



2018 PEOPLE'S BUDGET



Republic of the Philippines
DEPARTMENT OF BUDGET AND MANAGEMENT



TABLE OF CONTENTS

FOREWORD	1		
A BUDGET THAT REFORMS AND TRANSFORMS	2		
THE BUDGET AND THE ECONOMY	4		
THE FISCAL PROGRAM	5		
REVENUES	6		
THE 2018 BUDGET AND TRAIN	7		
2018 BUDGET DIMENSIONS			
• By Function/Sector (COFOG).....	8		
• By Sector (Old System).....	10		
• By Expense Class.....	11		
• By Region.....	12		
• By Recipient Unit.....	13		
• By Special Purpose Fund.....	14		
• By Source of Appropriations.....	15		
SPENDING PRIORITIES OF THE NATIONAL BUDGET			
FULFILLMENT OF THE PRESIDENT'S PROMISES	16		
A. Inequality-Reducing Transformation			
1. Accelerating Human Capital Development			
• Quality, Accessible, and Relevant Education.....	18		
• Health for All.....	20		
2. Reducing the Vulnerability of Individuals and Families.....	22		
3. Expanding Opportunities in Agriculture, Forestry, and Fisheries.....	24		
4. Expanding Opportunities in Industry and Services.....	26		
B. Maintaining the Foundations for Sustainable Development			
1. Accelerating the Implementation of Strategic Infrastructure.....	28		
2. Pursuing Just and Lasting Peace.....	31		
3. Ensuring Security, Public Order, and Safety.....	32		
4. Ensuring Ecological Integrity, Clean, and Healthy Environment.....	34		
C. Enhancing the Social Fabric	36		
D. Increasing Growth Potential	38		
OPEN GOVERNMENT IN THE PHILIPPINES	39		
THE BASICS OF BUDGETING			
The Budget Cycle.....	40		
A Primer on the Budget Reform Bill.....	41		
OFF-BUDGET ACCOUNTS	42		
GLOSSARY OF TERMS	43		
HOW CAN I GET INVOLVED?	44		



FOREWORD



The 2018 National Budget is a budget that puts the Filipino first – and is indeed a budget of “firsts”.

Completing the first proposed financial plan that his Administration truly calls its own, crafted to reflect the ideals and objectives of his governance, President Rodrigo Roa Duterte ensured the engagement of the members of the Legislative Branch in the final drafting of the 2018 Proposed Budget by submitting it for their approval on the same day that he delivered his State of the Nation Address on July 24, 2017. This was the first early submission of a Proposed National Budget since 2000, and was meant to provide Congress with sufficient time to study and evaluate all aspects of the Budget.

With its approval by the Philippine Congress and signing into law by the President on December 19, 2017, the General Appropriations Act (GAA), whose main feature is the PhP3.767 trillion National Budget for 2018, is ready for implementation by the Administration.

It is an “*activist budget*”, as President Duterte himself describes this document that contains the financial agenda of the government over the current fiscal year. “Activist” because it seeks to challenge the old systems and paradigms with the promise of change. Not in words alone, but by introducing measures that would actualize this change and make their impacts sustainable and lasting.

The first of these measures is the Tax Reform for Acceleration and Inclusion (TRAIN) Law, which the President signed together with the GAA. The TRAIN is the first reform instrument of the Duterte Administration, and its primary objective is to fuel the 2018 Budget in order to keep it on track towards its destination – the fulfillment of the Filipino people’s aspiration for a life that is “*matatag, maginhawa, at panatag*.”

Thus, the spirit of “*build-build-build*” embodied in this 2018 GAA is one that refers not solely to infrastructure and the physical structures that showcase a country’s growth, but to its population – their transformation into a people who are strong and resilient, enjoying the fruits of the nation’s progress in terms of better social services and more productive opportunities.

This 2018 National Budget is a budget that will reform and transform the Philippines and the Filipino people. Reform is always towards positive change. And transformation, that results when reform is participative and inclusive, will be sustainable and lasting.

This is the change that we have already begun together, and that will carry us to the national vision and goal.

The Department of Budget and Management (DBM) is pleased to share with you this 2018 People’s Budget which aims to present the 2018 GAA in a concise, clear, and understandable way for the better appreciation of our people.

BENJAMIN E. DIOKNO
Secretary

A BUDGET THAT REFORMS AND TRANSFORMS

The National Budget for 2018 was crafted with the primary objective of bringing about a positive transformation through the implementation of successful reforms. As the country moves toward the achievement of providing a *matatag, maginhawa, at panatag na buhay* for the Filipino people, this Budget aims to lay strong foundations for real and lasting change that will benefit ALL, especially the future generations.



Credible and Disciplined Fiscal Policy

A fiscal framework based on credible and disciplined policies guarantees long-term fiscal sustainability and predictability.

Expansionary Fiscal Policy for Inclusive Growth

The key to sustaining the country's growth momentum is to ensure that our limited resources—from improved revenue collections and sustainable borrowings—are directed to the country's strategic priorities, while managing low inflation and debt-levels. For the next five years, the government will maintain the budget deficit at 3% of GDP, while at the same time reducing the size of debt in the context of the country's GDP through improved revenue collections.

Addressing Underspending through the One-Year Validity of Appropriations

A turning point in the country's budget system was Congress' approval of the one-year validity of appropriations in the 2018 Budget. Although the 2017 Budget started the obligation of allocations within the fiscal year (FY), starting 2018, all funds will be available for release and obligation only within the FY.

This change is in preparation for the full implementation of the Cash-Based Budgeting System in 2019. This new System of releasing funds to agencies seeks to address underspending by ensuring that the budget will be fully implemented within the FY. It speeds up the execution of the budget and allows a more prompt delivery of goods and services and payment of the same. Greater discipline will also be imposed on the agencies in managing their funds, thereby enabling them to provide better public services to the people.

Fiscal Space Focused on Equitable Progress and Social Order

Golden Age of Infrastructure

A budget of **PhP1,068.4 billion** has been allocated for the "Build, Build, Build" Program in 2018 to accelerate strategic infrastructure and ensure sustainable development.

The Build, Build, Build Program is allotted as follows:

PhP148.0 B - Luzon
PhP 62.3 B - Visayas
PhP 85.8 B - Mindanao

Uplifting the Marginalized

As lifting the poor from poverty is a priority of the government, the Social Services Sector receives a budget of **PhP1,425.7 billion**, representing 37.9% of the 2018 Budget.

Key items under the Social Services Sector are:

PhP 760.2 B - Education
PhP 179.4 B - Health
PhP 284.1 B - Social Security, Welfare, and Employment
PhP 5.9 B - Housing

A Budget Reflecting the Administration's Policies

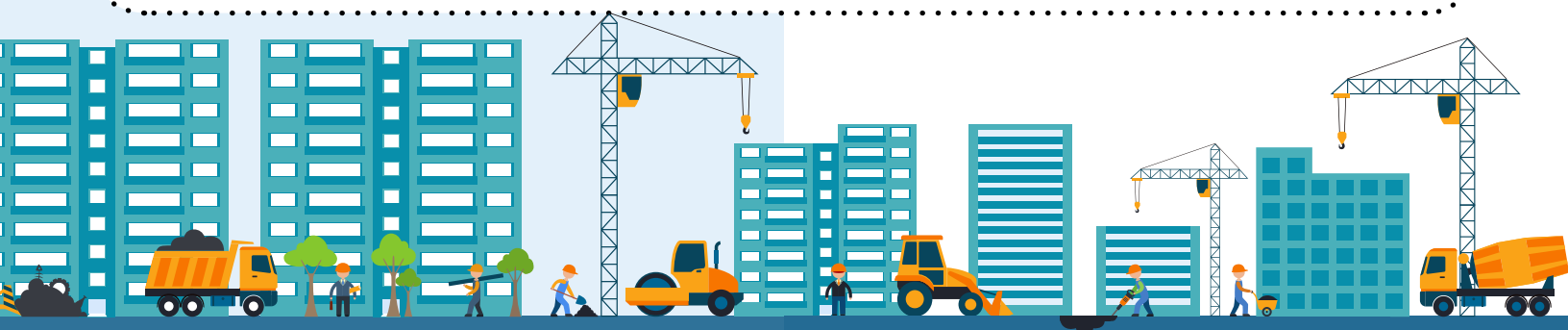
The shift to the Program Expenditure Classification (PREXC) system of presenting the budget establishes a better link between planning and budgeting and provides performance information that would improve the understanding and appreciation of the purpose of the expenditure and its intended beneficiaries.

NEW CHANGES WITH PREXC

FROM

TO

Outcome Indicators at organizational level	Outcome Performance Indicators at program level
Major Final Output (MFO) targets	Program/Sub-program outcome and output targets
Programs, Activities, Projects (PAPs) under Operations grouped by MFO	Activities and Projects under Operations grouped by Program/Sub-program



Strengthening Transparency, Participation, and Accountability

The government continues to engage the public in the budget process, thus upholding the citizen's right to participate in governance.

Freedom of Information

Under the Freedom of Information (FOI) program, information on 218* government agencies can also be accessed by the public on eFOI (www.foi.gov.ph).

*As of February 6, 2018

Open Government Partnership

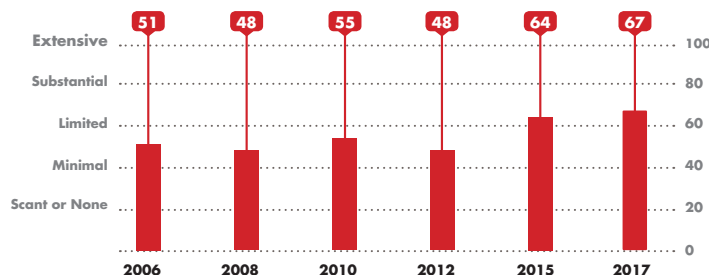
The Duterte Administration continues to intensify the implementation of the 2017-2019 Philippine Open Government Partnership (PH-OGP) National Action Plan. This 2018, a mid-term progress report on its implementation will be released to assess the extent of the government's collaboration with civil society organizations in delivering its open governance commitments.

A series of regional dialogues will be conducted nationwide from January to March 2018 in order to disseminate information on the OGP and other participatory governance initiatives of the Administration.

Open Budget Index (OBI)

Based on the results of the Open Budget Survey (OBS) 2017, the Philippines now ranks first in Asia in terms of budget transparency. The country's OBI score of 67, three notches up from its score of 64 in the OBS 2015, is significantly higher than the global average of 42.

Philippines' OBI score, 2006-2017



Enhancing Partnerships with Local Governments to Ensure Sustainable Development

Local government units (LGUs) are the frontline service providers to the people. Thus, engaging them in the implementation of programs is a strategic way of achieving the country's development goals.

Php31.4 B

for the Local Government Support Fund

Conditional Matching Grant to Provinces

Php8.5 billion to repair, rehabilitate, and improve provincial roads across the country in order to boost the competency of provinces in local roads management.

Sagana at Ligtas na Tubig para sa Lahat (SALINTUBIG)

Php1.4 billion to provide safe and clean water supply systems to waterless municipalities nationwide. For 2018, it targets to complete projects in 80 municipalities, 171 barangays, and 8 resettlement sites.

Assistance to Municipalities

Php11.9 billion to assist municipal governments in building basic facilities for the citizens, while also increasing their participation in local governance.

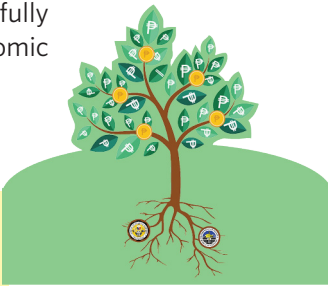








Assistance to Cities

Php2.6 billion to fund the establishment and enhancement of eco-friendly infrastructures, such as forest parks, botanical gardens, and bike lanes, among others.

THE BUDGET AND THE ECONOMY

As the economy affects the government's fiscal policies and actions (e.g., tax and spending decisions), the 2018 Budget carefully considers the following key macroeconomic indicators:

Fiscal Sensitivity to Key Macroeconomic Indicators, 2016-2018 (in billion Pesos per annum)

Particulars ^{1/}									
	Revenues			Disbursements			Budget Balance ^{2/}		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
 1 percentage point increase in real GDP growth	21.6	19.3	21.4	-	-	-	21.6	19.3	21.4
 1 percentage point increase in inflation rate	20.8	18.4	20.7	-	-	-	20.8	18.4	20.7
 1 percentage point increase in merchandise imports	4.3	3.7	4.2	-	-	-	4.3	3.7	4.2
 1 percentage point increase in interest rates	0.6	0.5	1.0	3.2	3.2	2.0	(2.6)	(2.7)	(1.0)
 1 percentage point increase in London Interbank Offered Rates (180 Days)	-	-	-	4.2	4.6	5.3	(4.2)	(4.6)	(5.3)
 1 Peso depreciation in foreign exchange rate	10.5	9.2	9.5	2.1	2.0	2.1	8.4	7.2	7.4

^{1/} For the definition of these indicators, please refer to the Glossary of Terms on p. 43.

^{2/} A negative figure in the budget balance means an increase in deficit.

Macroeconomic Assumptions, 2018-2022

Parameters	Projections ^{1/}				
	2018	2019	2020	2021	2022
Real GDP Growth (%)	7.0-8.0	7.0-8.0	7.0-8.0	7.0-8.0	7.0-8.0
Inflation (%)	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0
364-Day Treasury Bill Rate (%)	2.5-4.0	2.5-4.0	2.5-4.0	2.5-4.0	2.5-4.0
FOREX (PhP/US\$)	49-52	49-52	49-52	49-52	49-52
LIBOR, 180 days (%)	1.5-2.5	2.0-3.0	2.0-3.0	2.0-3.0	2.0-3.0
Dubai Oil (US\$/bl)	50-65	50-65	50-65	50-65	50-65
Exports ^{2/}	8.0	8.0	8.0	8.0	8.0
Imports ^{2/}	9.0	9.0	10.0	10.0	10.0

^{1/} Assumptions and targets adopted by the Development Budget Coordination Committee (DBCC) on December 22, 2017

^{2/} Per Philippine Statistics Authority

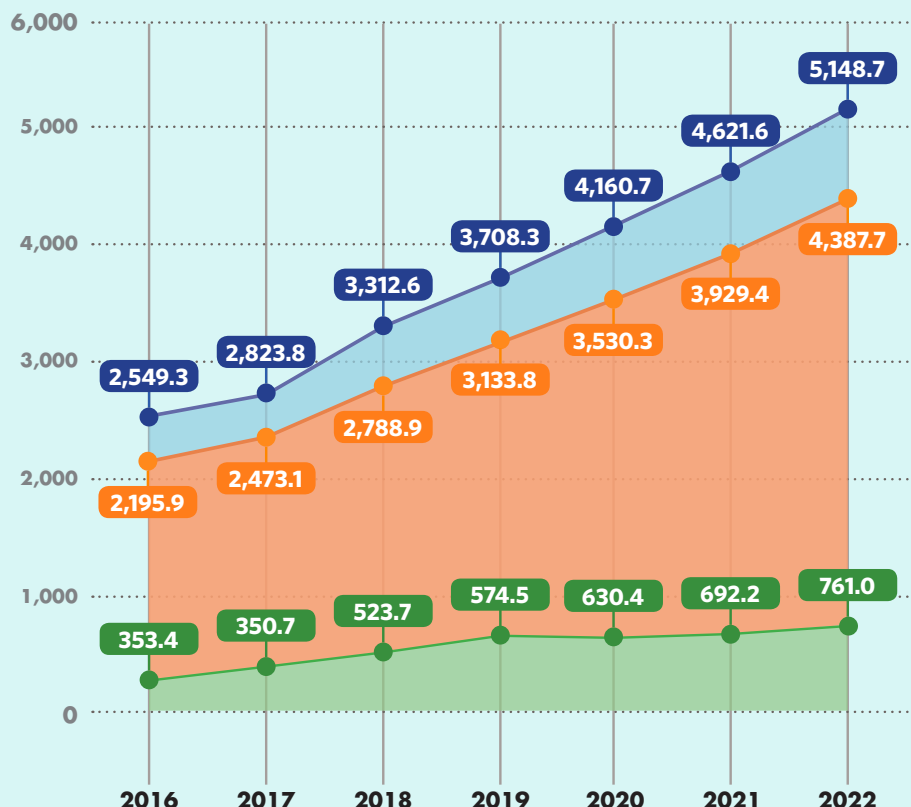
THE FISCAL PROGRAM

To support the country's sustained growth momentum and fund the government's expenditure priorities, the Duterte Administration continues its sustainable expansionary fiscal policy — ensuring that revenues are improved while the size of debt as a percentage of GDP is reduced.

