseline (2015)	2017 Targets
<b>Net Enrolment Rate Increase</b>		
Kindergarten	53%	72%
Elementary	90%	94%
Junior High School (HS)	68%	73%
<b>Cohort Survival Rate* Increase</b>		
Elementary	88%	93%
Junior HS	81%	82%

\* Refers to the percentage of students enrolling at the beginning grade or year in a given school year to the number of students who reach the final grade or year of the elementary/secondary level (Philippine Statistics Authority, 2016)

## TERTIARY EDUCATION

Investing in human capital creates a dynamic and competent workforce that can lead to achieving the nation's development goals. The government promotes formal and non-formal education to the public and ensures that these are accessible to everyone, especially to those who cannot afford it.



Hence, SUCs gets **Php 61.4 billion** this year, a 23.5 percent increase from last year's Php 49.7 billion.

- Expanded Students' Grants-in-Aid Program for Poverty Alleviation to 38,719 student beneficiaries

Php 2.4 B



Php 3.6 B

Php 8 B

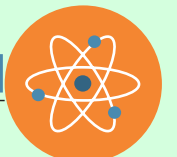
Php 6 B

Likewise, CHED receives **Php 19.6 billion**, a 102.1 percent increase from last year's Php 9.7 billion.

- Student Financial Assistance Programs to benefit 463,000 students
- Tuition fee assistance to students under the Provision for Higher Education Support Program
- K to 12 Transition program to cover graduate studies of 8,726 scholars, development grants for 1,883 faculty members, and 125 beneficiaries for institutional grants

Also, some **Php 2.95 billion** is allotted for the development of programs on innovative approaches in Science education and the democratization of undergraduate S&T scholarships through the Science Education Institute of DOST.

Php 2.95 B



## TECHNICAL-VOCATIONAL EDUCATION



The Technical Education and Skills Development Authority (TESDA) leads in achieving a highly skilled, world-class workforce fit for the industries.

To provide relevant programs and training activities, TESDA receives **Php 6.8 billion** this year.

Php 908 M



For community-based specialty training of 66,561 beneficiaries to find employment depending on the needs of their community



# Building Resiliency of Individuals and Families



The government places a premium on providing benefits to targeted individuals and households to help them cope with circumstances that threaten their welfare. For 2017, social protection receives Php 166.4 billion to provide assistance in the form of social services (e.g., housing support, social pension, community-driven development, aged care, and sustainable livelihood programs), and other cash transfers.

## Conditional Cash Transfer Program



The Conditional Cash Transfer (CCT) Program, otherwise known as the Pantawid Pamilyang Pilipino Program (4Ps), receives Php 78.2 billion. It is 61 percent of the total allocation for social protection. The amount is Php 15.5 billion, or 24.7 percent higher than the Php 62.7 billion provision in 2016.

## 4Ps Beneficiaries



**4,402,253 households**

Regular 4Ps [covers vulnerable families captured by the National Household Targeting System for Poverty Reduction (NHTS-PR)\*]

**218,377 households**

Modified 4Ps (includes itinerant, home street families, indigenous peoples, and families in need of special protection)

**Php 23.4 B**

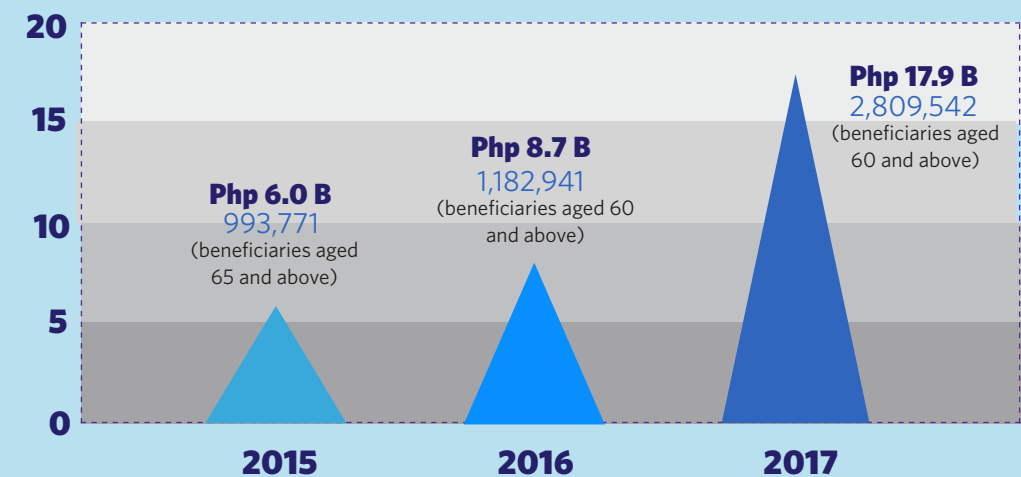
Provision for rice allowance to 3 million eligible CCT beneficiaries (20 kilos of rice per month for eligible households for 12 months)

