



THE PRESIDENT'S BUDGET MESSAGE

FISCAL YEAR

2019

Building a Bright Future for the Philippines and its People



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**Message of
President Rodrigo Roa Duterte
to the Seventeenth Congress of the Philippines
on the National Budget for Fiscal Year 2019**

Building A Bright Future for the Philippines and Its People

July 23, 2018

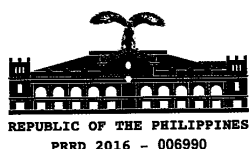
Ladies and Gentlemen of the 17th Congress:

I have the honor to submit to you, through the President of the Senate and the Speaker of the House of Representatives, the Proposed National Budget for Fiscal Year (FY) 2019.

INTRODUCTION

Today we begin the approach to a milestone.

We are moving towards half-time in the period that has been given to me and my Administration to enable the Filipino people to experience the life that they aspire for, the life that they deserve. We are almost midway on the path that our people have chosen to traverse with us, one that will take them from mere hopes and dreams of the past, to the reality of a better and more comfortable



life, in a peaceful and more progressive nation, today. We are finally poised on the bridge that will lead us to the bright future that we can actually already glimpse.

We started this journey on a mandate and mission of change. The message of the Filipino people was clear to me from Day 1, a task I have since taken very seriously and have committed to pursue assiduously and relentlessly.

And this was the basis for our preparation, on the first year of my governance, of a budget that would serve to ignite the process of change and transition to action. To get on the mark and set the pace for the “change track” in the first year of our work, we submitted to you a National Budget that would ensure that the government would be able to fulfil its commitment and achieve its aspiration to deliver *real change* to the people.

Happily, for and with our people – and with your support through your approval of the 2017 budget – we were able to set in motion the mechanisms and processes for change that would have immediate impact on the day-to-day lives of Filipinos. Within the first year of our governance, we were already able to make good on our promise to make life better for our people. We focused on the improvement of peace, order and discipline in our neighborhoods and communities; providing our people with greater and more improved access to government and its services; upgrading the benefits of our men in uniform; and enhancing support for the marginalized sectors of our society through more efficient delivery of social services.

After this maiden year, we were ready to confront the demands of real *and* lasting change – the need to work for that change, no matter how difficult and how challenging. By the start of our second year – only 12 months ago – we were on stronger and



steadier footing on this path of change. Sure of what we want and with a clear destination in sight, we were determined to stay fixed on track.

And thus we formulated and submitted a 2018 Budget that would assure the permanence, sustainability, and inclusiveness of the change that we had introduced, through the much needed *reforms*. With your support, through the Budget which you approved last year, we were able to introduce and implement the reforms needed in our approaches to better delivery of goods and services.

It was also within the second year of my Administration that we were able to push for the landmark legislation that will have the greatest and most far-reaching impact on our future.

And at this juncture, I wish to put on record my expression of gratitude to you, the men and women of the Senate and the House of Representatives, for your thorough study and passage of the Tax Reform for Acceleration and Inclusion (TRAIN) Law. Through the TRAIN Law, we will have the resources to achieve the goals of sustainable and inclusive growth that have eluded us for years.

Later in this presentation, I will explain how and why we will reap abundant benefits from the implementation of the TRAIN Law. If we are willing to go through the initial struggle and sacrifice now, we will be assured of greater good for the greatest number of people.

Today, two years down the road, at the threshold of the midterm mark that will define the outcome of our endeavors, we continue on the resolute path to change that should lead to progress.



For Fiscal Year 2019, we submit for your perusal and approval, a National Budget that will amplify the forces and resources to effectively and efficiently build our nation, in order to draw more of our people from the clutches of poverty and maintain law and order, so everybody lives in peaceful co-existence.

Building a Bright Future for Our Country and People

Despite what may seem to be initial shadowy twists and turns along the way, as early as now, at half-time, we have already been accorded a glimpse of the “bright future” that awaits our people.

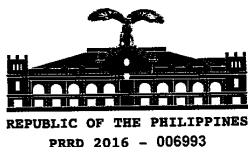
We continue the narrative of change, and the story of progress continues to unfold for our people. We have already begun to live out the dream for our country – to build, literally and figuratively, towards the future.

We know even now that we are moving, not towards a vague image on a hazy horizon, but towards the reality of an upper middle-income society, where every Filipino has access to opportunities to make his or her life better.

Abot-tanaw na natin ang mga pangarap na ito para sa ating bansa at sa ating mga mamamayan.

The National Budget for Fiscal Year 2019 of PhP3.757 trillion will guarantee the next chapter, and its fulfilment, as a vital link in the continuing story of change that leads to inclusive growth – towards a future of progress and prosperity.

This 2019 Budget, designed to be a modern and open budget for accountability and service delivery, will take us from dream to action, from possibility to reality, from building to being.



BUDGET PHILOSOPHY

To continue the narrative of change and progress, leading to the bright future towards which we are taking our country and people, we continue our adherence to the principles that have guided us in the preparation of the Budget that supports it.

Sustaining the Focus on Agenda and Targets

The 0+10-point Socioeconomic Agenda that was crafted to clearly identify the thrusts of this Administration will continue to underpin the priorities of the 2019 National Budget. Thus, programs and projects that will advance infrastructure development (under the Build Build Build Program) and human capital development (focused on education and health) are particularly highlighted and supported. Targets are judiciously set and keenly pursued, and faithful monitoring and independent analysis will be applied.

Modernizing the Budgeting System

It is imperative that we modernize our budgeting system to meet international standards and adopt good practices.

We start with shifting the current obligation-based appropriations to Annual Cash-Based Appropriations. To promote better designed, better coordinated projects and programs from our agencies and speed up the delivery of goods and services to our people, obligations or contracts for programs, activities and projects (PAPs) for implementation during the fiscal year should be fully delivered, inspected and accepted by the end of said year. To maintain credibility with the private sector, disbursement of funds or payments for these completed PAPs should also be made

within the fiscal year, and if needed, up to the next three months of the succeeding year under an Extended Payment Period.

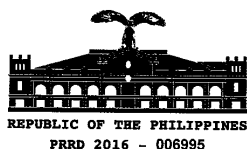
Under the current obligation-based budget, agency performance is based on contracts awarded for the year, even if these contracts deliver their goods and services in the following years. Due to the pile up of undelivered contracts, it is not unheard of that payments to performing contractors be inordinately delayed and that unscrupulous contractors are given advanced payments.

Aside from this, our Budget Modernization Bill pending in Congress will promote and implement participatory budget mechanisms in the different phases of the budget cycle to entice wider citizen engagement and ensure a more responsive budget.

It will also acknowledge the need for an Integrated Financial Management Information System (IFMIS) and a Treasury Single Account to come up with more timely and transparent reports on government transactions which will be made available to the public, and promote better cash management in the Treasury.

We also need to strengthen the Congress' power of the purse by reiterating its power to appropriate and hold Executive agencies accountable, especially in light of the landmark decisions of the Supreme Court.