The Fiscal Program 2016-2022[✓]
(in billion Pesos)

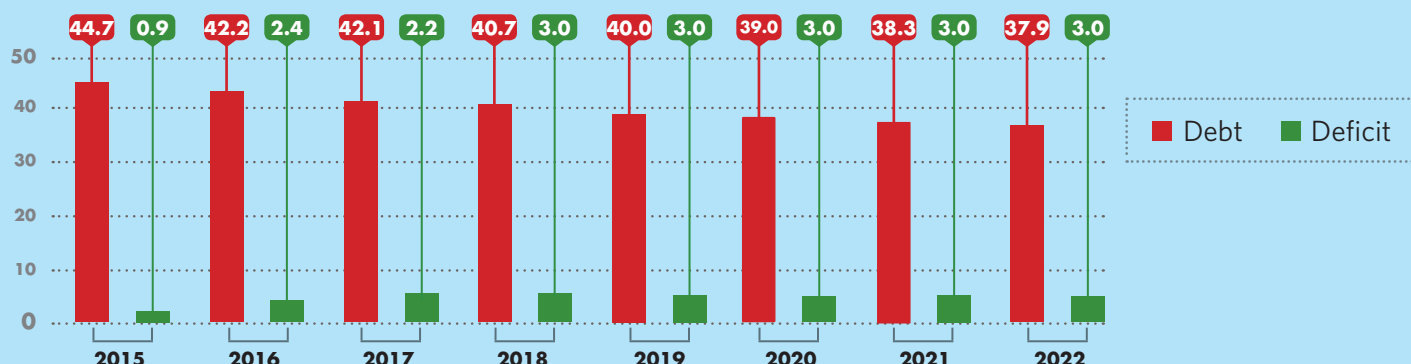


- DISBURSEMENTS
- REVENUES
- DEFICIT



Debt and Deficit as a Percentage of GDP, 2015-2022

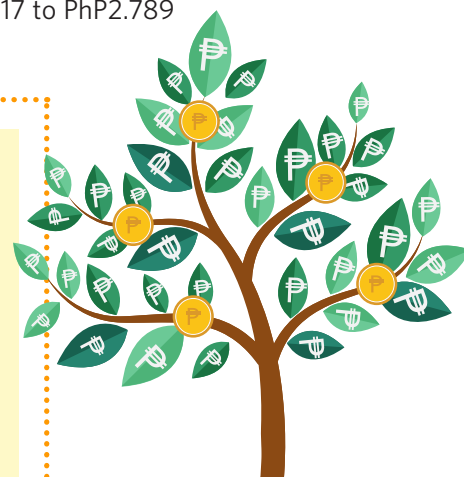
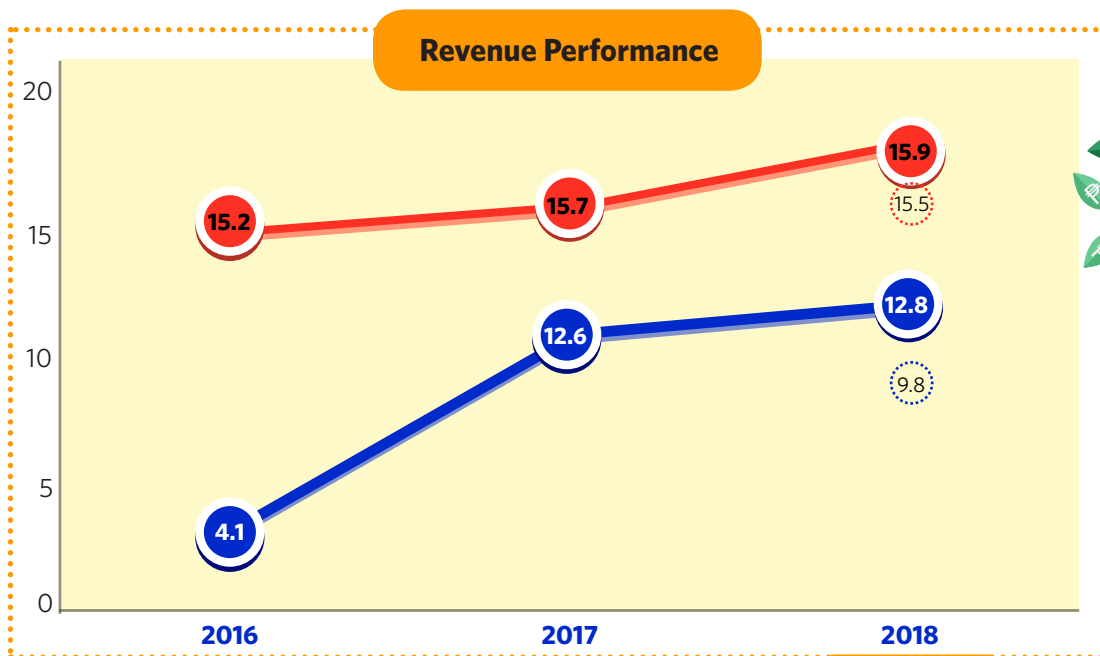
Budget deficit occurs when government spending exceeds revenues. Despite the expansionary fiscal policy of the Duterte Administration, the declining debt-to-GDP ratio means that the economy has the necessary resources to service its debt. Since the deficit spending is focused more on capital investments such as roads, school buildings, and airports, it will benefit both the present and future generations. From 44.7% in 2015, the country's debt level for 2018 is expected to decline to 40.5%, which is near the internationally-acceptable stable and prudent level of 40% for developing countries.



[✓] Consistent with the medium term fiscal targets and growth assumptions approved during the 171st DBCC meeting on December 22, 2017

REVENUES

To sustain the government's massive investments in public infrastructure and social services, the 2018 Budget is supported by an increasing level of revenues, from PhP2.388 trillion in 2017 to PhP2.789 trillion this year. As a share of GDP, this represents 15.9% from only 15.7% in 2017.



LEGEND:

- As % of GDP with TRAIN
- As % of GDP without TRAIN
- Growth Rate with TRAIN
- Growth Rate without TRAIN

Total Revenues PhP2.789 T*



BIR
PhP2,025.4 B



BOC
PhP577.9 B



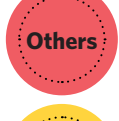
Others
PhP16.8 B



BTr
PhP55.8 B



Fees and Charges
PhP47.1 B



Others
PhP64.0 B



Sale of Assets
e.g., real properties owned by the old central bank
PhP2.0 B

What are the sources of government revenues for 2018?



Of the PhP2.789 trillion total revenues for 2018, PhP2.62 trillion, or 93.9% comes from taxes. Non-tax revenues, on the other hand, contribute PhP166.8 billion, while an additional PhP2.0 billion is expected to be raised from the proceeds from privatization. The total revenues for 2018 already considered the expected revenues from the Tax Reform for Inclusion and Acceleration (TRAIN) Program, including the impact of the lowering of personal income taxes.



THE 2018 BUDGET AND TRAIN

To fund the President's priority social services and infrastructure programs, the Tax Reform for Acceleration and Inclusion (TRAIN) Law aims to raise significant revenues of PhP688.4 billion^{1/} over five (5) years.

What is TRAIN?

Starting January 1, 2018, the Tax Reform for Acceleration and Inclusion, or simply TRAIN, will transform the current complex and unjust tax system to one that is simpler, fairer, and more efficient. TRAIN will increase revenue collections to fund infrastructure and social services spending without putting pressure on low-income families and individuals.

Why TRAIN?

Of the total gains from TRAIN, 70% will fund infrastructure projects (e.g., Build, Build, Build Program), while 30% will go to social services (e.g., programs for sugar farmers, social mitigating measures).

Features of TRAIN*

- ✓ Reduction of the income taxes for 99% of income taxpayers (the 13th month pay and other bonuses amounting to PhP90,000 are likewise tax-exempt)
- ✓ Broadening of the consumption tax base
- ✓ Promotion of a healthier lifestyle as sugar-sweetened beverages are taxed



PhP6 per liter for drinks using sugar and artificial sweeteners



PhP12 per liter for drinks using high fructose corn syrup

Key exemptions: 3-1 Coffee, Milk, and 100% Natural Juices
- ✓ Protection of the environment by increasing the excise tax on dirty fuel
- ✓ Updating of the excise tax on automobiles, coal, cosmetics, and cigarettes

*For more details, please visit <http://www.dof.gov.ph/taxreform/index.php/downloadables/>

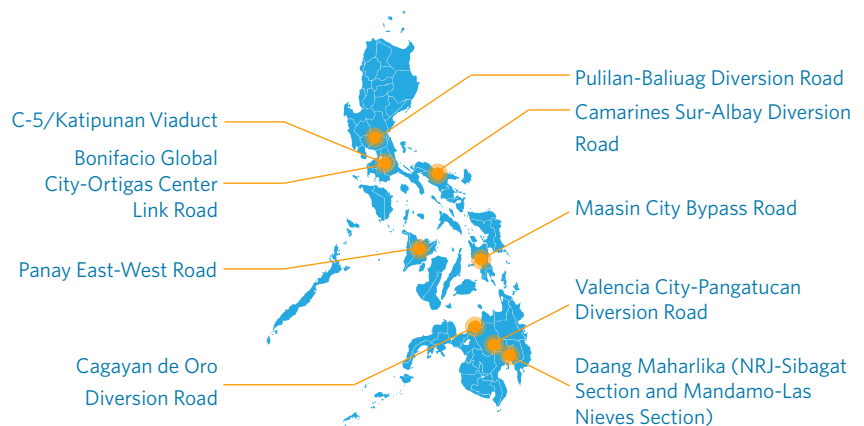
Build, Build, Build

- **Pave**
14,187 km national roads
30,209 km local gravel roads
- **Provide roads access in**
7,834 isolated barangays
23,293 isolated sitios
- **Irrigate**
1.3 million ha of farm lands

Health and Education

- **100%** enrollment and completion rates for all levels
- **113,553** classrooms built
181,980 teachers hired
- **25** hospitals established
104 local hospitals upgraded

Major infrastructure projects to be funded by TRAIN



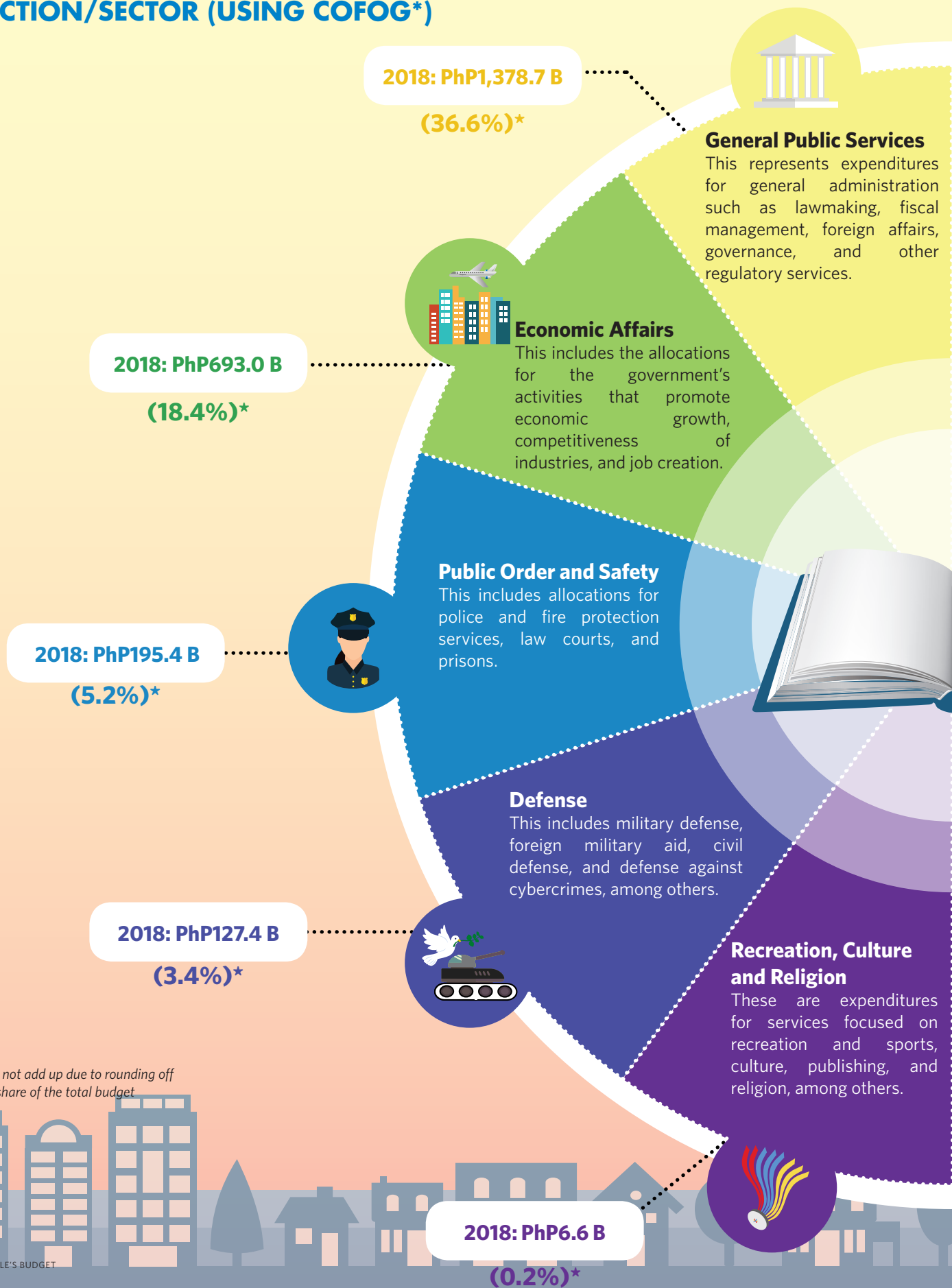
PhP25.7 B

Cash transfers of PhP200 per month for the poorest 10 million households to offset the moderate but temporary increase in prices

^{1/} The DBCC-approved levels do not yet consider additional revenues as a result of the President's Veto message.

2018 BUDGET DIMENSIONS^{1/}

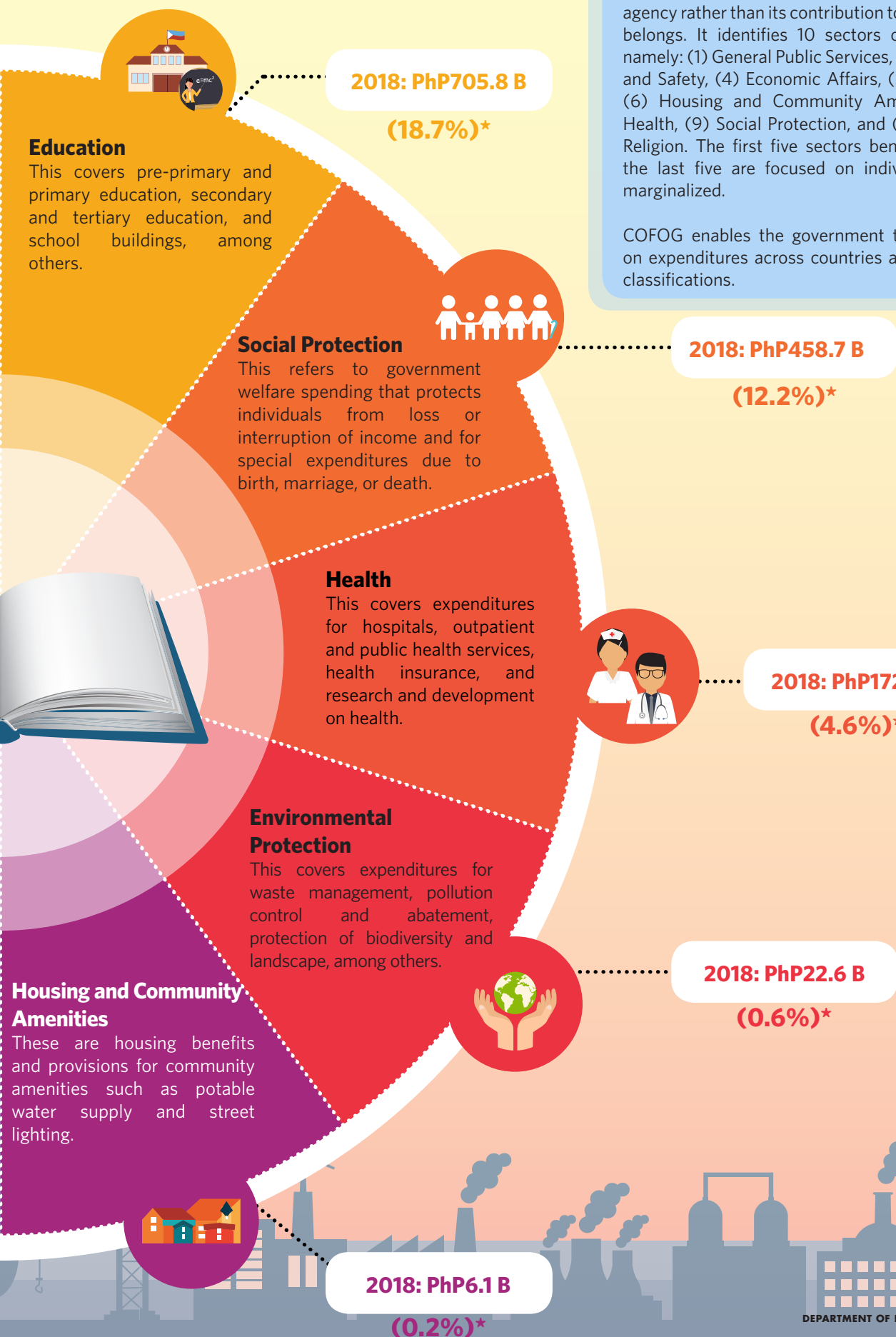
BY FUNCTION/SECTOR (USING COFOG*)



^{1/} Figures may not add up due to rounding off
* Percentage share of the total budget

Government expenditures can be classified using the Classification of the Functions of Government (COFOG) which looks at the detailed functions of agencies. Unlike the old system, COFOG takes into consideration the nature of expenditure of the agency rather than its contribution to the sector where the agency belongs. It identifies 10 sectors or functions of government, namely: (1) General Public Services, (2) Defense, (3) Public Order and Safety, (4) Economic Affairs, (5) Environmental Protection, (6) Housing and Community Amenities, (7) Education, (8) Health, (9) Social Protection, and (10) Recreation, Culture, and Religion. The first five sectors benefit the entire society while the last five are focused on individuals, most especially the marginalized.

COFOG enables the government to compare and report data on expenditures across countries adopting the same functional classifications.