\*The NHTS-PR is an information management system used by DSWD to identify who and where the poor are in the country.

## Social Pension for Indigent Senior Citizens



To address old-age poverty, some Php 17.9 billion is allocated for the Social Pension for Indigent Senior Citizens covering all indigent senior citizens aged 60 and above.



## Community-driven Development

The Php 10.2-billion budget for the Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Service (KALAHY-CIDSS) Program seeks to empower communities by involving them in the design, implementation and management of their own development activities that aim to reduce poverty.

For 2017, KALAHY-CIDSS targets to cover 15 regions; 58 provinces; 781 municipalities; and 18,506 barangays.

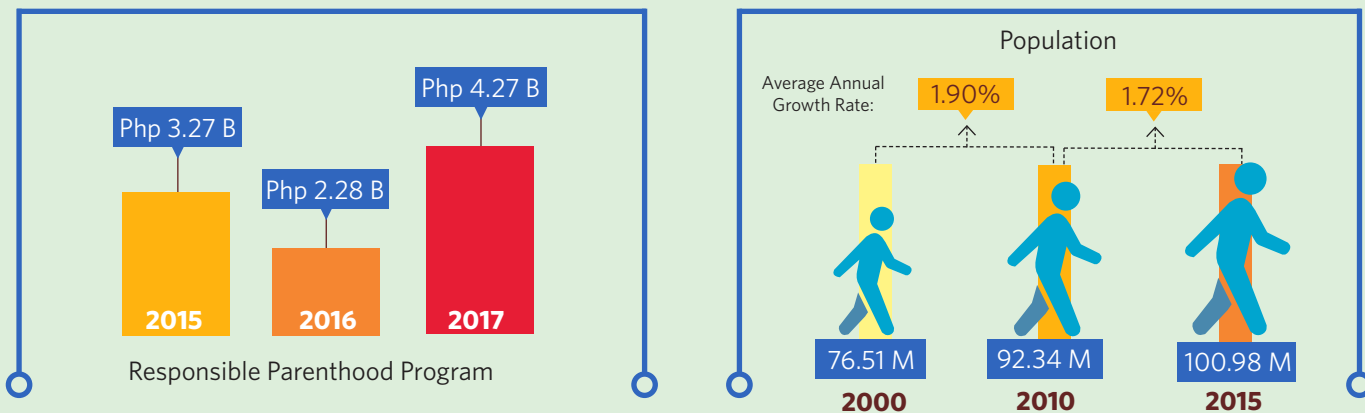


# 3 INCREASING POTENTIAL FOR GROWTH ("KAUNLARAN")

## Maximizing the Demographic Dividend

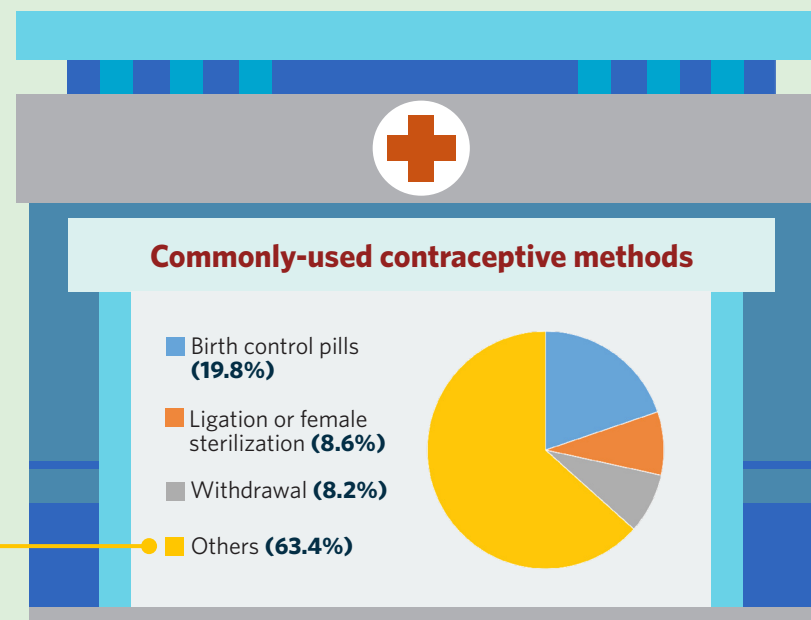
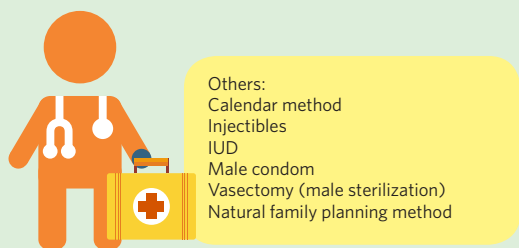


