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Analysis of the 2022 President's Budget

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Abstract

With the country still managing the COVID-19 pandemic, the election of national and local officials next year, and an increase in resources available to local governments units (LGUs) with the implementation of the Supreme Court ruling on the Mandanas-Garcia petition, major shifts in Philippine governance can be expected in 2022. Increased resources for LGUs reduce the fiscal space for national government efforts to jumpstart the economy from the pandemic-induced slump. How then does the President's budget for 2022 plan to address the many urgent needs, such as providing social safety nets to minimize economic and human capital scarring and sustaining strategic infrastructure investments to spur economic growth? This study provides an overall perspective of the budget and examines how the 2022 National Expenditure Program (NEP), also called the President's budget, embodies the priorities identified by the national government. In terms of the continued COVID-19 management and human capital investment and consistent with declared priorities in the National Budget Call, spending on health and social protection is prioritized. With the implementation of the Supreme ruling, the national tax allotment (formerly known as the internal revenue allotment) is 38 percent higher in 2022, almost 20 percent of the proposed budget. Despite greater devolution, the budget still includes some LGU assistance programs, such as the new growth equity fund (GEF) targeted at poorer LGUs. Institutional reforms, such as the Medium-Term Information and Communications Technology Harmonization Initiative (MITHI) and convergence programs, are also present to help reshape and improve the delivery of public goods and services through investments in information and communications technology. However, the 2022 NEP is projected to increase the debt-to-GDP ratio to 60.8 percent, the highest since 2006. To benefit from increased borrowing, fiscal authorities need to be both strategic and prudent in spending.

Keywords: COVID-19 pandemic, Expansionary fiscal policy, Mandanas ruling, Recover as one

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Analysis of the 2022 President's Budget

Charlotte Justine Diokno-Sicat and Robert Hector G. Palomar[1]

1. Introduction

There will be many changes in Philippine governance in 2022. First, a new president will be elected, one who will take office while the country is still managing the COVID-19 pandemic and responsible for economic recovery. Second, local governments (LGUs) will have an increased source of income with the implementation of the Mandanas-Garcia Supreme Court (SC) decision, which broadens the base on which intergovernmental fiscal transfers are computed. Increased LGU transfers will reduce fiscal space for national government (NG) efforts to jumpstart the economy from the pandemic-induced slump. With many urgent needs such as providing social safety nets to those most affected by the necessary economic lockdowns, to trying to minimize economic and human capital scarring, and at the same time making strategic infrastructure investments to maximize fiscal multipliers, how will the President's proposed 2022 budget address the identified priority needs in recovering from the pandemic?

This paper will answer this question by examining the National Expenditure Program (NEP), also known as the President's Budget, with an overall perspective of the common resource budget and vis-à-vis declared national priorities. There are many pressing needs but understanding how if these will be prioritized in the budget.

2. Objectives

2.1. General Objective

The overall objective is to examine how the 2022 President's budget, embodies the priorities identified by the national government to recover as one with the now endemic COVID-19 and with the shift in local governance.

2.2. Specific Objectives

1. Examine the distribution of the President's 2022 proposed budget will be examined vis-à-vis areas identified in the 2022 National Budget Call (NBC).
2. With the implementation of the Mandanas ruling in 2022, the analysis will look at how the proposed budget will accommodate increased transfers to LGUs.

3. Review of Related Literature/Framework and Expenditure Trends

Much is banking on the 2022 national budget given the: (1) need to manage and recover from the COVID-19 pandemic; and (2) shifts in national and local governance. The 2021 P4.335 trillion budget aimed to "strengthen the country's capacity to address the COVID-19 pandemic" by prioritizing health, food security, infrastructure, governance and industry and

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livelihood (Department of Budget and Management, 2021a). With the two surges in COVID-19 cases in 2021, such efforts are expected to continue with management perhaps prolonged.

Though drafted before the surge in COVID-19 cases in March 2021, the 2022 NBC identified priorities consistent with recovering as one with the new normal but also explicitly directed preparations in the major local governance shift. Identified spending priorities or priority administrative policies in designing the budget include:

1. The 0-10 Point Socioeconomic Agenda and Philippine Development Plan
2. The updated 2017-2022 Public Investment Program (PIP) and the Approved 2022-2024 Three-Year Rolling Infrastructure Program (TRIP).
3. Strengthened vertical and horizontal linkages through aligned national and regional development plans, prioritizing the needs of the poorest, disadvantaged but well-performing local government units (LGUs) in their sectors.
4. [In line with the Mandanas-Garcia SC ruling] NGAs should
    a. refrain from including proposals funding devolved local projects for 1st to 4th income class LGUs;
    b. include funding requirement for capacity building for these LGUs to enable them to assume functions;
    c. limit subsidies for local projects to LGUs belonging in the 5th and 6th income classes, the Geographically Isolated and Depressed Areas (GIDA) and those with the highest poverty incidences, ranked in top third highest.

The 2022 NBC also asserts government's continued commitment to programs/activities and projects that will continually ensure a healthy population, more agile workforce, a reliable digital technology and infrastructure and resilient business.

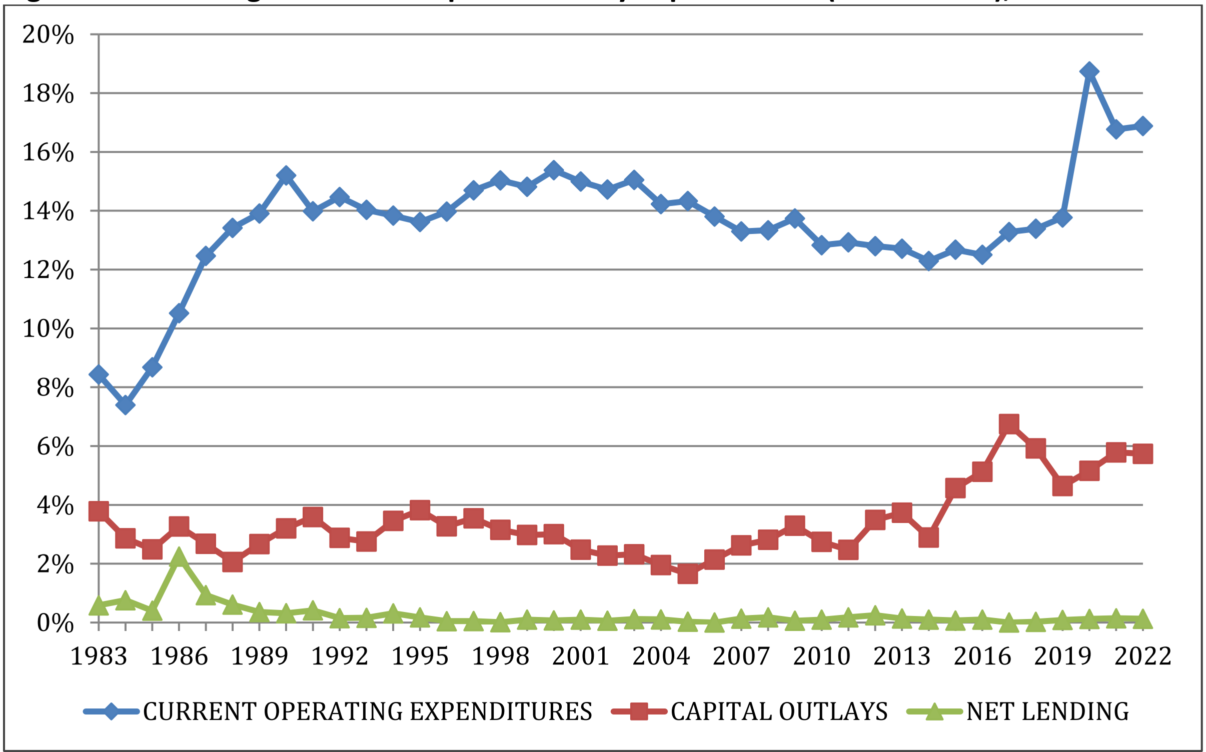
Explicit directives in reducing funding for NGA programs for devolved functions in richer LGUs is government's risk mitigation policy, the risk being limited fiscal space because of the anticipated 14% percentage increase in the mandated intergovernmental fiscal transfer.

On the revenue side in 2022, the Philippines will feel the effect of the recently passed Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, which seeks to lower corporate income tax and preferential tax treatment for select industries in the short to medium term. The expected revenue loss in the next two years is P250 Billion resulting from the reduced corporate income tax especially for local small businesses.

With continued fiscal stimulus efforts in the 2022 national budget and the hoped-for expansionary effect of the reduction in corporate tax rates, it has yet to be seen if both government and tax multipliers will contribute to bringing the Philippines back to the pre-COVID-19 growth path. Furthermore, the much needed expansionary fiscal policy is met with concerns on how it might impact Philippine debt sustainability, though the DBCC's 2021 Fiscal Risk Statement indicates that debt is still sustainable. Policymakers should be vigilant of this and hope that the economy can outgrow debt with all the expansionary interventions being implemented.

Looking at the 2022 NEP, current operating expenditures is poised to get the largest allocation of the budget at 16.9% of gross domestic product (GDP) consistent with the trend these past forty years (Figure 1). These are allocations "for the purchase of goods and services for the conduct of normal operations within a budget year" that will be used or consumed within the fiscal year (Department of Budget and Management 2021b, p.891). Furthermore, the 2022 NEP proposes capital outlays to be 5.7% of GDP while net lending[2] to be only 0.13% of the GDP.

Figure 1. National government expenditures by expense class (as % of GDP), 1983-2022



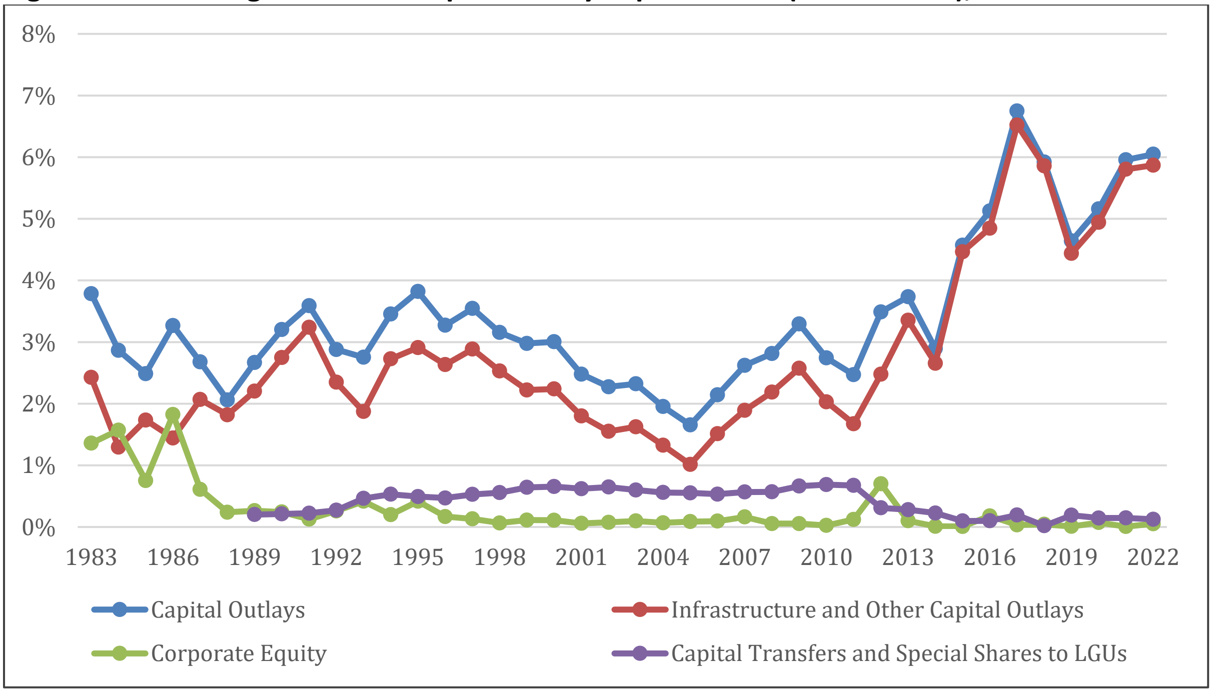
Source: Department of Budget and Management (various years)

On the other hand, capital outlay expenditures have been increasing since 2014 at an average rate of 15% (Figure 2). After 4 decades, this peaked in 2017 at 6.8% of GDP of which 6.5% were for infrastructure and other capital outlays. This push in recent years is because of the 'Build, Build, Build' program of the current administration aimed at creating economic growth through public infrastructure investments in two ways. The short-run impact on economic growth of infrastructure spending will create income in the sector spilling over to other sectors through fiscal multipliers. The long-run effect is that strategic effects of public infrastructure spending will facilitate more economic activities such as business investments, commerce and tourism creating sustainable sources of national income.

Looking at the sectoral distribution of government expenditures, social services (education, health, social welfare, labor and employment and housing) has been receiving increasingly larger budgetary allocations peaking at 9.8% of GDP in 2020 owing perhaps to the COVID-19 pandemic (Figure 3). Economic services follows (agriculture, trade and industry, tourism, water resource development etc.) averaging 4.4% of GDP these past 40 years. General public services (representing the cost of running the administration) has received relatively consistent share of GDP averaging 2.9% of GDP after economic services.

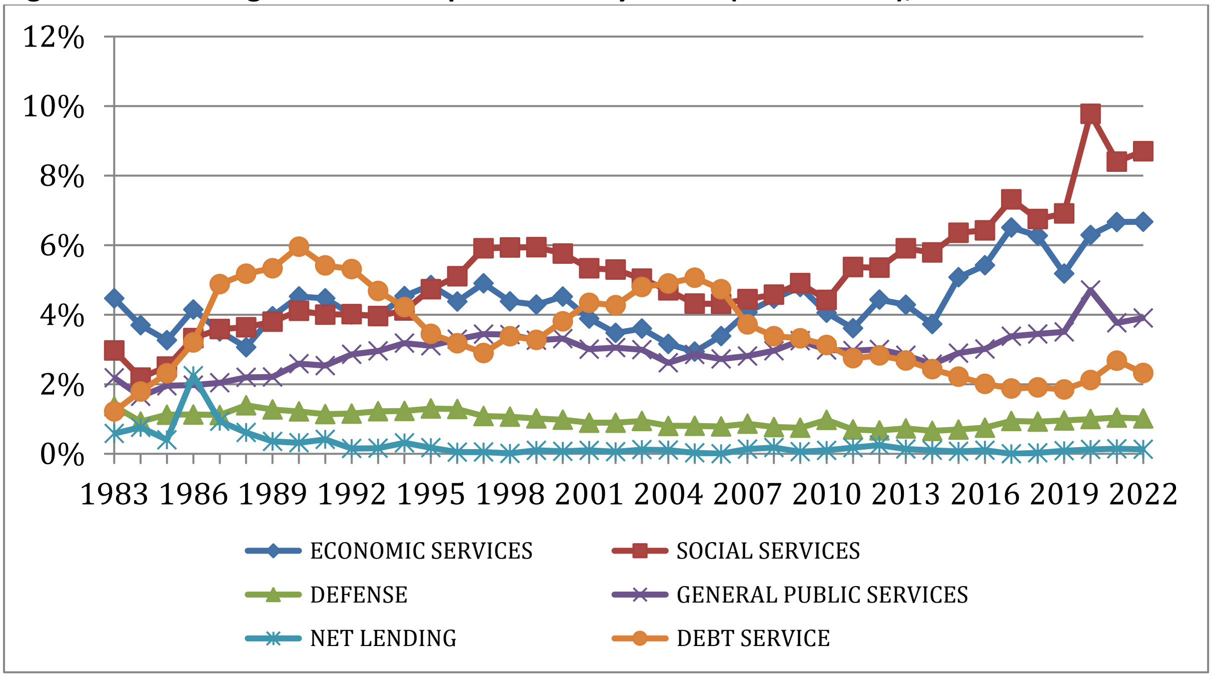
[2] Advances by the national government for the servicing of government guaranteed corporate debt during the year, net of repayments on such advances. Includes loan outlays or proceeds from program loans relent to government corporations (DBM Budget of Expenditures and Sources of Financing 2021).

Figure 2. National government capital outlay expenditures (as % of GDP), 1983-2022



Source: DBM (Various Years)

Figure 3. National government expenditures by sector (as % of GDP), 1983-2022



Source: DBM (Various Years)

4. Methodology

4.1. Conceptual Framework

Economic (aggregate demand) theory suggests that the public sector can stimulate economic growth through fiscal and monetary policies. In the national income accounting identity below,[3] GDP (national output or national income) is a function of consumption, investment, government spending and net exports (Mankiw 2010):

$$GDP = C(t) + I(r) + G + NX \quad \text{I}$$

Consumption spending, C, is comprised of household purchases of goods (durable and non-durable) and services. This is a function of disposable income which is simply household income net of taxes, t. Investments (I) are goods and services bought for future use such as business fixed and residential investments and inventories. This is a function of interest rates, r. Government spending, G, is basically the national budget. And, net exports, NX, is exports less imports, a function of the exchange rate. As the Philippine peso strengthens (appreciates) domestic goods and services (or exports, X) are relatively more expensive from the point of view of foreigners, while foreign goods and services (or imports, M) are relatively cheaper from the point of view of Philippine domestic consumers. In this case, exports will decrease while imports increase having a negative effect on the trade balance.

It is clear in Equation 1 how theory predicts fiscal (taxes and government spending) and monetary policy (interest rates) will impact the economy. For fiscal policy, lower taxes (which would increase disposable household income and trigger consumption spending) and higher government expenditures (which puts income in the hands of those who/that supply goods and services to government) are expected to expand the economy. For monetary policy, keeping interest rates low, to encourage investments, has the same anticipated expansionary effect.

In determining government spending, there are three general economic justifications of the role of government. First, is to clearly delineate and enforce property rights. Second, is to correct market failures such as imperfect competition, public goods, externalities, incomplete markets and information and macroeconomic shocks and disturbances. The COVID-19 pandemic is the perfect example of the latter justification while the administration's push on infrastructure spending is justified on the public goods[4] market failure. Third, is to ensure equity or fairness across citizens and sectors in both the choice and design of programs. Social protection programs such as the Department of Social Welfare and Development's (DSWD) Pantawid Pamilyang Pilipino Program (4Ps) and Social Pension for Indigent Senior Citizens (SocPen) are programs that redistribute income to the poor and vulnerable in society. While progressive income taxation is an example of fiscal policy designed with equity in mind in that those who have larger income (i.e. greater ability to pay) face higher tax rates and subsequently higher tax liability compared to those with lower income (Stiglitz and Rosengard 2015).

The drafting of a national budget should take these many competing justifications for government intervention in mind. However, the budget is a common resource with many different public sector instrumentalities and national government agencies vying for a larger share of it to finance their respective programs. Being a limited resource, increased shares of one agency or sector in the national budget can reduce the share of other agencies and sectors because of the negative externality imposed by the one getting a larger share. With this, it is important that the national expenditure program reflects the declared priorities of the national government.

[3] This is based on the theory of aggregate demand (Mankiw 2010).

[4] The economic definition of a public good (compared to the common perception that public goods are any good provided by the public sector) is a good that can be used by many persons at the same time (non-rival) and for which a pricing mechanism cannot exclude others from consuming it (non-excludable) (Stiglitz and Rosengard 2015, Rosen and Gayer 2010). An example would be a national road that all commuters can use once its built by government and for which those who did not pay taxes cannot be excluded from traveling

This research will use a mixed methods approach with descriptive research design. It will use secondary data, mostly from government sources such as the DBM (budget data), BSP (data on macroeconomic assumptions) and the PSA.

The proposed budget and historical expenditure data will be examined by: (1) expense class; and (2) by sector. For expense class, this will show the distribution of the national budget by current operating (personal services and maintenance and other operating expenditures) and capital outlays (infrastructure etc.). Sectoral distribution trends will show the intensity of prioritization of the different general sectors (general public, social, economic services and national defense).

The distribution of the President's 2022 proposed budget will be examined against areas identified in the 2022 Budget Priorities Framework and the 2022 National Budget Call. These priority areas include health and social welfare critical in the continued management of the COVID-19 pandemic.