We have also launched Project DIME (Digital Imaging for Monitoring and Evaluation), a joint undertaking by the DBM and the Department of Science and Technology, that will monitor and evaluate the performance and speed of implementation of selected high-value government projects/programs beginning FY 2018. It will employ various technologies and expertise acquired by the DOST. Among the initial projects for monitoring under



DIME are "Bangon Marawi" and the Boracay Rehabilitation Program.

FINANCING THE FY 2019 BUDGET

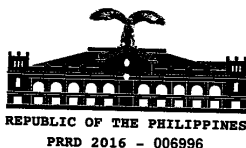
In raising the revenues to finance the PhP3.757 trillion cash-based appropriations for 2019, my Administration will continue to pursue the sound and proven medium-term fiscal program which we have crafted out of well-thought-out revenue and spending plans. This responsible behavior is driven by our continuing resolve to build a prosperous, high-income economy with a predominantly middle-class society by 2040.

Fiscal Program

In 2019, we will see sustained and more determined efforts to improve our agency spending performance, as we effect the shift to the annual cash-based appropriations system.

The PhP3.757 trillion cash-based appropriations of the national government for 2019 represents a 13.0 percent increase over this year's cash-based appropriations of PhP3.324 trillion. This means that more programs and projects in the 2019 budget will be completed, delivered, inspected and accepted by the end of the fiscal year.

The bottom line principle behind a cash-based appropriations system is this: national government agencies will be measured not on the basis of their obligations which are mere commitments, but on their actions, their real outputs, through the PAPs that they have delivered and spent for.

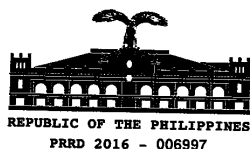


This cash-based appropriations system is also advantageous to contractors and service providers that agencies deal with. While they will be compelled to complete their projects, deliveries or commitments within the year, they will also be paid on time. It is a win-win situation for the contractors, the agencies, and more importantly, to the people who will benefit from the completed PAPs.

The total disbursement program for 2019 of PhP3.833 trillion represents an increase of 13.7 percent over the 2018 disbursement level of PhP3.370 trillion. As a share of GDP, this is equivalent to 19.7 percent, or an improvement over this year's 19.2 percent. The increase in government spending will be largely driven by the massive infrastructure and human resource investments, particularly our Build, Build, Build Program, creation and filling of population-related positions (i.e., health worker, teacher, policeman items), and social protection, among others.

A higher disbursement program will certainly require higher revenues, without sacrificing the deficit target.

Our expected revenue collections of PhP3.208 trillion will help us fund 83.7 percent of government disbursements for 2019, of which PhP181.43 billion will come from the proceeds of Package 1A and 1B of our tax reform program. The remaining PhP624.4 billion, representing the budget deficit, will be sourced from local and foreign borrowings. This programmed deficit is consistent with our medium-term fiscal plan and reflects the aggressive spending strategy of this Administration to achieve a 7 to 8 percent economic growth for the Philippines until 2022.



Revenues

Efficient and successful collection of projected revenues is vital to support and implement our cash budget. This will ensure that the programs and projects covered by the Budget are adequately funded, and can be completed within the set timeframe and in the proper manner.

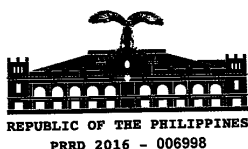
Our increased disbursements will be supported by a 12.7 percent improvement in revenues amounting to PhP3.208 trillion, from the 2018 level of PhP2.846 trillion.

As a share of GDP, revenues for 2019 will hit 16.5 percent, which is significantly higher than the 2018 level of 16.2 percent. The improved tax effort of 15.6 percent of GDP, from 15.2 percent expected this year, is a tailwind for this positive revenue performance.

Of the PhP3.208 trillion revenues for 2019, PhP3.018 trillion, or 94.1 percent, will be in the form of taxes. The Bureau of Internal Revenue (BIR) will generate the bulk of this amount with PhP2.331 trillion, while the rest will be contributed by the Bureau of Customs (BOC) with PhP662.17 billion, and other offices (e.g., Motor Vehicle Tax of the Land Transportation Office) with PhP25.07 billion. Non-tax revenues, on the other hand, will amount to PhP188.28 billion, while we expect some PhP2.0 billion from the sale of government assets.

The TRAIN Law

As promised and projected, we are now able to put more money in our people's pockets. Likewise, we are increasing and expanding investments towards inclusive growth. This is because of our TRAIN Law.



And we have begun to experience the fruits of the TRAIN Law, or Package 1A, of the comprehensive tax reform program (CTRP), as it reshapes the distribution of incomes and narrows the inequality gaps. These are the results of the reduction in income taxes for 99 percent of income taxpayers and the exemption from tax of the 13th month pay and other bonuses amounting to PhP90,000, among others.

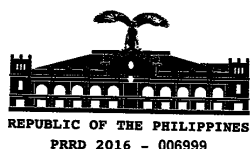
Likewise, TRAIN helps fund 70 percent of our infrastructure projects and 30 percent of social services to promote inclusive development. In fact, taxes collected for the first quarter of 2018 under the TRAIN regime grew by 16.4 percent, amounting to PhP558.7 billion, compared to only a 12.8 percent growth registered during the same period in 2017.

Impact on Inflation and Growth

The economy grew by 6.8 percent in the first quarter of 2018, making the Philippines -- again -- one of the best performing economies in this part of the world. It cannot be denied that our TRAIN Law -- through increased government spending because of the Build, Build, Build Program -- is partly responsible for this success.

Unfortunately, it cannot also be denied that the same TRAIN Law has been blamed for the recent increase in fuel prices and the slight increase in the rate of inflation.

Let me assure our esteemed lawmakers, however, that there are far more factors that determine fuel prices than the TRAIN LAW.



As for inflation, only 0.4 percentage points is attributable to TRAIN. Major contributors to the spike in prices include geopolitical events leading to higher crude oil prices, such as the domestic crises in Venezuela and the slowdown in production of Saudi Arabia, among others.

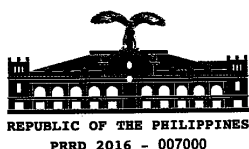
Plan for Package 1B and 2+

We urge Congress to study and thereby appreciate the merits of the other upcoming packages under the CTRP and to see beyond politics. The CTRP is not a populist reform measure. It seeks not to deprive people of resources, but instead to give them more through lower income taxes. And it seeks not to destroy business confidence, but instead to build the appropriate environment to attract more investments through quality infrastructure development nationwide and lower corporate income tax.

For 2019, the TRAIN is expected to generate an additional PhP181.43 billion with the implementation of its Package 1B, consisting of a general and estate tax amnesty, adjustments in the Motor Vehicle Users' Charge, and amendments in our Bank Secrecy Law.

Package 2+ consists of the lowering of the corporate income tax rate from the current 30 percent to only 25 percent, and the rationalization of our fiscal incentives. The 25 percent corporate tax rate is a competitive rate within the ASEAN Region.