**F**or 2017, the Php 4.27-billion budget for the Responsible Parenthood Program represents an increase of 87 percent, or almost Php 2.0 billion over its 2016 level of Php 2.28 billion.



The Population Commission defines Responsible Parenthood as "the will and ability of parents to respond to the needs and aspirations of the family and children. It is a shared responsibility of the husband and the wife to determine and achieve the desired number, spacing, and timing of their children according to their own family life aspirations, taking into account psychological preparedness, health status, socio-cultural, and economic concerns."

**T**he Php 423 million budget of the Commission on Population is aimed at increasing the percentage of presently married women of reproductive age (15-19) using any method of contraception - also called the contraceptive prevalence rate - from its baseline figure of 49 percent to 60 percent in 2017.



Source: Philippine Statistics Authority



## Promoting Technology and Innovation

**E**very nation endeavors to attain development. Through the 2017 Budget, the government aims to foster the advancement of science, technology, and innovation for inclusive and sustainable development.

### Science and Technology for National Development

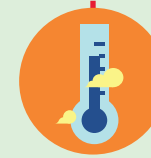
The Department of Science and Technology (DOST) is provided Php 21.0 billion (15.4 percent higher than the Php 18.2 billion allocation in 2016) to promote and accelerate technology adoption, and stimulate innovation in the country.



#### Small Enterprise Technology Upgrading Program (SET-UP)

From January to December 2016, 722 MSMEs have been assisted to adopt technological interventions for enhanced productivity and competitiveness.

**Php 815 M** to support the growth of 754 MSMEs, and address their technological needs



#### PAGASA Modernization Program

As of December 2016, 271 new hydrometeorological stations to monitor rain and river systems have been installed nationwide.

**Php 1.3 B** to modernize PAGASA and strengthen its role in delivering weather-related information services

#### Science and Education Institute (DOST-SEI) Grants and Scholarships

**Php 2.9 M** to support a target of 22,723 scholar beneficiaries and enhance the competitiveness of Filipinos in science and engineering

#### Improving the ICT Industry

To foster the rapid development and global competitiveness of the country's information and communications technology (ICT) industry, the Department of Information and Communications Technology (DICT) is allotted Php 3.6 billion for 2017.

**Php 1.8 B** to provide free Wi-Fi connectivity to beneficiary sites

**Php 463 M** to improve the government's ICT resources for optimized operations across agencies and better public service delivery with the National Government Data Center Infrastructure

# 4 PROMOTING AN ENABLING AND SUPPORTIVE ECONOMIC ENVIRONMENT

## Sound Macroeconomic Policy

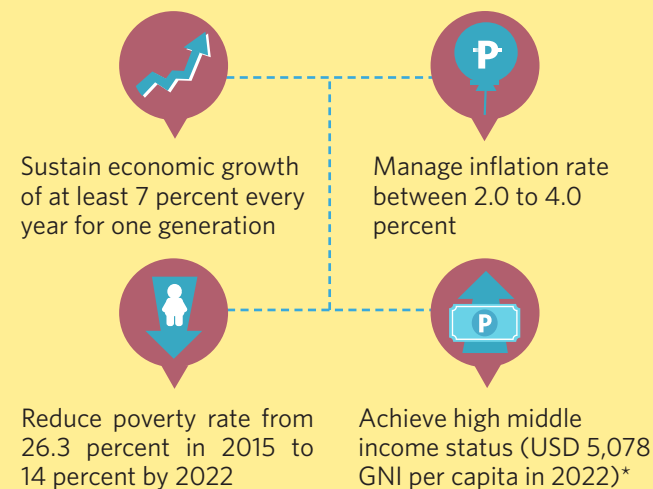
### CONTINUING AND MAINTAINING CURRENT MACROECONOMIC POLICIES

The 2017 Budget is anchored on ensuring the uninterrupted expansion of the economy by continually improving the economic fundamentals of the country.