With the implementation of the Mandanas ruling in 2022, the analysis will also examine changes in budgetary allocations of national government programs that offer support to local governments. Initial talks in policy direction with strengthened devolution is that said programs would be discontinued to allow increased transfers to LGUs without posing much of a fiscal risk.

Finally, general discussion of the fiscal sector will help understand the context in which the budget was drafted and present how the national government still anticipates the need to borrow to get back on the country's growth trajectory.

5. Budget Trends

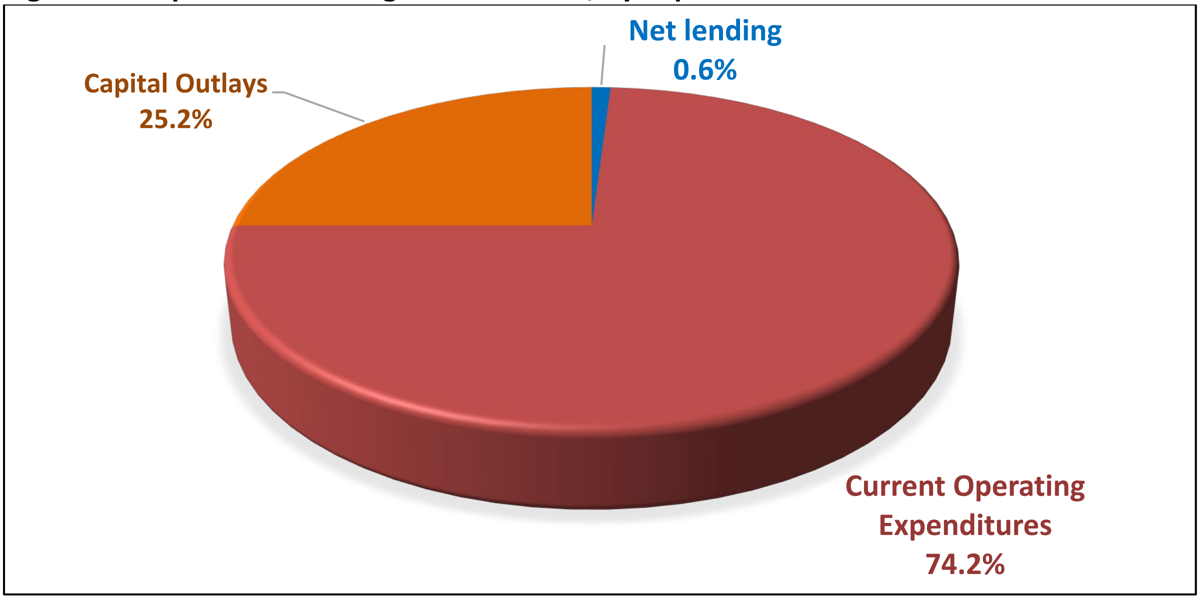
5.1. Overall budget trends

The proposed 2022 budget allocates the largest share to current operating expenditures with P3.7 trillion or 74.2% of the total of P5.024 trillion[5]. Capital Outlays is poised to receive P1.3 trillion or 25.2% of the proposed budget while Net Lending will receive P28.7 billion (0.6% of the NEP) (Figure 4).

Current operating expenditures has consistently received the largest share of national government expenditures, averaging 79% in the past 40 years. It is only in recent years that capital outlays received increased allocations owing to the government's pursuit of Build, Build, Build infrastructure programs. From 1983-2021, capital outlays had an average share of 19.6% of the national government expenditures (Figure 5).

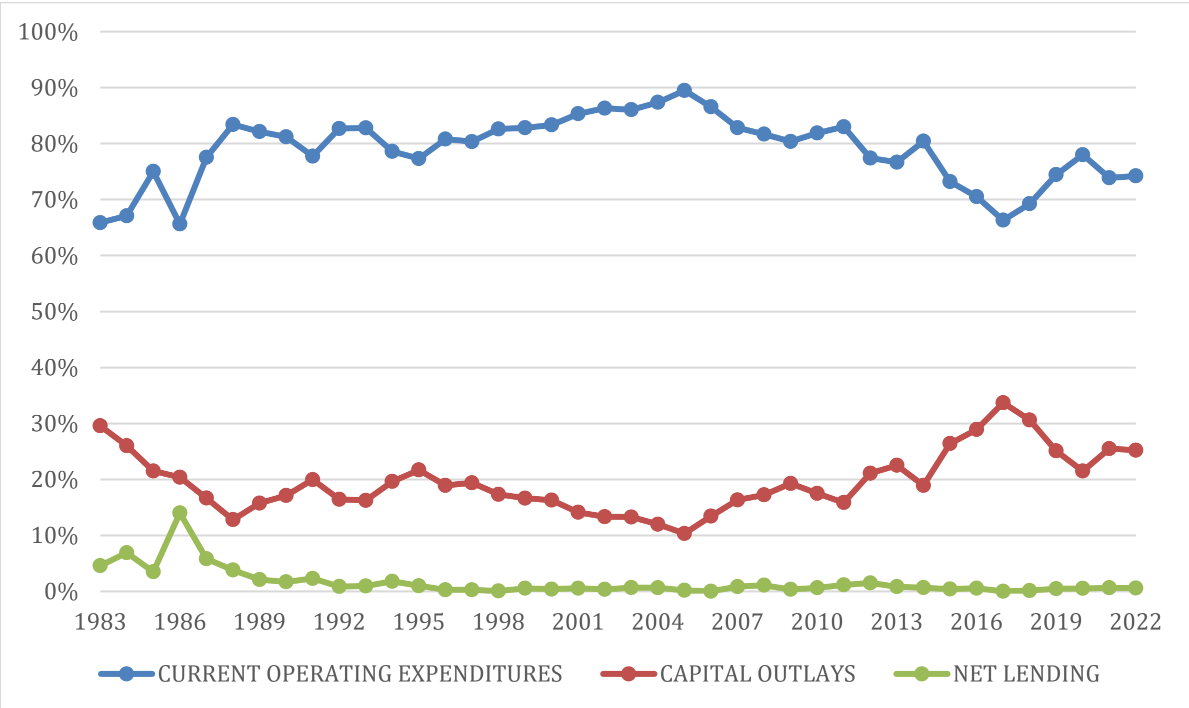
[5] This includes debt servicing of P512 billion.

Figure 4. Proposed 2022 budget distribution, by expense class



Source: DBM (Various Years)

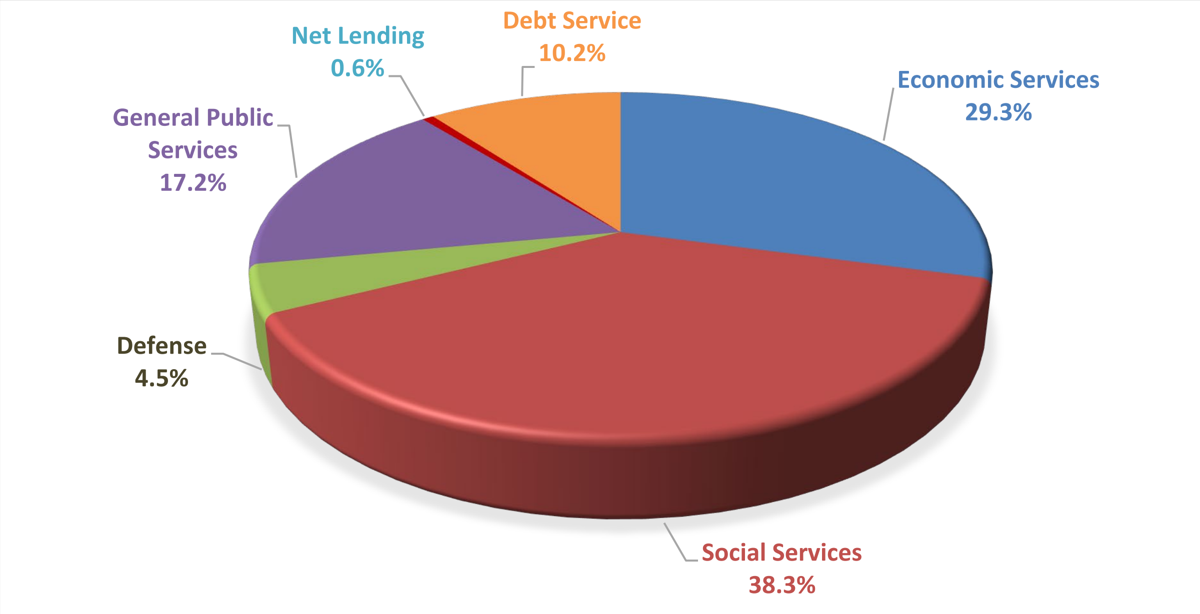
Figure 5. National Government Expenditures, by expense class, percent distribution, 1983-2022



Source: DBM (Various Years)

Looking at the distribution by sectors, the largest share of the 2022 NEP goes to social services 38.3% (at P1,921.8 billion or 8.7% of GDP) (Figure 6). Economic services follows at 29.3% of the budget (at P1,473.5 billion or 6.7% of GDP). The remaining 32.4% of the proposed budget is distributed across: (1) general public services (P862.7 billion, 3.9% of GDP), debt service (P512.6 billion, 2.3% of GDP), national defense (P224.4 billion, 1% of GDP), and net lending (P28.7 billion, 0.13% of GDP).

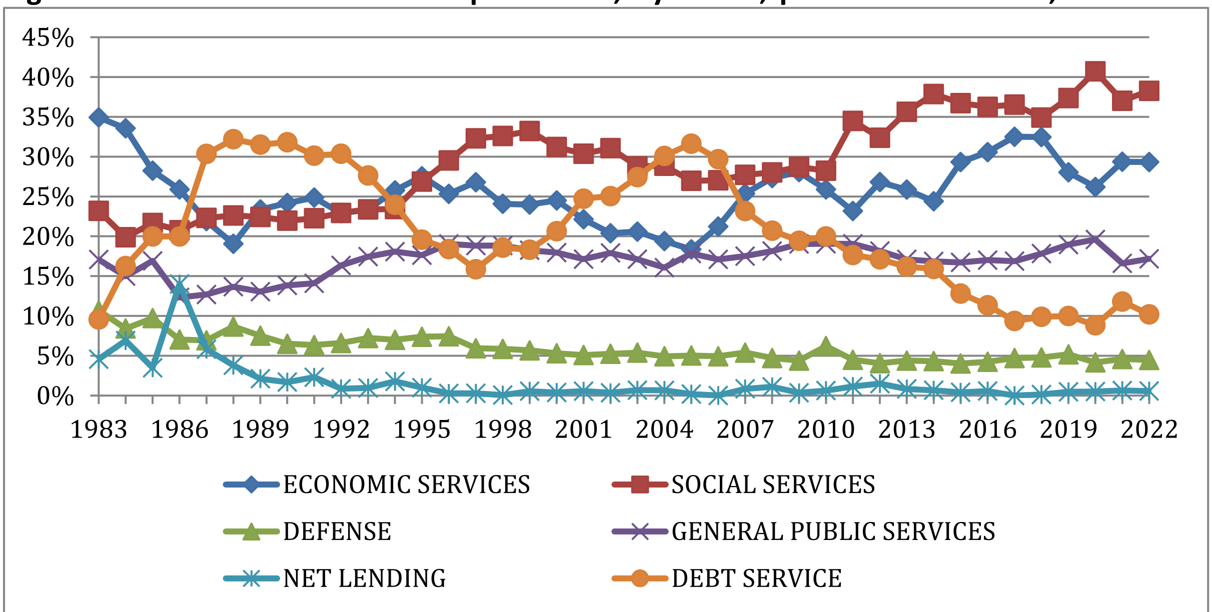
Figure 6. Proposed 2022 budget distribution by sector, (in percent)



Source: DBM (various years)

Historically, the social service sector has received the largest share of national government annual expenditures[6] averaging 29.4% for the period 1983 to 2022 (Figure 7). Economic services follows which received an average of 25.7% for the same period. The average share of general public services has been relatively consistent at an average of 17%. Beginning in 1996, social services has received the highest amount of shares with an average of 32.7% from 1996-2022.

Figure 7. National Government Expenditures, by sector, percent distribution, 1983-2022



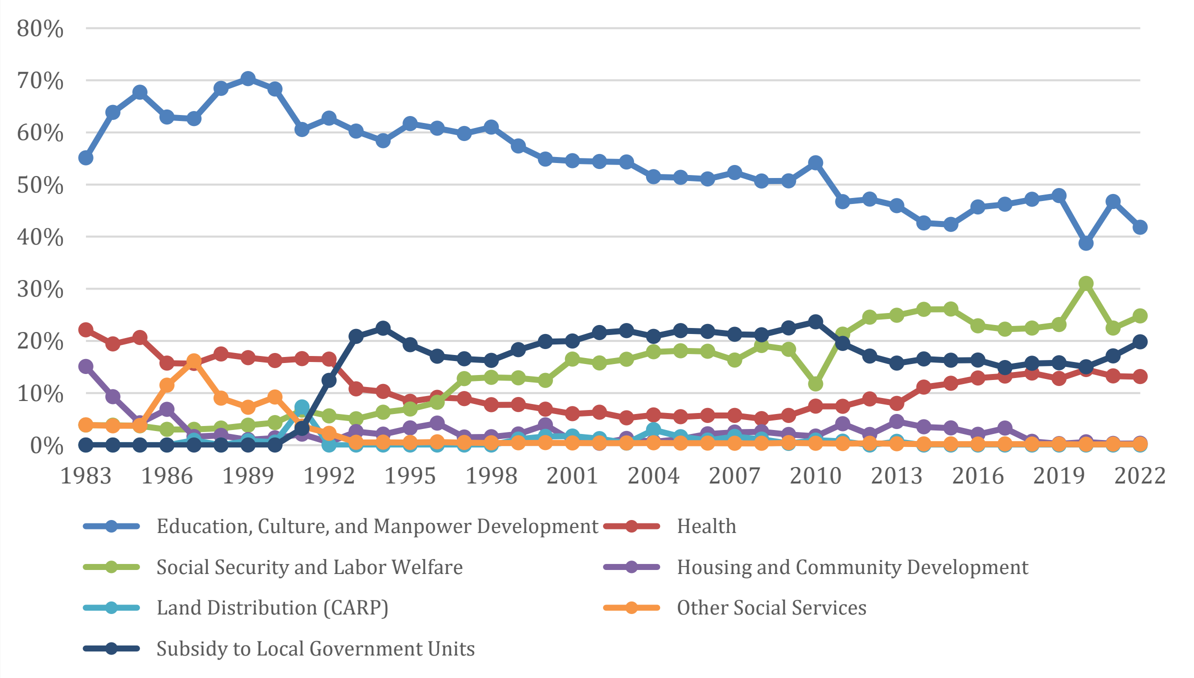
Source: DBM (various years)

Looking at social services in detail, education, culture and manpower development (ECM) has been receiving the largest share, though decreasing in recent years, averaging 54.5% (2.7% of

[6] Not including debt service which is reported in the above Figure 6 but not considered as part of productive expenditures of government that contributes to economic growth and development.

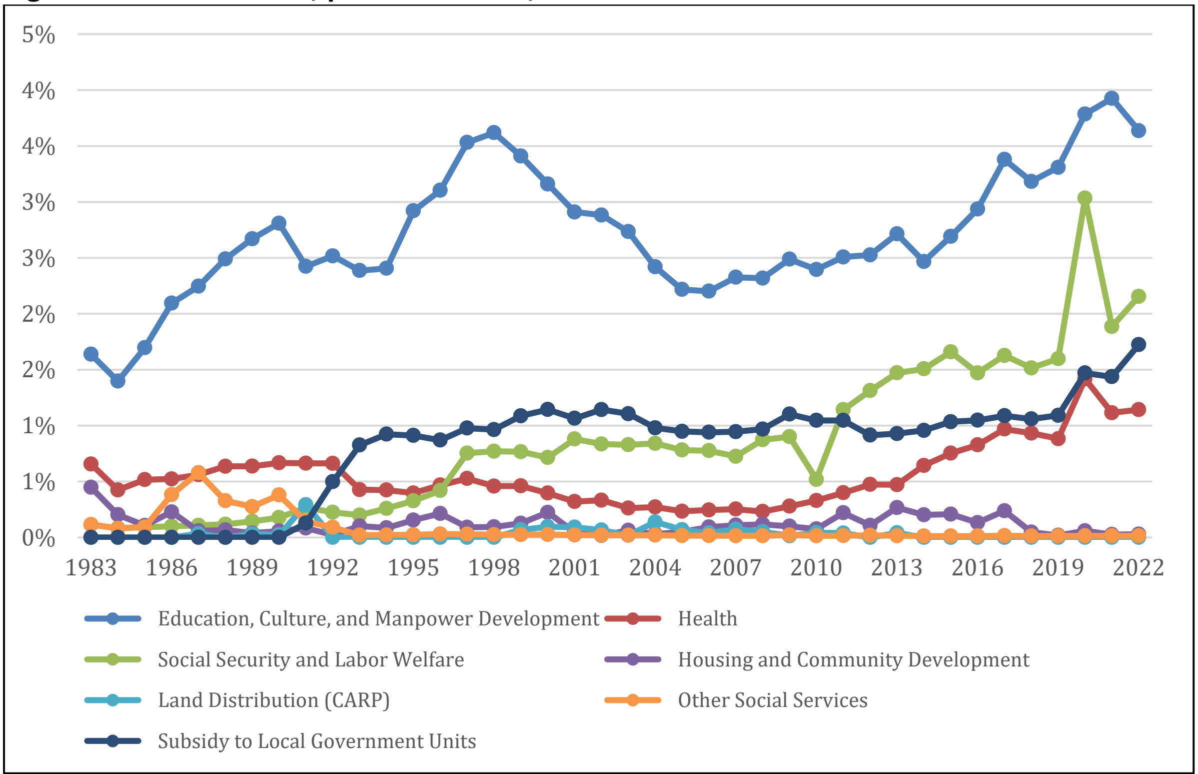
GDP) since 1983 (Figure 8.a and 8.b). In the past decade, in terms of shares of social service sector, ECM has been accommodating increased shares of Social Security and Labor Welfare (SSLW) and health. Starting 2019, subsidy to LGUs has been increasing, with this and SSLW to receive the 2nd and 3rd largest shares of the social service sector . Health averaged an 11.2% share of social service expenditures (or 0.6% of GDP) but declining shares since 2020.

