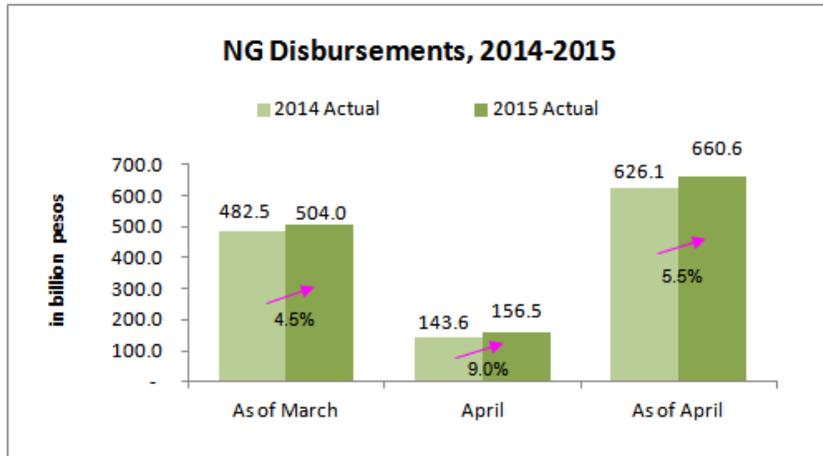


## ASSESSMENT OF NATIONAL GOVERNMENT DISBURSEMENT PERFORMANCE AS OF APRIL 2015

For the first four months of 2015, national government disbursements stood at P660.6 billion, recording a 5.5 percent uptick from the comparable level of P626.1 billion last year. Coming from a 4.5 percent growth in the first quarter, spending continued to gather momentum in April as it



rose to P156.5 billion, growing from a year ago by 9.0 percent, a pace stronger than the past ten-year average of 6.0 percent. More significantly, productive spending (MOOE and Capital Outlays) grew at an even faster rate of 22.1 percent, thus bringing the cumulative expansion to 7.7 percent, compared to only about 3.6 percent in the first quarter.

As shown in Table 1, the disbursement performance as of April was the result of double-digit increase in current year NCA disbursements as it grew by 17.3 percent in April, and by 11.6 percent in cumulative terms. Due to the higher allocation for Internal Revenue Allotment (IRA) as mandated by the Local Government Code, and the increased spending by OP, DepEd, DILG, DPWH, DSWD, and ARMM, the build up in NCA disbursements was able to fully compensate for the contraction in non-NCA items such as interest payments (IP), net lending, encashment of check floats from 2014, and tax expenditure subsidies, among others. Particularly for the month of April, non-NCA disbursements slowed down due to lower tax expenditure subsidies after last year's payments of the tax obligations of PSALM (P7.3 billion) and PDIC (P1.2 billion) by the national government.

**Table 1**  
**Comparison of Actual Disbursements vs. NCA, 2014-2015**  
in billion pesos, unless otherwise indicated

Particulars	As of March				April				As of April			
	2014 Actual	2015 Actual	2014 vs. 2015		2014 Actual	2015 Actual	2014 vs. 2015		2014 Actual	2015 Actual	2014 vs. 2015	
			Inc./ (Dec.) Amount	%			Inc./ (Dec.) Amount	%			Inc./ (Dec.) Amount	%
NCA	306.6	335.6	28.9	9.4	113.1	132.7	19.6	17.3	419.8	468.3	48.5	11.6
<i>% of Effective NCA</i>	<i>81.7</i>	<i>88.3</i>			<i>80.2</i>	<i>83.5</i>			<i>81.3</i>	<i>86.9</i>		
Non-NCA	175.9	168.5	(7.4)	(4.2)	30.5	23.8	(6.7)	(22.0)	206.4	192.3	(14.1)	(6.8)
<b>Total</b>	<b>482.5</b>	<b>504.0</b>	<b>21.5</b>	<b>4.5</b>	<b>143.6</b>	<b>156.5</b>	<b>12.9</b>	<b>9.0</b>	<b>626.1</b>	<b>660.6</b>	<b>34.4</b>	<b>5.5</b>

Source of basic data: Bureau of the Treasury (BTr)

**Memo Items:**

*Effective NCAs Issued net of Trust Liabilities, gross of Working Fund:*

As of April 2014	516.4	As of April 2015	539.0
As of Mar. 2014	375.3	As of Mar. 2015	379.9
April 2014	141.1	April 2015	159.0

*Allotment Releases*

As of April 2014	1,833.4	representing 80% of the P2.287 trillion obligation program (including P22.5 billion Supplemental Budget)
As of April 2015	2,178.1	representing 84% of the P2.606 trillion obligation program

Source: DBM - Budget Technical Bureau (BTB)

## Allotment Releases

As of April 30, 2015, the DBM has made available to the departments/agencies allotments in the amount of P2,178.1 billion, or 84 percent of the total obligation program of P2,606.0 billion. This rate of allotment release is faster than the comparable rates of 80 percent last year and 73 percent in 2013 with the adoption of the GAA-as-a-release document (GAARD) policy.

For the month of April alone, total allotments issued amounted to P49.3 billion, which include big-ticket items such as: 1) DepEd's Basic Educational Facilities Fund transferred to DPWH and charged against the 2014 Continuing Appropriations - P15.6 billion; 2) pension requirements under the Pension and Gratuity Fund (PGF) - P10.8 billion; 3) customs duties and taxes - P6.4 billion; 4) creation of new positions and filling up of unfilled positions under the Miscellaneous Personnel Benefits Fund (MPBF) - P2.7 billion; and 5) road maintenance projects charged against the Motor Vehicle Users' Charge Fund - P2.7 billion.