With an estimated PhP301.2 billion in annual foregone revenues in 2015 alone, the need to rationalize the existing 150 investment-related fiscal incentive laws has become a priority. Under this set-up, we will need to identify activities



worthy of our fiscal incentives, and ensure that there is a sunset provision in the grant thereof.

In this regard, let me assure the men and women of Congress that this second package of the government's tax reform program will be revenue-neutral. Although some incentives will be removed, we can still expect investors to remain upbeat and come to the Philippines because of our competitive corporate tax rate.

Social Mitigating Measures

A total of PhP29.8 billion out of the collections from the TRAIN in 2018 has been earmarked to mitigate its temporary inflationary effects. PhP25.7 billion, or 86.2 percent, is funding disbursements for the unconditional cash grants at PhP200/beneficiary/month to about 10 million poorest households, identified by the Department of Social Welfare and Development based on the list of beneficiaries registered in the *Listahanan*. Other social programs include the Pantawid Pasada Program amounting to about PhP1.0 billion; and PUV Modernization Program, PhP3.1 billion.

TRAIN Law Social Mitigating Measures
(In Billion Pesos)

PARTICULARS	2018 Allocation	2019 Proposed	Increase/Decrease	
			Amount	%
Unconditional Cash Transfer Program	25.7	37.6	11.9	46.3
Department of Social Welfare and Development	1.2	1.1	(0.1)	(7.1)
Land Bank of the Philippines	24.5	36.5	12.0	48.9
Pantawid Pasada Program	1.0	3.9	2.9	294.7
Department of Transportation ^{1/}	1.0	3.9	2.9	294.7
PUV Modernization Program	3.1	2.7	(0.4)	(11.8)
Department of Transportation	0.8	0.5	(0.4)	(43.4)
Land Bank of the Philippines ^{2/}	1.1	1.1	-	-
Development Bank of the Philippines ^{2/}	1.1	1.1	-	-
TOTAL	29.8	44.2	14.4	48.4

^{1/} Both FY 2018 and FY 2019 requirements are lodged under Unprogrammed Appropriations

^{2/} FY 2019 requirements are lodged under Unprogrammed Appropriations

Figures may not add up due to rounding off.

For 2019, we will expand TRAIN's social protection measures by about 48.4 percent to PhP44.2 billion. The bulk of the increase will go to the Unconditional Cash Transfer Program, from PhP25.7 billion to PhP37.6 billion; and the fuel subsidy, from around PhP1.0 billion to a huge PhP3.9 billion. Other allocations cover the PUV Modernization Program, PhP2.7 billion.

Borrowings

We have raised our budget deficit ceiling from 3.0 percent to 3.2 percent. We need this additional financing especially now that our priority programs are gaining a lot of momentum. This slight increase is still consistent with my Administration's financing policy: lower borrowing costs and maintaining low levels of government indebtedness as a share of GDP.

For 2019, we intend to borrow about PhP1.189 trillion, representing 6.1 percent of GDP. This is 19.3 percent higher than this year's borrowing program of PhP996.2 billion. Of the total borrowings, PhP624.4 billion will be used to finance the deficit. In sourcing the borrowings, we will follow the 75:25 funding mix in favor of domestic sources, amounting to PhP856.18 billion. The prevailing healthy domestic liquidity conditions demand that we source majority of our needs from the domestic market to minimize risks from foreign exchange fluctuations. However, our borrowing strategy for 2019 will also be characterized by diversified funding sources and commitment of financing the deficit without depriving or crowding out private capital investments. We do not want to leave businesses with less money.

Our sophisticated debt management strategies will allow us to be on track in further lowering our debt as a share of GDP from 42.3

percent in 2018 and 42.0 percent in 2019. This means that we are now more confident that the economy has more than enough capacity to pay off our debts. To ensure this, the Bureau of the Treasury (BTr) is employing game-changing strategies. Aside from diversifying its funding sources, the BTr plans to develop the local bond market and is working with the Department of Budget and Management for the passage of the Budget Modernization Bill which can enable it to better manage contingent liabilities.

KEY BUDGET PRIORITIES

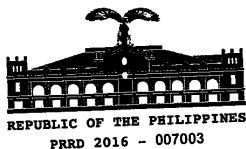
Intensifying Infrastructure Development

Earlier, I pointed out the significance of this particular moment of my Administration. We are almost midway through our term, and this is no longer the time for dreaming, nor for still sketching plans for the future.

This time, we should be ready to live out the dream; we should already be building on the foundation we laid out for a bright future for the country and for the comfortable life of our people.

The 2019 Budget epitomizes our determination to enable Filipinos to begin to live out their dream – and ours – by building the country, literally and figuratively. Literally, in terms of our accelerated infrastructure spending through the Build, Build, Build Program. And figuratively, in terms of building human resource capital through improved health and education services and facilities for our people.

Taking a hard line against government's massive spending on infrastructure, while expecting better services and more jobs, is like shooting ourselves in the foot. We need to take that first step,



albeit difficult, in order to get the process going. Investments in sufficient and quality infrastructure will increase economic activity through improved mobility, connectivity and sustainability across the country. In fact, public infrastructure spending for next year is estimated to generate more than 1.1 million jobs—something we desperately need. Also, the improved performance of the manufacturing sector in the first quarter of 2018 of 8.0 percent from 7.7 percent in the same period in 2017 is attributed to it.

Our total Build, Build, Build Program budget will amount to PhP909.7 billion, or 24.2 percent of the total cash budget for 2019. This represents 4.7 percent of GDP.

We will allot PhP555.7 billion to the Department of Public Works and Highways (DPWH) and PhP76.1 billion to the Department of Transportation (DOTr) to provide connectivity for all Filipinos and to implement major projects under our Build, Build, Build Program. The bulk of the allocation for the DOTr, PhP24.6 billion, will fund its various railway projects, followed by air transport with PhP2.2 billion to improve our airports in terms of safety and on-time performance, and sea transport with PhP627 million primarily to implement its PhP330-million Maritime Safety Capability Improvement Project, Phase 2.

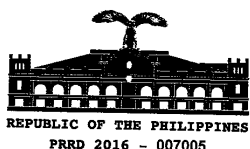
For the DPWH, a total of PhP113.29 billion or 20.39 percent is provided for network development, which includes the widening of 778.822 km of roads, PhP35.93 billion; construction of 1,073.835 km of by-pass and diversion roads/missing links/new roads, PhP63.77 billion; paving of unpaved roads, PhP2.88 billion; construction of flyovers/interchanges/underpasses/long span bridges, PhP3.51 billion; and improvement of carriageway, PhP7.20 billion.

Bridges remain an important backbone of our infrastructure investments. For not only do they facilitate travel, they also spur business activities by making it possible to transport farm produce and other deliveries to the consumers and markets. For 2019, PhP29.66 billion will fund, among others, the widening of permanent bridges, PhP12.24 billion; replacement of permanent weak bridges, PhP4.29 billion; retrofitting of permanent bridges, PhP7.76 billion; construction of new permanent bridges, PhP2.29 billion; rehabilitation/major repair of permanent bridges, PhP2.95 billion; and replacement of bridges (temporary to permanent), PhP126.87 million.