Figure 8.a Social Sector expenditures distribution (in %), 1983-2022



Source: DBM (various years)

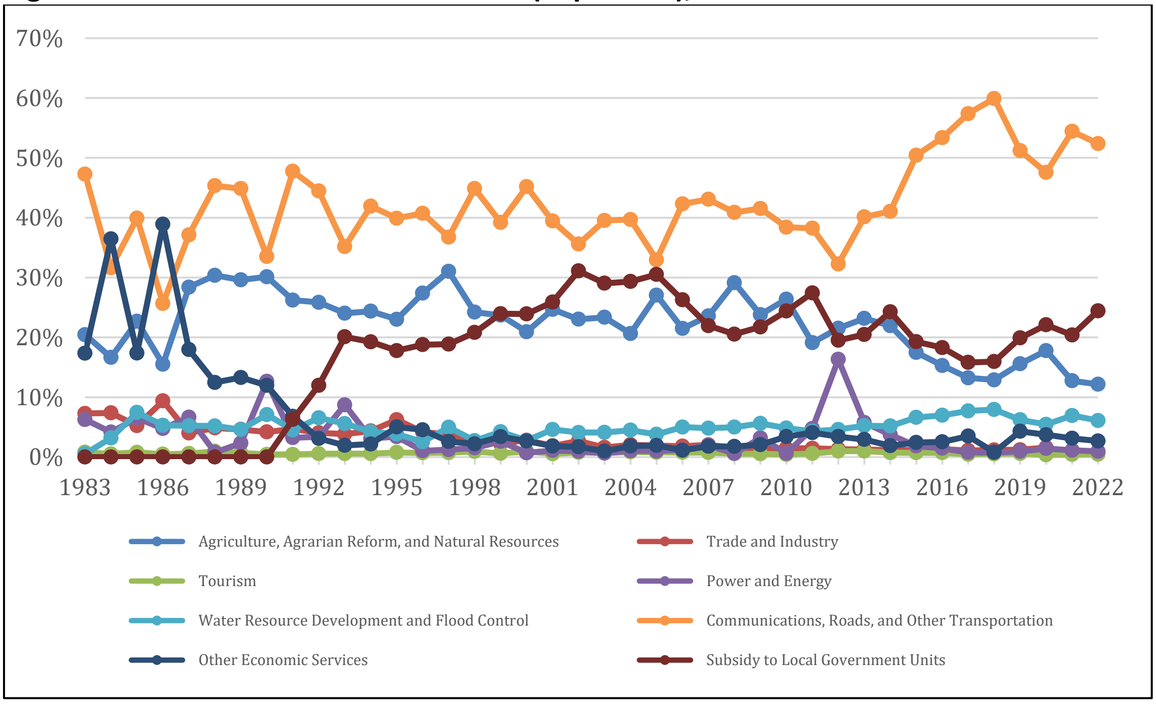
Figure 8.b Social Sector, percent of GDP, 1983-2022



Source: DBM (various years)

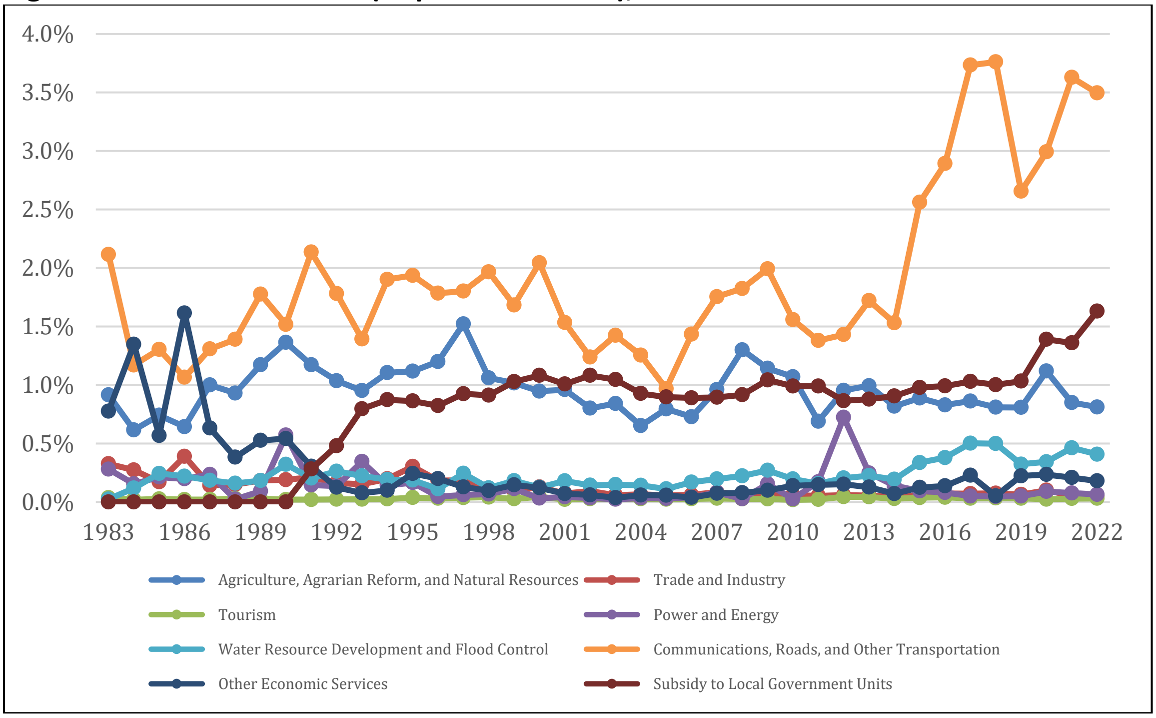
For the economic service sector, communications, roads and other transportation (CRT) has been receiving an average of 42.3% of the budget (approximately 1.9% of GDP) since 1983 (Figure 9.a, Figure 9.b). Agriculture, agrarian reform and natural resources (AAN) averaged at 22.3% of economic services (1% of GDP) while Subsidy to LGUs has an average of 17.3% (0.8% of GDP). Both CRT and AAN declines as the Subsidy to LGUs spike with the implementation of the Mandanas-Garcia Supreme Court ruling.

Figure 9.a Economic Sector distribution (in percent), 1983-2022



Source: DBM (various years)

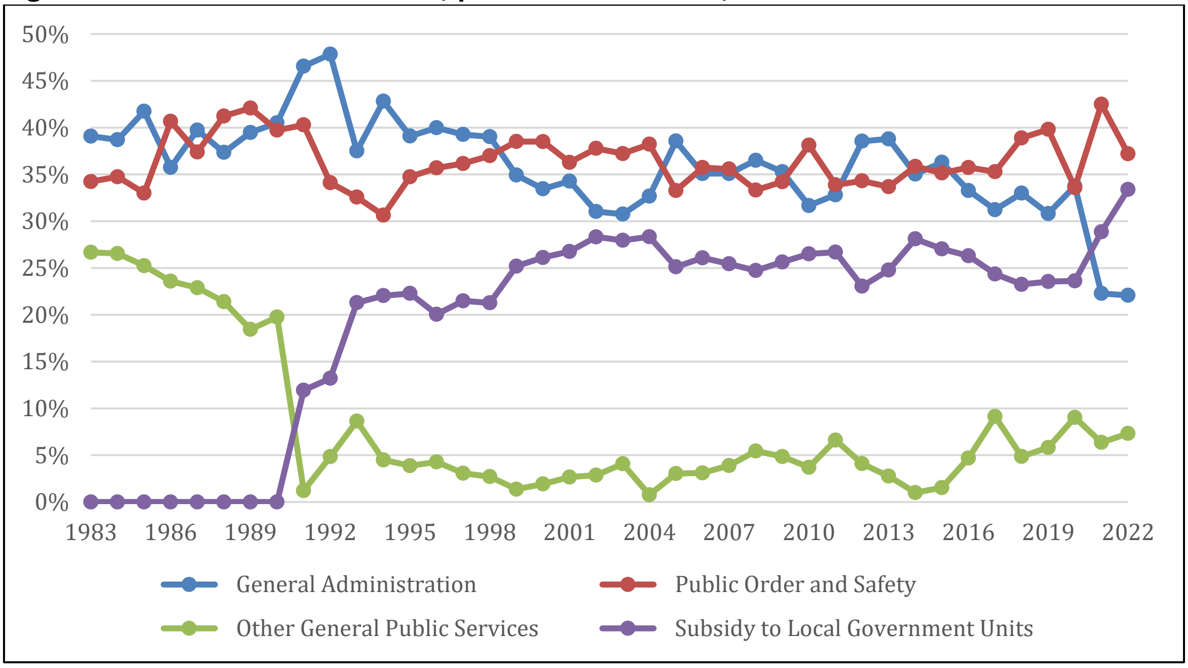
Figure 9.b Economic Sector (as percent of GDP), 1983-2022



Source: DBM (various years)

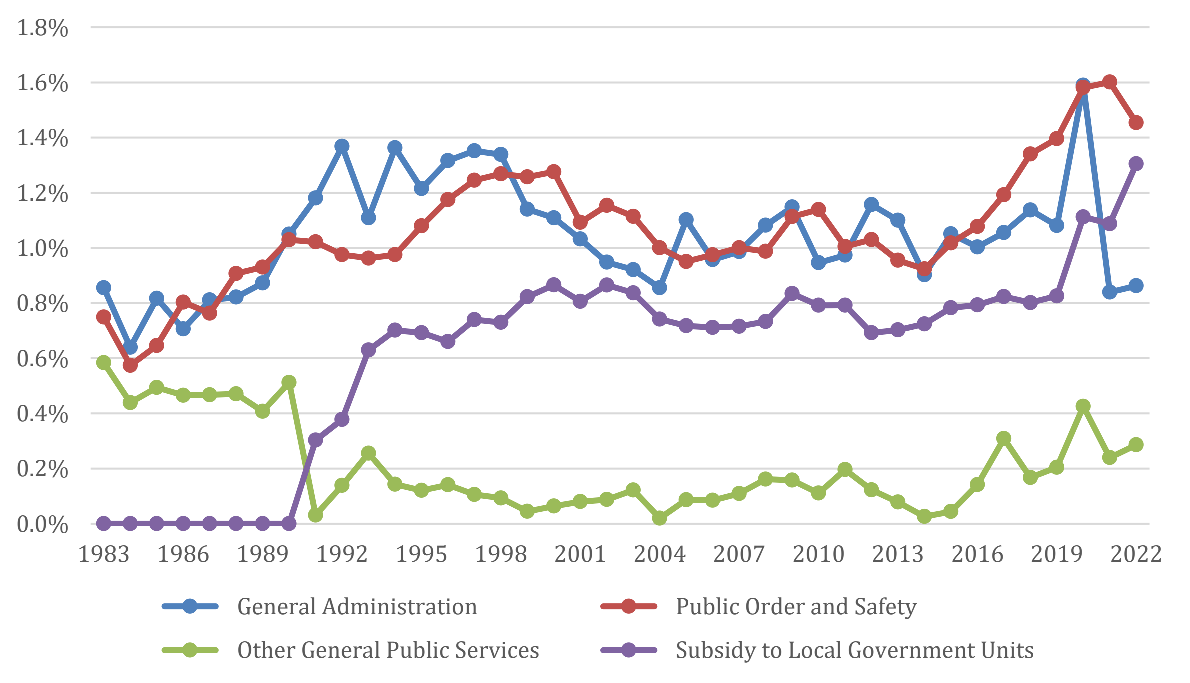
For general public services (GPS), subsidy to LGUs had spiked in their share since 2020, peaking at 33.4% in the proposed 2022 budget. This is the largest share it has received since a decentralized form of government was adopted with the Local Government Code of 1991 (Figure 10.a and Figure 10.b). A possible reason of the sharp increase in 2021 was because of the increased need for frontliners to help LGUs manage the COVID-19 pandemic. For 2022 though, the further hike is most probably due to the anticipated increase in devolved functions to LGUs. This came at the expense of spending on General Administration and Public Order and Safety.

Figure 10.a General Public Sector, percent distribution, 1983-2022



Source: DBM (various years)

Figure 10.b General Public Sector, percent of GDP, 1983-2022



Source: DBM (various years)

5.1.1 By Department

The top 10 Departments in terms of budgetary allocations (and shares of the budget) are the Department of Public Works and Highways (DPWH), Department of Education (DepEd), Department of the Interior and Local Government (DILG), Department of National Defense (DND), Department of Social Welfare and Development (DSWD), Department of Health (DOH), Department of Transportation (DOTr), State Universities and Colleges (SUCs), Department of Agriculture (DA), and Other Executive Offices (OE). This top 10 ranking is identical to the 2020 and 2021 rankings.

DPWH, which has a proposed 19.6% share of the proposed budget, has been receiving the largest share since 2018 despite a dip by 1.4% in the 2022 NEP (Table 1). DepEd follows with the second largest share at 16.9%. From 2008 onwards, DepEd continuously had the largest shares for a decade, until it was overtaken by DPWH. SUCs' had the largest decrease among the top 10 departments with a 17.2% or P14.8 billion decrease. Despite this, the education sector[7] will still get the largest share of the proposed budget at 20.8% as stipulated in the 1987 Constitution.

Among the top 10 departments, DOTr, which had a 12% decrease in budget from 2020 to 2021, has the largest increase in its share at 72.4% change.

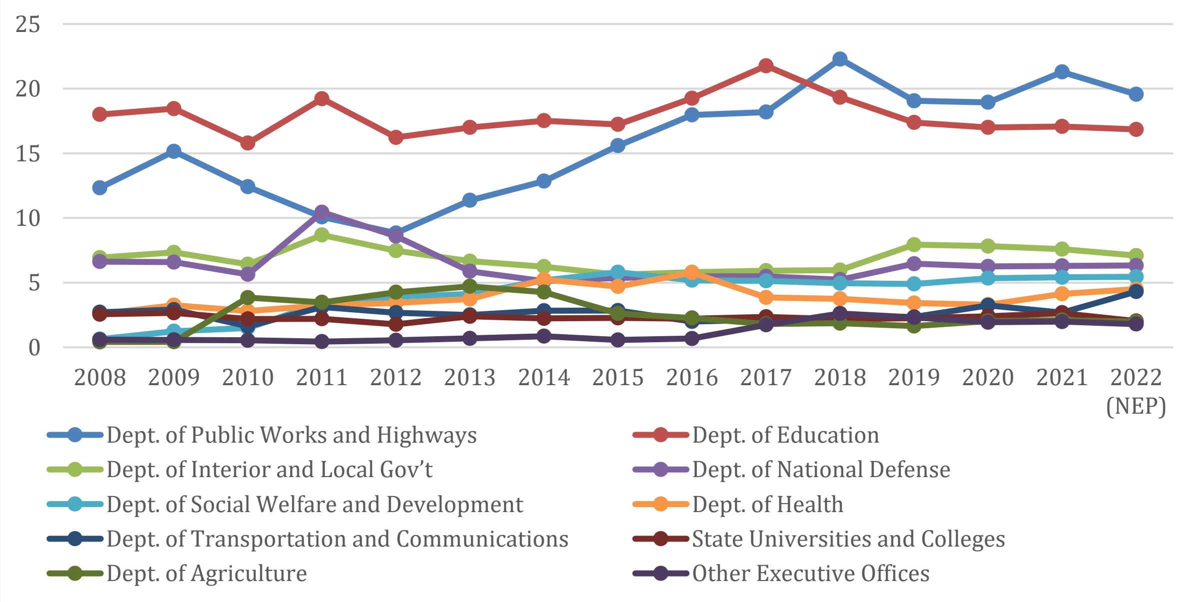
Table 1. Top ten NG Departments/Agencies in terms of the proposed budget

Department/Agency	2022 proposed budget (in billion pesos)	Top 10 2022 NEP shares	Percentage change, 2021 GAA to 2022 NEP
DPWH	685.2	19.6%	-1.4%
DepEd	590.1	16.9%	5.9%
DILG	248.5	7.1%	0.4%
DND	221.6	6.3%	7.9%
DSWD	191.2	5.5%	8.2%
DOH	157.5	4.5%	16.8%
DOTr	150.8	4.3%	72.4%
SUCs	71.2	2.03%	-17.2%
DA	69.6	2.00%	1.4%
OE	63.0	1.8%	-2.8%

Source: DBM (various years)

[7] The Education sector include the DepEd, SUCs, Commission on Higher Education (CHED) and Technical Education and Skills Development Authority (TESDA).

Figure 11. Top 10 NG Departments/Agencies in terms of shares of the 2022 NEP



Source: DBM (Various years)

The top 5 Special Purpose Funds[8] in terms of shares are the Pension and Gratuity Fund (PGF), Budget Support to Government Corporations (BSGC), Unprogrammed Fund (UF), Allocations to Local Government Units (ALGU) and Miscellaneous Personnel Benefits Fund (MPBF).[9] The PGF is intended to cover the payment of: (1) pension of Armed Forces of the Philippines and uniformed personnel and other retirees; (2) retirement benefits of optional retirees of NG, retired personnel of GOCCs unable to pay; and, (3) personnel devolved to LGUs. The BSGC is NG assistance to Government Owned and Controlled Corporations (GOCCs) that are in the form of equity, subsidy, relent loan proceeds or net lending advances for the servicing of debts guaranteed by the NG. The MPBF is to pay for deficiencies in authorized salaries, bonuses, allowances, associated premiums and other similar personnel benefits of National Government personnel, including Personnel Services requirements for the filling and creation of positions as may be authorized by law and a legal defense fund (DBM 2021b).

Of the SPFs, the PGF is proposed to get the largest share with 6.7% which is an increase of 52.4% from the previous year. This 52.4% increase could be in anticipation of movement and retirement of personnel to be affected by the devolution associated with the Mandanas-Garcia SC ruling. Other SPFs also receiving increases in 2022 are the MPBF (30.5%), ALGU (16.7%), and BSGC (6.50%). Only the UF will decrease by 14.0% (Table 2).

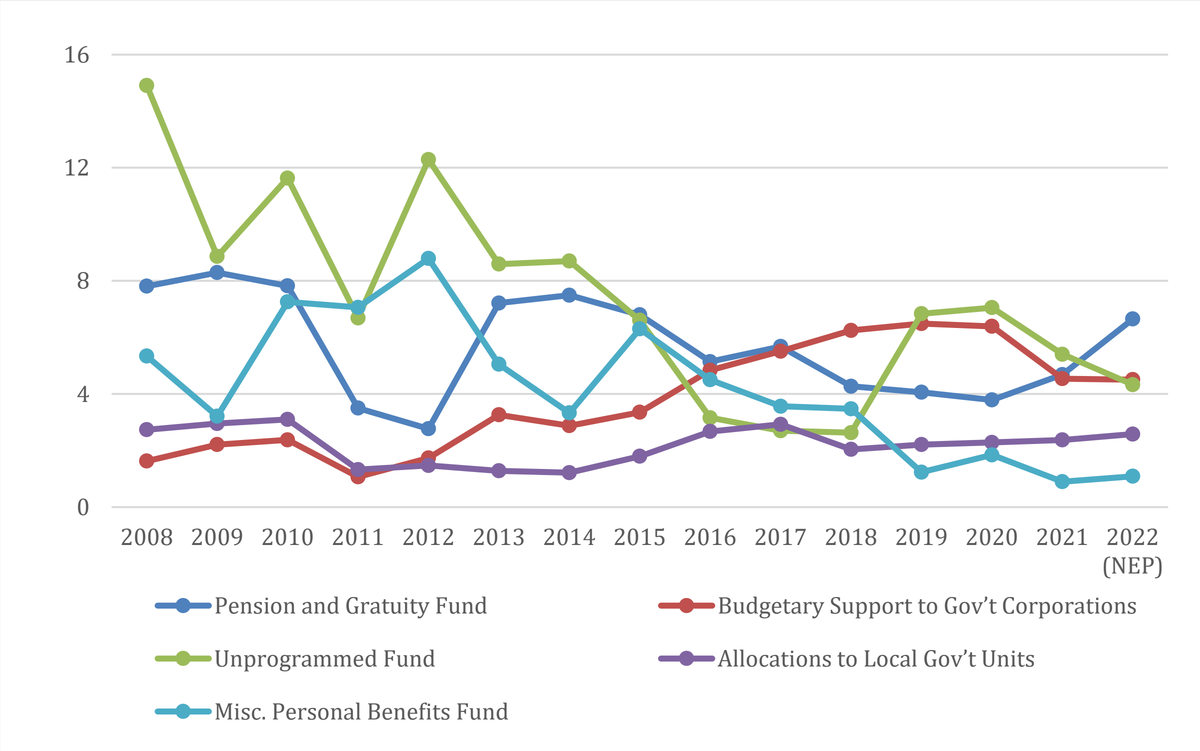
Table 2. Top 5 Special Purpose Funds, 2022

SPF	in PhP billion	as % of the proposed 2022 budget	Percentage change, 2021 to 2022
PGF	232.9	6.7%	52.4%
BSGC	157.8	4.5%	6.5%
UF	151.6	4.3%	-14.0%
ALGU	90.4	2.6%	16.7%
MPBF	38.2	1.1%	30.5%

Source: DBM (Various years)

8 Special Purpose Funds are budgetary allocations allocated for specific purposes that are usually lump sum in nature since the recipient departments or agencies as well as specific programs and projects have yet to be identified during budget preparation
9 From "A Brief on the Special Purpose Funds in the National Budget" Notes by DBM (Microsoft Word - Note on the Special Purpose Funds _Released - Oct 2013 _.docx (dbm.gov.ph))

Figure 12. Top 5 Special Purpose Fund (as % of the 2022 budget)



Source: DBM (Various Years)