## Year-on-Year Performance

As earlier mentioned, the cumulative spending performance of the national government regained strength as disbursements continued to pick up in April on account of the following developments:

- PS rose to P188.8 billion as of April, growing by P2.2 billion or 1.2 percent primarily on account of the release made to DILG to cover salaries and allowances of 5,532 new Police Officer I and 227 inspector positions, as well as for the DepEd's salary requirements for positions filled-up and created in 2014 and 2015.

**Table 2: Disbursements by Expense Class, 2014 vs. 2015**  
in billion pesos, unless otherwise indicated

Particulars	As of April		Increase/Decrease	
	2014	2015	Amount	%
Current Oper. Exp.	503.8	535.2	31.4	6.2
PS	186.5	188.8	2.2	1.2
MOOE	97.6	114.1	16.5	16.9
Subsidy	1.5	4.5	3.0	202.5
Allotment to LGUs	91.1	104.0	12.9	14.1
IP	116.5	116.3	(0.2)	(0.2)
TEF	10.5	7.6	(2.9)	(27.7)
Capital Outlays	116.7	122.7	6.0	5.1
Infra & Other CO	93.7	91.9	(1.8)	(1.9)
Equity	0.3	0.3	0.0	7.0
Cap. Transfers to LGUs	22.8	30.5	7.8	34.0
Net Lending	5.6	2.7	(3.0)	(52.8)
<b>TOTAL</b>	<b>626.1</b>	<b>660.6</b>	<b>34.4</b>	<b>5.5</b>

- MOOE expanded further in April by P2.6 billion or 10.2 percent, bringing about a cumulative growth rate of 16.9 percent. This continuing growth in maintenance spending was largely due to the increased provisions for social protection programs under the DSWD, including the encashment of outstanding checks for the CCT payouts as of March and the implementation of the Emergency Shelter Assistance for Typhoon Yolanda affected families and communities in Region VI (P1.2 billion), and the NCA release to the DILG for the implementation of the Local Governance Performance Management Program - Performance Challenge Fund for LGUs (P0.5 billion).
- Spending for infrastructure and other capital outlays stepped up in April as it recorded a P6.7 billion or 40.3 percent increase from comparable year-ago level. This was mainly attributed to the marked improvement in the NCA utilization rate of DPWH from 54.5 percent in April 2014 to 77.7 percent in April 2015. Based on DPWH reports on

disbursements, the faster rate of utilization translated to some P5.2 billion more disbursements under CO year-on-year. Other releases in April which further boosted CO include those for payment of due and demandable accounts payable by DA, DOTC, and DILG, among others, as well as to cover the implementation of the WB-funded Philippine Rural Development Project under the DA (P2.0 billion). The performance in April turned things around for capital spending after it registered an 11.0 percent contraction in the first quarter.

- Capital transfers to LGUs increased to P10.9 billion in April, nearly twice as much as the 2014 level of P5.7 billion, due to higher IRA allocation<sup>1</sup>, and the release for the special LGU shares in the proceeds of national taxes. More specifically, a total amount of P3.4 billion was released to concerned LGUs from the 2014 Continuing Appropriations corresponding to the share of provinces, cities and municipalities from the tobacco excise tax collections pursuant to R.A. Nos. 8240 and 7171.

### Outlook for the Rest of the Year

**Table 3: Status of 2015 Allotment Releases**  
in billion pesos, unless otherwise indicated

Particulars	Program	Releases as of April*	Balance	
			Amount	%
Original Program	2,606.0	2,178.1	427.9	16.4

\* Inclusive of releases charged against 2014 Continuing Appropriations, 2014 Supplemental Budget, and Automatic Appropriations

Source of basic data: BTB

Out of the P2,606.0 billion total obligation program for 2015, only P427.9 billion remains unreleased as of end-April, the bulk of which could not be released without the necessary documentation requirements. Among the large program balances under agency-specific budgets include the P48.1 billion current year allocation for the DepEd's Basic

Educational Facilities Fund which was transferred to DPWH for implementation, and the P12.5 billion appropriation under the DOH Budget for the Health Facilities Enhancement Program, as well as the Operation of Special Hospitals, Medical Centers, Sanitaria and other Medical Hospitals. Moreover, a big part of the unreleased appropriations pertain to the balances of Special Purpose Funds (SPFs) as follows: 1) MPBF - P109.7 billion which is expected to move significantly in June with the releases for the grant of Productivity Enhancement Incentive (PEI) for government employees following the issuance of Executive Order No. 181 on May 15, 2015; 2) PGF - P83.7 billion which is intended to cover pension requirements and terminal leave/retirement gratuity benefits for the rest of the year; and 3) budgetary support for GOCCs - P85.4 billion which is composed mostly of the National Health Insurance Program for indigent families of the PHIC (P37.2 billion), balance for irrigation projects of NIA (P20.1 billion), and resettlement programs of the NHA (P5.1 billion).

With the outturn in April, and the likely positive scenario in May based on preliminary figures, the government sees a continuous acceleration in monthly spending in the following months. In order to sustain this and to further improve government spending, Cabinet-level discussions were held to address the issues that hampered spending in the previous months and to adopt measures to help departments/agencies achieve their spending and physical targets for the year.

<sup>1</sup> Twenty-percent (20%) of the IRA allocation is accounted under Capital Transfers to LGUs, while the eighty-percent (80%) is considered as Allotment to LGUs under Current Operating Expenditures.