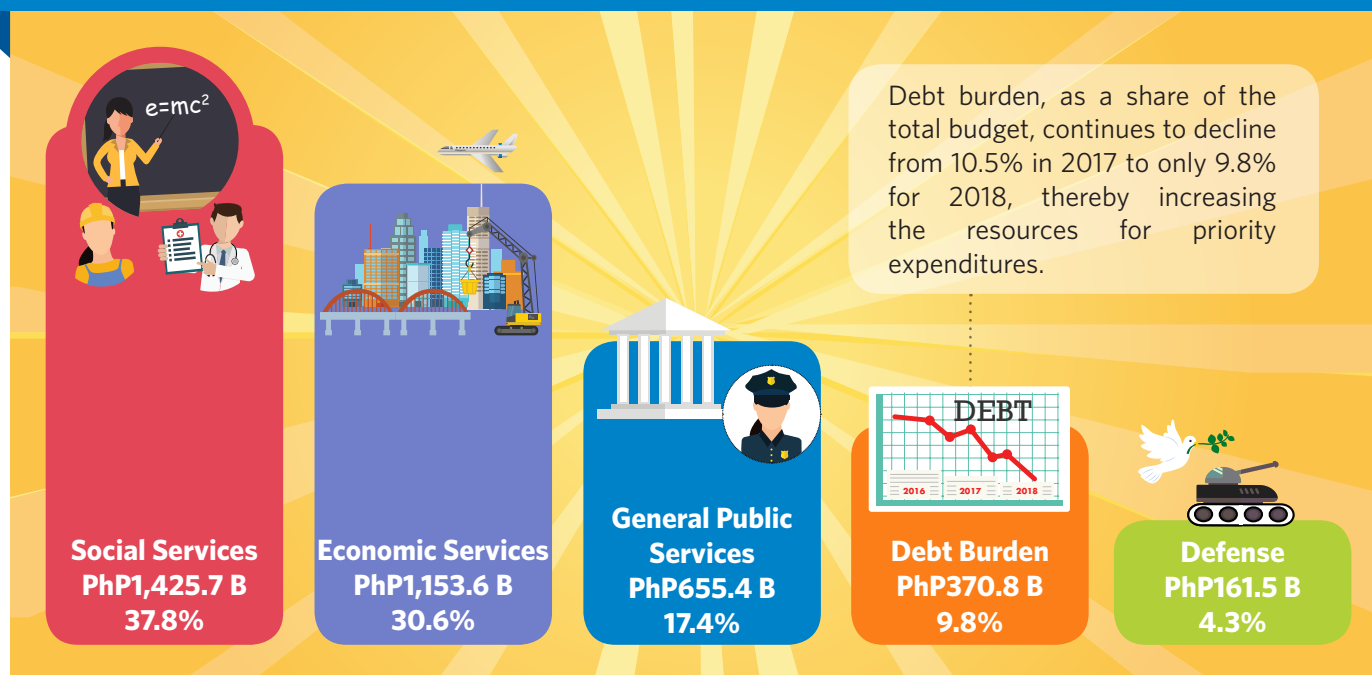


2018 BUDGET DIMENSIONS

BY SECTOR (Old System)

The sectoral allocation of the 2018 Budget clearly reflects the priorities of the Duterte Administration. Social Services corners the largest share at 37.8% or PhP1,425.7 billion. This increases the access to quality social protection programs and public services such as education, health, housing, and employment. The share of economic services, on the other hand, further expands to 30.6% from 27.5% in 2017, consistent with the government's massive infrastructure program dubbed Build, Build, Build.

PhP3,767 B



As % of the Budget, 2016-2018

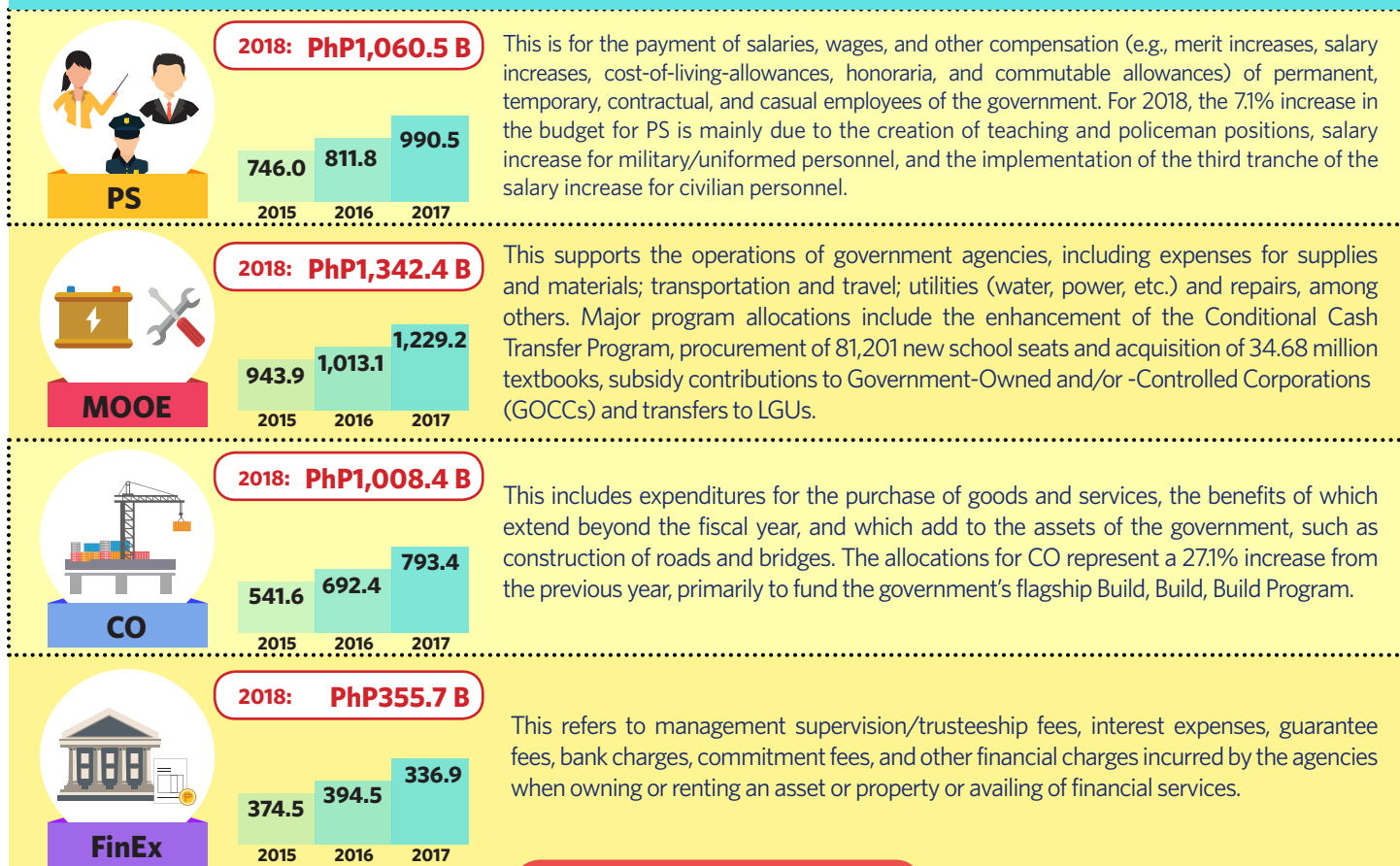
Sector	2016	% share	2017	% share	2018	% share
Social Services	PhP1,119.8 B	37.3%	PhP1,351.5 B	40.3%	PhP1,425.7 B	37.8%
Economic Services	PhP834.0 B	27.8%	PhP922.9 B	27.5%	PhP1,153.6 B	30.6%
General Public Services	PhP498.0 B	16.6%	PhP575.4 B	17.2%	PhP655.4 B	17.4%
Debt Burden	PhP419.3 B	14.0%	PhP351.6 B	10.5%	PhP370.8 B	9.8%
Defense	PhP130.7 B	4.4%	PhP148.7 B	4.4%	PhP161.5 B	4.3%

2018 BUDGET DIMENSIONS

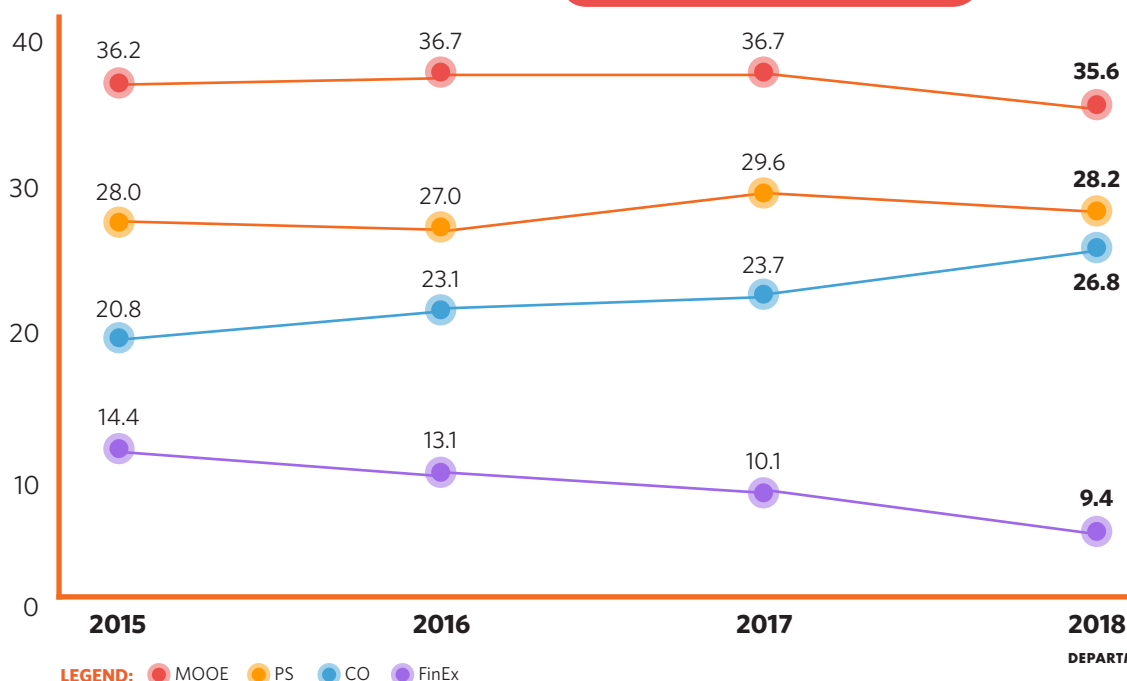
BY EXPENSE CLASS

The 2018 Budget can also be broken down according to the general classification of expenditures, namely: Personnel Services (PS), Maintenance and Other Operating Expenses (MOOE), Financial Expenses (FinEx), and Capital Outlays (CO).

Budget By Expense Class, 2015-2018 (in billion Pesos)



As a % of the Budget, 2015-2018



As a share of the total budget, allocations for non-productive expenditures (debt service payments) remain in check and are declining, while the productive portion of the budget like investment spending on roads and airports continues to increase from 20.8% in 2015 to 26.8% in 2018.

2018 BUDGET DIMENSIONS

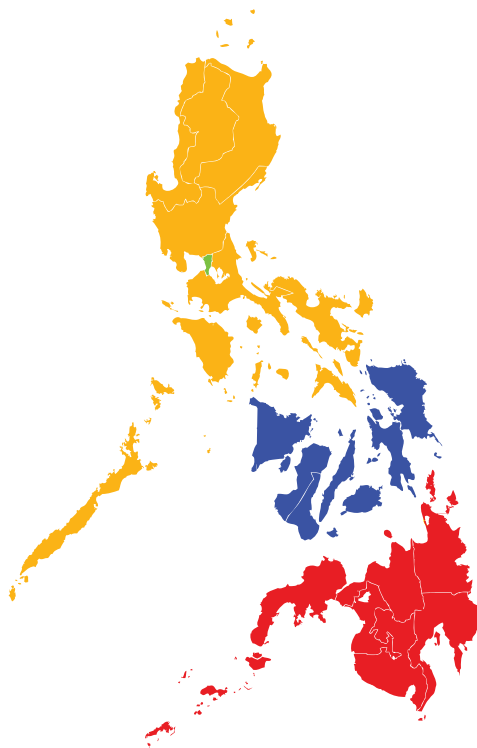
BY REGION

Distribution of the Regionalized Budget

Some PhP2.754 trillion, or about 73.1% of the total PhP3.767 trillion budget, is allocated directly to the regions, to ensure that growth will take place even in the provinces, especially in the rural areas. This is 37.7% higher than the 2017 allocation of PhP2.0 trillion.

REGION	AMOUNT	% INCREASE	PER CAPITA ALLOCATION ^{1/}
CAR	PhP 63.05 B	38.2	PhP36,615
I	PhP 111.15 B	21.8	PhP 22,114
II	PhP 87.86 B	21.9	PhP25,457
III	PhP208.19 B	28.7	PhP 18,558
NCR	PhP 817.25 B	52.3	PhP63,465
IV-A	PhP210.31 B	23.3	PhP 14,590
MIMAROPA	PhP 93.08 B	39.3	PhP 31,412
V	PhP 141.64 B	28.8	PhP24,433
VI	PhP149.04 B	24.9	PhP 19,776
VII	PhP136.92 B	21.3	PhP 18,510
VIII	PhP126.93 B	31.5	PhP28,588
IX	PhP100.70 B	29.8	PhP 27,744
X	PhP133.80 B	60.8	PhP28,533
XI	PhP130.26 B	70.5	PhP26,619
XII	PhP108.06 B	31	PhP 23,774
CARAGA	PhP 86.84 B	53	PhP 33,441
ARMM	PhP 48.73 B	21.7	PhP 12,886

NCR 2018: PhP817.3 B 2017: PhP536.6 B ↑ 52.3%	LUZON 2018: PhP915.3 B 2017: PhP718.0 B ↑ 27.5%
VISAYAS 2018: PhP412.9 B 2017: PhP328.7 B ↑ 25.6%	MINDANAO 2018: PhP608.4 B 2017: PhP416.5 B ↑ 46.1%

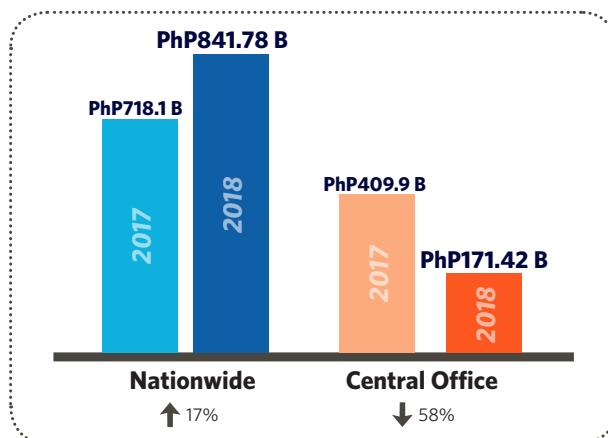


^{*}Figures may not add up due to rounding off

^{1/} 2015: Actual Population as of August 1, 2015, PSA, Census of Population

Distribution of the Non-Regionalized Budget

The non-regionalized budget is composed of nationwide and central office allocations. **Nationwide allocations** are allocations still to be distributed to the various regions of the departments/agencies and multi-users of special purpose funds such as the Allocation to LGUs, Pension and Gratuity Fund, and National Disaster Risk Reduction and Management Fund. This allocation also includes the Debt Service Fund. **Central Office allocations**, on the other hand, are funds being managed by the Head Office of departments/agencies for their respective units.



2018 BUDGET DIMENSIONS

BY RECIPIENT UNIT

For 2018, national government agencies (NGAs) receive PhP2,634.2 billion, representing 69.9% of the 2018 Budget and a 14.5% increase from last year's budget.

Subsidy to GOCCs, on the other hand, amounts to PhP197.6 billion, or 27.6% higher compared to its level of PhP154.9 billion in 2017. The bulk of the increase is attributed to the: a) implementation of the targeted cash transfer program for poor families through the Landbank to cushion the inflationary impact of the TRAIN Program; b) increased coverage of senior citizens from six months to one year by the Philippine Health Insurance Corporation (PhilHealth); and c) subsidy for the Public Utility Vehicle (PUV) Modernization Program.

The support to local government units (LGUs) represents 15.4%, or PhP581.2 billion, of the budget, which is 3.8% higher than the PhP560.0 billion allocation in 2017. The largest component of this is the PhP522.7 billion Internal Revenue Allotment (IRA).

Budget by Recipient Unit, 2016-2018



	2016	2017	2018
NGAs	PhP1,991.4 B	PhP2,300.1 B	PhP2,634.2 B
GOCCs	PhP131.7 B	PhP154.9 B	PhP197.6 B
LGUs	PhP485.8 B	PhP560.0 B	PhP581.2 B
Creditors	PhP392.8 B	PhP334.9 B	PhP392.8 B

TOP 10 RECIPIENTS

- 1** Department of Education (including SUCs, CHED, TESDA)
PhP672.4 B
- 2** Department of Public Works and Highways
PhP637.9 B
- 3** Department of the Interior and Local Government
PhP170.8 B
- 4** Department of Health (including PHIC's budget)
PhP167.9 B
- 5** Department of National Defense
PhP149.7 B
- 6** Department of Social Welfare and Development
PhP141.8 B
- 7** Department of Transportation
PhP66.3 B
- 8** Department of Agriculture
PhP53.5 B
- 9** Autonomous Region in Muslim Mindanao
PhP33.1 B
- 10** Department of Environment and Natural Resources
PhP24.9 B

2018 BUDGET DIMENSIONS

BY SPECIAL PURPOSE FUND

Special Purpose Funds (SPFs) refer to the seven (7) Funds in the Budget that are set aside for particular purposes. For 2018, SPFs amount to PhP1,406.6 billion, or 6% higher than the 2017 level of PhP1,321.6 billion. These cover both disaggregated funds and lump sums.

Types of SPFs* (% Share)

Automatic Appropriations 64%

PhP896.4 B

Automatic Appropriations are expenditures which do not require annual approval by Congress, having been designated as automatic appropriations by law.