Our road network is the most valuable infrastructure asset of the government. That is why we should protect these investments to avoid costly outlays in the future and to enhance the quality of our roads. Under the DPWH budget, PhP56.65 billion is allocated for the asset preservation program to keep our roads in good condition. Major programs include preventive maintenance, PhP21.94 billion; rehabilitation, reconstruction and upgrading of damaged paved roads, PhP15.07 billion; rehabilitation and reconstruction of roads with slips, slope collapse and landslide, PhP14.52 billion; and construction, upgrading and rehabilitation of drainage along national roads, PhP5.12 billion.

To address flood risks that can lead to human casualties and livelihood destruction, we are giving the DPWH some PhP101.91 billion for its Flood Management Program, to construct and maintain flood mitigation structures and drainage systems, PhP72.74 billion; and construct and rehabilitate flood mitigation facilities within major river basins and principal rivers, PhP29.17 billion.

Hereunder are some of the major infrastructure investments under the Build, Build, Build Program for 2019.



Infrastructure Projects in Metro Manila

Metro Manila contributes about 35 percent to the Philippine economy. However, traffic congestion has always been a major logistical bottleneck which affects the country's competitiveness. To address this, major infrastructure projects for Metro Manila have been funded under the 2019 Budget as indicated hereunder:

- a. The 35-km PhP25.2 billion Metro Manila Subway Project Phase 1, which is the first subway of the country. This will run from Mindanao Avenue in Quezon City to the Ninoy Aquino International Airport in Pasay City, and is expected to lessen travel time from Mindanao Avenue to the Food Terminal Inc. in Taguig by 35 minutes.
- b. The PhP2.0 billion Pasig River Ferry Convergence Program to be implemented by ten government agencies, led by the DBM. This Program involves the construction of 17 additional stations along the Pasig River, from the current 12, in the Cities of Manila, Mandaluyong, Makati, Taguig, Pasig and Marikina, all the way to Laguna Lake. When fully operational, the Program will be able to deploy twenty-four (24) 50-seater boats to ferry 76,000 commuters daily.

Infrastructure Projects Outside Metro Manila

To spur economic activities in the countryside, we will also improve our growth corridors outside of Metro Manila. The existing urban rail services need to be expanded in reach and capacity in order to adequately address the increase in daily commuting demands. Likewise, a mass transit system

connecting Metro Manila with its neighboring areas is currently not yet available. The major projects expected to address this include, among others:

Luzon

- a. The 56-km PhP4.6 billion Philippine National Railways (PNR) South Commuter Project from Solis, Tondo in Manila to Los Baños, Laguna, which will serve more than 300,000 commuters in its opening year. Once fully operational, it is expected to cut travel time between Manila and Calamba from over two hours today to just under one hour.
- b. The 38-km PhP14.04 billion PNR North 1 Project connecting Malolos, Bulacan to Tutuban, Manila. The Project will have 10 stations to serve 340,000 passengers daily and cut travel time from Malolos to Tutuban to 35 minutes, from one hour and 30 minutes.
- c. The construction and establishment of the PhP1.7 billion Chico River Pump Irrigation System, the PhP875 million Lower Agno River Irrigation System Extension Project in Pangasinan, and the PhP311 million Bongabong River Irrigation Project in Oriental Mindoro.

Visayas

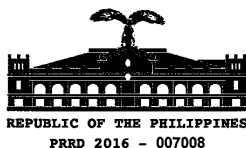
- a. The PhP754 million New Bohol (Panglao) International Airport Development Project, which is the country's first-ever eco-airport utilizing green and sustainable structures and technologies, and equipped with solar

panels to cover one-third of the airport's energy requirement.

- b. The PhP450 million and PhP50 million provisions for the airports in Catbalogan, Samar and Tacloban, Leyte, respectively.
- c. The PhP282 million New Cebu International Container Port Project which will be built on a 25-hectare reclaimed island in Consolacion, Cebu.
- d. The rehabilitation and improvement of various ports and wharves such as the wharves in Zumarraga, Samar (PhP40 million), Poblacion Wharf in Sta. Rita, Samar (PhP25 million), and Hindang Port in Leyte (PhP10 million).

Mindanao

- a. The PhP2.9 billion Mindanao Railway Project, which is the first railway in Mindanao consisting of 1,500 circumferential and spur lines.
- b. The PhP400 million Malitubog-Maridagao Irrigation Project Phase II in North Cotabato to service 10,000 ha of land in 56 conflict-stricken areas, and the PhP300 million Sapalan River Irrigation Project in Maguindanao.
- c. The PhP500 million for the Siargao Airport.
- d. The PhP315 million for the Davao International Airport.



- e. The PhP92 million for the Central Mindanao (M'lang) Airport.

Infrastructure Projects in LGUs

The World Bank notes that as one of the fastest-rising economies in the world, the Philippines has begun to experience the problems of highly-urbanized countries, with 51 million, or 45 percent, of the population today living in the cities and urban centers. This is expected to more than double to 102 million by 2050. Hence, there is an urgent need to make our cities more livable, sustainable and inclusive.

This year, we have started our Green, Green, Green Project, which aims to make the communities of our 145 cities more livable, sustainable and well-connected through the development or enhancement of public open spaces. Activities include creating esplanades, parks, arboretum, or botanical gardens, and building bike lanes, walkways, and green infrastructure.

For 2019, we will continue investing in the infrastructure development of provinces, cities and municipalities for the expansion of their local roads, building of their basic facilities and enhancement of their eco-friendly infrastructures. In fact, some PhP11.7 billion will be provided for the Assistance to Municipalities, basically to fund local access roads, local bridges, sanitation and health facilities, and potable water system projects, among others. Likewise, some PhP8.2 billion will be set aside for our Conditional Matching Grant to Provinces (CMGP) to pave, repair, and improve around 500 km of provincial roads.

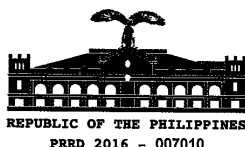


To complement our efforts to address the traffic problem in Metro Manila, we will support the PhP66-million Bikeway Development Project of the Metropolitan Manila Development Authority. This aims to promote cycling and reduce private car use.

IT Infrastructure Projects

It is estimated that 70 million Filipinos, or 60 percent of our population, will be online in 2018. Of this, 69 million are active social media users, while 59 million of these 69 million are active mobile social media users. Not surprisingly, with a population of 104 million, there are 129 million mobile subscriptions in the Philippines.

Imagine if we are able to harness this power of information technology and use it to deliver better services to our people and spur economic growth. My Administration is fully aware of this vast untapped potential. This is the reason why we are allotting PhP1.2 billion and PhP280 million to provide free Internet wi-fi access in public places and state universities and colleges, respectively. We will also fund the PhP318 million National Government Portal of the Department of Information and Communications Technology (DICT) to serve as a one-stop gateway uniting all web-based government content to maximize efficiency and provide rapid, high quality services to citizens. For citizens, business, or government users, this means access to reliable government online services, data and information. The NGP's design allows Government-to-Government (G2G), Government-to-Citizen (G2C), Government-to-Business (G2B) services, and vice-versa to occur all in one venue.