5.2. The President's Budget for equity: COVID-19 expenditures and social protection

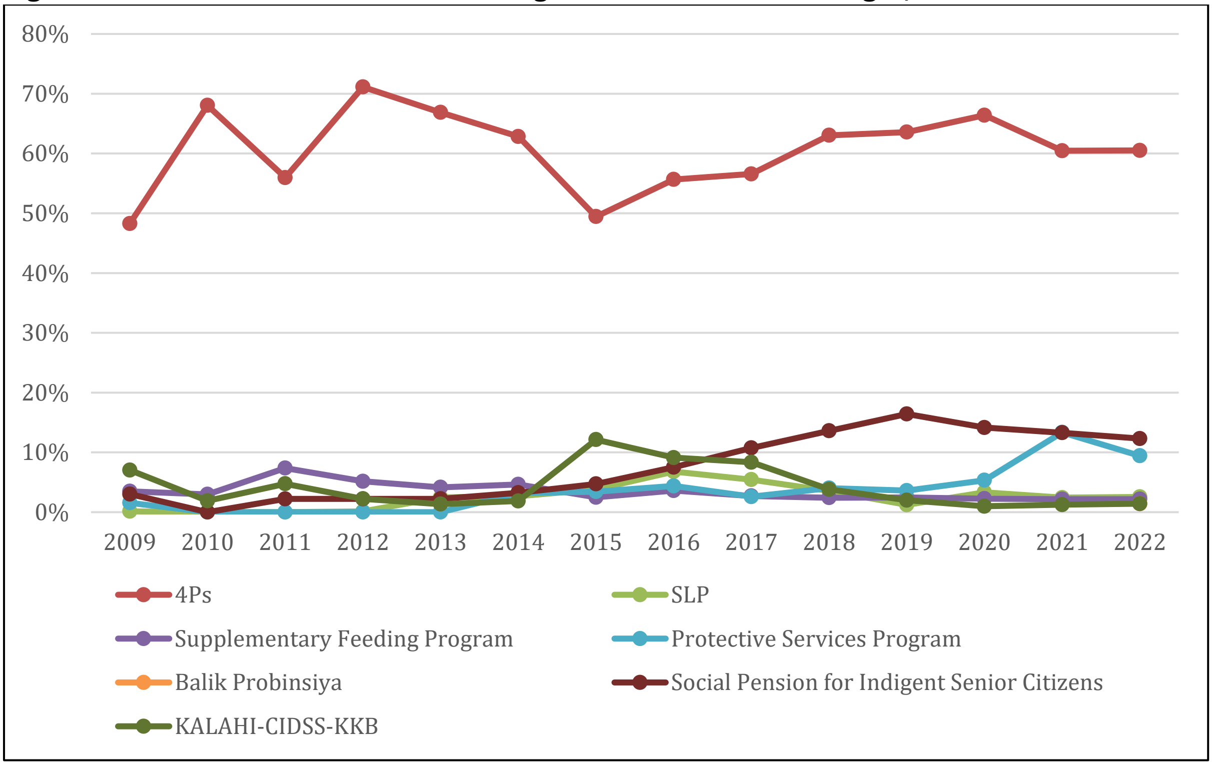
One of the three main pillars of the 2022 National Budget according to the President's Budget Message is "Building Resilience amidst the Pandemic" (the other two being "Sustaining the Momentum towards Recovery" and "Continuing the Legacy of Infrastructure Development") (DBM 2021c). Resilience includes helping the poor and vulnerable—who are those directly afflicted with COVID-19 or indirectly affected by the pandemic because of loss of income or livelihood—primarily by prioritizing health care and social welfare. These programs fall under the role of government to ensure equity/fairness across sectors in society.

One of the priorities is on the procurement and distribution of vaccines aligned with the Philippine National Development Plan for COVID-19 Vaccines. As mentioned earlier, DOH has a total proposed budget of P157.5 billion with COVID-19 related response programs such as P29.97 billion for the Allocation of Drugs, Medicines, and Vaccines and the P19.5 billion for the improvement of health facilities through the Health Facilities Enhancement Program (HFEP). In addition, P8.2 billion is allotted for the Prevention and Control of Communicable Diseases which includes the budget for personal protective equipment.

The DOH has also set aside a budget for initiatives specific to the COVID-19 response. P5.1 billion is for the COVID-19 Laboratory Network Commodities while P3.8 billion is for COVID-19 Human Resources for Emergency Hiring. Under "Foreign-Assisted Projects," loan proceeds for the Health System Enhancement to Address and Limit (HEAL) COVID-19 (P102.2 billion) and Philippines COVID-19 Emergency Response Project 2 (PCERP-2) (P1.2 billion) are also part of the DOH budget.

Social protection is another declared priority area to help poor and vulnerable to ensure equity. In the P191.2 billion allotted for DSWD, the bulk at P115.7 billion (representing a 7.6% increase) will be used for 4Ps beneficiaries. The 4Ps program receives the bulk of the DSWD budget which has been increasing at an average of 10.8% since 2014 (Figure 13). The newest DSWD program is the Balik Probinsya program introduced under Heal as One Act, in response to the pandemic that will receive PhP 2.7B in 2022. This is a "national program of the government, and adopted as a continuing strategy to drive inclusive and balanced urban and rural development, ensure rural prosperity and complement initiatives towards attaining resilient and sustainable communities."[10] It provides support and incentives to further encourage the movement of people living in highly-congested areas in Metro Manila back to their home province.

Figure 13[11]. DSWD Social Protection Programs in % of DSWD budget, 2009 to 2022



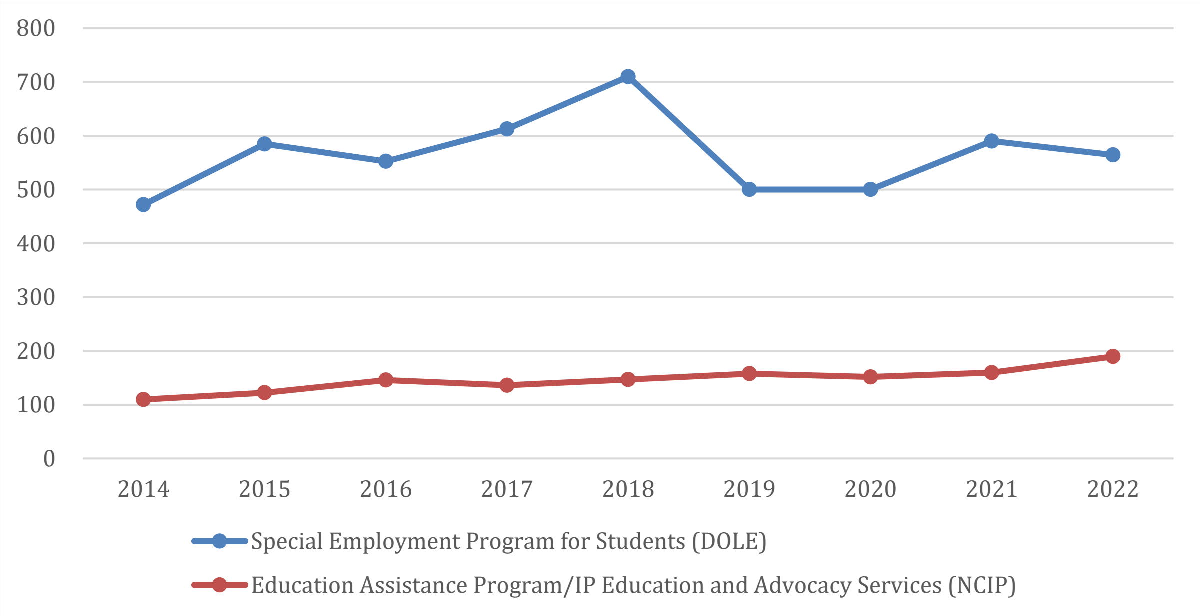
Source: DBM (Various Years)

The Philippine social protection sector is broader than just the DSWD programs (though these comprise the bulk). Based on a Public Expenditure Review of Social Protection Program in 2021, there are three components to this sector: (1) labor market interventions; (2) social insurance programs; and, (3) social welfare programs and safety nets (Diokno-Sicat et.al. 2021). Labor market interventions include the DOLE's Special Employment Program for students and the National Commission on Indigenous Person's Educational Assistance Program (EAP). Both increased slightly in 2021, from a total of P500M to P590, but will dip to P560M with only the EAP increasing in 2022 possibly because a portion of the SPES program is allocated to 4Ps beneficiaries and, with the substantial increase in the 4Ps budget, such focus should remain with DSWD (Figure 14).

[10] From Section 4 of Executive Order No. 114, s. 2020

[11] For Figures 13 to 16, data from 2014 to 2017 are based on actual expenditures and 2018 to 2022 are GAA and NEP data

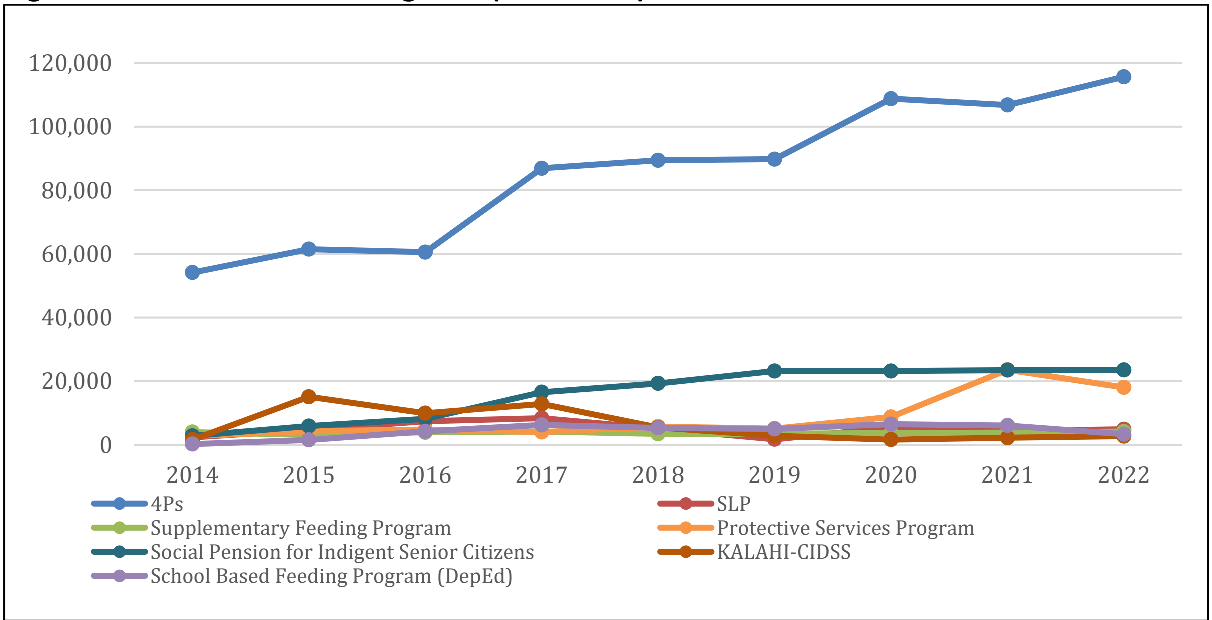
Figure 14. Labor Market Interventions (in millions)



Source: DBM (Various Years)

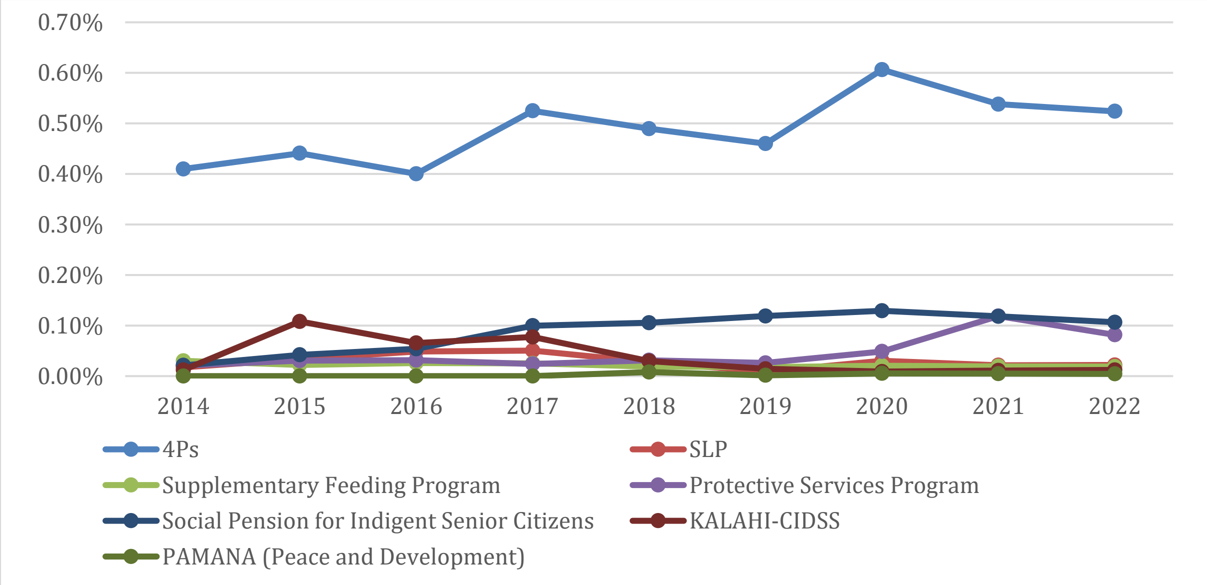
Social welfare programs, in addition to the DSWD programs, also includes the DepEd's school-based feeding program (Figure 15a. and 15b.). Even so, the largest allocations have consistently gone to the 4Ps and SocPen programs. In 2021 though, the social safety net Assistance to Individuals in Crisis Situations allocations spikes, primarily because of much needed assistance for the poor and vulnerable impacted by the COVID-19 pandemic either health or livelihood wise (Figure 15a. and 15b.).

Figure 15.a Social Welfare Programs (in millions)



Source: DBM (various years)

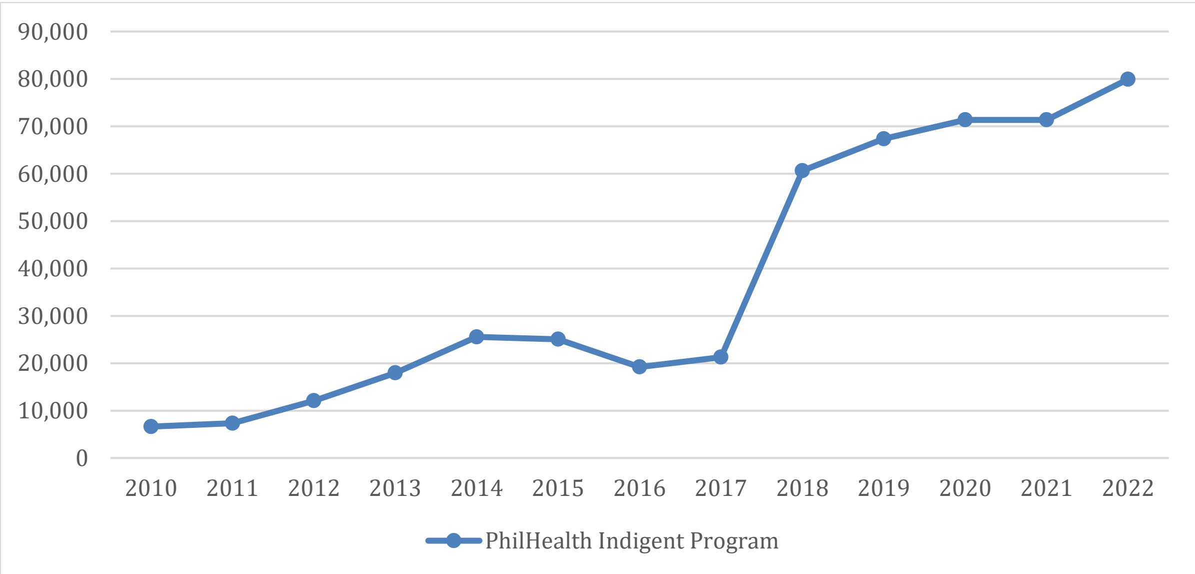
Figure 15.b Social Welfare Programs in % of GDP



Source: DBM (various years)

Another vital part of the social protection sector and COVID-19 response is the social insurance PhilHealth Indigent Program, which in 2022 receives P79.9B (a 12% increase from 2021) in budgetary support from the national government (Figure 16). This will ensure that the poor and vulnerable who are afflicted directly with COVID-19 will have the security of covered health care. According to Special Provision 1 of the Philippine Health Insurance Corporation budget, subsidy for the program shall be used for "the health insurance premiums of indirect contributors composed of the following: (i) indigents under the National Household Targeting System for Poverty Reduction as identified by the DSWD; (ii) senior citizens pursuant to R.A. No. 10645; (iii) unemployed persons with disability as jointly determined by the DOH and the National Council on Disability Affairs; and (iv) financially-incapable Point-of-Service patients as identified by the DOH."[12]

Figure 16. PhilHEALTH Indigent Program (in millions)



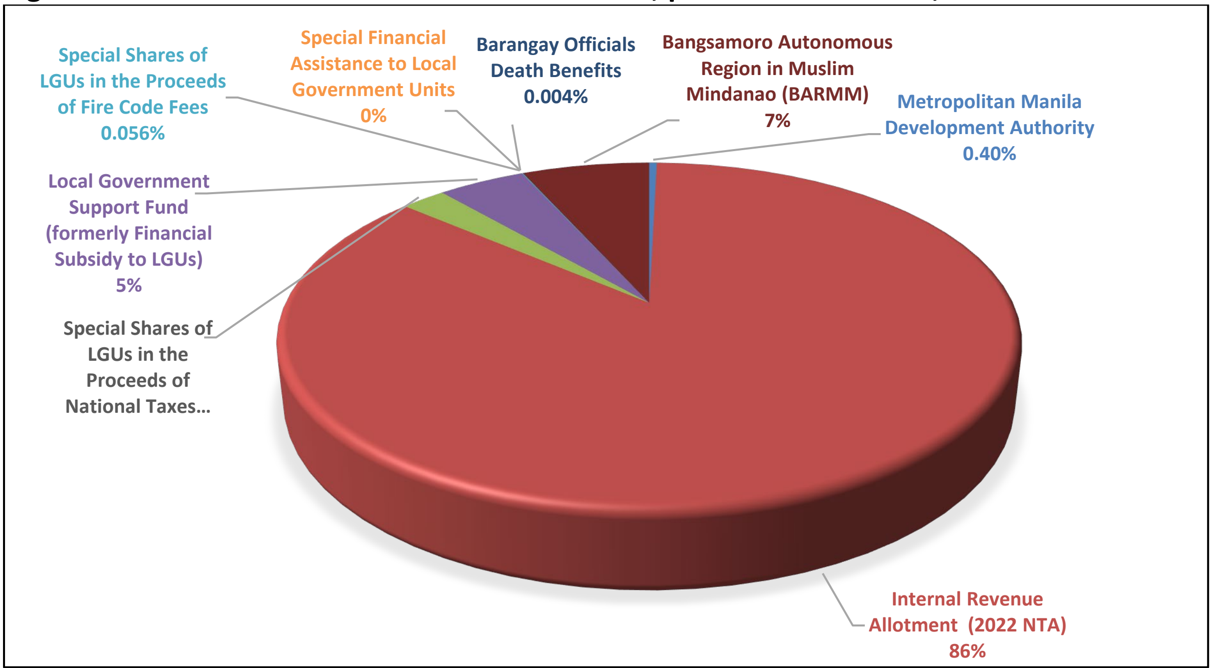
Source: DBM (various years)

12

5.3. *The President's budget for local public goods and services: the implementation of the Mandanas-Garcia Supreme Court ruling*

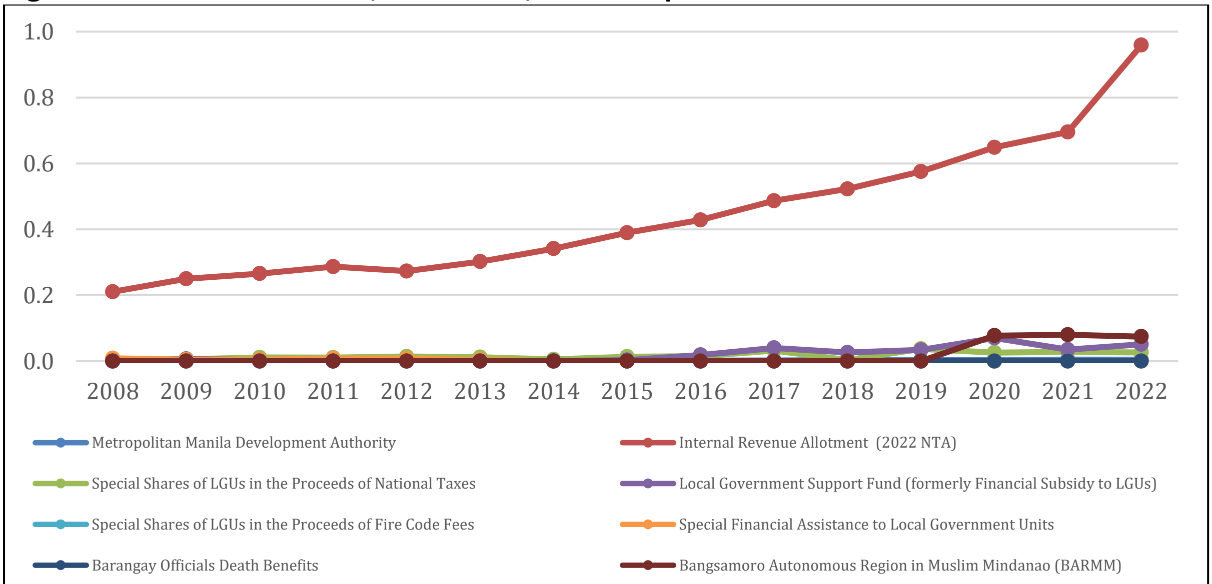
The assistance to local government units (ALGU) will receive a 16.7% increase (of P12.9 B) to settle at a total of 2.6% of the national budget (Figure 17 and 18). ALGU has increased consistently for more than a decade at an average of 16.4% with a large portion allotted for Internal Revenue Allotment (IRA), now to be known as the National Tax Allotment (NTA). In 2022, NTA will receive 86% of ALGU which is P959B increasing by 38% (or P263.5B) because of the broader base for its computation owing to the Mandanas-Garcia Supreme court ruling.