#### Did you know?

On 11 October 2016, President Duterte signed Executive Order No. 5 adopting a guide for development planning in the country. Known as "Ambisyon 2040," it is a 25-year long-term vision to eliminate poverty.

Source: Investors Relations Office



\* Figures in Purchasing Power Parity (PPP) terms

### INSTITUTING PROGRESSIVE TAX REFORM AND MORE EFFECTIVE TAX COLLECTION

#### Improve collection efficiency

Expanding the scope of the Large Taxpayers Service of the Bureau of Internal Revenue, and rationalizing the import permit requirements of the Bureau of Customs (BoC)

#### Simplify the income tax brackets to six brackets

Tax rates will gradually decrease in the next few years of implementation, incurring revenue losses on the part of the government but increasing the disposable income of Filipino workers.

#### Levy tax on sugary and fatty products

Php 23.1 billion is expected to be collected in the second half of 2017, and Php 48.6 billion by 2018.

#### Index excise taxes on gas, diesel, and other petroleum products to inflation

Php 36.0 billion in revenues are expected to be collected in the second half of 2017, and Php 120.6 billion by 2018.

#### Expand the VAT base

Php 30.4 billion are expected to be collected in the second half of 2017, and Php 94.2 billion by 2018.



## National Competition Policy

The government supports economic programs to develop an enabling business environment through the reduction of anti-competitive practices, barriers to entry and limits to entrepreneurship. The budget will be used to make the country's industry and services sectors more globally competitive and innovative.



The government vows to cut down red tape and corruption by automating, streamlining, and completing the processing of business permits and licenses within three days.

1,419 cities and municipalities (87 percent of total) have already streamlined their business permit processing as of the end of 2016.<sup>1</sup>

By adopting the Davao City Model, the government intends to lower the crime rate to attract more businesses in rural areas and municipalities.



Anchored on its 0+10 point socioeconomic agenda, the government targets to raise the country's overall competitiveness by reducing criminality and improving the ease of doing business.

The government will pursue easing of the Constitutional limits on foreign ownership, with the exception of land ownership, to attract direct foreign investments. For 2017, the Board of Investments (BOI) sees investments growing to at least 13 percent to breach the Php 500 billion mark.<sup>2</sup>



#### BOI-Approved Investments (in million Pesos)

	2015	2016
Local	59,507.04	89,395.89
Foreign	307,235.12	352,649.09
<b>Total</b>	<b>366,742.16</b>	<b>442,044.98</b>

From 57<sup>th</sup> out of 138 countries in 2016, the Philippines will be closer to its goal of being in the top 33 percent of the Global Competitiveness Index (GCI) ranking by 2019.

#### Global Competitiveness Score

Year	2016	2017	2018	2019
<b>Global Competitiveness Index</b>	4.36 (top 40%)	>4.36	>4.40	>4.50 (top 33%)