Internal Revenue Allotment	PhP 522.8 B
Tax Expenditure Fund	PhP 19.5 B
Debt Service-Interest Payment	PhP 354.0 B

Disaggregated SPFs 34%

PhP477.3 B

Disaggregated SPFs are funds broken down into specific items and purposes for greater transparency.

Budgetary Support to Government Corporations	PhP197.6 B
Allocations to LGUs (Special Shares, LGSF and MMDA)**	PhP 58.1 B
Miscellaneous Personnel Benefits Fund	PhP 99.4 B
Pension and Gratuity Fund	PhP 122.2B

Lump-Sum Funds 2%

PhP32.9 B

The remaining lump-sum allocations refer to funds in the budget that cannot be broken down during budget preparation and legislation, particularly those set aside for unforeseen events.

National Disaster Risk Reduction and Management (NDRRM) Fund	PhP 19.6 B
Contingent Fund	PhP 13.0 B
Allocation to LGUs (death benefits of barangay officials, share in the Fire Code Fees)	PhP 0.3 B

**TOTAL:
PhP1,406.6 B**

100%

**Figures may not add up due to rounding off*

*** Special Shares of LGUs in the Proceeds of National Taxes, Local Government Support Fund, and Metropolitan Manila Development Authority*

2018 BUDGET DIMENSIONS

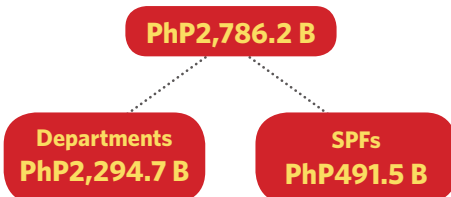
BY SOURCE OF APPROPRIATIONS

The 2018 Budget is supported by New General Appropriations of PhP2,861.5 billion, accounting for 74.5% of total expenditures, and Automatic Appropriations of PhP980.8 billion.

New General Appropriations

New General Appropriations refer to that portion of the National Budget submitted annually to Congress for approval. These appropriations consist of the Programmed New General Appropriations and the Unprogrammed New General Appropriations.

Programmed New General Appropriations



Unprogrammed New General Appropriations

PhP75.3 B

Of which:

- Risk Management Program **PhP23.4 B**
- Support for Infrastructure Projects and Social Programs **PhP13.7 B**
- AFP Revised Modernization Program **PhP5.0 B**
- Bangon Marawi Fund **PhP5.0 B**

refer to standby authorities granted by Congress to be released once revenue collections in any one of the identified revenue sources exceed targets or when grants or foreign loans are received.

Automatic Appropriations

These funds are covered by outstanding legislation which do not require periodic action by Congress and, thus, need not be included in the legislation of the annual budget.

PhP980.8 B

- Internal Revenue Allotment **PhP522.7 B**
- Debt Service-Interest Payment **PhP354.0 B**
- Others* **PhP104.0 B**

*Retirement and Life Insurance Premiums, PhP42.6 B; Tax Expenditures, PhP19.5 B; Special Accounts, PhP25.1 B; and Pensions for Spouses of Ex-Presidents, PhP480 M.

Percentage change, 2017-2018

Programmed New General Appropriations

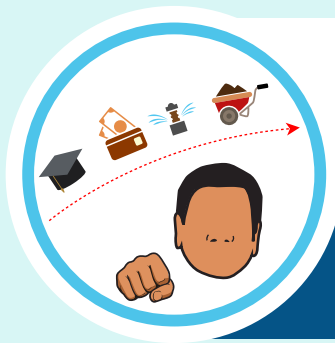
↑ **14.6%**

Unprogrammed New General Appropriations

↑ **11.6%**

Automatic Appropriations

↑ **6.8%**



FULFILLMENT OF THE PRESIDENT'S PROMISES

The 2018 Budget represents the fulfillment of the campaign promises of President Duterte.

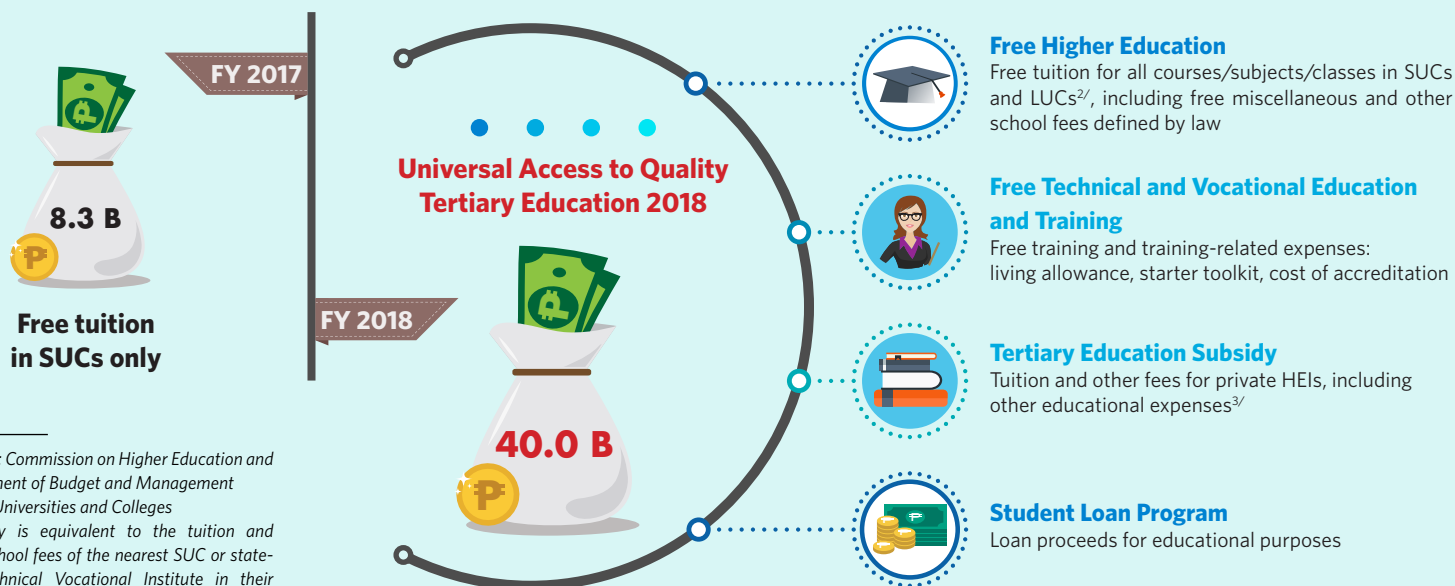
I. Universal Access to Quality Tertiary Education

Through the 2018 Budget, the Administration addresses the disparities in educational opportunities and access to quality higher education through the Universal Access to Quality Tertiary Education (UAQTE) Program.

PhP40.0 B

For the UAQTE to provide free tuition for college students in State Universities and Colleges and more (see details below)

Free Tuition 2017 vs UAQTE 2018^{1/}



^{1/}Source: Commission on Higher Education and Department of Budget and Management

^{2/}Local Universities and Colleges

^{3/}Subsidy is equivalent to the tuition and other school fees of the nearest SUC or state-run Technical Vocational Institute in their respective areas

II. Doubling the Salaries of Military and Uniformed Personnel

With the approval by Congress of Joint Resolution No. 1 on January 1, 2018, President Duterte fulfilled his promise of increasing the base pay of military and uniformed personnel (MUP) estimated to cost PhP64.2 B.



100% increase in monthly base pay

For Police Officer I, Fire/Jail Officer I, Private, and Apprentice Seaman

PhP14,834 → PhP29,668

Provision of Hazard Pay
PhP540/month

Average raise for all MUP ranks

2018: 58.7%

2019: 72.2%

The first round of increases has been effective since January 1, 2018. The second round will become effective on January 1, 2019.

III. Free Irrigation Services for All

The 2018 Budget ensures the fulfillment of the President's commitment to provide free irrigation for small farmers.

PhP41.7 B

For the National Irrigation Administration (NIA) to ensure the development, restoration, repair, and rehabilitation of climate-resilient irrigation systems nationwide

Free Irrigation Service Act

On February 2, 2018, the President signed Republic Act No. 10969, or the Free Irrigation Service Act, which exempts farmers who own eight (8) hectares of land or less from paying irrigation service fees (ISF). The Law also condones the unpaid ISFs and the corresponding penalties on loans of farmers with the National Irrigation Administration.

Targets

Percentage increase in the number of farmer beneficiaries with increased productivity

2018: 50%
2017: 20%

No. of hectares irrigated in all cropping seasons

For national irrigation systems

2018: 1,205,557 ha
2017: 1,135,747 ha

For communal irrigation systems

2018: 1,316,753 ha
2017: 1,149,164 ha

National irrigation systems are large and medium schemes operated and maintained by the NIA, while communal irrigation systems are small-scale schemes and constructed with the participation of farmer-beneficiaries through the irrigation associations.

No. of hectares of new service areas developed

2018: 18,447 ha
2017: 16,562 ha

Subsidy for Irrigation Service Fees



To cover the cost of free irrigation services for farmers



IV. Marawi Rehabilitation and Recovery Program*

To reconstruct damaged houses and infrastructure and address the needs of 465,674 individuals displaced by the war in Marawi

2018: PhP10.0 B
2017: PhP5.0 B



*To be sourced from the PhP25.5 billion NDRRM Fund



INEQUALITY-REDUCING TRANSFORMATION

ACCELERATING HUMAN CAPITAL DEVELOPMENT: QUALITY, ACCESSIBLE, AND RELEVANT EDUCATION

Education is the wealth of every nation. As skilled, mobile human capital is considered one of the main drivers of development and economic growth, the government continues to invest in programs, projects, and activities that will make education accessible to every Filipino. The Education Sector is given some **PhP672.4 billion** for 2018, 2.4% increase from the 2017 budget of PhP656.3 billion.



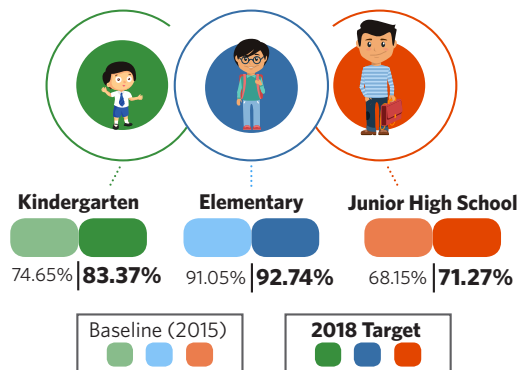
BASIC EDUCATION

Primary and secondary education aim to give children a strong foundation for developing their skills and abilities. For 2018, the Department of Education (DepEd) has been allocated a budget of **PhP580.6 billion**.

2018 Targets of the DepEd

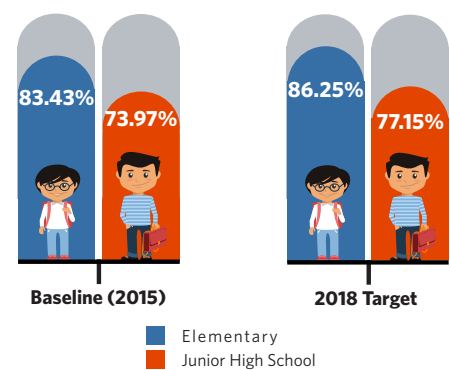
Net Enrolment Rate

The number of students in the theoretical age group for a given education level as a percentage of the total number of population in that age group.



Completion Rate

is the percentage of students who have completed an education level in the required number of years of study.



Basic Educational Facilities

- Construction of 28,170 classrooms
- Procurement of 81,201 sets of school seats
- Repair and rehabilitation of 6,800 classrooms



Manpower

- Creation of 81,100 teaching positions (K-to-10 program: 78,924; Special Education: 1,944; Senior High School: 232)
- Creation of 140 non-teaching positions



Learning Resources

- 34.68 million books
- 3,740 Science and Mathematics equipment
- 4,000 e-textbook packages
- 18,969 Technical-Vocational Tools and Equipment



Health and Nutrition Services

PhP5.3 billion for the school-based Feeding Program. This will benefit:

- 1.8 million severely wasted and wasted students (those with low weight in relation to height)



Government Assistance and Benefits for Students and Teachers

PhP26.3 billion to provide financial aid to:

- 2,327,687 students
- 41,659 teachers participating in the Teacher Salary Subsidy Program

HIGHER EDUCATION AND TECHNICAL-VOCATIONAL EDUCATION

To meet the challenges of globalization, the government continues to invest in higher and technical-vocational education in order to boost the quality of its manpower, and raise productivity and employment in the country.



Tertiary Education:

To improve the quality of education and the employability of graduates, a total of **Php115.7 billion** is allotted to fund the Tertiary Education Sector for 2018. State universities and colleges (SUCs) get an allocation of **Php65.2 billion**, 6.2% more than the 2017 level of Php61.4 billion. The Commission on Higher Education gets a budget of **Php50.5 billion** for 2018, a hefty increase from the 2017 budget of Php19.6 billion to implement the UAQTE.



Student Financial Assistance Programs

Php5.4 billion to assist 420,553 students

Tulong Dunong Program

Php4.2 billion to provide scholarships for 359,459 students

K-to-12 Transition Program

Php2.8 billion to cover:

- 3,556 scholarships for graduate studies
- 110 development grants for faculty and staff
- 234 institutional and innovation grants

TECHNICAL-VOCATIONAL EDUCATION

Php7.6 billion for the Technical Education and Skills Development Authority (TESDA), a 12% increase from its budget of Php6.8 billion in 2017

Training for Work Scholarship Program (TWSP): **Php2.8 billion**

No. of enrollees: 262,575

No. of graduates: 236,318

Special Training for Employment Program (STEP): **Php0.9 billion**

No. of beneficiaries: 61,581

Private Education Student Financial Assistance (PESFA):

Php0.2 billion

No. of beneficiaries: 11,111





INEQUALITY-REDUCING TRANSFORMATION

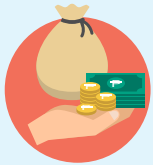
ACCELERATING HUMAN CAPITAL DEVELOPMENT: HEALTH FOR ALL

Good health is a key factor in the development of every citizen's full potential and productivity. Thus, the government continues its efforts in ensuring that all its citizens, especially those from low income families, have access to the quality health services that they need.

For 2018, a budget of **PhP179.4 billion** is provided for the Health Sector, a 13.3% increase from the 2017 budget of PhP158.3 billion. PhP109.8 billion of this total goes to the Department of Health (DOH) for the following programs:



National Health Insurance Program



PhP60.6 billion to provide affordable and accessible health insurance for:

- **15.4 M poor families** (PhP2,400/family)
- **5.4 M senior citizens** (PhP3,120/senior citizen)
- **25,514 families** under the PAYapa at MASaganang PamayaNAn (PAMANA) Program (PhP2,400/family)
- **22,709 beneficiaries** under the Bangsamoro Program (PhP2,400/family)

Human Resources for Health Deployment Program

PhP10.0 billion to address the need for more health personnel in far-flung or hard-to-reach communities. This Program targets to achieve a ratio of 17 Human Resources for Health (HRH) per 10,000 population this year by hiring the following:

446
doctors



3,108
midwives



20,527
nurses



324
dentists



National Immunization Program



PhP7.4 billion to fund the following:

- Pneumococcal vaccinations for infants and senior citizens
- Full immunization of 2.7 million infants against hepatitis B, measles, rubella, polio, Japanese encephalitis, etc.
- Immunization of Grades 1 to 7 students against measles, rubella, tetanus, and diphtheria
- Immunization of pregnant women against tetanus and diphtheria

Prevention and Control of Infectious Diseases



PhP2.9 billion to provide prevention services, testing, and treatment of infectious diseases such as dengue, malaria, schistosomiasis, leprosy, filariasis, and HIV/AIDS, among others

Tuberculosis Control Program



PhP785 million to ensure a 90% TB case detection rate and TB treatment success rate, and reduce TB incidence to 225 per 100,000 in 2022 from 322 in 2015

Health Facilities Operation Program

PhP27.6 billion, of which **PhP18.1 billion** will go to the operations of DOH regional hospitals and other health facilities

Health Facilities Enhancement Program (HFEP)

PhP30.3 billion to provide funds for the:

- Construction of 1,291 new Barangay Health Stations (BHSs)
- Construction of 86 new Rural Health Units (RHUs), and completion and equipping of 508 RHUs, Urban Health Centers (UHCs), and City Health Offices (CHOs)
- Improvement of the facilities of 461 hospitals and polyclinics



Regional Allocation for Major Projects* under HFEP (in thousand Pesos)

REGION	BHSs	RHUs, UHCs, CHOs	HOSPITALS
CAR	171,143	64,478	553,519
Region I	168,400	211,600	347,180
Region II	129,799	147,265	685,759
Region III	182,528	85,360	1,172,674
NCR	-	156,671	2,327,338
Region IV-A	130,100	28,500	449,746
MIMAROPA	18,400	391,894	590,586
Region V	251,620	368,247	1,125,985
Region VI	110,200	180,700	1,493,228
Region VII	595,100	341,800	1,097,814
Region VIII	100,800	4,450	134,808
Region IX	53,750	186,500	743,271
Region X	267,857	50,800	1,065,665
Region XI	129,100	29,000	620,250
Region XII	340,648	58,950	894,453
CARAGA	182,537	49,587	517,572
ARMM	60,598	10,900	600,336
TOTAL	2,023,891	2,366,702	14,420,184

* Excluding Polyclinics and Other Health Units





INEQUALITY-REDUCING TRANSFORMATION

REDUCING THE VULNERABILITY OF INDIVIDUALS AND FAMILIES

The sectors that are most vulnerable to economic shocks are also the groups with the highest incidence of poverty, namely, children (34.1%), women (22.5%), and senior citizens (13.2%). The Duterte Administration puts a premium on providing benefits to these targetted Filipino individuals and households to help them cope with circumstances that threaten their welfare.