Figure 17. Allocations to Local Government Units, percent distribution, 2022



Source: DBM

Figure 18. ALGU Allocations, 2008-2022, in billion pesos



Source: DBM (Various Years)

One of the directives in the NBC was for NGA/Departments to refrain from proposing LGU assistance programs to LGUs that are from the 1st to 4th income classes and focus assistance on poorer LGUs. Looking at Table 3 below, it can be seen that NG LGU assistance programs are still present[13] (Figure 17). In the case of the DA programs, the DA FMR and small-scale irrigation, these followed the NBC guidelines by targeting provinces or regions where the absolute number of poor farmers and the incidence of poverty are high as identified in the latest official poverty statistics of the PSA. Though the DPWH programs received a drastic 58% decrease, these appear to still apply to LGUs of all income levels.

Table 3. National Government LGU Assistance programs budget allocations, 2013-2022

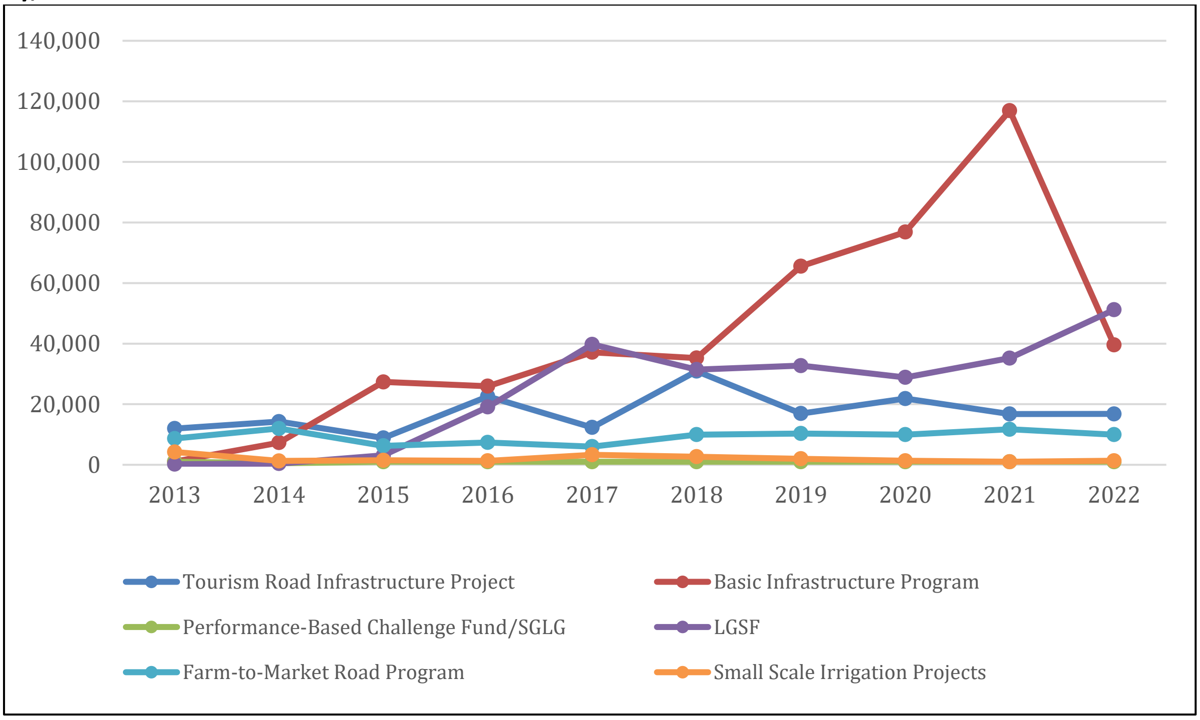
LGU Programs	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL (in billion pesos)	27.1	35.7	48.1	77.3	99.5	111.2	128.5	139.8	182.7	119.9
DPWH										
Tourism Road Infrastructure Project	12.0	14.3	8.9	22.6	12.364	30.96	16.96	21.9	16.76	16.80
Local Infrastructure Program/Basic Infrastructure Program	1.1	7.3	27.4	26.0	37.1	35.3	65.6	76.8	117.0	39.6
DILG										
Performance Challenge Fund/SGLG	1.0	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
LGSF	0.2	0.4	3.1	19.1	39.8	31.4	32.7	28.9	35.2	51.2
DA										
Farm-to-Market Road Program	8.7	12.0	6.3	7.4	6.0	9.96	10.3	9.96	11.7	9.96
Small Scale Irrigation Projects	4.2	1.3	1.5	1.3	3.3	2.7	1.98	1.3	1.0	1.3

Source: DBM (Various Years)

One possible reason for maintaining such programs is the concern that some LGUs may have low absorptive capacities to spend particularly on infrastructure, based on evidence of insufficient spending of the mandated local development fund (with an average of only about 76% for total LGUs in 2017) (Commission on Audit 2018). In the case of the DPWH, the Tourism Road Infrastructure Program and Local/Basic Infrastructure Program have been growing at average rates of 22.5% and 108.8%, respectively (Annex D.4). In 2022, however, Local/Basic Infrastructure is poised to drop by 66.2% (Table 3). Local roads and multi-purpose halls will bear the brunt of this.

[13] The list of programs were taken from Diokno-Sicat et.al. (2020) PIDS Discussion Paper on LGU Public Expenditure Review.

Figure 19. National Government LGU Assistance programs budget allocations (in thousand P), 2013-2022



Source: DBM (Various Years)

One reform in policy to address unequal fiscal capacities of LGUs is the introduction of a fiscal equalization fund called the Growth Equity Fund (GEF) which is to address the issues of unequal development, high poverty incidence and disparities in the fiscal capacities among LGUs. Introduced in Executive Order No. 138 and included in the proposed 2022 budget by virtue of National Budget Memorandum No. 140, the GEF will provide "assistance to LGUs with the highest poverty incidence, and are financially challenged to level the playing field in the implementation of devolved services." It may fund basic infrastructure and other programs, projects and activities of poor, disadvantaged and lagging LGUs including capacity development requirements to gradually enable them to implement the functions and services devolved to LGUs by pertinent laws more effectively and efficiently. The Fund is time-bound and performance based, and shall be provided to LGUs for a fixed time frame.

The GEF is different from previous programs under the LGSF umbrella that were in recent years LGU level specific programs for specific purposes in the case of provinces and cities. This fund is managed by the DBM and DILG with guidelines for implementation to be defined by the DBCC. The eligibility criteria and implementation of this program must be closely monitored.

In terms of LGU oversight, the proposed DILG budget focuses on its primary mandate of local government supervision with Support for the Local Governance Program (SLGP) the DILG Special provision 1 indicates that P188M shall be used to support the Local Development Councils to enable them to perform their functions, "particularly in the development of a comprehensive multi-sectoral development plan, and to ensure that all local development investment programs are aligned with the results matrix of the Philippine Development Plan."

One billion Pesos is allotted for Seal of Good Local Governance Incentive Fund. DILG Special Provision 2 indicates, “the subsidy shall be used for local priority projects or reforms that will help enhance transparency and accountability in all local government transactions, intensify the preparedness of LGUs against disasters, cultivate the welfare of vulnerable sectors, ensure the delivery of quality health services, support the vision of quality education for all, promote peace and order, safeguard and preserve the integrity of the environment, boost economic development, foster the value of sustainable tourism and nurture culture and heritage, and stimulate meaningful participation in local governance” (2022 NEP).

Finally, local project monitoring committees tasked to assist the LGUs to assume greater roles and responsibilities in the monitoring and evaluation of the infrastructure projects devolved in its localities will be given an allocation of P506M for the monitoring and evaluation of assistance to LGUs in the Local Government Support Fund.

5.4. *Institutional reforms in the President’s Budget: ICT infrastructure to improve public service delivery in the MITHI budget*

One of the major lessons learned, in terms of public service delivery, during the COVID-19 pandemic is the importance of easily accessible and accurate information especially of the poor and vulnerable in society. This espoused the need for viewing data and information as an institution and finding solutions to be able to share this data for relevant and timely delivery of goods and services using information and communications technologies and digital platforms (Tabuga, A. et.al. 2020).

Initiated in the 2021 Budget was the convergence program called the Medium-Term Information and Communications Technology harmonization Initiative (MITHI). This effort was continued in 2022 with several government agencies allocating a portion of their budgets for the implementation of ICT reforms under this initiative all in line with the government’s efforts to improve government online platforms to deliver better services.[14]

The bulk of MITHI expenditures goes to the DICT for the National Government Data Center, National Broadband Plan, ICT Cybersecurity, Systems and Infrastructure Development and policies. To enhance the delivery of public services such as the 4Ps and improve local governance, the NEDA-PSA proposed programs for the Information Systems Strategic Plan for the National ID System and gathering of Community-based statistics. There are also MITHI programs aimed at improving education service delivery through the DOST (Implementation of the K to 12 program) and the SUCs Improving Teaching facilities (Table 4).

Table 4. FY 2022 MITHI Expenditures

Particulars	2022 NEP (in Billion Pesos)	Percentage Share of MITHI
DICT-OSEC	8.4	30.5
NEDA-PSA	3.8	13.8
DOF (BIR-BOC)	2.7	9.8
DILG (OSEC-PNP)	0.7	2.5
DSWD-OSEC	1.4	5.1
DOST (ASTI-PAGASA)	0.6	2.2
DA-OSEC	0.6	2.2

[14] From Technical Notes on the 2022 Proposed National Budget

Particulars	2022 NEP (in Billion Pesos)	Percentage Share of MITHI
DOLE	0.5	1.8
DBM	0.4	1.4
DOH	0.4	1.4
DOST (Implementation of the K-12 program)	0.013	0.1
SUCs	0.032	0.1

Source: DBM (various sources)

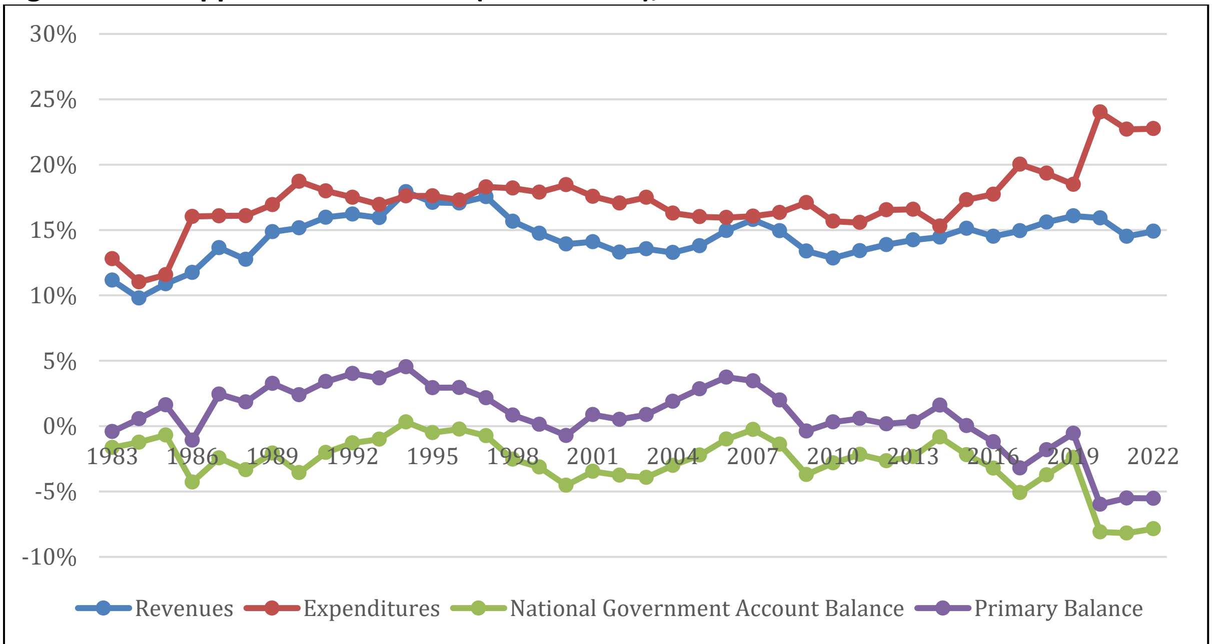
6. How will the Philippine government finance the 2022 budget deficit?

6.1. Fiscal Balance

Fiscal deficits have been around for the past 40 years (except for 1995 to 1997 before the Asian Financial Crisis), the largest deficit of 9% is projected for 2021 (Figure 23). In addition, because of the pandemic and the economic slowdown because of the measures used to control the spread of COVID-19, there is an expected decline in revenue effort (from 15.9 to 14.5%) in 2021 picking up in 2022 largely because of the anticipated pick-up in economic activity (Figure 21).

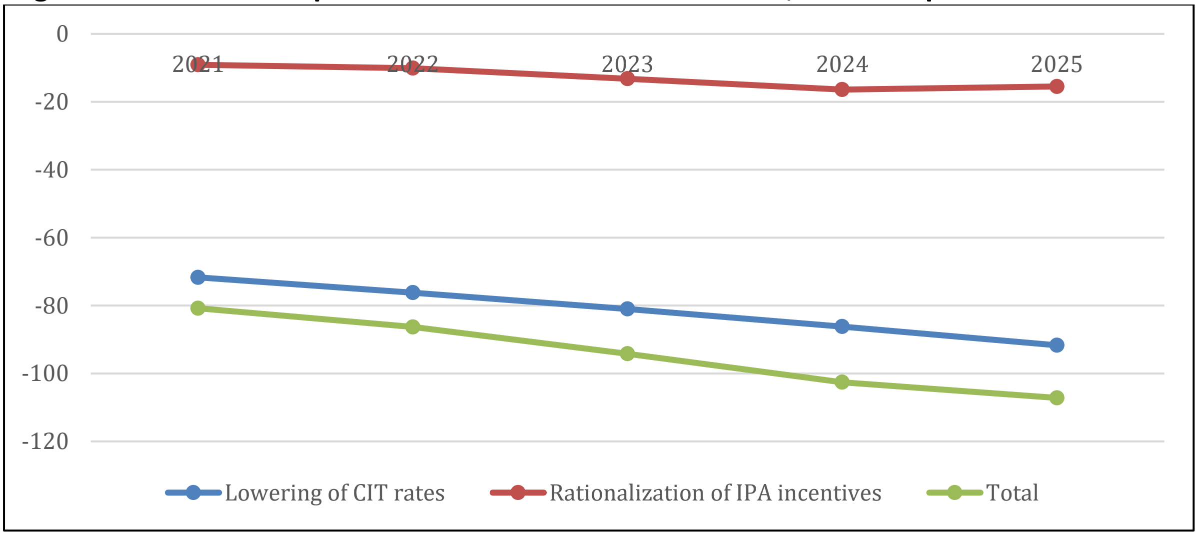
However, there is also the matter of the projected decline of P471.1 billion in revenue collection, for the period 2021 to 2025, because of the passing of the CREATE law which reduces corporate income taxes and rationalizes some investment promotion agency (IPA) incentives (Figure 22). There is evidence that Philippine tax effort is a robust determinant of fiscal balance and is impacted both by the type of tax (ad valorem or specific tax) and the political will to enforce mandated regular adjustments in the law (Diokno-Sicat 2016, Diokno 2011). With the continuing need for fiscal stimulus as well as social protection and health expenditures, deficit and borrowing is expected in the near future.

Figure 21. Philippine Fiscal Balance (as % of GDP), 1983-2022



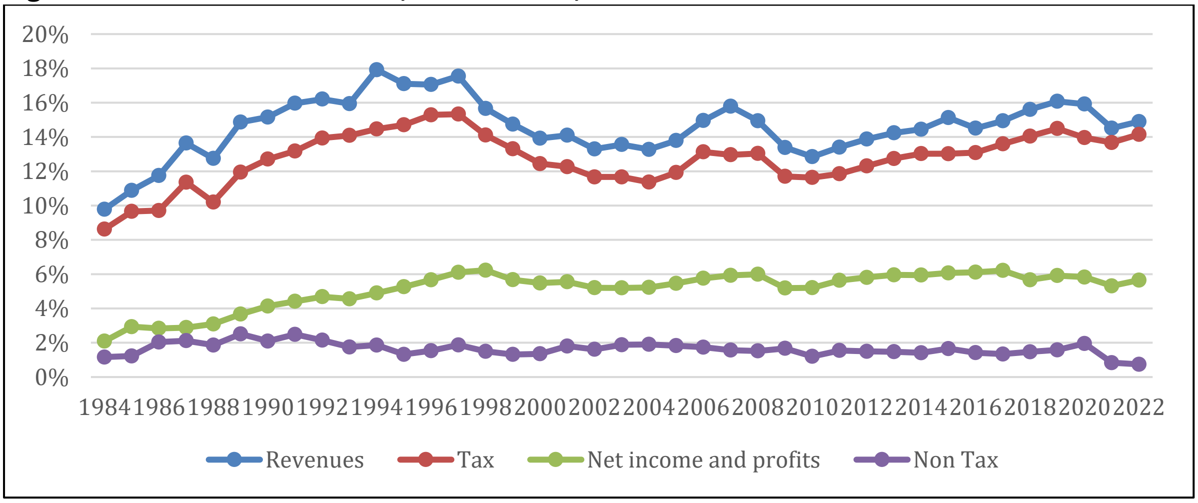
Source: DBM (Various Years)

Figure 22. Revenue impact of CREATE law from 2021-2025, in billion pesos



Source: Department of Finance

Figure 23. Revenue collection, as % of GDP, 1984-2022



Source: DBM (Various Years)

National government financing is still expected to require borrowing since the need for COVID-19 management and fiscal stimulus will continue in 2022. The estimated net financing requirement is in 2022 is 7.5% of GDP (1.665 Tr) (Table 5).