Source: Philippine Development Plan 2017-2022

<sup>1</sup> Presidential Communications Operations Office

<sup>2</sup> Board of Investments

# 5 FOUNDATIONS FOR INCLUSIVE AND SUSTAINABLE DEVELOPMENT

## Peace and Development



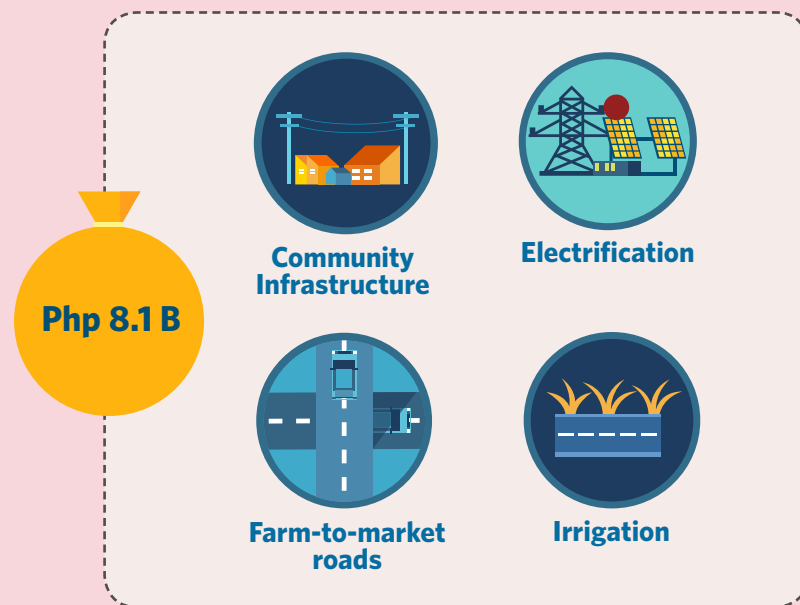
The 2017 Budget supports the President's commitment to implement all signed peace agreements, promote the culture of peace and conflict sensitivity in peace-building and development, and support growth in conflict-affected areas.

Conflict sensitivity in peace-building and development means that the government must ensure that all of its programs avoid worsening conflict and violence factors in the process of peace-building (UNICEF 2012).

### PAMANA Program

The Payapa at Masaganang Pamayanan (PAMANA) is a convergence program providing development interventions such as community infrastructure, electrification, farm-to-market roads, and irrigation, among others.

For 2017, the program receives a Php 8.1 billion budget, which includes the provision for development support in areas recently emancipated from insurgency.



### Other Targets



Implementation of the Government of the Philippines-Moro Islamic Liberation Front Comprehensive Agreement on the Bangsamoro (GPH-MILF-CAB)



Resolution of 100% of identified issues and concerns such as human rights and internal displacement resulting from armed conflicts



## Security and Public Order

### National Defense



To protect the country against external threats and terrorism, the Armed Forces of the Philippines (AFP) is allocated Php 177.2 billion, about 10.0 percent higher than the 2016 level of Php 161.1 billion. Of this amount:

Php 25.0 B = for the AFP Modernization Program for the procurement of armaments, surveillance, mobility and communications equipment necessary to maintain overall peace and order

### Public Order and Safety



The Philippine National Police has been mandated to uphold public order and safety. To effectively carry this out, some Php 111.8 billion is allocated to intensify the government's drive against criminality and other lawless elements.

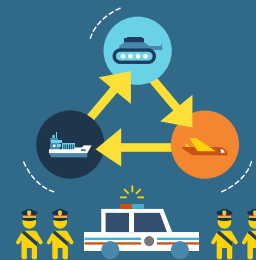
2017 = Php 111.8 billion (an increase of Php 23.2 billion)  
2016 = Php 88.6 billion

### Community Involvement/Mobilization



To engage volunteers in the government's fight against criminality, corruption and illegal drugs, Php 500 million is allocated in 2017 for the DILG's *Mamamayang Ayaw sa Anomalya, Mamamayang Ayaw sa Iligal na Droga* (MASA-MASID) program launched in September 2016.

### Compensation Reforms



In line with the President's commitment to raise the compensation of our men-in-uniform who provide security for the country, the PNP, AFP, and other uniformed services have been given a total of Php 39.6 billion to provide for compensation adjustments, including combat duty and incentive pay.

# Infrastructure Development



**F**or the first time, spending for growth-enhancing infrastructure projects under the 2017 budget reaches 5.3 percent of GDP, compared to only an average of 2.9 percent since 2010. At Php 847.2 billion, it represents over a quarter of the national budget and is 12 percent higher than its 2016 budget of Php 756.4 billion.

## Road Transport




For 2017, road networks amounting to Php 347.8 billion constitute the biggest portion of the infrastructure outlay. To be implemented by the Department of Public Works and Highways, Department of Agriculture (DA), Autonomous Region in Muslim Mindanao (ARMM), Local Government Units (LGUs), and other agencies, these include:

- Php 216.9 B** for the National Road Network Services
- Php 31.1 B** for the Mindanao Logistics Infrastructure Network (highways and bridges across Mindanao)
- Php 2.5 B** for the DOTC-Road Transport Infrastructure Project
- Php 1.0 B** for the Cebu Bus Rapid Transit (BRT) Project