Other major projects under our IT infrastructure program include, among others, the PhP177 million National Government Data Center to address the needs of government agencies by providing internet connection to ensure high quality service; and the PhP43 million National Broadband Plan to address the need for improved internet speed by accelerating the deployment of fiber optic cables and wireless technologies.

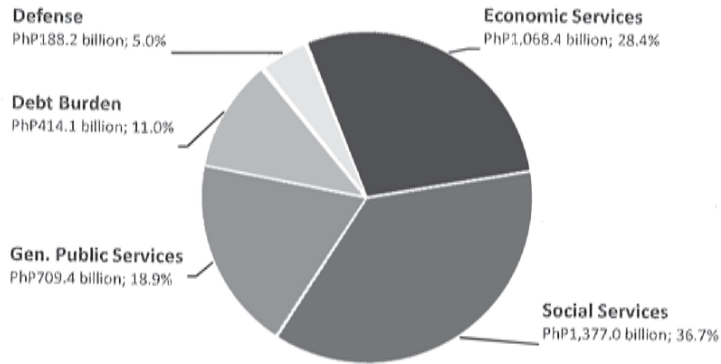
Expanding Programs on Human Development

Inequality is a crucial issue that must be addressed if there is to be any real change and meaningful, sustainable progress in the country. The experience of governance outside the National Capital Region has clearly shown us that a widening gap between the rich and the poor leads to lower levels of economic growth, a situation that denies lower-income families the ability to provide education for their children and to stay healthy and productive, and thus move up the income ladder. We are also aware that increasing concentrations of income in a narrow sector can adversely affect economic growth, as wealthy people spend only a small portion of their incomes, compared to middle- and lower-income earners, because the latter tend to spend more and save less because of their lower incomes.

There is a way to address this particular situation, and we are determined to pursue it. Thus, we are allocating the biggest portion of the budget to social services, setting aside PhP1.377 trillion or 36.7 percent. This will fund key programs and projects aimed at protecting the vulnerable and educating them to give them a better fighting chance.



Proposed 2019 Budget, By Sector



Enhancing Social Services

Expanded Educational Opportunities

With a total budget of PhP659.3 billion, the Education Sector remains the top recipient under the 2019 National Budget in terms of allocation, led by the Department of Education (DepEd) with PhP528.8 billion, followed by State Universities and Colleges (SUCs), PhP65.2 billion; the Commission on Higher Education (CHED), PhP50.4 billion; and the Technical Education and Skills Development Authority (TESDA), PhP14.8 billion.

The President's Budget Message

FY 2019 National Budget, Top 10 Departments

(In Billion Pesos)

DEPARTMENT	2018 MDP ^{1/} (Cash-based equivalent)		2019 Proposed (Cash-based)		Increase/(Decrease)	
	Amount	Rank	Amount	Rank	Amount	%
Education (DepEd, SUCs, CHED, TESDA)	587.1	1	659.3	1	72.2	12.3
Public Works (DPWH)	441.8 ^{2/}	2	555.7	2	113.9	25.8
Interior & Local Gov't (DILG)	172.4	3	225.6	3	53.2	30.9
Defense (DND)	136.5	6	183.4	4	46.9	34.4
Social Welfare (DSWD) ^{3/}	164.4	4	173.3	5	8.9	5.4
Health (DOH) ^{4/}	153.7	5	141.4	6	(12.3)	(8.0)
Transportation (DOTr)	40.2	8	76.1	7	35.9	89.3
Agriculture (DA)	50.7	7	49.8	8	(0.9)	(1.8)
Judiciary	35.4	9	37.3	9	1.9	5.4
ARMM	24.4	10	32.3	10	7.9	32.4
TOTAL	1,806.6		2,134.2		327.6	18.1

1/ DBM-approved Monthly Disbursement Program (MDP), net of Prior Years' Payments and Accounts Payable.

Agency Specific Budget excludes allocations from Special Purpose Funds

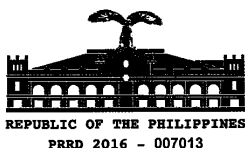
2/ Includes projected Current Year's Accounts Payable to be paid in 2019

3/ Includes provision for Unconditional Cash Transfer lodged under the Land Bank of the Philippines

4/ Includes budget of the Philippine Health Insurance Corporation

Studies done in 2016 have shown that investing in preschool education yields the greatest impact in combating inequality and poverty. It revealed that children enrolled in a preschool program score 23 percent higher in academic ratings than those who have not gone to preschool. They also have better chances of completing high school and thus have better opportunities for higher earnings in the future.

To ensure that the country does not encounter pre-school access gaps, we are allotting PhP34.7 billion for the DepEd's Basic Educational Facilities Program under the K-to-12 Basic Education regime. The amount will be used to, among others, construct 4,110 classrooms (PhP10.2 billion); procure 43,200 school seats (PhP2.14 billion); repair and rehabilitate 33,672 classrooms (PhP10.5 billion); build 1,320 computer,

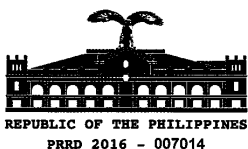


technical-vocational, and Science laboratories (PhP4.0 billion); and energize 1,710 schools located in off-grid areas (PhP2.7 billion). Some PhP346.2 billion will fund the personnel services and operational requirements of our Kindergarten and Elementary (PhP209.2 billion), Junior High (PhP110.0 billion), and Senior High (PhP27.0 billion) schools.

To ensure that no child is left behind in terms of education, we will be extending financial assistance under our PhP32.1 billion Government Assistance to Students and Teachers in Private Schools and in Non-DepEd Public Schools (GASTPE). Of the GASTPE budget, PhP18.8 billion will finance the Voucher Program for Private Senior High School, and PhP10.7 billion will fund our Education Service Contracting (ESC) Program for Private Junior High School. This involves paying private schools to enrol students in areas with shortages of public high schools.

We are proposing the creation of 10,000 teaching positions, with a total cost of PhP2.21 billion, to help the DepEd hit its target of 25 learners per teacher in the coming years. Of this amount, PhP1.1 billion is intended for the creation of 4,770 Teacher II positions for Senior High Schools, while the remaining PhP1.1 billion is for the creation of 5,230 Teacher I positions for K-to-10. I have also instructed the DepEd to fill its 105,529 existing unfilled positions – and for this purpose, we are providing some PhP27.6 billion under the 2019 Budget.