Table 5. National Government Financing, 2020-2022

(in Million PhP)	2020	2021	2022
Net Foreign Borrowing	600,759	332,526	421,364
Net Domestic Borrowing	1,894,321	1,940,565	1,910,223
Total Net Financing Requirement/Deficit	1,371,447	1,855,645	1,665,089
(as % of GDP)			
Net Foreign Borrowing	3.2%	1.6%	1.9%
Net Domestic Borrowing	10.0%	9.4%	8.7%
Total Net Financing Requirement/Deficit	7.3%	9.0%	7.5%
Memo item:			
Nominal GDP	*18,856,315*	*20,642,291*	*22,080,772*

Source: DBM (Various Years)

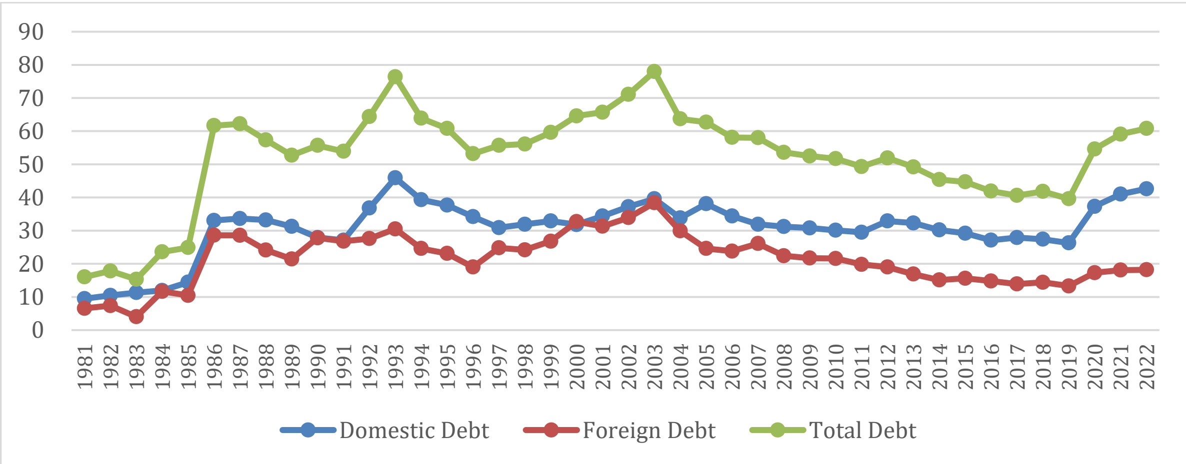
6.2. Outstanding Debt

The projected debt-to-GDP ratio in 2022 is 60.8%, at P13 Tr, the highest since 2006 but still deemed as manageable by the DBCC[15] (Figure 24). Debt will still be primarily domestic which reduces valuation effects with exchange rate fluctuations but at the same time might pose the risk of crowding out private investments (Figure 24).

For the COVID-19 response alone, the Philippines borrowed PhP 161.42 Billion in 2020 and PhP 16.18 Billion 2021. The projected borrowing exclusively for COVID-19 response is expected to be PhP 20.2 B. These loans are from the Asian Development Bank, World Bank, Asian Infrastructure Investment Bank, Japan International Cooperation Agency, Export Import Bank of Korea and the Spanish Agency for International Development Cooperation.

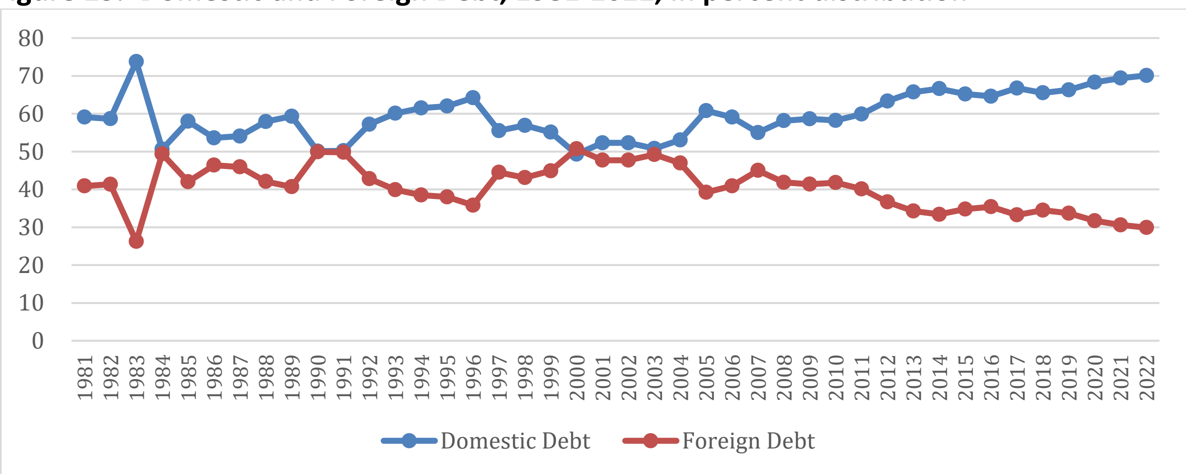
As for general national government domestic borrowing, Treasury Bills and Fixed-Rate Treasury Bonds were primary instruments from 2020 to 2022. This is of course, with the exception of the unusual short-term borrowing to the National Government that the Bangko Sentral ng Pilipinas accommodated in 2020.

Figure 24. Debt to GDP ratio, 1981-2022



Source: DBM (Various Years)

Figure 25. Domestic and Foreign Debt, 1981-2022, in percent distribution



Source: DBM (Various Years)

[15] Development Budget Coordination Committee Fiscal Risks Statement 2021

7. General Findings

The President's 2022 budget prioritizes social services such as education and social security balancing this with slight recovery in infrastructure spending and increased transfers to LGUs. As has historically been the case, current operating expenditures receives the largest share of the President's budget in 2022. Looking at the sectors, social services will get 38.3% of the budget, the biggest slice across all sectors. Of the social services, education, culture and manpower development still receives the largest budgetary allocation 2022 (P802B), but its share will dip slightly from 46.7% to 41.8% in 2022 to accommodate budgetary increases for Social Security and Labor Welfare (27%) & Subsidy to LGUs (33%) consistent with NBC. Economic services dipping slightly from 2021 to get 29.3% with only the share of subsidy to LGUs is proposed to increase by 19.6% with all other sub-sectors shares contracting.

In terms of the COVID-19 pandemic management, and consistent with declared priorities in the National Budget Call, spending on health and social protection are prioritized as DOH and PhilHealth both receive increased budgetary allocations for COVID-19 responses and social assistance programs. The in 4Ps received the largest increase across these programs.

In terms of the Mandanas ruling, ALGU increased by 16.7% budget (now 22% of total NEP), the largest share of this is for National Tax Allotment (86%) which increased by 38% (263.5B) from 2021. What gave way to this allocation? Well, though major LGU assistance programs are still present (contrary to the declared NBC policy), these decreased by only 18% owing largely to reduction in DPWH's 2022 Basic Infrastructure Program.

LGUs will also take on more devolved functions with the implementation of the Mandanas ruling. To help address the problem of horizontal imbalance, a fiscal equalization called the growth equity fund was introduced. This replaced the Local Government Support Fund Assistance programs for provinces, cities and municipalities and aims help poorer and more disadvantaged LGUs fund investment programs. The guidelines must, however, clearly state the criteria for the target beneficiaries and its implementation be monitored to ensure that the funds go to the intended LGUs and are utilized to be able to contribute to the local economy.

Institutional shifts such as the MITHI, convergence program, will supposedly improve the delivery of devolved basic services through investments in information and communications technology. This program includes priority spending on the National ID and the implementation of CBMS for the poorer LGUs. These are needed for more efficient delivery of Social Assistance and to improve targeting.

Now, what will it take to finance this budget and bring the Philippines back on the growth path? Government authorities project that the Philippines will recover to pre-pandemic growth level be end 2022 or early 2023, return to the pre-pandemic growth might be in 2030.[16] Authorities still anticipate the need for borrowing given lower tax revenues because of the economic slump compounded with the decline in revenues with the CREATE law. They are, however, hopeful this will pick up once the vaccination rates in the Philippines are high and the economy opens up further.

[16] NEDA (Sept. 25 2021), "COVID-19 Pandemic to cots PhP41.4 Tr for the next 40 years". https://neda.gov.ph/covid-19-pandemic-to-cost-php-41-4-t-for-the-next-40-years-neda/

8. Recommendations

First, there will be a need to closely monitor and calibrate the extent and need for social protection, especially if there would be resurgence of COVID-19 cases. The push to get herd immunity will help mitigate this risk, vaccination rates and positivity rates should be monitored closely especially with the recent opening up of the economy. At the same time, unemployment and underemployment rates should be monitored.

Second, increased devolution of NG functions and the implementation of the LGU fiscal equalization Growth Equity Fund must be closely monitored. Declared budget priorities to hone in on the poorer and more disadvantaged LGUs should manifest in the actual investments and support of oversight agencies to said LGUs. There are several recent studies that show governance and fiscal gaps of LGUs that could be used to make the implementation of reinforced devolution evidence-based. In line with this, GEF implementation along with the other national government-local government assistance programs should be closely monitored to ensure that only the targeted LGUs benefit from these. LGUs should also be given technical capacity development programs in or to effectively use the additional resources and allow them to contribute to national development as well.

Third, continuing investments in information and infrastructure that would facilitate its quick utilization across different sectors should be continued. Especially since these would make the delivery of public services quicker and also, in the case of education and health, help reduce the scarring effect. With this, improved access and shifts to digital platforms for goods and services and payments should be monitored.

Finally, the challenge of the next administration would be fiscal consolidation (tapering of the debt-to-GDP ratio) without sacrificing much needed human capital and infrastructure investments. These should be combined with job creation for economic recovery. Therefore, there is need for prudent fiscal stimulus in the medium-term to be able to accelerate economic growth.

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The 1987 Constitution of the Republic of the Philippines.

Annex A. Expenditures by Expense Class

Annex A. Table 1. Expenditures by Expense Class, in million pesos

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
TOTAL	52,360.00	64,037.00	73,311.00	108,138.00	121,622.00	142,462.00	173,634.00	223,473.00	248,679.00	262,042.00
1. Current Operating Expenditures	34,488.00	42,959.00	54,998.00	70,951.00	94,284.00	118,808.00	142,605.00	181,450.00	193,317.00	216,679.00
Personal Services	14,282.00	18,329.00	22,046.00	28,527.00	31,537.00	43,596.00	52,006.00	64,289.00	69,327.00	77,554.00
Maintenance and Other Operating Expenditures	11,714.00	10,410.00	13,780.00	15,885.00	20,498.00	22,686.00	28,814.00	33,300.00	36,061.00	38,632.00
Financial Express										
Interest Payments	4,997.00	10,409.00	14,652.00	21,612.00	36,905.00	45,865.00	54,714.00	71,114.00	74,922.00	79,571.00
Domestic										
Foreign										
Allotment to Local Government Units (ALGU)	2,598.00	2,795.00	3,522.00	3,382.00	3,835.00	4,363.00	3,337.00	4,746.00	6,754.00	16,244.00
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)										
Petroleum Price Stabilization Fund								4,573.00		
Subsidies	897.00	1,016.00	998.00	1,545.00	1,509.00	2,298.00	3,734.00	3,428.00	6,253.00	4,678.00
Tax Expenditures										
2. Capital Outlay	15,479.00	16,655.00	15,758.00	22,039.00	20,261.00	18,238.00	27,363.00	38,236.00	49,637.00	43,105.00
Infrastructure and Other Capital Outlays	9,919.00	7,526.00	10,986.00	9,735.00	15,646.00	16,118.00	22,600.00	32,806.00	44,798.00	35,163.00
Others	5,560.00	9,129.00	4,772.00	12,304.00	4,615.00	2,120.00	4,763.00	5,430.00	4,839.00	7,942.00
3. Net Lending	2,393.00	4,423.00	2,555.00	15,148.00	7,077.00	5,416.00	3,666.00	3,787.00	5,725.00	2,258.00
Expenditures (in million pesos)										
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
TOTAL	276,859.00	330,203.00	371,887.51	416,138.80	491,782.80	537,432.96	580,385.94	682,460.01	707,093.03	742,021.84
1. Current Operating Expenditures	229,229.00	259,488.00	287,537.00	336,221.00	395,090.00	443,946.00	480,613.00	568,707.00	603,359.00	640,472.00
Personal Services	76,948.00	92,573.00	113,151.00	138,333.00	178,930.00	205,430.00	215,352.00	235,249.00	247,665.00	268,094.00
Maintenance and Other Operating Expenditures	39,571.00	39,694.00	53,163.00	65,714.00	70,380.00	66,905.00	69,863.00	83,880.00	77,369.00	70,336.00
Financial Express										
Interest Payments	76,491.00	79,123.00	72,658.00	76,522.00	77,971.00	99,792.00	106,290.00	140,894.00	174,834.00	185,861.00
Domestic										
Foreign										
Allotment to Local Government Units (ALGU)	29,379.00	37,452.00	41,634.00	45,275.00	56,839.00	61,553.00	76,234.00	91,422.00	92,662.00	107,538.00

Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)										
Petroleum Price Stabilization Fund										
Subsidies	6,840.00	10,646.00	6,931.00	10,377.00	10,970.00	10,266.00	12,874.00	17,262.00	10,829.00	8,643.00
Tax Expenditures										
2. Capital Outlay	44,981.00	64,822.00	80,654.51	78,756.80	95,311.80	93,157.96	96,579.94	111,119.01	99,790.03	98,923.84
Infrastructure and Other Capital Outlays	30,590.00	51,141.00	61,440.51	63,364.00	77,584.18	74,753.98	72,093.43	82,794.73	72,441.13	67,472.18
Others	14,391.00	13,681.00	19,214.00	15,392.80	17,727.62	18,403.99	24,486.51	28,324.28	27,348.90	31,451.65
3. Net Lending	2,649.00	5,893.00	3,696.00	1,161.00	1,381.00	329.00	3,193.00	2,634.00	3,944.00	2,626.00
Expenditures (in million pesos)										
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
TOTAL	825,113.00	867,010.38	947,553.25	1,044,831.13	1,155,508.29	1,314,614.50	1,434,144.72	1,472,977.82	1,580,016.22	1,828,982.12
1. Current Operating Expenditures	709,919.00	757,344.00	847,911.00	904,359.00	957,009.00	1,073,727.00	1,152,671.00	1,205,949.00	1,311,382.00	1,415,609.00
Personal Services	279,425.00	285,788.00	295,182.00	323,634.00	341,748.00	369,308.00	396,645.00	457,560.00	502,956.00	556,144.00
Maintenance and Other Operating Expenditures	68,460.00	80,290.00	106,475.00	112,513.00	152,413.00	193,722.00	219,752.00	178,991.00	228,514.00	264,017.00
Financial Express										
Interest Payments	226,408.00	260,901.00	299,807.00	310,108.00	267,800.00	272,218.00	278,866.00	294,244.00	278,996.00	312,799.00
Domestic										
Foreign										
Allotment to Local Government Units (ALGU)	112,800.00	112,800.00	121,298.00	133,173.00	147,150.00	168,584.00	199,991.00	212,642.00	229,555.00	218,648.00
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)										
Petroleum Price Stabilization Fund										
Subsidies	22,826.00	17,565.00	25,149.00	24,931.00	47,898.00	69,895.00	57,417.00	62,512.00	71,361.00	64,001.00
Tax Expenditures										
2. Capital Outlay	109,574.00	103,990.38	97,935.25	140,341.13	188,749.29	226,494.50	276,409.72	257,770.82	250,579.22	385,952.12
Infrastructure and Other Capital Outlays	76,702.00	70,555.77	60,040.69	99,184.19	136,261.98	176,183.23	216,118.54	190,771.54	169,838.52	274,029.61
Others	32,872.00	33,434.61	37,894.57	41,156.94	52,487.31	50,311.28	60,291.18	66,999.27	80,740.69	111,922.51
3. Net Lending	5,620.00	5,676.00	1,707.00	131.00	9,750.00	14,393.00	5,064.00	9,258.00	18,055.00	27,421.00
Expenditures (in million pesos)										
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
TOTAL	1,998,375.57	2,019,062.07	2,414,640.62	2,682,814.86	3,315,324.63	3,531,765.29	3,607,088.41	4,309,031.07	4,506,000.00	5,023,600.00
1. Current Operating Expenditures	1,531,784.00	1,623,585.34	1,767,608.48	1,891,829.02	2,198,161.28	2,445,698.64	2,684,386.05	3,361,314.29	3,328,423.70	3,728,258.88
Personal Services	611,752.00	635,597.86	682,618.68	758,107.73	833,589.21	1,017,581.59	1,142,435.58	1,214,256.35	1,299,340.94	1,455,760.20

Maintenance and Other Operating Expenditures	299,995.00	314,912.24	394,994.01	417,020.95	575,213.36	526,314.02	574,133.53	953,559.62	760,536.04	809,778.69
Financial Express		1,247.51	1,751.46	1,606.65	1,960.08	1,536.14	1,025.53	928.14	1,131.22	1,248.01
Interest Payments	323,434.00	321,185.00	309,364.00	304,454.00	310,541.00	349,215.00	360,874.00	380,412.00	531,544.00	512,585.00
Domestic							0.00			
Foreign							0.00			
Allotment to Local Government Units (ALGU)	241,843.00	273,235.78	311,933.34	342,895.61	389,508.00	418,198.53	460,423.96	519,137.00	556,394.20	767,233.00
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)						132,853.36	0.00	42,057.25	60,949.38	56,358.94
Petroleum Price Stabilization Fund							145,493.44			
Subsidies	54,760.00	77,406.94	66,947.00	67,744.08	87,349.62			250,963.93	118,527.92	125,295.04
Tax Expenditures										
2. Capital Outlay	449,965.57	382,081.73	637,336.14	775,687.84	1,117,163.36	1,081,191.66	905,638.36	925,602.58	1,148,876.30	1,266,641.12
Infrastructure and Other Capital Outlays	404,083.55	350,727.33	622,604.13	733,406.63	1,079,580.44	1,069,888.05	866,379.15	886,469.58	1,119,397.65	1,229,590.67
Others	45,882.01	31,354.40	14,732.00	42,281.21	37,582.92	11,303.61	39,259.21	39,133.00	29,478.65	37,050.45
3. Net Lending	16,626.00	13,395.00	9,696.00	15,298.00	0.00	4,875.00	17,064.00	22,114.20	28,700.00	28,700.00

Annex A. Table 2. Expenditures by Expense Class, as % of GDP

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
TOTAL	**12.8%**	**11.0%**	**11.6%**	**16.0%**	**16.1%**	**16.1%**	**16.9%**	**18.7%**	**18.0%**	**17.5%**
1. Current Operating Expenditures	**8.4%**	**7.4%**	**8.7%**	**10.5%**	**12.5%**	**13.4%**	**13.9%**	**15.2%**	**14.0%**	**14.5%**
Personal Services	3.5%	3.2%	3.5%	4.2%	4.2%	4.9%	5.1%	5.4%	5.0%	5.2%
Maintenance and Other Operating Expenditures	2.9%	1.8%	2.2%	2.4%	2.7%	2.6%	2.8%	2.8%	2.6%	2.6%
Financial Express	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Payments	1.2%	1.8%	2.3%	3.2%	4.9%	5.2%	5.3%	6.0%	5.4%	5.3%
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Allotment to Local Government Units (ALGU)	0.6%	0.5%	0.6%	0.5%	0.5%	0.5%	0.3%	0.4%	0.5%	1.1%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Petroleum Price Stabilization Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%
Subsidies	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.4%	0.3%	0.5%	0.3%
Tax Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2. Capital Outlay	**3.8%**	**2.9%**	**2.5%**	**3.3%**	**2.7%**	**2.1%**	**2.7%**	**3.2%**	**3.6%**	**2.9%**
Infrastructure and Other Capital Outlays	2.4%	1.3%	1.7%	1.4%	2.1%	1.8%	2.2%	2.7%	3.2%	2.3%
Others	1.4%	1.6%	0.8%	1.8%	0.6%	0.2%	0.5%	0.5%	0.3%	0.5%
3. Net Lending	**0.6%**	**0.8%**	**0.4%**	**2.2%**	**0.9%**	**0.6%**	**0.4%**	**0.3%**	**0.4%**	**0.2%**