## Rail Transport

To accelerate the development of the rail transport system, the government has increased by 76.8 percent, from Php 12.5 billion to Php 22.1 billion, the allocation for rail transport under the DOTr. The amount is for, among others, the following:

- Php 3.4 B** Construction of the LRT Line 1 Cavite Extension (connecting Baclaran, Parañaque to Bacoor, Cavite) 
- Php 2.5 B** North-South Commuter Rail Project Phase I (linking Tutuban, Manila to Malolos, Bulacan) 
- Php 7 B** First year of implementation of the North-South Rail Project Phase II (connecting Tutuban, Manila to Matnog, Sorsogon) 
- Php 4.8 B** MRT 3 subsidy to maintain low fares 

## Air Transport

The budget sets aside Php 6.8 billion to upgrade the country's air transport systems in 2017.



**Php 2.2 B** for the New Bohol (Panglao) Airport



**Php 675 M** for the Bicol International Airport



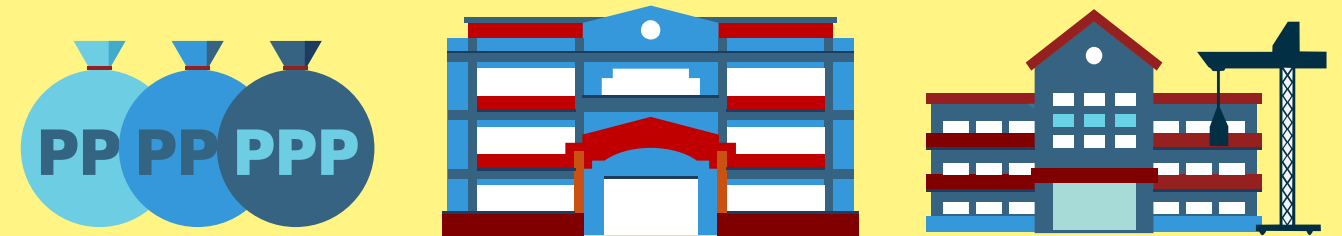
**Php 341 M** for the Cotabato Airport



## Public-Private Partnership (PPP)

The government continues to institute reforms to tap private capital and expertise in the construction of critical infrastructure and other social services by accelerating the launch of its PPP projects.

As of December 2016, the PPP pipeline now stands at 53 projects, worth a combined Php 5.9 trillion. For 2017, the PPP Center aims to develop 5 more projects to be added to the PPP pipeline. As of January 2017, 15 PPP project contracts worth Php 317 billion have already been awarded.



## Maritime Transport

The government increased the budget for maritime transport to Php 4.2 billion, almost double the amount in 2016.

**Php 1.8 B** for the Maritime Safety Capability Improvement Project

**Php 1.03 B** for the Philippine Ports and Coast Guard Capacity Development



# Ensure Ecological Integrity, Clean, and Healthy Environment



To realize the people's aspirations for safer and better life, the government invests in strategies to build highly adaptive and climate-resilient communities.

The 2017 Budget supports programs that protect the environment and provide the people with necessary information to prepare for and mitigate the effects of natural disasters.

## A. INFORMATION FOR SAFETY AND PREPAREDNESS

**Php 3.3 billion** is for the Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA) to provide accurate weather-related information and services, higher than the 2016 amount of Php 1.2 billion.

**Php 295.9 million** is for the DENR-Mines and Geosciences Bureau's (DENR-MGB) National Geohazard Assessment Program to educate 12,979 barangays on the use of geohazard maps.

## B. ENVIRONMENTAL PROTECTION

**Php 7.1 billion** is for the DENR's National Greening Program to reforest 183,552 hectares of land and produce 171 million seedlings, of which: Php 6.9 billion is for forest development, and Php 131 million is for clonal nurseries.

**Php 238.1 million** is for the Clean Air Regulations program to reduce and abate air pollutants, including the operation and maintenance of 49 automatic air stations, 21 Total Suspended Particulate (TSP) manuals, and 25 Particulate Matter 10 (PM10) manuals.

## C. IMPROVED RESILIENCY OF COMMUNITIES

**Php 65 million** is for the Climate Change Commission (CCC) to mainstream climate change adaptation and mitigation policies in government programs and action plans.

**Php 478.9 million** is for the Philippine Institute of Volcanology and Seismology (PHIVOLCS) - higher than the allocations of Php 458.8 million for 2016 and Php 380.6 million for 2015 - to provide information and warning on geotectonic-related activities.