To improve the employability of our students, we will provide the DepEd with PhP10.0 billion to purchase textbooks and instructional materials (PhP1.79 billion); acquire Science and Mathematics equipment (PhP2.12 billion); procure technical-vocational equipment (PhP2.0



billion); and fund its Computerization Program (PhP4.0 billion). Likewise, we are increasing the budget of the TESDA by 79.2 percent to PhP14.8 billion, from PhP7.6 billion this year, to provide free technical and vocational education and training. Also included in the TESDA's budget is the PhP192 million to fund the provision of equipment for 25 Centers for Technical Excellence (CenTExes) in farm machinery, aquaculture, automotive servicing, civil (construction) technology, crop production, dress making and fashion technology, electrical installation and maintenance, food processing, food and beverage, tourism (commercial cooking/food and beverages), and welding, among others.

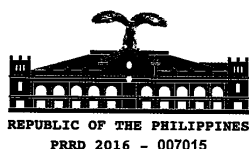
The budget for our flagship program, the Universal Access to Quality Tertiary Education or UAQTE, will be immensely increased, from PhP40 billion in 2018 to PhP51 billion in 2019, to cover the cost of tertiary education for all Filipino students enrolled in SUCs, local universities and colleges, private higher education institutions and technical vocational institutions registered under the TESDA.

Gawin nating madali para sa ating mga mamamayang maralita ang pagkuha ng scholarships!

The scholarship programs offered under our UAQTE are not subject to stringent requirements and conditionalities in the sense that only a few will qualify because the requirements and conditionalities tend to favor the youth who have gone to good quality elementary and secondary schools.

Universal Health for All

Universal health coverage ensures that low income individuals stay healthy and productive, thus resulting in



improved capacities to access higher income opportunities. That is why for 2019, we have allotted PhP141.4 billion for the health budget, inclusive of the PhP67.4 billion for the Philippine Health Insurance Corporation to fund the National Health Insurance Program which provides affordable and accessible health insurance to indigent individuals, senior citizens, and families under the PAYapa at MASaganang PamayaNAn (PAMANA) and Sajahatra Bangsamoro health insurance programs.

Likewise, some PhP15.2 billion will be allocated to enable the DOH to purchase drugs, medicines, vaccines, and medical and laboratory supplies for the different health care facilities all over the country. Furthermore, a total of PhP8.0 billion will be earmarked to cover the full immunization of 2.8 million children, while another PhP3 billion will strengthen the prevention, control, and eradication of infectious diseases such as Malaria, Tuberculosis, and Leprosy, among others.

The government will also intensify its efforts in ensuring the safety of Dengvaxia vaccinees. The 2019 Budget allocates PhP213 million for the hiring of 425 surveillance officers to conduct activities that will monitor the status of those who were administered the vaccine.

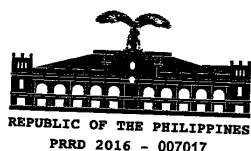
To curb malnutrition and set the foundation for the lifelong health of all Filipinos, we will provide the DOH's Nutrition Intervention Package for the First 1000 Days Program an allocation of PhP118 million.

Social Protection

My Administration puts a premium on providing benefits to targeted Filipino individuals and families, to help them deal with situations that threaten their welfare. To achieve this, some PhP88.1 billion will be provided to support our *Pantawid Pamilyang Pilipino Program (4Ps)* that will provide cash grants to 4.4 million households. Priority will be given to (1) those registered in the National Household Targeting System for Poverty Reduction (NHTS-PR), or our *Listahanan*; (2) victims of natural and man-made disasters rendered homeless and with no means of livelihood; (3) indigenous peoples in geographically isolated and disadvantaged areas (GIDAS); (4) homeless street families; and (5) transitioning household beneficiaries of 4Ps, whose level of well-being has improved but are still at high risk of subsequently falling back into survival level as they precariously live with little or no buffer against economic shocks.

We have also provided PhP3.5 billion for our supplementary feeding program for 1,881,979 day care children. To protect our elderly from old-age poverty, we have set aside PhP23.18 billion, representing the social pension of PhP500 per month for 3,796,791 indigent senior citizens, as determined by the DSWD.

To further empower communities and entice them to participate in local government planning and budgeting, some PhP2.77 billion will be given to the DSWD for its Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS): National Community Driven Development Project. For 2019, it aims



to complete 1,643 sub-projects in 1,940 barangays across 15 regions.

Continuing Provision for the People's Basic Needs

Ensuring Food Security

As the Agriculture Sector is expected to grow between 2.0-3.0 percent this year, we remain confident that the continuing volatility of food prices will be kept at bay through better food production.

To sustain the sector's strong performance and ensure continued food security for all Filipinos, we are allocating some PhP49.8 billion to be used to support our programs and projects under the Agriculture and Fisheries Modernization Program (AFMP). This amount will be supplemented by the PhP44.1 billion specific appropriations in the budget of the various implementing agencies of the AFMP, such as the National Irrigation Administration (NIA) for its various irrigation projects, PhP27.1 billion; National Food Authority (NFA) for its Buffer Stocking Program, PhP7.0 billion; Philippine Crop Insurance Corporation for the full insurance premiums of subsistence farmers and fisherfolk, PhP3.5 billion; Department of Agrarian Reform for the Program Beneficiaries Development, PhP1.9 billion; and Philippine Coconut Authority for the development of the coconut industry, PhP1.2 billion, among others.

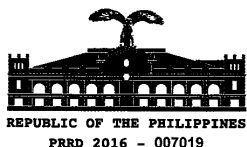
My Administration is taking steps to abate the recent sharp rise in the prices of rice and fresh produce, which is one of the factors pushing food inflation. For one, I am asking the help of Congress to consider the passage, as soon as possible, of our Rice Tarrification Bill—a priority legislation of this

Administration—which is estimated to reduce the price of rice by PhP3.40 per kilogram. If implemented in the last quarter of this year, it could reduce headline inflation by about 0.20 percentage points, and an additional 0.60 percentage points in 2019. If implemented in the first quarter of 2019, headline inflation could decline by about 0.80 percentage points in full-year 2019.

The Bill aims to amend the Agricultural Tarrification Act of 1996, which allows the NFA to monopolize rice importation. With the private sector becoming a major player, the supply of rice will increase, resulting in lower rice prices. Rice tarrification also aims to benefit our farmers, as the Bill provides that revenues from the rice tariff be invested in public goods and services that directly benefit them, such as farm-to-market roads, irrigation, and storage, which can reduce production and marketing costs.

We will ensure that our farmers are protected, amidst recent developments in the agricultural sector. We will give the DA PhP12.0 billion for its National Programs for Rice, Corn, High Value Crops Development, Organic Agriculture and Livestock to prioritize farmers in provinces producing the same; provinces with areas suitable for conversion to organic agriculture; and poor farmers and fisherfolk registered under the Registry System for Basic Sectors in Agriculture and identified in the latest official poverty statistics of the Philippine Statistics Authority.

An allocation of PhP10.0 billion under the DA budget represents funding for the construction, rehabilitation and repair of 996 km of farm-to-market (FMR) roads. This FMR network leads to arterial or secondary roads and key

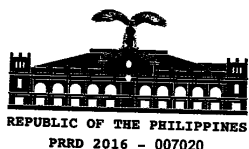


production areas to further reduce transportation and marketing costs.