Expenditures % of GDP										
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
TOTAL	**16.9%**	**17.6%**	**17.6%**	**17.3%**	**18.3%**	**18.2%**	**17.9%**	**18.5%**	**17.6%**	**17.1%**
1. Current Operating Expenditures	**14.0%**	**13.8%**	**13.6%**	**14.0%**	**14.7%**	**15.0%**	**14.8%**	**15.4%**	**15.0%**	**14.7%**
Personal Services	4.7%	4.9%	5.4%	5.7%	6.7%	7.0%	6.6%	6.4%	6.2%	6.2%
Maintenance and Other Operating Expenditures	2.4%	2.1%	2.5%	2.7%	2.6%	2.3%	2.2%	2.3%	1.9%	1.6%
Financial Express	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Payments	4.7%	4.2%	3.4%	3.2%	2.9%	3.4%	3.3%	3.8%	4.3%	4.3%
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Allotment to Local Government Units (ALGU)	1.8%	2.0%	2.0%	1.9%	2.1%	2.1%	2.3%	2.5%	2.3%	2.5%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Petroleum Price Stabilization Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subsidies	0.4%	0.6%	0.3%	0.4%	0.4%	0.3%	0.4%	0.5%	0.3%	0.2%
Tax Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2. Capital Outlay	**2.8%**	**3.5%**	**3.8%**	**3.3%**	**3.5%**	**3.2%**	**3.0%**	**3.0%**	**2.5%**	**2.3%**
Infrastructure and Other Capital Outlays	1.9%	2.7%	2.9%	2.6%	2.9%	2.5%	2.2%	2.2%	1.8%	1.6%
Others	0.9%	0.7%	0.9%	0.6%	0.7%	0.6%	0.8%	0.8%	0.7%	0.7%
3. Net Lending	**0.2%**	**0.3%**	**0.2%**	**0.0%**	**0.1%**	**0.0%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**
Expenditures % of GDP										
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
TOTAL	**17.5%**	**16.3%**	**16.0%**	**16.0%**	**16.1%**	**16.3%**	**17.1%**	**15.7%**	**15.6%**	**16.5%**
1. Current Operating Expenditures	**15.0%**	**14.2%**	**14.3%**	**13.8%**	**13.3%**	**13.3%**	**13.7%**	**12.8%**	**12.9%**	**12.8%**
Personal Services	5.9%	5.4%	5.0%	4.9%	4.7%	4.6%	4.7%	4.9%	5.0%	5.0%
Maintenance and Other Operating Expenditures	1.5%	1.5%	1.8%	1.7%	2.1%	2.4%	2.6%	1.9%	2.3%	2.4%
Financial Express	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Payments	4.8%	4.9%	5.1%	4.7%	3.7%	3.4%	3.3%	3.1%	2.8%	2.8%
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Allotment to Local Government Units (ALGU)	2.4%	2.1%	2.0%	2.0%	2.0%	2.1%	2.4%	2.3%	2.3%	2.0%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Petroleum Price Stabilization Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subsidies	0.5%	0.3%	0.4%	0.4%	0.7%	0.9%	0.7%	0.7%	0.7%	0.6%
Tax Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2. Capital Outlay	**2.3%**	**2.0%**	**1.7%**	**2.1%**	**2.6%**	**2.8%**	**3.3%**	**2.7%**	**2.5%**	**3.5%**
Infrastructure and Other Capital Outlays	1.6%	1.3%	1.0%	1.5%	1.9%	2.2%	2.6%	2.0%	1.7%	2.5%
Others	0.7%	0.6%	0.6%	0.6%	0.7%	0.6%	0.7%	0.7%	0.8%	1.0%
3. Net Lending	**0.1%**	**0.1%**	**0.0%**	**0.0%**	**0.1%**	**0.2%**	**0.1%**	**0.1%**	**0.2%**	**0.2%**
Expenditures % of GDP										
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
TOTAL	**16.6%**	**15.3%**	**17.3%**	**17.7%**	**20.0%**	**19.3%**	**18.5%**	**24.0%**	**22.7%**	**22.8%**
1. Current Operating Expenditures	**12.7%**	**12.3%**	**12.7%**	**12.5%**	**13.3%**	**13.4%**	**13.8%**	**18.7%**	**16.8%**	**16.9%**
Personal Services	5.1%	4.8%	4.9%	5.0%	5.0%	5.6%	5.9%	6.8%	6.5%	6.6%
Maintenance and Other Operating Expenditures	2.5%	2.4%	2.8%	2.8%	3.5%	2.9%	2.9%	5.3%	3.8%	3.7%
Financial Express	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Payments	2.7%	2.4%	2.2%	2.0%	1.9%	1.9%	1.8%	2.1%	2.7%	2.3%
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Allotment to Local Government Units (ALGU)	2.0%	2.1%	2.2%	2.3%	2.4%	2.3%	2.4%	2.9%	2.8%	3.5%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.3%	0.3%
Petroleum Price Stabilization Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subsidies	0.5%	0.6%	0.5%	0.4%	0.5%	0.7%	0.7%	1.4%	0.6%	0.6%
Tax Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2. Capital Outlay	**3.7%**	**2.9%**	**4.6%**	**5.1%**	**6.7%**	**5.9%**	**4.6%**	**5.2%**	**5.8%**	**5.7%**
Infrastructure and Other Capital Outlays	3.4%	2.7%	4.5%	4.8%	6.5%	5.9%	4.4%	4.9%	5.6%	5.6%
Others	0.4%	0.2%	0.1%	0.3%	0.2%	0.1%	0.2%	0.2%	0.1%	0.2%
3. Net Lending	**0.1%**	**0.1%**	**0.1%**	**0.1%**	**0.0%**	**0.0%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**

Annex A. Table 3. Expenditures by Expense Class, % distribution

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
TOTAL										
1. Current Operating Expenditures	**65.9%**	**67.1%**	**75.0%**	**65.6%**	**77.5%**	**83.4%**	**82.1%**	**81.2%**	**77.7%**	**82.7%**
Personal Services	27.3%	28.6%	30.1%	26.4%	25.9%	30.6%	30.0%	28.8%	27.9%	29.6%
Maintenance and Other Operating Expenditures	22.4%	16.3%	18.8%	14.7%	16.9%	15.9%	16.6%	14.9%	14.5%	14.7%
Financial Express	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Payments	9.5%	16.3%	20.0%	20.0%	30.3%	32.2%	31.5%	31.8%	30.1%	30.4%
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Allotment to Local Government Units (ALGU)	5.0%	4.4%	4.8%	3.1%	3.2%	3.1%	1.9%	2.1%	2.7%	6.2%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Petroleum Price Stabilization Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%
Subsidies	1.7%	1.6%	1.4%	1.4%	1.2%	1.6%	2.2%	1.5%	2.5%	1.8%
Tax Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2. Capital Outlay	**29.6%**	**26.0%**	**21.5%**	**20.4%**	**16.7%**	**12.8%**	**15.8%**	**17.1%**	**20.0%**	**16.4%**
Infrastructure and Other Capital Outlays	18.9%	11.8%	15.0%	9.0%	12.9%	11.3%	13.0%	14.7%	18.0%	13.4%
Others	10.6%	14.3%	6.5%	11.4%	3.8%	1.5%	2.7%	2.4%	1.9%	3.0%
3. Net Lending	**4.6%**	**6.9%**	**3.5%**	**14.0%**	**5.8%**	**3.8%**	**2.1%**	**1.7%**	**2.3%**	**0.9%**
Expenditures by % distribution										
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
TOTAL										
1. Current Operating Expenditures	**82.8%**	**78.6%**	**77.3%**	**80.8%**	**80.3%**	**82.6%**	**82.8%**	**83.3%**	**85.3%**	**86.3%**
Personal Services	27.8%	28.0%	30.4%	33.2%	36.4%	38.2%	37.1%	34.5%	35.0%	36.1%
Maintenance and Other Operating Expenditures	14.3%	12.0%	14.3%	15.8%	14.3%	12.4%	12.0%	12.3%	10.9%	9.5%
Financial Express	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Payments	27.6%	24.0%	19.5%	18.4%	15.9%	18.6%	18.3%	20.6%	24.7%	25.0%
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Allotment to Local Government Units (ALGU)	10.6%	11.3%	11.2%	10.9%	11.6%	11.5%	13.1%	13.4%	13.1%	14.5%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Petroleum Price Stabilization Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subsidies	2.5%	3.2%	1.9%	2.5%	2.2%	1.9%	2.2%	2.5%	1.5%	1.2%

Tax Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2. Capital Outlay	**16.2%**	**19.6%**	**21.7%**	**18.9%**	**19.4%**	**17.3%**	**16.6%**	**16.3%**	**14.1%**	**13.3%**
Infrastructure and Other Capital Outlays	11.0%	15.5%	16.5%	15.2%	15.8%	13.9%	12.4%	12.1%	10.2%	9.1%
Others	5.2%	4.1%	5.2%	3.7%	3.6%	3.4%	4.2%	4.2%	3.9%	4.2%
3. Net Lending	**1.0%**	**1.8%**	**1.0%**	**0.3%**	**0.3%**	**0.1%**	**0.6%**	**0.4%**	**0.6%**	**0.4%**
Expenditures by % distribution										
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
TOTAL										
1. Current Operating Expenditures	**86.0%**	**87.4%**	**89.5%**	**86.6%**	**82.8%**	**81.7%**	**80.4%**	**81.9%**	**83.0%**	**77.4%**
Personal Services	33.9%	33.0%	31.2%	31.0%	29.6%	28.1%	27.7%	31.1%	31.8%	30.4%
Maintenance and Other Operating Expenditures	8.3%	9.3%	11.2%	10.8%	13.2%	14.7%	15.3%	12.2%	14.5%	14.4%
Financial Express	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Payments	27.4%	30.1%	31.6%	29.7%	23.2%	20.7%	19.4%	20.0%	17.7%	17.1%
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Allotment to Local Government Units (ALGU)	13.7%	13.0%	12.8%	12.7%	12.7%	12.8%	13.9%	14.4%	14.5%	12.0%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Petroleum Price Stabilization Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subsidies	2.8%	2.0%	2.7%	2.4%	4.1%	5.3%	4.0%	4.2%	4.5%	3.5%
Tax Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2. Capital Outlay	**13.3%**	**12.0%**	**10.3%**	**13.4%**	**16.3%**	**17.2%**	**19.3%**	**17.5%**	**15.9%**	**21.1%**
Infrastructure and Other Capital Outlays	9.3%	8.1%	6.3%	9.5%	11.8%	13.4%	15.1%	13.0%	10.7%	15.0%
Others	4.0%	3.9%	4.0%	3.9%	4.5%	3.8%	4.2%	4.5%	5.1%	6.1%
3. Net Lending	**0.7%**	**0.7%**	**0.2%**	**0.0%**	**0.8%**	**1.1%**	**0.4%**	**0.6%**	**1.1%**	**1.5%**
Expenditures by % distribution										
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
TOTAL	**16.6%**	**15.3%**	**17.3%**	**17.7%**	**20.0%**	**19.3%**	**18.5%**	**24.0%**	**22.7%**	**22.8%**
1. Current Operating Expenditures	**12.7%**	**12.3%**	**12.7%**	**12.5%**	**13.3%**	**13.4%**	**13.8%**	**18.7%**	**16.8%**	**16.9%**
Personal Services	5.1%	4.8%	4.9%	5.0%	5.0%	5.6%	5.9%	6.8%	6.5%	6.6%
Maintenance and Other Operating Expenditures	2.5%	2.4%	2.8%	2.8%	3.5%	2.9%	2.9%	5.3%	3.8%	3.7%
Financial Express	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Payments	2.7%	2.4%	2.2%	2.0%	1.9%	1.9%	1.8%	2.1%	2.7%	2.3%
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Allotment to Local Government Units (ALGU)	2.0%	2.1%	2.2%	2.3%	2.4%	2.3%	2.4%	2.9%	2.8%	3.5%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.3%	0.3%
Petroleum Price Stabilization Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subsidies	0.5%	0.6%	0.5%	0.4%	0.5%	0.7%	0.7%	1.4%	0.6%	0.6%
Tax Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2. Capital Outlay	**3.7%**	**2.9%**	**4.6%**	**5.1%**	**6.7%**	**5.9%**	**4.6%**	**5.2%**	**5.8%**	**5.7%**
Infrastructure and Other Capital Outlays	3.4%	2.7%	4.5%	4.8%	6.5%	5.9%	4.4%	4.9%	5.6%	5.6%
Others	0.4%	0.2%	0.1%	0.3%	0.2%	0.1%	0.2%	0.2%	0.1%	0.2%
3. Net Lending	**0.1%**	**0.1%**	**0.1%**	**0.1%**	**0.0%**	**0.0%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**

Annex A. Table 4. Expenditures by Expense Class, nominal growth rate

	1984	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**
TOTAL	**22.3%**	**14.5%**	**47.5%**	**12.5%**	**17.1%**	**21.9%**	**28.7%**	**11.3%**	**5.4%**
1. Current Operating Expenditures	**24.6%**	**28.0%**	**29.0%**	**32.9%**	**26.0%**	**20.0%**	**27.2%**	**6.5%**	**12.1%**
Personal Services	28.3%	20.3%	29.4%	10.6%	38.2%	19.3%	23.6%	7.8%	11.9%
Maintenance and Other Operating Expenditures	-11.1%	32.4%	15.3%	29.0%	10.7%	27.0%	15.6%	8.3%	7.1%
Financial Express									
Interest Payments	108.3%	40.8%	47.5%	70.8%	24.3%	19.3%	30.0%	5.4%	6.2%
Domestic									
Foreign									
Allotment to Local Government Units (ALGU)	7.6%	26.0%	-4.0%	13.4%	13.8%	-23.5%	42.2%	42.3%	140.5%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)									
Petroleum Price Stabilization Fund								-100.0%	
Subsidies	13.3%	-1.8%	54.8%	-2.3%	52.3%	62.5%	-8.2%	82.4%	-25.2%
Tax Expenditures									
2. Capital Outlay	7.6%	-5.4%	39.9%	-8.1%	-10.0%	50.0%	39.7%	29.8%	-13.2%
Infrastructure and Other Capital Outlays	-24.1%	46.0%	-11.4%	60.7%	3.0%	40.2%	45.2%	36.6%	-21.5%
Others	64.2%	-47.7%	157.8%	-62.5%	-54.1%	124.7%	14.0%	-10.9%	64.1%
3. Net Lending	84.8%	-42.2%	492.9%	-53.3%	-23.5%	-32.3%	3.3%	51.2%	-60.6%

Expenditures growth rate (nominal)										
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
TOTAL	**5.7%**	**19.3%**	**12.6%**	**11.9%**	**18.2%**	**9.3%**	**8.0%**	**17.6%**	**3.6%**	**4.9%**
1. Current Operating Expenditures	**5.8%**	**13.2%**	**10.8%**	**16.9%**	**17.5%**	**12.4%**	**8.3%**	**18.3%**	**6.1%**	**6.2%**
Personal Services	-0.8%	20.3%	22.2%	22.3%	29.3%	14.8%	4.8%	9.2%	5.3%	8.2%
Maintenance and Other Operating Expenditures	2.4%	0.3%	33.9%	23.6%	7.1%	-4.9%	4.4%	20.1%	-7.8%	-9.1%
Financial Express										
Interest Payments	-3.9%	3.4%	-8.2%	5.3%	1.9%	28.0%	6.5%	32.6%	24.1%	6.3%
Domestic										
Foreign										
Allotment to Local Government Units (ALGU)	80.9%	27.5%	11.2%	8.7%	25.5%	8.3%	23.9%	19.9%	1.4%	16.1%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)										
Petroleum Price Stabilization Fund										
Subsidies	46.2%	55.6%	-34.9%	49.7%	5.7%	-6.4%	25.4%	34.1%	-37.3%	-20.2%
Tax Expenditures										
2. Capital Outlay	4.4%	44.1%	24.4%	-2.4%	21.0%	-2.3%	3.7%	15.1%	-10.2%	-0.9%
Infrastructure and Other Capital Outlays	-13.0%	67.2%	20.1%	3.1%	22.4%	-3.6%	-3.6%	14.8%	-12.5%	-6.9%
Others	81.2%	-4.9%	40.4%	-19.9%	15.2%	3.8%	33.1%	15.7%	-3.4%	15.0%
3. Net Lending	17.3%	122.5%	-37.3%	-68.6%	18.9%	-76.2%	870.5%	-17.5%	49.7%	-33.4%
Expenditures growth rate (nominal)										
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
TOTAL	**11.2%**	**5.1%**	**9.3%**	**10.3%**	**10.6%**	**13.8%**	**9.1%**	**2.7%**	**7.3%**	**15.8%**
1. Current Operating Expenditures	**10.8%**	**6.7%**	**12.0%**	**6.7%**	**5.8%**	**12.2%**	**7.4%**	**4.6%**	**8.7%**	**7.9%**
Personal Services	4.2%	2.3%	3.3%	9.6%	5.6%	8.1%	7.4%	15.4%	9.9%	10.6%
Maintenance and Other Operating Expenditures	-2.7%	17.3%	32.6%	5.7%	35.5%	27.1%	13.4%	-18.5%	27.7%	15.5%
Financial Express										
Interest Payments	21.8%	15.2%	14.9%	3.4%	-13.6%	1.6%	2.4%	5.5%	-5.2%	12.1%
Domestic										
Foreign										
Allotment to Local Government Units (ALGU)	4.9%	0.0%	7.5%	9.8%	10.5%	14.6%	18.6%	6.3%	8.0%	-4.8%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)										
Petroleum Price Stabilization Fund										

Subsidies	164.1%	-23.0%	43.2%	-0.9%	92.1%	45.9%	-17.9%	8.9%	14.2%	-10.3%
Tax Expenditures										
2. Capital Outlay	10.8%	-5.1%	-5.8%	43.3%	34.5%	20.0%	22.0%	-6.7%	-2.8%	54.0%
Infrastructure and Other Capital Outlays	13.7%	-8.0%	-14.9%	65.2%	37.4%	29.3%	22.7%	-11.7%	-11.0%	61.3%
Others	4.5%	1.7%	13.3%	8.6%	27.5%	-4.1%	19.8%	11.1%	20.5%	38.6%
3. Net Lending	114.0%	1.0%	-69.9%	-92.3%	7342.7%	47.6%	-64.8%	82.8%	95.0%	51.9%
Expenditures growth rate (nominal)										
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
TOTAL	**9.3%**	**1.0%**	**19.6%**	**11.1%**	**23.6%**	**6.5%**	**2.1%**	**19.5%**	**4.6%**	**11.5%**
1. Current Operating Expenditures	**8.2%**	**6.0%**	**8.9%**	**7.0%**	**16.2%**	**11.3%**	**9.8%**	**25.2%**	**-1.0%**	**12.0%**
Personal Services	10.0%	3.9%	7.4%	11.1%	10.0%	22.1%	12.3%	6.3%	7.0%	12.0%
Maintenance and Other Operating Expenditures	13.6%	5.0%	25.4%	5.6%	37.9%	-8.5%	9.1%	66.1%	-20.2%	6.5%
Financial Express			40.4%	-8.3%	22.0%	-21.6%	-33.2%	-9.5%	21.9%	10.3%
Interest Payments	3.4%	-0.7%	-3.7%	-1.6%	2.0%	12.5%	3.3%	5.4%	39.7%	-3.6%
Domestic										
Foreign										
Allotment to Local Government Units (ALGU)	10.6%	13.0%	14.2%	9.9%	13.6%	7.4%	10.1%	12.8%	7.2%	37.9%
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)									44.9%	-7.5%
Petroleum Price Stabilization Fund										
Subsidies	-14.4%	41.4%	-13.5%	1.2%	28.9%	52.1%	9.5%	72.5%	-52.8%	5.7%
Tax Expenditures										
2. Capital Outlay	16.6%	-15.1%	66.8%	21.7%	44.0%	-3.2%	-16.2%	2.2%	24.1%	10.3%
Infrastructure and Other Capital Outlays	47.5%	-13.2%	77.5%	17.8%	47.2%	-0.9%	-19.0%	2.3%	26.3%	9.8%
Others	-59.0%	-31.7%	-53.0%	187.0%	-11.1%	-69.9%	247.3%	-0.3%	-24.7%	25.7%
3. Net Lending	-39.4%	-19.4%	-27.6%	57.8%	-100.0%		250.0%	29.6%	29.8%	0.0%