**Php 944.6 million** is for the Ecological Solid Waste Management (ESWM) Program of the DENR-Environmental Management Bureau (DENR-EMB), which generally aims to sustain a clean and healthy environment. It focuses on providing support to the LGUs and Regional Offices on their ESWM facilities and plan approval, crafting of policy guidelines to strengthen implementation of the law and support for both local and international commitments on climate change.

**Php 113.1 million** is for the Department of Energy's programs such as the National Renewable Energy Program (NREP) and the National Biofuels Program to achieve energy security and environmental stability in the country.

**Php 459 million** is for the Metro Manila Development Authority (MMDA) to implement flood control and drainage management programs.

## D. DISASTER RISK REDUCTION AND MANAGEMENT

The government provides **Php 15.8 billion** for the National Disaster Risk Reduction and Management Fund (NDRRMF) for disaster relief, recovery, and rehabilitation. The amount goes to the following:



**Php 7.3 billion** is allotted for the National Disaster Risk Reduction and Management Program for disaster relief, reconstruction, and rehabilitation activities.

**Php 6.0 billion** is for the Quick Response Fund (QRF) to quickly normalize living conditions in calamity-ravaged areas.

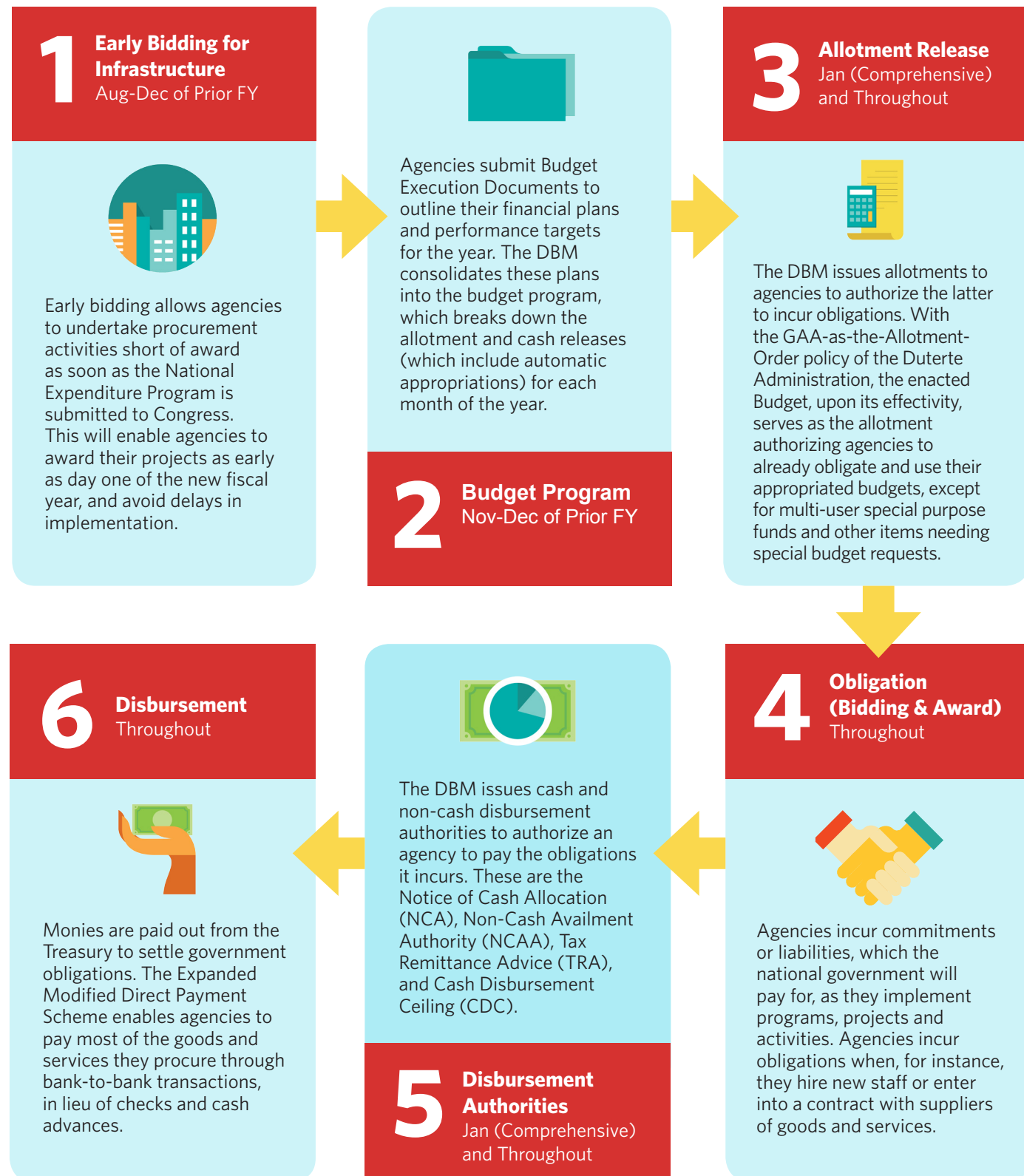
**Php 1.5 billion** is allotted for the Rehabilitation and Reconstruction Fund to rehabilitate and rebuild projects damaged by calamities which are beyond the scope of the regular NDRRM Fund.