This year, I have delivered on one of my campaign promises to provide free irrigation for small farmers by providing PhP2.6 billion in the 2018 budget. For 2019, this will be maintained at PhP2.6 billion in the PhP36.9 billion budget of the NIA. Likewise, we will fund the various national and communal irrigation systems projects of the agency, in the amount of PhP8.6 billion. These include, among others, the new national irrigation systems: Lower Agno River Irrigation System Extension Project in Pangasinan (PhP875 million), and Malitubog-Maridagao Irrigation Project Phase II in North Cotabato (PhP400 million); the pump irrigation systems in Alfonso Lista in Ifugao (PhP412 million), and the Chico River Pump Irrigation System (PhP1.7 billion); special irrigation systems such as the Balikatan Sagip Patubig Program (PhP133 million); and small irrigation projects nationwide (PhP4.63 billion).

Our national irrigation projects for next year are expected to irrigate in all cropping seasons some 1,191,142 ha of farmlands, while communal irrigation projects will irrigate 1,116,784 ha.

To address the issue of a declining fish catch, we will provide the Bureau of Fisheries and Aquatic Resources with a PhP5.8 billion budget. PhP4.0 billion of this is allocated for our National Fisheries Program, and PhP334 million is for the FishCORAL Project, otherwise known as the Fisheries, Coastal Resources and Livelihood Project, aimed at building fishing communities' capacity to sustainably manage fishery and coastal resources in the Autonomous Region in Muslim Mindanao, Eastern Visayas and Bicol in Southern Luzon.



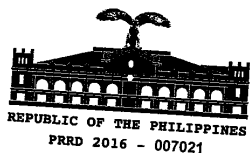
Furthermore, we have also set aside some PhP765 million as subsidy to the Philippine Fisheries Development Authority for the construction, rehabilitation and improvement of fish ports and fishery post-harvest facilities in the Navotas Fish Port Complex, PhP292 Million; Iloilo Fish Port Complex, PhP191 Million; Lucena Fish Port Complex, PhP164 Million; Davao Fish Port Complex, PhP73 Million; and Zamboanga Fish Port Complex, PhP44 Million.

To revive the sugar industry and increase the income of our sugar farmers, we are providing PhP500 million to the Sugar Regulatory Administration to construct and rehabilitate 47.49 km of bridges (PhP32 million) and 7.3 km of farm-to-mill roads (PhP118 million). To achieve our target of stable sugar production by 2.1 million metric tons in 2019, we will allot some PhP300 million as subsidy for the Block Farm Program, which is a socialized credit program for block farms as start-up capital to be rolled over every cropping season.

Decent Housing and Clean, Healthy Environment

Recognizing that decent housing, one of the basic needs for a comfortable life, has remained an elusive dream for a great number of Filipino families, we have made the fulfilment of this aspiration for poor and near-poor households a priority of this Administration.

For 2019, PhP800 million under the Social Housing Finance Corporation will provide the partial funding requirement of the High Density Housing Projects, Phase 2, which will benefit 3,679 informal settler families residing in danger areas in Metro Manila. Also, our PhP500 million under the National Home Mortgage Finance Corporation for the Socialized Housing Loan Take-Out of Receivables (SHeLTer)



Program will offer an affordable funding mechanism to originators such as non-government organizations, cooperatives, microfinance institutions, local government units, and national government agencies which are involved or would like to be involved in providing a housing program for their employees, constituents or members.

Decent housing means we see to it that access to services such as potable water and available electric power supply meet the acceptable level of requirements, as well as the efficient and effective provision of those services. Hence, we are giving the Local Water Utilities Administration some PhP325 million for its water supply and sanitation program, which includes the installation of service connections for completed household units in the resettlement areas of the National Housing Authority (NHA). Likewise, we are proposing PhP1.5 billion to support 384 potable water supply projects nationwide under our SALINTUBIG (Sagana at Ligtas na Tubig para sa Lahat).

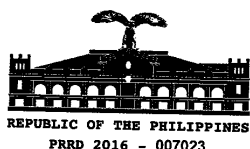
The electrification program of the Department of Energy will be provided PhP500 million to energize 4,150 households for mini grids and 10,000 households for Solar Home System. Moreover, a huge PhP1.2 billion will be allocated for the Sitio Electrification Program of the National Electrification Administration to supply power to 775 sitios, including those located in the off-grid areas of the country.

Crucial to the improvement and upgrading of living conditions is a healthy environment. The role of the government is vital in ensuring that the poor are protected from pollution and risks as a result of environmental degradation, since wealthy people are better able to avoid

the costs of environmental harm because they have the money or wealth to pay for these.

For 2019, we are giving the Department of Environment and Natural Resources (DENR) a total budget of PhP25.1 billion, which includes PhP5.2 billion for the National Greening Program to plant trees covering 143,187 hectares; produce 138,284,838 seedlings; and maintain 497,023 hectares of forest lands. Also, some PhP150 million will be used to rehabilitate Boracay Island, to cover the requirements for various activities such as the continuing research and monitoring of air and water quality in said area to prevent further degradation of the ecosystem, as well as for solid waste management.

To boost efforts to address the effects of climate change, we are allotting PhP1.9 billion for the Integrity of the Environment and Climate Change Adaptation and Mitigation on solid waste, air quality, water quality, and hazardous waste management of the DENR and the MMDA. In our efforts to revive economic activities along the Pasig River, and abate its further destruction, the Pasig River Rehabilitation Commission will be given PhP328 million to rehabilitate and develop the River's *esteros* and creeks. These include the Estero dela Reina, Phase 2 in Manila, PhP23 million; East Bank Road, Manggahan Floodway, Phase 1 in Brgy. Santa Lucia in Pasig, PhP17 million; Ermitaño Creek, Phase 2 in San Juan, PhP3 million; the Taguig-Pateros River in Brgy. San Pedro in the Municipality of Pateros, PhP6 million; and the Pasig River Esplanade-Lighting of Bridges Project, PhP150 million.



Secure and Meaningful Employment

We have recently launched our Jobs, Jobs, Jobs website, which lists the job openings available under our Build, Build, Build Program. For 2019, we expect our infrastructure program to create 1.1 million new employment opportunities.

Our employment budget for 2019 aims to get more Filipinos working again!

The PhP13.3 billion budget of the Department of Labor and Employment (DOLE) includes a PhP4.6 billion allocation for livelihood and emergency employment. Of this amount, PhP3.3 billion will support the *Tulong Panghanapbuhay sa Ating Disadvantaged or Displaced Workers Program*, to benefit indigent families under the *Listahanan*, informal sector families, and those within the next lower poverty level as determined by the DSWD.

To make sure that workers' rights and privileges are protected, we propose the amount of PhP465 million for the operating requirements of the 136 new Labor Law Officers of the DOLE.