Reflecting the government's commitment to provide social protection to these groups, the Department of Social and Welfare Development (DSWD) has been allotted a 2018 budget of **PhP142 billion**, an increase of 10.59% from the 2017 budget of PhP128.4 billion.



Protection for the Poor



Conditional Cash Transfer (CCT) Program

PhP89.4 billion to provide educational grants, livelihood assistance, and health services to:

- **4.4 million poor families** (Regular CCT)
- **235,289 beneficiaries** (Modified CCT)

Sustainable Livelihood Program

PhP5.1 billion for poor households to develop their entrepreneurial and labor skills. For 2018, this program will help:

- **153,551 beneficiaries**

Kalahi-CIDSS National Community-Driven Development Program

PhP5.4 billion to involve communities in local government planning and budgeting to enhance their access to public services. It targets to complete 2,705 sub-projects in 5,551 barangays across 15 regions in 2018.

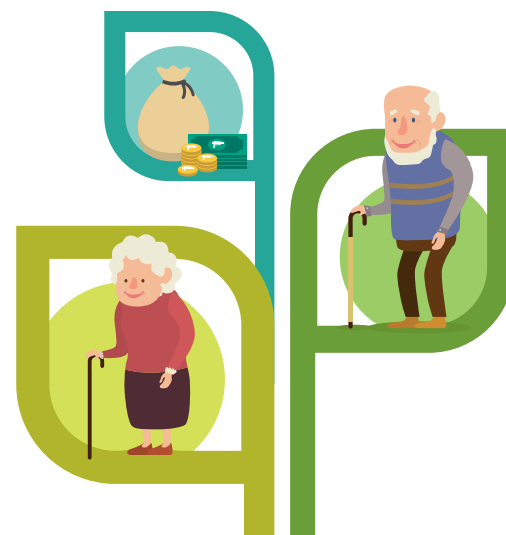
Protection for Senior Citizens

Social Pension for Indigent Senior Citizens

PhP19.3 billion to provide a monthly stipend of PhP500 for 3 million indigent senior citizens

Implementation of the Centenarians Act

PhP190 million to provide for a one-time cash reward of PhP100,000 to 1,895 senior citizens aged 100 and up



Protection for Children



Supplementary Feeding Program

PhP3.4 billion to improve the nutritional status of children aged five (5) years and below by serving nutritious meals to:

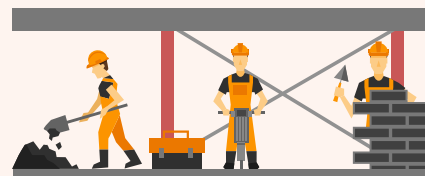
- **1,746,199 daycare children**

Bangsamoro Umpungan sa Nutrisyon (BangUN)

PhP156 million to address the nutritional needs of 7,000 underweight children in the ARMM. This program will ensure culturally-appropriate indigenous food for:

- **1,000 pregnant women** (including teenage mothers)
- **1,000 lactating mothers** (including teenage mothers)
- At least **half of 7,000 parents** who are unemployed or underemployed
- Some **75 barangays and 40 municipalities** in need of technical support for sustainable nutrition intervention

Protection for Overseas Filipinos (OFs)



Social Protection and Welfare of Overseas Filipinos

PhP627 million to facilitate the generation of decent jobs and promote the protection of OFs



Services to Distressed OFs

PhP90 million to help OFs who are victims of injustice, abuse, and external shocks



Reintegration Program for OFs

PhP100 million to assist returning OFs in creating their own businesses to support their daily needs

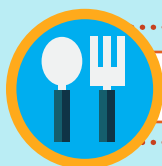
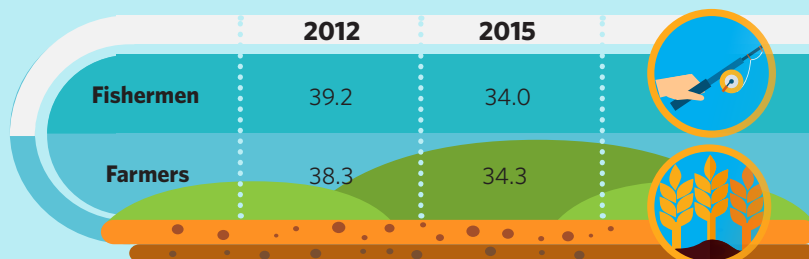


INEQUALITY-REDUCING TRANSFORMATION

EXPANDING OPPORTUNITIES IN AGRICULTURE, FORESTRY, AND FISHERIES

With a budget of PhP103.5 billion for the Agriculture, Forestry, and Fisheries (AFF) Sector, the Duterte Administration stays committed to uplift the lives of farmers and fisherfolk who are among the poorest in the country.

Poverty Incidence of Farmers and Fisherfolk



Reduce Hunger

To revitalize the country's agricultural sector, the Department of Agriculture (DA) is provided a higher budget of **PhP59.8 billion**¹ to help feed more than 100 million Filipinos.

¹ Per GAA inclusive of Government-Owned and/or -Controlled Corporations (GOCCs)

Agricultural Commodity Programs



Rice Program = PhP11.8 B

Increase rice yield to 19.79 million metric tons (MMT)
2017: PhP9.7 B → 18.57 MMT



Corn Program = PhP3.0 B

Expand production of yellow corn to 8.87 MMT
2017: PhP2.8 B → 8.45 MMT

High Value Crops Program = PhP3.6 B

Raise investments in high value commercial crops



Banana
2018: **9.926 MMT**
2017: 9.64 MMT



Coffee
2018: **0.052 MMT**
2017: 0.044 MMT



Cacao
2018: **0.027 MMT**
2017: 0.019 MMT



Pineapple
2018: **2.822 MMT**
2017: 2.74 MMT



Mango
2018: **0.986 MMT**
2017: 0.96 MMT



Rubber
2018: **0.262 MMT**
2017: 0.23 MMT

Fisheries Program = PhP4.6 B

Increase the production of fish and other aquatic produce

Commercial



1.06 MMT **2018**
1.04 MMT 2017

Municipal



1.15 MMT **2018**
1.14 MMT 2017

Aquaculture



2.42 MMT **2018**
2.31 MMT 2017

Livestock Program = PhP2.7 B

Provide a competitive alternate source of income through livestock production



2018 **1.79 MMT**
2017 1.89 MMT



2.16 MMT
2.14 MMT

National Food Authority = PhP7.0 B

Ensure the availability of rice especially during lean seasons through the Buffer Stocking Program



388,889 metric tons
of paly to be procured



Increase Agricultural Productivity

Every country should allot at least 1% of GDP to sustain agricultural productivity¹. To meet this requirement, the government invests in various research, infrastructure, and financing programs to increase the gains of farmers and fisherfolk and minimize their losses.

Infrastructure

PhP11.7 B

Farm-to-Market Roads

Construct 1,169 km of roads in 2018



PhP4.2 B

Mechanization and Post-Harvest Facilities

Provide farmers with agricultural equipment and facilities for mechanization and postharvest purposes, such as storage areas, hauling trucks, tractors, and combine harvesters and transplanter

PhP40.9 B

Construction of Irrigation Systems

Fund the development, restoration, and repair of climate-resilient irrigation systems through the National Irrigation Administration (NIA)



Dry Season

582,898 hectares (ha)



Wet Season

613,193 ha

Target:

580,050 farmer beneficiaries

Research and Development (R&D)



PhP1.0 B

DOST's Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development

Fund 262 projects and address 90% of research priorities involving the AFF sector in the Harmonized R&D Agenda

PhP1.2 B

Bureau of Agricultural Research

Lead and coordinate R&D on agriculture and fisheries in the country

PhP374 M

Bureau of Fisheries and Aquatic Resources

Conduct studies that will help augment the production and income of fisherfolk

PhP115 M

Forest Products Research and Development Institute

Conduct R&D and generate technology and information on forest-based products

Regional Allocations for Farm-to-Market Roads

(in million Pesos)

Cordillera Administrative Region (CAR)	336
Region I - Ilocos Region	679
Region II - Cagayan Valley	522
Region III - Central Luzon	1,136
Central Office	175
Region IV-A - CALABARZON	878
MIMAROPA	527

Region V - Bicol Region	735
Region VI - Western Visayas	1,149
Region VII - Central Visayas	659
Region VIII - Eastern Visayas	484
Region IX - Zamboanga Peninsula	380
Region X - Northern Mindanao	550
Region XI - Davao Region	685
Region XII - SOCCSKSARGEN	568
Region XIII - CARAGA	496

Financial Assistance

PhP1.1 B

Farmers and Fisherfolk Quick Credit Program

To provide a targetted 80,200 beneficiaries with access to affordable credit via provision of non-collateralized loans for agri-fishery production



PhP3.5 B

Crop Insurance Program

To cover the insurance protection of a targetted 1,820,033 farmers and fisherfolk against risks brought about by natural disasters, plant diseases, and pest infestations

Expedite Land Reform

One of the ten basic needs of the poor is land reform². To fast-track the distribution of land to farmers and provide other basic support services, the Department of Agrarian Reform (DAR) is given **PhP9.9 billion** for 2018.

PhP2.2 B

Land Acquisition and Distribution Program

53,841 ha of land with registered Emancipation Patents and Certificate of Land Ownership Awards

46,072 agrarian reform beneficiaries



¹ United Nations Educational, Scientific, and Cultural Organization

² National Anti-Poverty Commission



INEQUALITY-REDUCING TRANSFORMATION

EXPANDING ECONOMIC OPPORTUNITIES IN INDUSTRY AND SERVICES

The Industry and Services Sectors remain the drivers of economic growth. With the current labor force participation rate of 60.6%¹, more than half, or 77.4% of the employed Filipinos, are working in these two sectors. Moreover, among the major sectors in the country, Industry and Services had the fastest growth in 2017, with 7.2% and 6.7%, respectively.

With a budget of **PhP6.0 billion** in 2018, a 25% increase from its 2017 allocation of PhP4.8 billion, the Department of Trade and Industry (DTI) will continue developing micro, small, and medium enterprises (MSMEs) to sustain the country's inclusive growth. This will be achieved through:



¹ As of July 2017

Establishment of Negosyo Centers

2018: PhP515 million

To promote the ease of doing business in the country through the establishment of more Negosyo Centers, which serve as one-stop shop facilities for the processing of requirements and registration of businesses

Particulars	2018 Targets	2017 Targets
Number of Negosyo Centers to be established	150*	150
Number of Negosyo Centers to be maintained/sustained	597**	299
Number of clients to be assisted	500,000	15,000

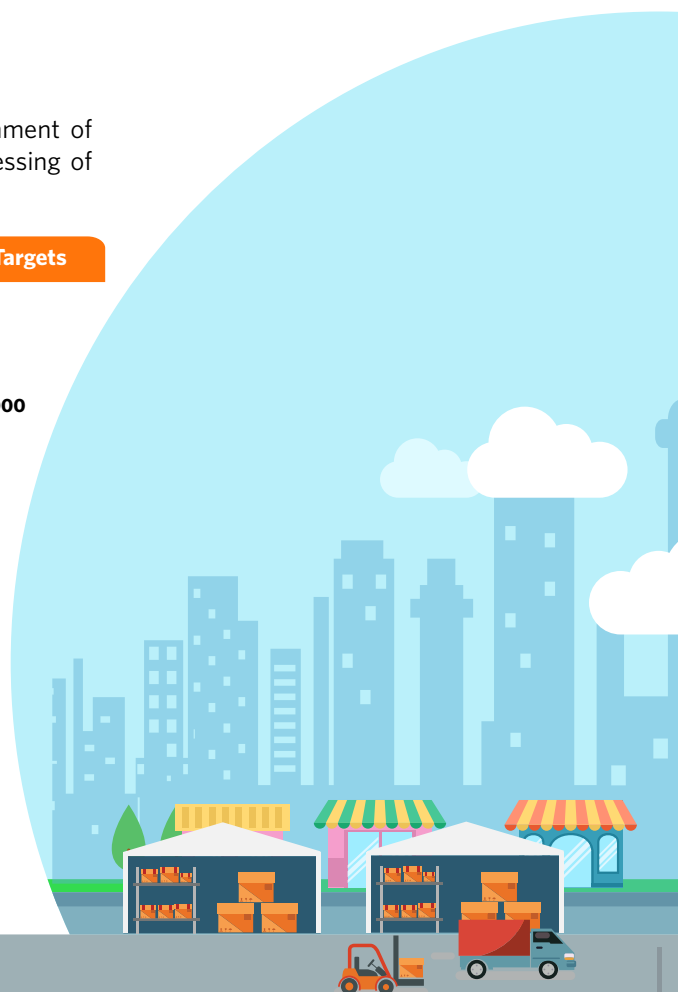
* Figure includes basic, advanced, and full service Negosyo Centers

** As of December 31, 2017, there are 789 Negosyo Centers

Pondo sa Pagbabago at Pag-asenso (P3) Program

2018: PhP1.0 billion

For the Small Business Corporation to provide MSMEs with an alternative source of financing at a reasonable cost in order to boost the development of the MSME Sector



Shared Service Facilities (SSF) Program

2018: PhP1.0 billion

To improve the competitiveness and increase the productivity of MSMEs, the SSF Program was launched to promote partnerships that provide MSMEs with access to upgraded energy-efficient equipment and better technologies under a shared system. This budget includes a PhP600 million appropriation for SSFs of State Universities and Colleges, Marawi City, Schools of Living Traditions, and the youth sector.

Particulars	2018 Targets	2017 Targets
No. of SSFs to be established	328	–
No. of SSFs to be maintained	2,195	2,219

Investment Promotion Program

2018: PhP140 million

To draw more investments in the country by implementing programs, activities, and projects focused on the promotion of local and foreign investments

One Town, One Product (OTOP): Next Generation

2018: PhP100 million

To help localities and communities develop their own native products to further boost inclusive local economic growth

- Targets to assist 6,000 MSMEs nationwide
- To develop at least five (5) products per province

Comprehensive Automotive Resurgence Strategy (CARS) Program

2018: PhP34 million

To revive the country's automotive industry and develop the country as a regional automotive manufacturing hub, incentives and fixed investment support will be provided to participating car makers for manufacturing at least 600,000 units of three models over a 6-year program period, and the production of body shell and large plastic parts. This Program will generate:

- 67,500 additional jobs
- PhP7.6 billion in government revenues in terms of VAT, withholding taxes, excise taxes, and import taxes
- PhP7.5 billion in investments



MAINTAINING THE FOUNDATIONS FOR SUSTAINABLE DEVELOPMENT

ACCELERATING THE IMPLEMENTATION OF STRATEGIC INFRASTRUCTURE

Vital to a nation's development is sufficient and quality infrastructure, since excellent roads, ports, airports, bridges, and other infrastructure facilities make the movement of people and goods from areas of production to markets more efficient. Access to lagging regions is also improved, resulting in lower production and transport costs.

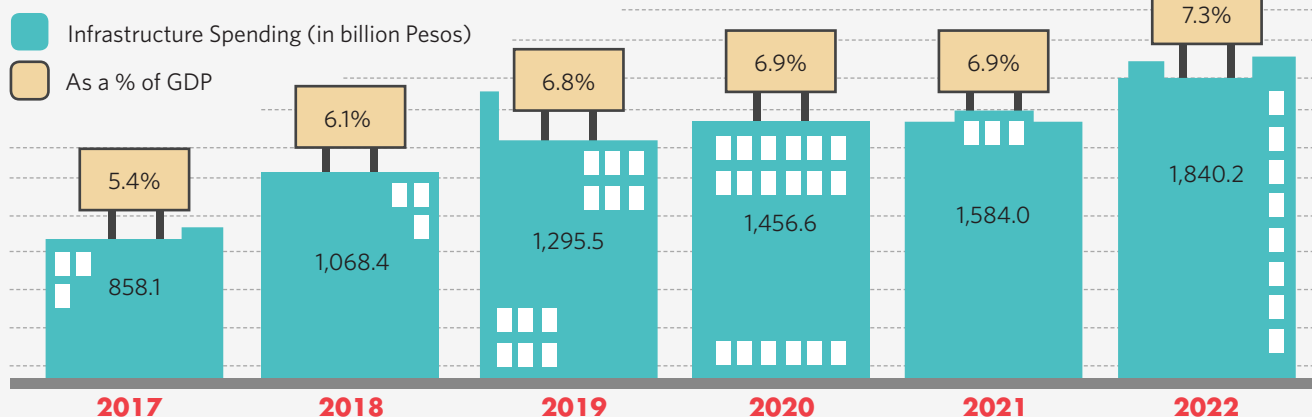


In line with its anti-poverty agenda, the Duterte Administration plans to invest more than 5% of GDP on land, sea, and air transport infrastructure, to bring the target infrastructure spending to 7.3% of GDP by 2022.



Securing the Golden Age of Infrastructure

Target Infrastructure Expenditure, 2017-2022



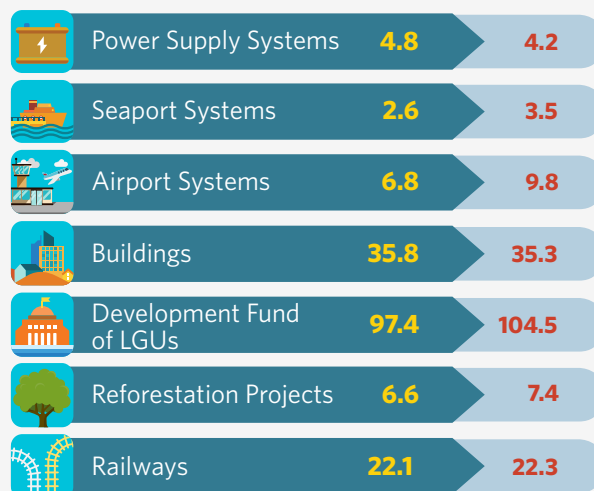
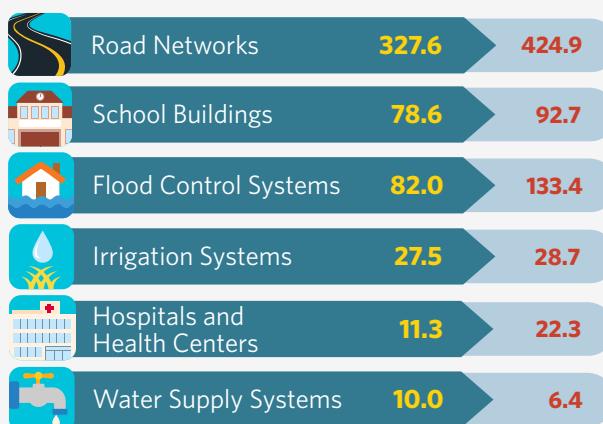
Sustaining the Build, Build, Build Program



For 2018, **Php1,068.4 billion** is earmarked for the Build, Build, Build Program, accounting for 6.1% of GDP. This will be used to improve and construct roads, railways, airports, and seaports across the nation.