**Php 1.0 billion** is for the insurance coverage of government facilities against natural calamities.



# THE BUDGET EXECUTION PHASE

Budget execution refers to the implementation by the Executive Branch of the General Appropriations Act – as soon as it is enacted.



## DEPARTMENT OF BUDGET AND MANAGEMENT 2017 PEOPLE'S BUDGET PUBLICATION SURVEY FEEDBACK FORM



Date: \_\_\_\_\_

<b>Name:</b>	
<b>Organization (with Position):</b>	
<b>Location/Address:</b>	
<b>Nature of the Organization:</b>	
<b>Sector (Please encircle):</b>	a. SUCs   b. LGUs   c. Academe   d. CSOs   e. Media f. Others (please specify):

Kindly rate (encircle) based on the following criteria:

**5-Strongly Agree | 4-Agree | 3-Neither Agree nor Disagree/Undecided  
| 2-Disagree | 1-Strongly Disagree**

### A. Is the publication informative?

A Budget for Real Change	5	4	3	2	1
Financing the Budget	5	4	3	2	1
Budget Dimensions	5	4	3	2	1
Off-Budget Accounts	5	4	3	2	1
Key Features of the National Budget					
1. Enhancing the Social Fabric ("Malasakit")	5	4	3	2	1
2. Reducing Inequality in Economic Development Opportunities ("Pagbabago")	5	4	3	2	1
3. Increasing Potential for Growth ("Kaunlaran")	5	4	3	2	1
4. Promoting an Enabling and Supportive Environment	5	4	3	2	1
5. Foundations for Inclusive and Sustainable Development	5	4	3	2	1
The Budget Execution Phase	5	4	3	2	1

### B. Is the publication readable?

The font used (e.g., typeface, size) is easy to read.	5	4	3	2	1
The graphs and charts used are clear.	5	4	3	2	1
The color scheme is appealing.	5	4	3	2	1
The layout of the publication is pleasing to the eye.	5	4	3	2	1





**C. Is the publication understandable?**

The content is logical and well-organized.	5	4	3	2	1
The connection between ideas is clear.	5	4	3	2	1
The language is simple for me to understand.	5	4	3	2	1
Technical topics are tackled in a citizen-friendly way.	5	4	3	2	1
The examples given are significant and helpful.	5	4	3	2	1
The graphs, tables and illustrations aid in understanding the text better.	5	4	3	2	1

**D. How do you intend to use the publication?**

a. For advocacy, education and communication work  
 b. Information input for research work and analysis  
 c. Reference for engaging the budget process (e.g., for hearings in congress, etc.)  
 d. Guide for monitoring the implementation of programs or projects  
 e. Others (please specify):  
 \_\_\_\_\_

**E. Which portions within the publications do you find most useful? Less useful?**

Most useful:  
 \_\_\_\_\_  
 \_\_\_\_\_

Less useful:  
 \_\_\_\_\_  
 \_\_\_\_\_

**F. What other information do you think should be found in the publication?**

\_\_\_\_\_  
 \_\_\_\_\_

**G. Other comments and suggestions:**

\_\_\_\_\_  
 \_\_\_\_\_

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 > Mail to **Budget Information & Training Service, Department of Budget and Management, General Solano St., San Miguel, Manila 1005.**  
 > Scan or take a clear photo and email to **bits@dbm.gov.ph**

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