To better equip our workers and make them more competitive, we are allocating PhP2.3 billion for the TESDA to fund its Training for Work Scholarship Program. The Program aims to support course offerings in key employment generators in the areas of agri-fishery, agri-business, agro-industrial, tourism, information technology-business process management, semiconductors and electronics, automotives, other priority manufacturing industries, logistics, general infrastructure, and new and

emerging sectors. In the selection of students, the TESDA will prioritize those without prior formal or vocational training, as well as those coming from regions or provinces where the absolute number of poor residents and the incidence of poverty are high.

On top of this, PhP694 million will fund the TESDA's Special Training for Employment Program involving the conduct of community-based specialty training.

Rehabilitating Marawi and Moving Forward

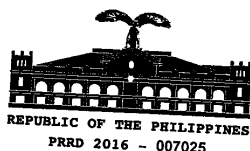
I am very pleased with the ongoing rehabilitation efforts in Marawi City. The Task Force Bangon Marawi is doing a great job, as evidenced by the fact that more than 70 percent of its displaced residents have returned to the City.

To reassure the residents of Marawi that the government will take care of them, we are allocating PhP3.5 billion, under the PhP20.0 billion National Disaster Risk Reduction and Management Fund, to augment the funds for the ongoing rehabilitation and reconstruction efforts.

We have also provided PhP1.3 billion to support the activation of the 55th Engineering Brigade to aid in the rehabilitation and reconstruction of Marawi City.

Building a More Secure and Peaceful Nation

Ensuring the internal security of the country and maintaining public order and safety in our communities have been the hallmark of my governance. We have been successful in our campaign, but we will not sit on our laurels. We will continue our vigilance in order

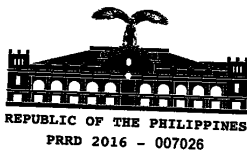


to thwart attempts by lawless elements to wreak havoc on our helpless countrymen.

For 2019, we are giving the Department of the Interior and Local Government (DILG) PhP225.6 billion to fund the creation of 10,000 Police Officer I positions, PhP3.0 billion; 3,000 Fire Officer I positions, PhP803 million; and 2,000 Jail Officer I positions, PhP576 million. The proposed budget of the Philippine National Police (PNP) will fund the acquisition of equipment under its Capability Enhancement Program, amounting to PhP5.4 billion; construction of Police Stations at PhP330 million; and provision for the operational requirements of provincial, city, municipal and district Police Stations at PhP3.43 billion. Furthermore, some PhP1.7 billion is allocated for the provision of rice subsidy for the PNP (PhP1.4 billion), Bureau of Fire Protection (PhP188 million), and the Bureau of Jail Management and Penology (PhP94 million), equivalent to twenty (20) kilos of rice a month at PhP1.7 billion.

To ensure the attainment of a just and lasting peace, we are increasing the budget of the Department of National Defense from PhP150.0 billion this year to PhP183.4 billion in 2019. The amount represents a 22.3 percent increase and will finance primarily the priority programs of the Philippine Army with PhP89.0 billion; Philippine Air Force with PhP24.6 billion; Philippine Navy with PhP27.8 billion and General Headquarters (GHQ) with PhP36.4 billion. We will also continue to support the Revised AFP Modernization Program of the DND-GHQ with a proposed budget of PhP25.0 billion for 2019.

For 2019, we will provide PhP37.3 billion for The Judiciary. Of this amount, PhP20.2 billion is for the independent, effective, and efficient administration of justice. Likewise, PhP1.3 billion will fund the construction, completion and rehabilitation of Halls of Justice (HOJ) nationwide. Projects include, among others, HOJ in San



Juan, Mariveles in Bataan, Calapan and Pinamalayan in Oriental Mindoro, Tagudin in Ilocos Sur, Natonin in Mt. Province, Bulan in Sorsogon, Talibon in Bohol, Midsayap in Cotabato, and San Isidro in Davao Oriental.

For its part, the Department of Justice will intensify its effective and efficient administration of justice with its PhP21.4 billion budget for 2019. Of this amount, PhP6.0 billion will be allocated for its investigation, witness protection and prosecution services.

Select Major Social Programs

(In Billion Pesos)

Program	2019 Proposed (Cash-Based)
Pantawid Pamilyang Pilipino Program	88.1
<i>of which:</i>	
Rice Subsidy	28.5
National Health Insurance Program	67.4
Universal Access to Quality Tertiary Education	51.0
Free Irrigation for Farmers ^{1/}	38.9
Basic Educational Facilities Program	34.7
Rice Subsidy for Military and Uniformed Personnel ^{2/}	2.9
Total	283.0

^{1/} Based on 2016 SONA Directives, lodged under the DA and NIA budget

^{2/} The amount covers the rice subsidy for MUP of the following agencies: DENR-NAMRIA, DILG-BJMP, DILG-PNP, DND-PA, DND-PAF, DND-PN, DND-GHQ, AFP and AFPWSSUS, and DOTr-PCG; Rice subsidy for MUP covers financial assistance equivalent to 20 kilos of rice per month, charged to MOOE.

Strong sustained economic growth has to be accompanied by a meaningful package of reforms aimed at creating a better future for Filipinos through improved and wider access to education and health services, as well as social protection services to reduce the vulnerability of the poor and the marginalized. The budgetary allocation for our select major social programs, namely: Pantawid

Familyang Pilipino Program, National Health Insurance Program, Universal Access to Quality Tertiary Education, Free Irrigation for Farmers, Basic Education Facilities Program and Rice Subsidy for Military and Uniformed Personnel – will reach P283.0 billion in 2019.

CONCLUSION

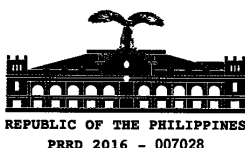
I began my presentation of the 2019 Budget with a reference and brief reflection on the significance of this moment for me, for my Administration, and for our people.

I noted that we are moving towards the half-time or the midterm. Whether in a game or a performance, this is a crucial time for players or performers. It is not so much a chance for a rest break, as an opportunity to take stock of past feats and failures, in order to deepen the resolve and build up the strength to forge on.

But governance is neither just a game nor a performance. It is, for me and my Administration, a sworn mission and solemn duty to fulfill. Not for ourselves, but for the people who have put their faith and trust in us, and ultimately in the government.

We began this journey of change with our people, aware that it will only remain a promise and a possibility unless we are all willing to undertake the measures, difficult and painful though some of them may be, that will lead to genuine transformation for the good and benefit of all.

Ladies and gentlemen of the 17th Congress, we have come this far on the path of change, on the momentum of reform and transformation. And we are beginning to see where the path leads – to the bright future that we could only aspire for before.



At the midterm of our Administration, we are confident that we are on the right track. And we are determined to stay on this track, to continue building on what we have already accomplished. We look back to assess the gains of our people; but we also need to move forward, not only with the will, but with the resources, to give life to the dreams of the Filipino people, of Filipino families. We are moving to give them the comfortable life that they aspire for.

This is our financial program, submitted for your review and approval. Through the 2019 National Budget, the next chapter of our story of change will unfold that will lead to a bright future for our country and our people.


RODRIGO ROA DUTERTE