Infrastructure Projects (in billion Pesos)

■ 2017
■ 2018 GAA



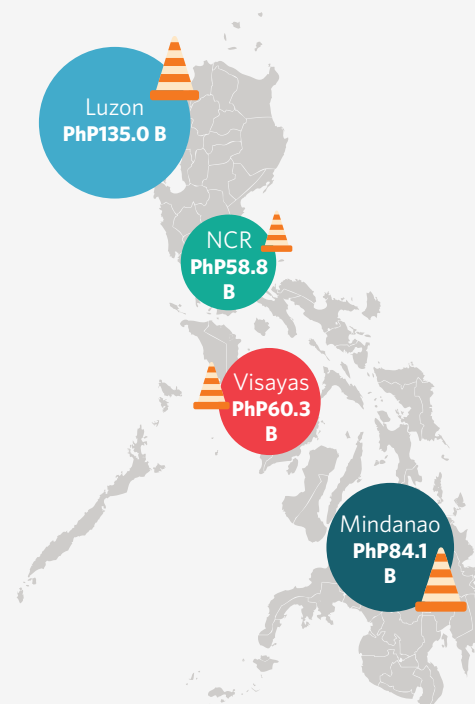
To expand infrastructure development across the country, the government has increased the allocation for infrastructure projects in the regions.

Regional Breakdown of Infrastructure Outlays, 2017-2018 (in billion Pesos)

Luzon gets the largest share with PhP135.0 billion, followed by Mindanao, Visayas, and the National Capital Region (NCR), with PhP84.1 billion, PhP60.3 billion, and PhP58.8 billion, respectively.

Particulars	2017 GAA	2018 GAA
Nationwide ¹	108.2	116.6
Central Office ²	382.1	584.1
Cordillera Administrative Region (CAR)	11.0	11.8
Region I - Ilocos Region	22.1	20.4
Region II - Cagayan Valley	15.6	14.1
Region III - Central Luzon	34.6	34.5
National Capital Region (NCR)	59.3	71.6
Region IV-A - CALABARZON	34.3	29.8
MIMAROPA	15.6	14.0
Region V - Bicol Region	27.0	23.3
Region VI - Western Visayas	20.7	20.2
Region VII - Central Visayas	23.4	20.3
Region VIII - Eastern Visayas	21.5	21.8
Region IX - Zamboanga Peninsula	11.5	11.5
Region X - Northern Mindanao	17.5	16.7
Region XI - Davao Region	16.2	16.9
Region XII - SOCCSKSARGEN	11.2	13.5
Region XIII - CARAGA	11.9	12.1
Autonomous Region in Muslim Mindanao (ARMM)	14.5	15.2
Total	858.1	1,068.4

Note: Figures may not add up due to rounding off



¹Nationwide refers to infrastructure allocations for projects under the multi-user funds that cannot yet be identified during budget preparation. For 2018, these multi-user funds consist of the IRA and the Calamity Fund.

²Central Office consists of infrastructure allocations being managed by the Head Office of departments/agencies.

Public-Private Partnerships

To expedite the implementation of projects, the Administration is pursuing a "hybrid approach" to the Public-Private Partnership (PPP) system. The government will finance the construction of infrastructure projects, and upon completion, bid out the operation and maintenance to the private sector.

As of February 6, 2018

16 PPP projects awarded

14 PPP projects in the pipeline

Improving Mobility, Connectivity, and Resilience

PhP637.9 billion, 36.4% higher than the 2017 allocation of PhP467.7 billion, is provided for the DPWH to ensure safe and reliable national road systems. The DPWH budget will fund the following programs:

Maintain 631.2 kilometers (km) of roads and rehabilitate/reconstruct/upgrade 400.7 km of damaged national roads

Asset Preservation
PhP65.2 B

Construct 1,535.4 km of new roads and widen 1,298.2 km of existing national roads

Network Development
PhP190.4 B

Build/replace 5,099.6 lineal meters (lm) of new bridges and maintain and rehabilitate 500 existing bridges

Bridge Program
PhP38.8 B

Improve the logistics infrastructure network in the regions of Mindanao

Mindanao Logistics Infrastructure Network
PhP22.3 B

Construct 1,936 flood mitigation structures and drainage systems

Flood Control Program
PhP38.8 B

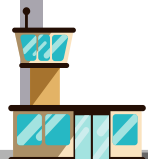
Upgrading the Public Transport System

PhP43.6 billion is earmarked for the Department of Transportation (DOTr) to provide all Filipinos with a safe, affordable, and comfortable public transport system.



Air Transport

PhP9.8 B
for the Aviation
Infrastructure
Program



PhP1.1 B

Night Rating of Airports

Boost the nighttime landing capacities of airports in Pampanga, Albay, and Agusan del Norte

Construction/Rehabilitation of Airports

PhP900 M

Kalibo International
Airport, Aklan

PhP900 M

Bicol (New Legaspi)
International Airport

PhP425 M

Bukidnon Airport

PhP386 M

New Bohol (Panglao)
International Airport

Three foreign-assisted Bus Rapid Transit (BRT) projects aim to ease traffic congestion in Metro Manila and Metro Cebu:

Road Transport

PhP3.1 B

Cebu Bus Rapid Transit Project
(Bulacao-Ayala-Talamban)

PhP275 M

Metro Manila BRT Line 1
(Quezon City)

PhP300 M

Metro Manila BRT Line 2
(Epifanio Delos Santos Avenue)



Rail Transport

PhP22.3 billion is allotted for rail transport programs for 2018 to increase the target number of weekday passengers by 5% from a baseline of 1.1 million passengers.

PhP5.8 B

**Mindanao Railway
Project Phase I**
(Tagum-Davao-Digos)

PhP3.2 B

**North-South Railway
Project Phase 2**
PNR South

PhP2.5 B

**North-South Commuter
Railway (NSCR) Project**
PNR North

PhP1.3 B

**LRT Line 1
South (Cavite)**
Extension Project

PhP1.0 B

MRT Line 3
Rehabilitation and
Capacity Expansion



Sea Transport

PhP5.5 B

For the Maritime
Infrastructure Program

PhP2.0 B

Maritime Safety
Capability
Improvement
Program

PhP71 M

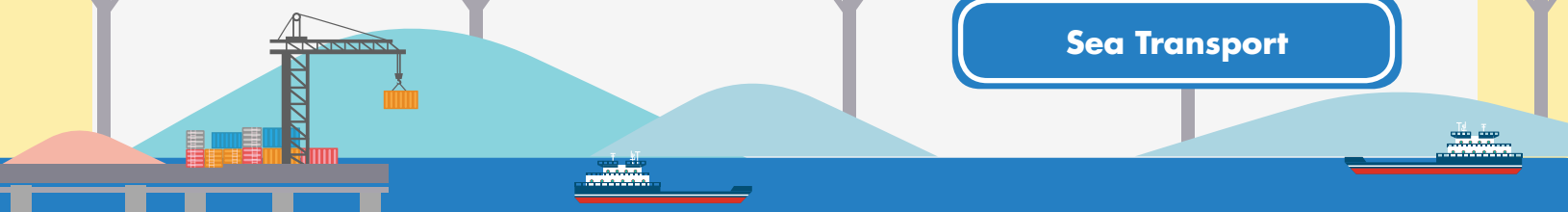
Continuation of
the construction of
Taganak Port
in Turtle Island,
Tawi-Tawi

PhP60 M

Rehabilitation and
improvement
of Catbalogan City,
Samar Wharf Pier I

PhP41 M

Rehabilitation of
Maribojoc, Bacayon,
and Guindulman Ports
in Central Visayas
(Region VII)





MAINTAINING THE FOUNDATIONS FOR SUSTAINABLE DEVELOPMENT PURSUING JUST AND LASTING PEACE

Enduring peace can only be achieved when the fundamental needs of citizens are met. In line with this, the government vigorously pursues a peace-building agenda, translated into strategic development programs and projects that will focus on conflict-affected and vulnerable communities, particularly in Mindanao.

A Framework for Peace and Development

PhP7.3 billion will fund the PAYapa at MAsaganang PamayaNAn (PAMANA) Program to help improve governance, reduce poverty, and empower communities distressed by conflict through a focused delivery of infrastructure and basic social services.

Of this total, **PhP5.2 billion** is allotted for the Department of Public Works and Highways (DPWH) for the construction of roads and bridges in conflict-affected areas already identified by the Office of the Presidential Adviser on the Peace Process (OPAPP).



Other PAMANA Projects



Roads and Bridges (ARMM)
2018: PhP560 M
2017: PhP0



Community Support (Department of Social Welfare and Development)
2018: PhP1.5 B
2017: PhP1.0 B



Support to Indigenous Peoples (National Commission on Indigenous Peoples)
2018: PhP8 M
2017: PhP8 M



Health Insurance Premiums (PhilHealth)
2018: PhP54 M
2017: PhP61 M



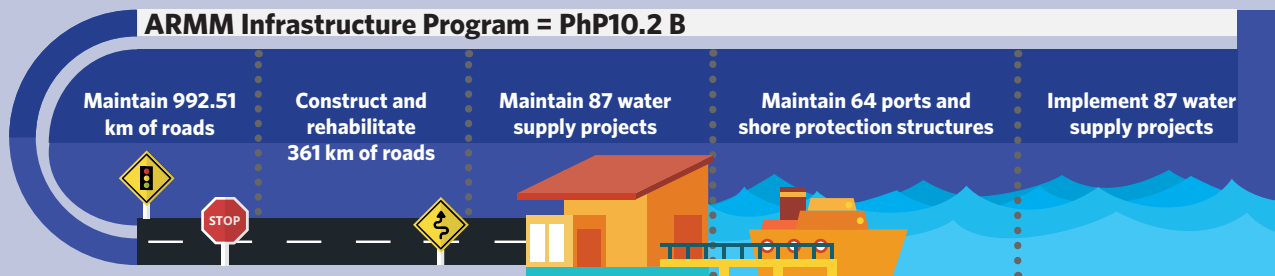
Study Grants (Commission on Higher Education)
2018: PhP19 M
2017: PhP22 M

Ensuring Security in Mindanao

An increased budget of PhP33.1 B is allotted for the Autonomous Region in Muslim Mindanao (ARMM), which has been declared the poorest region in the country in 2012 and 2015¹. The bulk of the budget will be used to improve logistics and literacy in the region.

Other Programs in the 2018 ARMM Budget

ARMM Infrastructure Program = PhP10.2 B



ARMM-Bangsamoro Regional Inclusive Development with Growth Equity (ARMM-BRIDGE)

2018: PhP3.6 B

2017: PhP2.1 B

To provide 40,000 poor households with water and sanitation systems, food, shelter, and light in 2018

ARMM-Health, Education, Livelihood, Peace, and Synergy (ARMM-HELPS)

2018: PhP2.0 B

2017: PhP1.8 B

To service 553 barangays by the end of 2018

¹2012 and 2015 Full Year Poverty Statistics



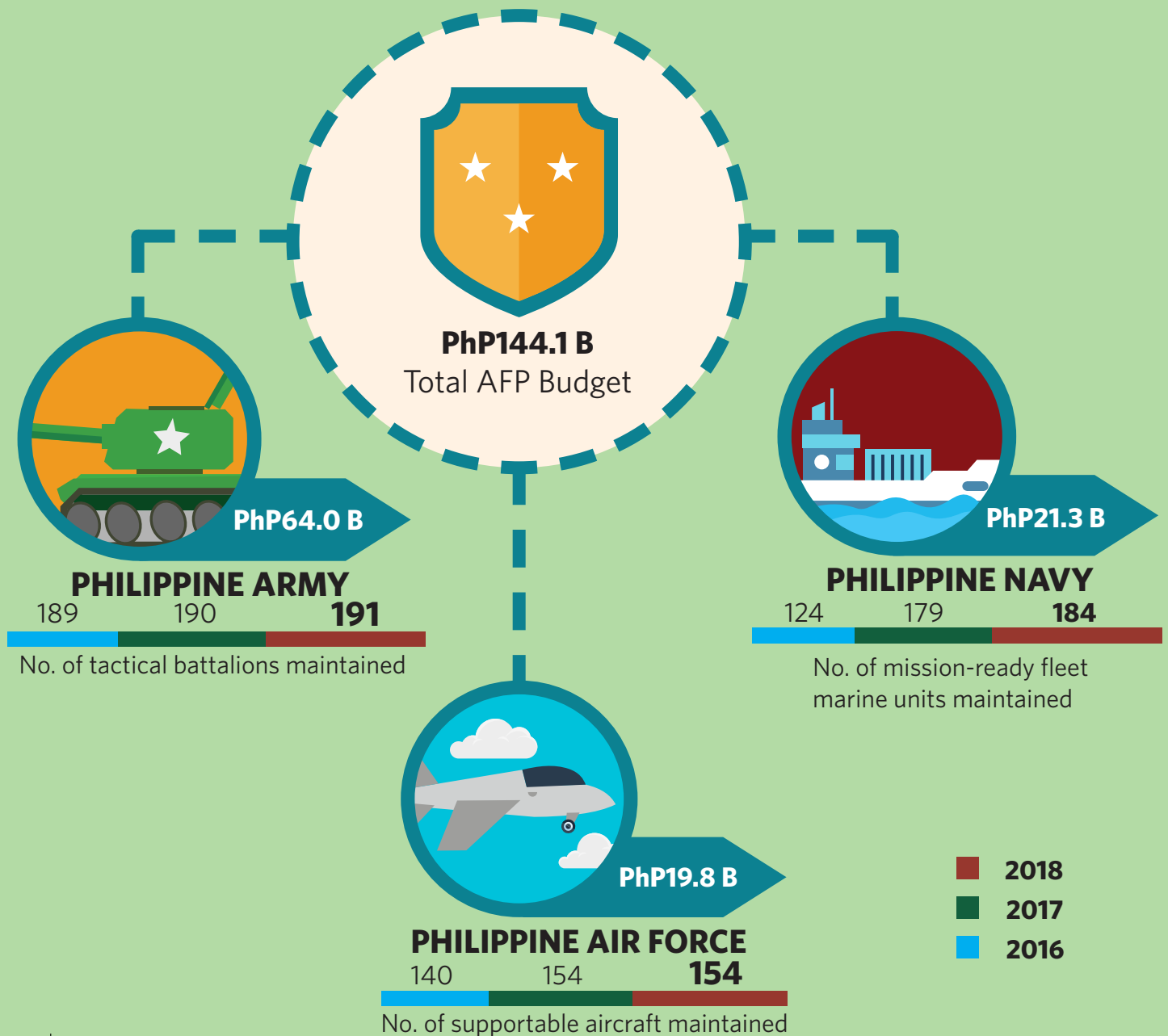
MAINTAINING THE FOUNDATIONS FOR SUSTAINABLE DEVELOPMENT

ENSURING SECURITY, PUBLIC ORDER, AND SAFETY

To ensure that Filipinos feel safe in their own country, the Duterte Administration continues to enhance the country's internal security and defense capabilities by investing in the Defense Sector.

FORTIFYING OUR NATIONAL DEFENSE

PhP150.0 billion is earmarked for the Department of National Defense (DND), 9.3% higher than the 2017 allocation of PhP137.2 billion. A hefty amount of the DND budget, amounting to PhP144.1 billion, goes to the Armed Forces of the Philippines (AFP).



SAFE AND SECURE COMMUNITIES

With a goal to reduce the national crime rate by 5% in 2018, the government continues to support its anti-illegal drugs campaign and other crime prevention strategies.



Reducing Criminality



Philippine National Police (PNP)
= PhP132.3 B



Of which:
Crime Prevention and Suppression
= PhP110.2 B

5% increase in number of foot and mobile patrol operations conducted



Crime Investigation = PhP667.9 M
522,301 crime investigations undertaken



National 911 Program (Department of the Interior and Local Government) = PhP22.4 M

To hire qualified and competent professionals to improve the hotline's quick response capability

Hotline 911 was launched in August 2016 as an effort to curb criminality and protect the citizens by enabling government agencies concerned to respond immediately to emergency situations.

Towards A Drug-Free Nation

From July 1, 2016 - January 17, 2018

Source: PNP



²CPECs or Controlled Precursors and Essential Chemicals are ingredients used in the production of illegal drugs.

To pursue its vision of a drug-free Philippines, the government stays committed to its various anti-drug programs:



Operation of Dangerous Drug Abuse Treatment and Rehabilitation Centers (DOH)
= PhP818.6 M



Inmates' Safekeeping and Development Program
= PhP13.4 B



MAINTAINING THE FOUNDATIONS FOR SUSTAINABLE DEVELOPMENT

ENSURING ECOLOGICAL INTEGRITY, CLEAN, AND HEALTHY ENVIRONMENT

The Duterte Administration is fully aware that environmental degradation, climate change, and other environmental risks can erode past successes and undermine future development prospects. For this reason, some **PhP27.9 billion** is set aside for Natural Resources and Environmental Protection and Sustainable Development. Of this amount, PhP25.7 billion, or 92%, is given to the Department of Environment and Natural Resources to ensure ecological integrity, clean, and healthy environment.



PROTECTION

The country faces a serious problem of deforestation, primarily caused by the conversion of forestlands for other purposes. This has not only severely threatened biodiversity, but has also contributed to increased global warming. Key programs to address this are:

National Greening Program

		Area Planted	No. of Seedlings
2018	PhP5.2 B	124,220 ha	121 M
2017	PhP7.1 B	200,544 ha	177 M

2018 Targets

124,220 ha

Number of hectares of open and denuded forestlands rehabilitated

623,315 ha

Number of hectares planted which are maintained and protected

Forest Protection

2018: PhP809 M to patrol 8.2 million km of forest areas, including 166 forest conservation areas, and deter illegal activities within forestlands

Solid Waste Management

PhP910 M



To support 50 LGUs in the closure and rehabilitation of dumpsites and assist 500 LGUs in the establishment of materials recovery facilities

Clean Water Program

PhP332 M



To monitor 456 esteros, 119 more than the 2017 target of 337 esteros

Clean Air Program

PhP272 M



For the operation and maintenance of 94 Air Quality Monitoring Stations, including the calibration of the air quality equipment of 48 stations

FAST FACT

Under the DENR budget is the establishment of an arboretum of native, endemic and indigenous trees and plant species, including medicinal plants, at the Ninoy Aquino Parks and Wildlife Center.

An arboretum is a botanical garden devoted to growing rare, endangered and symbolic trees for conservation, scientific research, and educational purposes.

Disaster Mitigation and Preparedness

This covers programs to address the need for environmental safeguards and focus early attention on environmental standards, which will help improve the resilience of Filipinos in facing threats from nature.



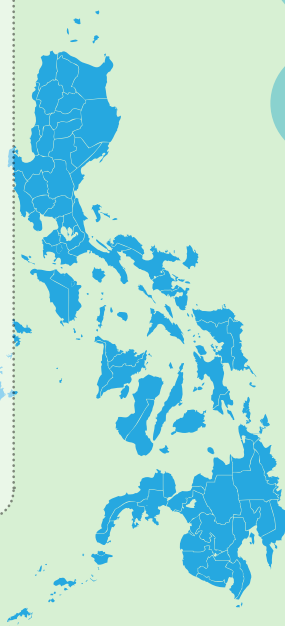
Flood Control

Under the DPWH budget, **PhP97.0 billion** is intended for the construction and maintenance of flood mitigation structures and drainage systems.



Regional breakdown for the construction and maintenance of flood mitigation structures and drainage systems under the DPWH budget (in billion Pesos)

CAR	1.2
NCR	46.7
Region I	3.9
Region II	1.2
Region III	8.8
Region IV-A	6.4
MIMAROPA	2.1
Region V	5.8
Region VI	1.2
Region VII	3.8
Region VIII	3.5
Region IX	1.6
Region X	2.5
Region XI	3.4
Region XII	2.6
Region XIII	2.1



Note: Figures may not add up due to rounding off

National Disaster Risk Reduction and Management Program

PhP19.6 B

For reconstruction, rehabilitation, repair, aid, relief and other works or services, including pre-disaster activities, such as: conduct of risk assessment and vulnerability analysis; community-based monitoring systems; capacity-building on mainstreaming Disaster Risk Reduction and Management/Climate Change Adaptation; construction of dams and embankments; and development and institutionalization of early warning systems.



Quick Response Fund (QRF)

The QRFs are budgetary allocations for pre-disaster and standby funds to enable agencies to immediately assist the people in areas stricken by calamities and crises.

In addition to the NDRRM Fund, a total amount of PhP7.6 billion is lodged under the budgets of the following agencies as QRF:

DepEd	PhP2.0 B
DSWD	PhP1.2 B
DPWH	PhP1.0 B
DA	PhP1.0 B
Office of Civil Defense	PhP0.5 B
NIA	PhP0.5 B
AFP	PhP0.8 B
DOH	PhP0.5 B
National Electrification Administration	PhP0.1 B





ENHANCING THE SOCIAL FABRIC

CITIZEN-CENTERED, CLEAN, AND EFFICIENT DELIVERY OF PUBLIC GOODS AND SERVICES

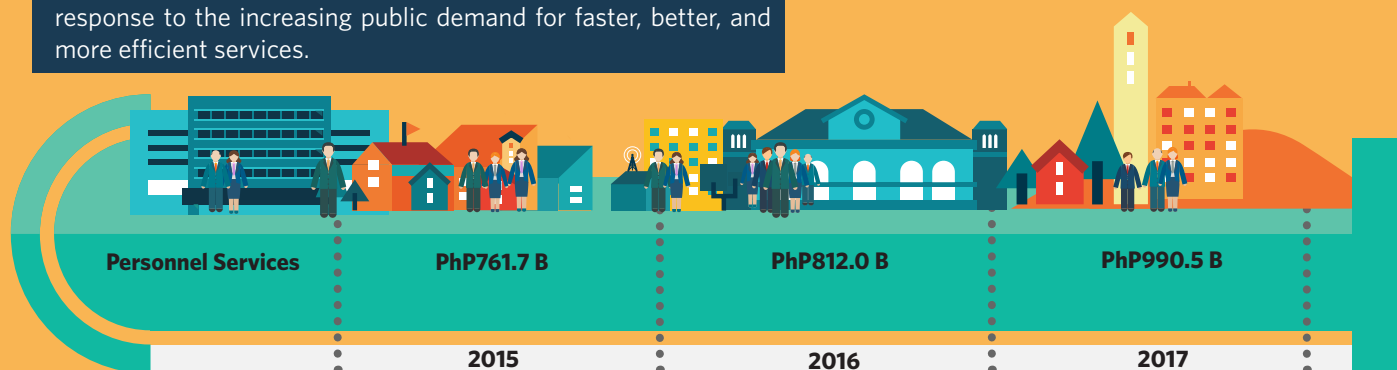


Peaceful and inclusive societies are founded on the principles of good governance and the rule of law. In pursuit of a people-centered governance, the Administration supports programs, activities, and projects that curb corruption, improve access to justice, and engage its citizens.

A LEAN, CLEAN, AND EFFECTIVE GOVERNMENT

The National Government Rightsizing Program is a reform initiative that aims to address dysfunctions in the government, in response to the increasing public demand for faster, better, and more efficient services.

Currently, there are:
187 government agencies
1.7 million government positions



The Rightsizing Program will facilitate a more effective and efficient service delivery by:



Refocusing government efforts and resources on vital and core services



Simplifying government operations, systems, and processes



Eliminating duplicating or overlapping functions within and among agencies

Who will be covered?

All departments and agencies of the Executive Branch

Excluded from the Program:

Public elementary and secondary schools, government hospitals, and military and uniformed personnel (MUP)

Optional Adoption of the Program:

The Legislature, The Judiciary, Constitutional Offices, State Universities and Colleges, and Local Government Units



The 2018 Budget also supports initiatives to help weed out corruption in the bureaucracy.



Department of Finance = PhP19.3 B

Revenue Integrity Protection Service (RIPS) Program = PhP25.3 M

Philippine Extractive Industries Transparency Initiative (PH-EITI) Program = PhP17.8 M

Enforcement of Internal Revenue Law, including Run After Tax Evaders (RATE) and

Oplan Kandado Programs = PhP4.9 B



Office of the Ombudsman = PhP2.7 B

To act on 77% of grievances and requests, conduct 20% of fact-finding investigations, and prosecute 17.9% of cases



Civil Service Commission (CSC) = PhP1.5 B

To ensure clean and efficient delivery of goods and public services

IMPROVING GOVERNMENT SERVICE DELIVERY THROUGH CITIZEN PARTICIPATION

The government promotes citizen engagement and participation aimed at improving the implementation and monitoring of its programs, activities, and projects.



Public Assistance and Contact Center ng Bayan (CCB) Project = PhP26 M

To provide a feedback mechanism for citizens to express their complaints, recommendations, and appreciation on the quality of services delivered by the government

From August 1, 2016 to November 3, 2017

No. of calls attended to: 213,142



Implementation of the Anti-Red Tape Act (ARTA) = PhP38 M

To target 90% of 1,109 government frontline service offices with a passing rate in the Report Card Survey¹ (RCS) of the CSC

¹The Report Card Survey is used to obtain client feedback on government service offices' compliance with the Anti-Red Tape Act of 2007.

FAST, FAIR, AND ACCESSIBLE JUSTICE

Laws and legal aid should be accessible to poor people. The 2018 Budget provides allocations to make sure that justice reaches and serves the most vulnerable sectors of society.



Department of Justice (DOJ) = PhP18.5 B



The Judiciary = PhP34.3 B



Law Enforcement Services = PhP5.6 B

75% of criminal complaints successfully investigated and resolved by prosecutors



Legal Services = PhP150.4 M

93% of requests for legal services acted upon within 15 working days from receipt



Investigation Services (National Bureau of Investigation) = PhP1.3 B

55,500 investigations conducted and acted upon 6,160,000 applications for NBI clearance processed



Free Legal Services to Indigents and Other Qualified Persons (Public Attorney's Office) = PhP3.0 B

76.24% of cases handled with favorable disposition



Operations of the Supreme Court (SC) and 2,225 Lower Courts = PhP28.8 B

Construction of a New SC Complex in Fort Bonifacio, Taguig = PhP1.5 B

Construction of 23 Halls of Justice (Justice Infrastructure Program) = PhP0.9 B

Hiring of Court Decongestion Officers = PhP0.2 B

IMPROVED BUSINESS CLIMATE

The government's efforts to reduce the incidence of corruption and criminality will attract more foreign investors to do business in the country. Foreign direct investments (FDIs) are expected to increase by 10% from the 2017 level to a target of **PhP680 billion** in 2018.



Total Approved FDIs



Investment approvals recorded by the Board of Investments increased to PhP51.3 billion in January 2018 compared to PhP8.0 billion registered in the same month in the previous year.



PhP51.3 B (January 2018)
PhP8.0 B (January 2017)

541% INCREASE





INCREASING GROWTH POTENTIAL

VIGOROUSLY ADVANCING SCIENCE, TECHNOLOGY, AND INNOVATION

The Philippines aims to reach upper-middle income status by 2040. This will be possible by investing in Science, Technology, and Innovation (STI) — the three crucial drivers in the economic development and social progress of a country.

As the primary agency for research and development (R&D) in the scientific field, the Department of Science and Technology (DOST) receives a budget of **PhP21.2 billion** for 2018.



Developing Human Resources in STI

The United Nations Educational, Scientific and Cultural Organization recommends an average of 380 R&D researchers per million population. To reach this target, a budget of **PhP4.0 billion** has been allotted for current and new science and technology (S&T) scholarships.

PhP2.4 B
27,007 Scholars
2016

PhP3.2B
30,806 Scholars
2017

PhP4.0B
36,997 Scholars
2018



PhP76 million

For the Balik Scientist Program which encourages Overseas Filipino scientists and experts to return to the Philippines and share their expertise

Increasing R&D Innovation in various sectors



PhP2.0 billion

For the development of S&T programs in the different regions



PhP1.0 billion

For rapid and inclusive growth in the agricultural, aquatic, and natural resources sectors



PhP848 million

For the Small Enterprise Technology Upgrading Program which assists micro, small, and medium enterprises (MSMEs)

Connecting the Country



PhP1.7 billion

For the Free Wi-Fi Internet Access in public places, including in SUCs



PhP372 million

For the National Government Portal



PhP206 million

For the National Government Data Center



PhP51 million

For the National Broadband Plan



Increasing Public Awareness



PhP18.9 million

For the DOST's Filipino Weather Channel, to address information and education gaps in the STI field



PhP9.9 million

For the installation of more Science and Technology Research Based Openly Operated Kiosk Stations (STARBOOKS) in remote areas nationwide

OPEN GOVERNMENT IN THE PHILIPPINES

With the theme “Co-creating Governance Outcomes with the Filipino People”, the 2017-2019 Philippine Open Government Partnership (PH-OGP) National Action Plan (NAP) was launched with the objective of empowering citizens through the implementation of programs that promote transparency, accountability, and participatory governance.

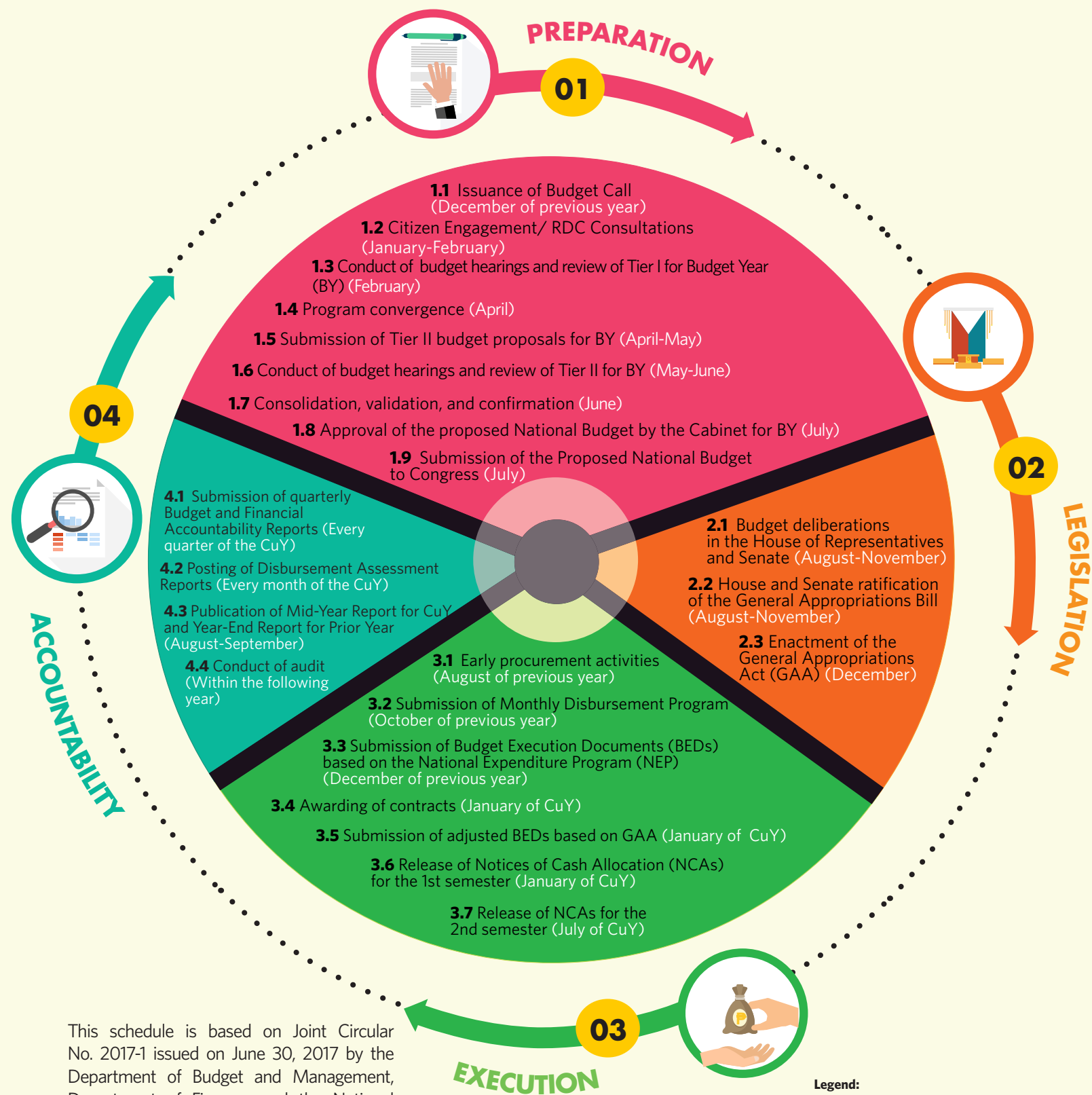
The fourth PH-OGP NAP is anchored on the Philippine Development Plan’s pillar of *Malasakit* and focuses on 11 commitments that will be implemented by national and local government agencies and civil society organizations through specific programs.

	COMMITMENT	PROGRAM
1	Strengthen civil society participation in local planning and development	Assistance to Municipalities
2	Improve the ease of doing business	<ul style="list-style-type: none"> • Gameplan on Competitiveness: Ease of Doing Business • Project Repeal: The Philippines’ Red Tape Challenge
3	Institutionalize citizen participatory audit	Citizen Participatory Audit (CPA)
4	Empower citizens through an effective government feedback mechanism	<ul style="list-style-type: none"> • 8888 Citizen’s Complaint Center • Satisfaction Rating on GOCCs
5	Pass legislation on access to information	Freedom of Information (FOI) Program
6	Provide and promote the use of e-Participation tools through the National Government Portal	E-Participation through the National Government Portal
7	Increase public integrity and more effectively manage public resources	Philippine Open Budget Index
8	Improve transparency and increase accountability in the extractive industries	Philippine Extractive Industries Transparency Initiative (PH-EITI)
9	Improve institutional mechanisms for immediate and effective disaster response	Disaster Response Operations Monitoring and Information Center (DROMIC) Virtual Operation Center: Revolutionizing Disaster Response in DSWD
10	Improve delivery of public services by capacitating informal settler families and resettled families	Shelter Assistance through Community Organizing and Community Development approach
11	Institutionalize Open Local Legislative Processes	Open Legislation Platform through Social Media in Three (3) Provinces



THE BUDGET CYCLE

The four phases of the Budget Cycle overlap in continuing cycles. While the Executive Branch implements the Budget for the current year, it also prepares the Budget for the next fiscal year and defends it before Congress. The government monitors, evaluates, and reports on actual performance year-round.



This schedule is based on Joint Circular No. 2017-1 issued on June 30, 2017 by the Department of Budget and Management, Department of Finance, and the National Economic and Development Authority.

A PRIMER ON THE BUDGET REFORM BILL

In order to meet the government's targets for poverty reduction and economic growth, the Department of Budget and Management (DBM) is pushing for the passage of the Budget Reform Bill (BRB) to modernize the country's budgeting system and speed up the rate of government's spending.

What is the BRB and why do we need it?

The BRB is a game-changing reform initiative that aims to significantly speed up budget execution and service delivery in support of the growth and anti-poverty targets of the Duterte Administration. It also seeks to:



Enforce greater discipline in public financial management (PFM)



Promote fiscal sustainability



Institutionalize an integrated PFM system



Strengthen the Congress' power of the purse



Improve budget transparency and citizen participation

The BRB will shift the budget from its obligation-basis to annual cash-based appropriations to ensure timely delivery of results to the public within the fiscal year.

What is an annual cash-based appropriations budget?

An **annual cash-based appropriations budget** limits incurring contractual obligations and disbursing payments for goods and services delivered, rendered, and inspected within the fiscal year (FY).

The annual budgets of agencies under a cash-based appropriations should only contain programs, activities, and projects that can be implemented and paid for by the end of the FY.

Things to Consider

Forward planning is important in proposing and implementing an annual cash-based budget.

What is the difference between an annual obligation-based budget and an annual cash-based budget?

ANNUAL OBLIGATION-BASED BUDGETING

ANNUAL CASH-BASED BUDGETING

Time Horizon / Period of Implementation

Contracts awarded within the FY can be delivered even after the end of the year.

Contracts intended to be implemented for the fiscal year should be fully delivered by the end of the fiscal year.

Obligation-based Appropriations (24 months & beyond)



Cash-based Appropriations (12 months)



Period of Payment

Inspection, verification, and payment can be done even after the FY.

Payment can be done only within the FY and up to a three-month Extended Payment Period (EPP) after the FY.

Obligation-based Appropriations (24 months & beyond)



Cash-based Appropriations (15 months)



What about projects that have an implementation period exceeding 12 months?



For projects that require more than a year to implement, agencies should secure a **Multi-Year Obligational Authority (MYOA)** from the DBM prior to project procurement. Likewise, GOCCs and LGUs should secure an equivalent authority from their respective governing boards.

The MYOA should show the schedule of the annual cash requirements of the multi-year project.

Agencies should only propose programs, activities, and projects that are "shovel-ready" or those that can be fully implemented within the FY.

Agencies should conduct early procurement as a rule to expedite project implementation.

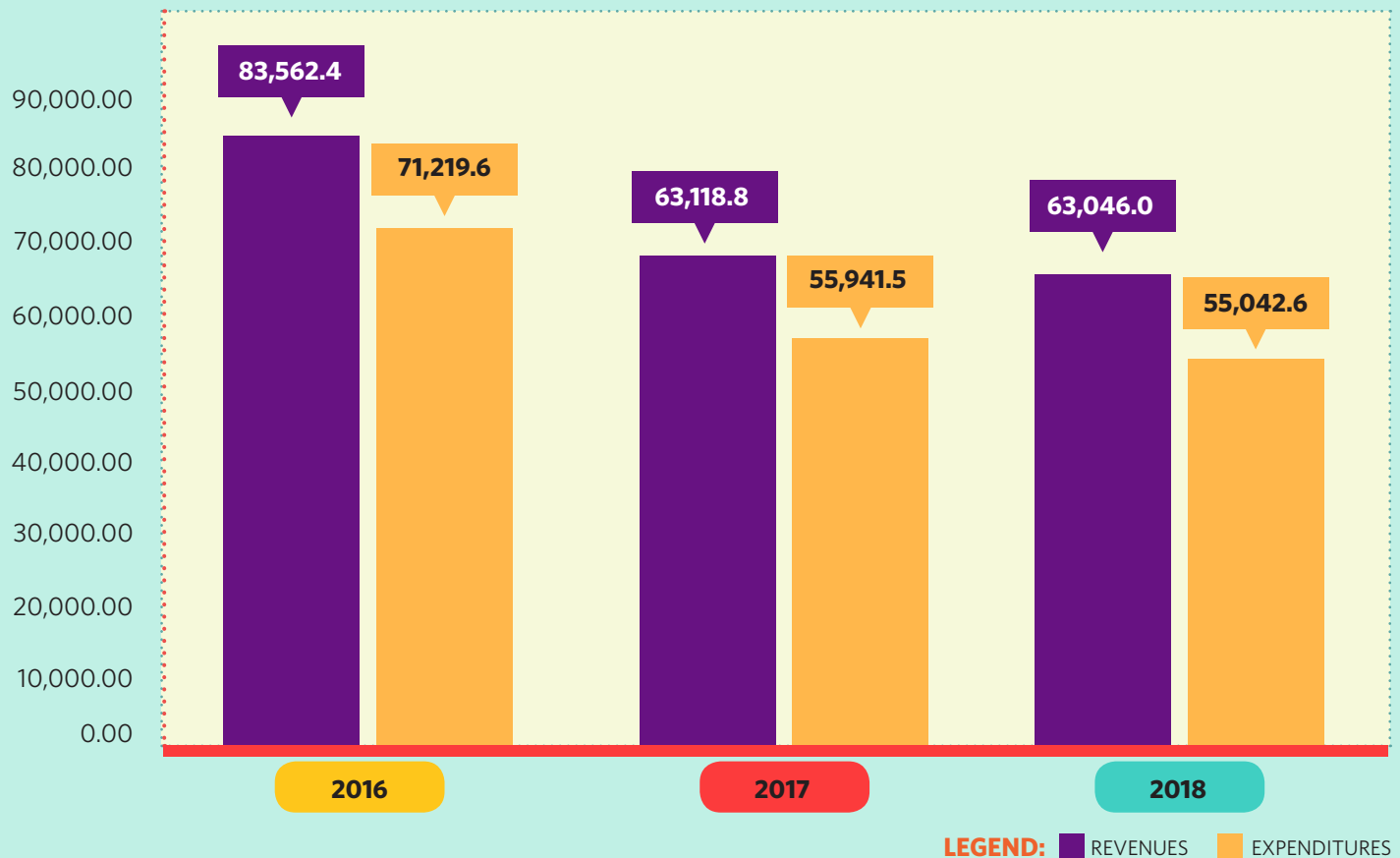
OFF-BUDGET ACCOUNTS

Off-budget accounts refer to funds or receipts (collected and retained by the agencies in government depository banks pursuant to law) for expenditures over and above those in the National Expenditure Program (NEP). Although the use of these accounts is still subject to scrutiny by the Commission on Audit, these accounts are seen as “extra-budgetary” that weaken the comprehensiveness* of the budget and hence, the ability of Congress to maximize the use of all the resources of government.

Since 2016, off-budget accounts have been declining, from retained revenues of PhP83.6 billion and expenditures of PhP71.2 billion in 2016 to PhP63.0 billion and PhP55.0 billion in 2018, respectively. This indicates the increasing comprehensiveness of the National Budget.

Off-Budget Accounts, FY 2016-2018

(in million Pesos)



*Comprehensiveness of the budget means full transparency of financial accounts.



Nature of Expenditure of Selected Earmarked Items for 2018

SUCs

PhP17.7 B

For payment of authorized allowances and fringe benefits to teachers and students, some operating expenses and capital investments

DOH

PhP16.9 B

For the procurement of equipment and augmentation of some operating expenses

Philippine Sports Commission

PhP1.3 B

For the National Sports Development Program, and the maintenance of sports facilities

GLOSSARY OF TERMS



1 Allotment.

Authorization issued by the Department of Budget and Management (DBM) to an agency, allowing the latter to commit/incur obligations and/or pay out funds within a specified period of time and within the amount specified through the:

1. General Appropriations Act as an Allotment Order (GAAAO), for specific appropriation items deemed released upon effectivity of the GAA;
2. General Allotment Release Order (GARO) for the full year requirement for the automatically appropriated Retirement and Life Insurance Premium (RLIP) contributions; and
3. Special Allotment Release Order (SARO) for budget items requiring compliance with certain conditionalities.

2 Allotment Class.

Classification of expenditures under the following categories:

1. Personnel Services (PS)
2. Maintenance and Other Operating Expenses (MOOE)
3. Financial Expenses (FinEx)
4. Capital Outlays (CO)

3 Appropriation.

An authorization pursuant to law or other legislative enactment directing the spending of public funds for specified purposes, up to a specified amount under specified conditions.

4 Budget.

The budget is the government's plan for a year. It is a table/schedule of expenditures, based on either obligations or cash concepts and the corresponding sources of financing, either from revenues, borrowings, or cash drawdown. Ultimately, it is a tool that enables government to achieve its development agenda.

5 Budget Deficit.

A situation when government spending exceeds revenues.

6 Debt Service.

The sum of debt amortization and interest payments, including commitment fees and other charges, on foreign and domestic borrowings.

7 Disbursement.

A settlement/liquidation/payment of government obligations incurred in the current or prior years, involving cash or non-cash transactions and covered by disbursement authorities.

8 Expenditure Program.

The ceiling on the obligations that could be incurred by the government in a given budget year. The said ceiling is supported by estimated financial resources.

9 Fiscal Policy.

The part of government policy which is concerned with raising of resources through taxation and borrowing and deciding on the level and pattern of expenditures.

10 Gross Domestic Product (GDP).

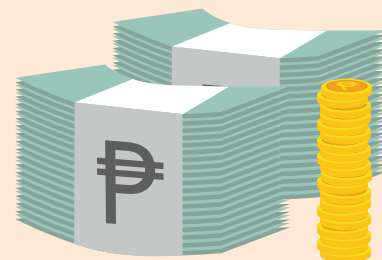
This measures the total output within the geographic boundaries of the country, regardless of the nationality of the entities producing the output.

11 Inflation.

It is the persistent rise in the general price level of goods and services.

12 Obligation.

A commitment by a government agency arising from an act of a duly authorized official which binds the government to the immediate or eventual payment of a sum of money.



How Can I Get Involved?

Your government wants to hear from you! Our participation should go beyond merely proposing well-meaning programs and projects during budget preparation. Get involved in monitoring their implementation. Pen a letter, write an email, or pick up the phone and know more.

Selected Public Assistance Desks/External Relations Offices in the Executive Branch:



Civil Service Commission

Public Assistance and Information Office
931-7993; 932-0381; 932-0179 TF
paio@csc.gov.ph
Hours of operation: 8 am to 5 pm (Mondays to Fridays)



Office of the President

8888 Citizen's Complaint Center
Presidential Complaint Center
Bahay Ugnayan, J.P. Laurel Street, San Miguel, Manila
736-8645; 736-8603; 7368621 F
pcc@malacanang.gov.ph
Hours of operations: 8 am to 5 pm (Mondays to Fridays)



Office of the Vice President

Public Assistance Division
831-2612; 833-3812
pad@ovp.gov.ph



Department of Agrarian Reform

Public Affairs and Media Relations Service/
Public Affairs Information Center
928-6820/453-7980
director.pamrs@dar.gov.ph
Hours of operation: 8 am to 5 pm (Mondays to Fridays)



Department of Education

Public Assistance and Complaints Desk
638-1780
Hours of operation: 8 am to 5 pm (Mondays to Fridays)



Department of Environment and Natural Resources

Strategic Communications and Initiatives Service
loc. 2204; 426-0279; 426-3850; 926-9805; 926-7031
Hours of operation: 8 am to 6 pm (Mondays to Fridays)



Department of Foreign Affairs

Office of the Undersecretary for Migrant Workers
832-1672; 551-0847 F
oumwa@dfa.gov.ph



Department of the Interior and Local Government

Public Assistance and Complaints Center
925-0343
Hours of operation: 8 am to 5 pm (Mondays to Fridays)



Department of Justice

Action Center (DOJAC)
526-3365; 521-2930 TF
dojac@doj.gov.ph
Hours of operation: 8 am to 5 pm (Mondays to Fridays)



Department of Labor and Employment

Hotline: 1349; 24/7
Information and Publication Service



Department of Science and Technology

Public Assistance and Complaints Desk
837-2071 loc. 2036, 2051; 838-9080
Hours of operation: 8 am to 5 pm (Mondays to Fridays)



Department of Tourism

Tourism Information and Special Project Unit
459-5200 to 30 loc. 101, 102; 524-2384; 525-2000
tourist_info@tourism.gov.ph; ncr@tourism.gov.ph
Hours of operation:
7:00 am to 6:30 pm (Mondays-Fridays)
8:30 am to 5:30 pm (Saturdays)



Department of Trade and Industry

Public Assistance Desk
751-0384 loc. 2107
Hours of operation: 8 am to 5 pm (Mondays to Fridays)



Department of Transportation

Action Center
Hotline No.: 7890
Hours of operation: 24/7



Commission on Audit

Public Information Office
951-6955; 951-0934 F
press@coa.gov.ph



Commission on Elections

Education and Information Department
525-9294; 525-9301
info@comelec.gov.ph
Hours of operation: 8 am to 5 pm (Mondays to Fridays)



Office of the Ombudsman

Public Assistance and Corruption Prevention Bureau
479-7300; 317-8300 loc. 5314
Hours of operation: 8 am to 5 pm (Mondays to Fridays)



DEPARTMENT OF BUDGET AND MANAGEMENT

2018 PEOPLE'S BUDGET PUBLICATION

SURVEY FEEDBACK FORM

Date: _____

Name:	
Organization (w/ Position):	
Location/Address:	
Nature of the Organization:	
Sector (Pls. encircle):	a. NGA b. NGO c. LGU d. CSO e. Academe f. SUC g. Media h. 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 that Reforms and Transforms	5	4	3	2	1
The Budget and the Economy	5	4	3	2	1
The Fiscal Program	5	4	3	2	1
Revenues	5	4	3	2	1
The 2018 Budget and TRAIN					
Budget Dimensions (By Function/Sector [COFOG], By Sector [Old System], By Expense Class, By Region, By Recipient Unit, By Special Purpose Fund, and By Source of Appropriations)	5	4	3	2	1
Spending Priorities of the National Budget					
Inequality-Reducing Transformation	5	4	3	2	1
Maintaining the Foundations for Sustainable Development	5	4	3	2	1
Enhancing the Social Fabric	5	4	3	2	1
Increasing Growth Potential	5	4	3	2	1
Open Government in the Philippines	5	4	3	2	1
The Basics of Budgeting					
The Budget Cycle	5	4	3	2	1
A Primer on the Budget Reform Bill	5	4	3	2	1
Off-Budget Accounts	5	4	3	2	1
Glossary of Terms	5	4	3	2	1
How Can I Get Involved?	5	4	3	2	1

B. Is the publication understandable?

The content is logical and well-organized.	5	4	3	2	1
The connections between ideas are 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



C. 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

D. How do you intend to use the publication?

<input type="checkbox"/>	a. For advocacy, education, and communication work
<input type="checkbox"/>	b. Information input for research work and analysis
<input type="checkbox"/>	c. Reference for engaging the budget process (e.g. for hearings in Congress, etc.)
<input type="checkbox"/>	d. Guide for monitoring the implementation of programs or projects
<input type="checkbox"/>	e. Others (please specify): <hr/>

E. Which portions within the publication do you find useful? Less useful?

Most useful:

Less useful:

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

G. Other comments and suggestions:

After filling up this form, you may submit it through:

- > Mail to **Budget Information and 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.**

Thank you very much!

C. 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

D. How do you intend to use the publication?

<div><input type="checkbox"/> a. For advocacy, education, and communication work</div> <div><input type="checkbox"/> b. Information input for research work and analysis</div> <div><input type="checkbox"/> c. Reference for engaging the budget process (e.g. for hearings in Congress, etc.)</div> <div><input type="checkbox"/> d. Guide for monitoring the implementation of programs or projects</div> <div><input type="checkbox"/> e. Others (please specify): <hr/></div>
--

E. Which portions within the publication do you find useful? Less useful?

Most useful:

<hr/> <hr/>

Less useful:

<hr/> <hr/>

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

<hr/> <hr/>

G. Other comments and suggestions:

<hr/> <hr/>

After filling up this form, you may submit it through:

- > Mail to **Budget Information and 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.**

Thank you very much!



2018 PEOPLE'S BUDGET

**Produced by the Philippines Department of Budget and Management (DBM)
February 2018**

To ensure that this publication is widely accessible, the DBM highly encourages the reproduction, copying, printing, and/or dissemination of this publication or parts thereof exclusively for personal and non-commercial use and with proper acknowledgment of the DBM or its other sources. The DBM, however, cannot be held responsible for any issue arising from such activities.

PRODUCTION TEAM:

Budget Information and Training Service

Lead Writer: John E. Lansangan

Lead Designer: Lara Jane S. Evalle

Writing Team

Vanessa L. Pamittan
Ria Consuelo C. Mendoza
Jesselynn G. de la Cruz
Jeannie S. Ponio

Design Team

Leonardo D. Sunga
Junrey E. Rosales
Martin Jethro P. Tomas
Vanessa L. Pamittan
Ria Consuelo C. Mendoza

DATA SOURCES:

Fiscal Planning and Reforms Bureau
Budget Technical Bureau
Budget and Management Bureaus
Organization, Position Classification and Compensation Bureau
Systems and Productivity Improvement Bureau
Local Government and Regional Coordination Bureau

OVERALL EDITING:

Assistant Secretary Amelita D. Castillo
Jesselynn G. de la Cruz

ADVISER:

Undersecretary Laura B. Pascua

Cover Design: Junrey E. Rosales
Some Illustrations from: NEDA's PDP 2017-2022

For inquiries, request for copies, and other information, comments, and suggestions, email us at bits@dbm.gov.ph.