Annex B. Expenditures by Sector

Annex B. Table 1. Expenditures by Sector, in million pesos

	1983	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**
ECONOMIC SERVICES	18,287	21,487	20,694	27,996	26,634	27,134	40,586	54,015	61,822	59,970
SOCIAL SERVICES	12,148	12,726	15,882	22,451	27,128	32,220	38,954	49,088	55,368	60,108
DEFENSE	5,591	5,391	7,129	7,611	8,437	12,356	13,051	14,544	15,778	17,306
GENERAL PUBLIC SERVICES	8,944	9,601	12,399	13,320	15,441	19,471	22,663	30,925	35,064	42,829
NET LENDING	2,393	4,423	2,555	15,148	7,077	5,416	3,666	3,787	5,725	2,258
DEBT SERVICE	4,997	10,409	14,652	21,612	36,905	45,865	54,714	71,114	74,922	79,571
TOTAL	52,360	64,037	73,311	108,138	121,622	142,462	173,634	223,473	248,679	262,042
Expenditures in million pesos										
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
ECONOMIC SERVICES	64,691	85,076	102,443	105,400	131,779	129,394	139,205	167,216	156,493	151,255
SOCIAL SERVICES	64,732	77,300	99,985	122,864	158,864	175,152	192,838	212,982	214,699	230,495
DEFENSE	20,002	23,125	27,493	30,978	29,212	31,512	32,959	36,208	35,977	38,907
GENERAL PUBLIC SERVICES	48,294	59,686	65,613	79,215	92,576	101,254	105,900	122,526	121,146	132,878
NET LENDING	2,649	5,893	3,696	1,161	1,381	329	3,193	2,634	3,944	2,626
DEBT SERVICE	76,491	79,123	72,851	76,522	77,971	99,792	106,290	140,894	174,834	185,861
TOTAL	276,859	330,203	372,081	416,139	491,783	537,433	580,385	682,460	707,093	742,022
Expenditures in million pesos										
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
ECONOMIC SERVICES	169,881	168,224	173,875	221,854	293,173	359,098	402,502	381,271	366,129	490,247
SOCIAL SERVICES	237,532	250,205	255,533	282,510	320,210	368,342	411,786	415,840	544,861	592,159
DEFENSE	44,439	42,683	47,634	51,527	62,188	61,965	62,967	91,546	71,020	74,371
GENERAL PUBLIC SERVICES	141,233	139,320	168,998	178,701	202,388	238,597	272,960	280,818	300,956	331,985
NET LENDING	5,620	5,676	1,707	131	9,750	14,393	5,064	9,258	18,055	27,421
DEBT SERVICE	226,408	260,901	299,807	310,108	267,800	272,218	278,866	294,244	278,996	312,799
TOTAL	825,113	867,010	947,554	1,044,831	1,155,509	1,314,613	1,434,146	1,472,977	1,580,017	1,828,981
Expenditures in million pesos										
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
ECONOMIC SERVICES	516,710	492,502	707,994	820,292	1,077,395	1,146,326	1,012,115	1,128,514	1,323,137	1,473,510
SOCIAL SERVICES	712,112	764,589	886,643	972,610	1,211,452	1,232,938	1,349,030	1,754,270	1,668,038	1,921,783

DEFENSE	87,833	87,195	97,248	113,827	156,348	168,939	187,010	179,079	206,776	224,363
GENERAL PUBLIC SERVICES	341,661	340,195	403,695	456,334	559,590	629,473	684,409	844,642	747,805	862,659
NET LENDING	16,626	13,395	9,696	15,298		4,875	17,064	22,114	28,700	28,700
DEBT SERVICE	323,434	321,185	309,364	304,454	310,541	349,215	360,874	380,412	531,544	512,585
TOTAL	1,998,376	2,019,062	2,414,641	2,682,815	3,315,325	3,531,765	3,610,503	4,309,031	4,506,000	5,023,600

Annex B. Table 2. Expenditures by Sector, % of GDP

	1983	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**
ECONOMIC SERVICES	4.5%	3.7%	3.3%	4.1%	3.5%	3.1%	4.0%	4.5%	4.5%	4.0%
SOCIAL SERVICES	3.0%	2.2%	2.5%	3.3%	3.6%	3.6%	3.8%	4.1%	4.0%	4.0%
DEFENSE	1.4%	0.9%	1.1%	1.1%	1.1%	1.4%	1.3%	1.2%	1.1%	1.2%
GENERAL PUBLIC SERVICES	2.2%	1.7%	2.0%	2.0%	2.0%	2.2%	2.2%	2.6%	2.5%	2.9%
NET LENDING	0.6%	0.8%	0.4%	2.2%	0.9%	0.6%	0.4%	0.3%	0.4%	0.2%
DEBT SERVICE	1.2%	1.8%	2.3%	3.2%	4.9%	5.2%	5.3%	6.0%	5.4%	5.3%
TOTAL	12.8%	11.0%	11.6%	16.0%	16.1%	16.1%	16.9%	18.7%	18.0%	17.5%
Expenditures, % of GDP										
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
ECONOMIC SERVICES	4.0%	4.5%	4.9%	4.4%	4.9%	4.4%	4.3%	4.5%	3.9%	3.5%
SOCIAL SERVICES	4.0%	4.1%	4.7%	5.1%	5.9%	5.9%	5.9%	5.8%	5.3%	5.3%
DEFENSE	1.2%	1.2%	1.3%	1.3%	1.1%	1.1%	1.0%	1.0%	0.9%	0.9%
GENERAL PUBLIC SERVICES	3.0%	3.2%	3.1%	3.3%	3.4%	3.4%	3.3%	3.3%	3.0%	3.1%
NET LENDING	0.2%	0.3%	0.2%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%
DEBT SERVICE	4.7%	4.2%	3.4%	3.2%	2.9%	3.4%	3.3%	3.8%	4.3%	4.3%
TOTAL	16.9%	17.6%	17.6%	17.3%	18.3%	18.2%	17.9%	18.5%	17.6%	17.1%
Expenditures, % of GDP										
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
ECONOMIC SERVICES	3.6%	3.2%	2.9%	3.4%	4.1%	4.5%	4.8%	4.1%	3.6%	4.4%
SOCIAL SERVICES	5.0%	4.7%	4.3%	4.3%	4.4%	4.6%	4.9%	4.4%	5.4%	5.4%
DEFENSE	0.9%	0.8%	0.8%	0.8%	0.9%	0.8%	0.8%	1.0%	0.7%	0.7%
GENERAL PUBLIC SERVICES	3.0%	2.6%	2.9%	2.7%	2.8%	3.0%	3.3%	3.0%	3.0%	3.0%
NET LENDING	0.1%	0.1%	0.0%	0.0%	0.1%	0.2%	0.1%	0.1%	0.2%	0.2%
DEBT SERVICE	4.8%	4.9%	5.1%	4.7%	3.7%	3.4%	3.3%	3.1%	2.8%	2.8%
TOTAL	17.5%	16.3%	16.0%	16.0%	16.1%	16.3%	17.1%	15.7%	15.6%	16.5%

Expenditures, % of GDP										
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
ECONOMIC SERVICES	4.3%	3.7%	5.1%	5.4%	6.5%	6.3%	5.2%	6.3%	6.7%	6.7%
SOCIAL SERVICES	5.9%	5.8%	6.4%	6.4%	7.3%	6.8%	6.9%	9.8%	8.4%	8.7%
DEFENSE	0.7%	0.7%	0.7%	0.8%	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%
GENERAL PUBLIC SERVICES	2.8%	2.6%	2.9%	3.0%	3.4%	3.4%	3.5%	4.7%	3.8%	3.9%
NET LENDING	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
DEBT SERVICE	2.7%	2.4%	2.2%	2.0%	1.9%	1.9%	1.8%	2.1%	2.7%	2.3%
TOTAL	16.6%	15.3%	17.3%	17.7%	20.0%	19.3%	18.5%	24.0%	22.7%	22.8%

Annex B. Table 3. Expenditures by Sector, % distribution

	1983	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**
ECONOMIC SERVICES	34.9%	33.6%	28.2%	25.9%	21.9%	19.0%	23.4%	24.2%	24.9%	22.9%
SOCIAL SERVICES	23.2%	19.9%	21.7%	20.8%	22.3%	22.6%	22.4%	22.0%	22.3%	22.9%
DEFENSE	10.7%	8.4%	9.7%	7.0%	6.9%	8.7%	7.5%	6.5%	6.3%	6.6%
GENERAL PUBLIC SERVICES	17.1%	15.0%	16.9%	12.3%	12.7%	13.7%	13.1%	13.8%	14.1%	16.3%
NET LENDING	4.6%	6.9%	3.5%	14.0%	5.8%	3.8%	2.1%	1.7%	2.3%	0.9%
DEBT SERVICE	9.5%	16.3%	20.0%	20.0%	30.3%	32.2%	31.5%	31.8%	30.1%	30.4%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Expenditures, % distribution										
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
ECONOMIC SERVICES	23.4%	25.8%	27.5%	25.3%	26.8%	24.1%	24.0%	24.5%	22.1%	20.4%
SOCIAL SERVICES	23.4%	23.4%	26.9%	29.5%	32.3%	32.6%	33.2%	31.2%	30.4%	31.1%
DEFENSE	7.2%	7.0%	7.4%	7.4%	5.9%	5.9%	5.7%	5.3%	5.1%	5.2%
GENERAL PUBLIC SERVICES	17.4%	18.1%	17.6%	19.0%	18.8%	18.8%	18.2%	18.0%	17.1%	17.9%
NET LENDING	1.0%	1.8%	1.0%	0.3%	0.3%	0.1%	0.6%	0.4%	0.6%	0.4%
DEBT SERVICE	27.6%	24.0%	19.6%	18.4%	15.9%	18.6%	18.3%	20.6%	24.7%	25.0%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Expenditures, % distribution										
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
ECONOMIC SERVICES	20.6%	19.4%	18.3%	21.2%	25.4%	27.3%	28.1%	25.9%	23.2%	26.8%
SOCIAL SERVICES	28.8%	28.9%	27.0%	27.0%	27.7%	28.0%	28.7%	28.2%	34.5%	32.4%
DEFENSE	5.4%	4.9%	5.0%	4.9%	5.4%	4.7%	4.4%	6.2%	4.5%	4.1%
GENERAL PUBLIC SERVICES	17.1%	16.1%	17.8%	17.1%	17.5%	18.1%	19.0%	19.1%	19.0%	18.2%

NET LENDING	0.7%	0.7%	0.2%	0.0%	0.8%	1.1%	0.4%	0.6%	1.1%	1.5%
DEBT SERVICE	27.4%	30.1%	31.6%	29.7%	23.2%	20.7%	19.4%	20.0%	17.7%	17.1%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Expenditures, % distribution										
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
ECONOMIC SERVICES	25.9%	24.4%	29.3%	30.6%	32.5%	32.5%	28.0%	26.2%	29.4%	29.3%
SOCIAL SERVICES	35.6%	37.9%	36.7%	36.3%	36.5%	34.9%	37.4%	40.7%	37.0%	38.3%
DEFENSE	4.4%	4.3%	4.0%	4.2%	4.7%	4.8%	5.2%	4.2%	4.6%	4.5%
GENERAL PUBLIC SERVICES	17.1%	16.8%	16.7%	17.0%	16.9%	17.8%	19.0%	19.6%	16.6%	17.2%
NET LENDING	0.8%	0.7%	0.4%	0.6%	0.0%	0.1%	0.5%	0.5%	0.6%	0.6%
DEBT SERVICE	16.2%	15.9%	12.8%	11.3%	9.4%	9.9%	10.0%	8.8%	11.8%	10.2%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Expenditures, % of GDP										
	1983	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**
ECONOMIC SERVICES	4.5%	3.7%	3.3%	4.1%	3.5%	3.1%	4.0%	4.5%	4.5%	4.0%
SOCIAL SERVICES	3.0%	2.2%	2.5%	3.3%	3.6%	3.6%	3.8%	4.1%	4.0%	4.0%
DEFENSE	1.4%	0.9%	1.1%	1.1%	1.1%	1.4%	1.3%	1.2%	1.1%	1.2%
GENERAL PUBLIC SERVICES	2.2%	1.7%	2.0%	2.0%	2.0%	2.2%	2.2%	2.6%	2.5%	2.9%
NET LENDING	0.6%	0.8%	0.4%	2.2%	0.9%	0.6%	0.4%	0.3%	0.4%	0.2%
DEBT SERVICE	1.2%	1.8%	2.3%	3.2%	4.9%	5.2%	5.3%	6.0%	5.4%	5.3%
TOTAL	12.8%	11.0%	11.6%	16.0%	16.1%	16.1%	16.9%	18.7%	18.0%	17.5%
Expenditures, % of GDP										
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
ECONOMIC SERVICES	4.0%	4.5%	4.9%	4.4%	4.9%	4.4%	4.3%	4.5%	3.9%	3.5%
SOCIAL SERVICES	4.0%	4.1%	4.7%	5.1%	5.9%	5.9%	5.9%	5.8%	5.3%	5.3%
DEFENSE	1.2%	1.2%	1.3%	1.3%	1.1%	1.1%	1.0%	1.0%	0.9%	0.9%
GENERAL PUBLIC SERVICES	3.0%	3.2%	3.1%	3.3%	3.4%	3.4%	3.3%	3.3%	3.0%	3.1%
NET LENDING	0.2%	0.3%	0.2%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%
DEBT SERVICE	4.7%	4.2%	3.4%	3.2%	2.9%	3.4%	3.3%	3.8%	4.3%	4.3%
TOTAL	16.9%	17.6%	17.6%	17.3%	18.3%	18.2%	17.9%	18.5%	17.6%	17.1%

Expenditures, % of GDP										
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
ECONOMIC SERVICES	3.6%	3.2%	2.9%	3.4%	4.1%	4.5%	4.8%	4.1%	3.6%	4.4%
SOCIAL SERVICES	5.0%	4.7%	4.3%	4.3%	4.4%	4.6%	4.9%	4.4%	5.4%	5.4%
DEFENSE	0.9%	0.8%	0.8%	0.8%	0.9%	0.8%	0.8%	1.0%	0.7%	0.7%
GENERAL PUBLIC SERVICES	3.0%	2.6%	2.9%	2.7%	2.8%	3.0%	3.3%	3.0%	3.0%	3.0%
NET LENDING	0.1%	0.1%	0.0%	0.0%	0.1%	0.2%	0.1%	0.1%	0.2%	0.2%
DEBT SERVICE	4.8%	4.9%	5.1%	4.7%	3.7%	3.4%	3.3%	3.1%	2.8%	2.8%
TOTAL	17.5%	16.3%	16.0%	16.0%	16.1%	16.3%	17.1%	15.7%	15.6%	16.5%
Expenditures, % of GDP										
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
ECONOMIC SERVICES	4.3%	3.7%	5.1%	5.4%	6.5%	6.3%	5.2%	6.3%	6.7%	6.7%
SOCIAL SERVICES	5.9%	5.8%	6.4%	6.4%	7.3%	6.8%	6.9%	9.8%	8.4%	8.7%
DEFENSE	0.7%	0.7%	0.7%	0.8%	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%
GENERAL PUBLIC SERVICES	2.8%	2.6%	2.9%	3.0%	3.4%	3.4%	3.5%	4.7%	3.8%	3.9%
NET LENDING	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
DEBT SERVICE	2.7%	2.4%	2.2%	2.0%	1.9%	1.9%	1.8%	2.1%	2.7%	2.3%
TOTAL	16.6%	15.3%	17.3%	17.7%	20.0%	19.3%	18.5%	24.0%	22.7%	22.8%

Annex B. Table 4. Expenditures by Sector, Growth rate (nominal)

	1984	1985	1986	1987	1988	1989	1990	1991	1992
ECONOMIC SERVICES	17.5%	-3.7%	35.3%	-4.9%	1.9%	49.6%	33.1%	14.5%	-3.0%
SOCIAL SERVICES	4.8%	24.8%	41.4%	20.8%	18.8%	20.9%	26.0%	12.8%	8.6%
DEFENSE	-3.6%	32.2%	6.8%	10.9%	46.5%	5.6%	11.4%	8.5%	9.7%
GENERAL PUBLIC SERVICES	7.3%	29.1%	7.4%	15.9%	26.1%	16.4%	36.5%	13.4%	22.1%
NET LENDING	84.8%	-42.2%	492.9%	-53.3%	-23.5%	-32.3%	3.3%	51.2%	-60.6%
DEBT SERVICE	108.3%	40.8%	47.5%	70.8%	24.3%	19.3%	30.0%	5.4%	6.2%
TOTAL	22.3%	14.5%	47.5%	12.5%	17.1%	21.9%	28.7%	11.3%	5.4%

Expenditures, Growth rate (nominal)										
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
ECONOMIC SERVICES	7.9%	31.5%	20.4%	2.9%	25.0%	-1.8%	7.6%	20.1%	-6.4%	-3.3%
SOCIAL SERVICES	7.7%	19.4%	29.3%	22.9%	29.3%	10.3%	10.1%	10.4%	0.8%	7.4%
DEFENSE	15.6%	15.6%	18.9%	12.7%	-5.7%	7.9%	4.6%	9.9%	-0.6%	8.1%
GENERAL PUBLIC SERVICES	12.8%	23.6%	9.9%	20.7%	16.9%	9.4%	4.6%	15.7%	-1.1%	9.7%

NET LENDING	17.3%	122.5%	-37.3%	-68.6%	18.9%	-76.2%	870.5%	-17.5%	49.7%	-33.4%
DEBT SERVICE	-3.9%	3.4%	-7.9%	5.0%	1.9%	28.0%	6.5%	32.6%	24.1%	6.3%
TOTAL	5.7%	19.3%	12.7%	11.8%	18.2%	9.3%	8.0%	17.6%	3.6%	4.9%
Expenditures, Growth rate (nominal)										
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
ECONOMIC SERVICES	12.3%	-1.0%	3.4%	27.6%	32.1%	22.5%	12.1%	-5.3%	-4.0%	33.9%
SOCIAL SERVICES	3.1%	5.3%	2.1%	10.6%	13.3%	15.0%	11.8%	1.0%	31.0%	8.7%
DEFENSE	14.2%	-4.0%	11.6%	8.2%	20.7%	-0.4%	1.6%	45.4%	-22.4%	4.7%
GENERAL PUBLIC SERVICES	6.3%	-1.4%	21.3%	5.7%	13.3%	17.9%	14.4%	2.9%	7.2%	10.3%
NET LENDING	114.0%	1.0%	-69.9%	-92.3%	7342.7%	47.6%	-64.8%	82.8%	95.0%	51.9%
DEBT SERVICE	21.8%	15.2%	14.9%	3.4%	-13.6%	1.6%	2.4%	5.5%	-5.2%	12.1%
TOTAL	11.2%	5.1%	9.3%	10.3%	10.6%	13.8%	9.1%	2.7%	7.3%	15.8%
Expenditures, Growth rate (nominal)										
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
ECONOMIC SERVICES	5.4%	-4.7%	43.8%	15.9%	31.3%	6.4%	-11.7%	11.5%	17.2%	11.4%
SOCIAL SERVICES	20.3%	7.4%	16.0%	9.7%	24.6%	1.8%	9.4%	30.0%	-4.9%	15.2%
DEFENSE	18.1%	-0.7%	11.5%	17.0%	37.4%	8.1%	10.7%	-4.2%	15.5%	8.5%
GENERAL PUBLIC SERVICES	2.9%	-0.4%	18.7%	13.0%	22.6%	12.5%	8.7%	23.4%	-11.5%	15.4%
NET LENDING	-39.4%	-19.4%	-27.6%	57.8%	-100.0%		250.0%	29.6%	29.8%	0.0%
DEBT SERVICE	3.4%	-0.7%	-3.7%	-1.6%	2.0%	12.5%	3.3%	5.4%	39.7%	-3.6%
TOTAL	9.3%	1.0%	19.6%	11.1%	23.6%	6.5%	2.2%	19.3%	4.6%	11.5%

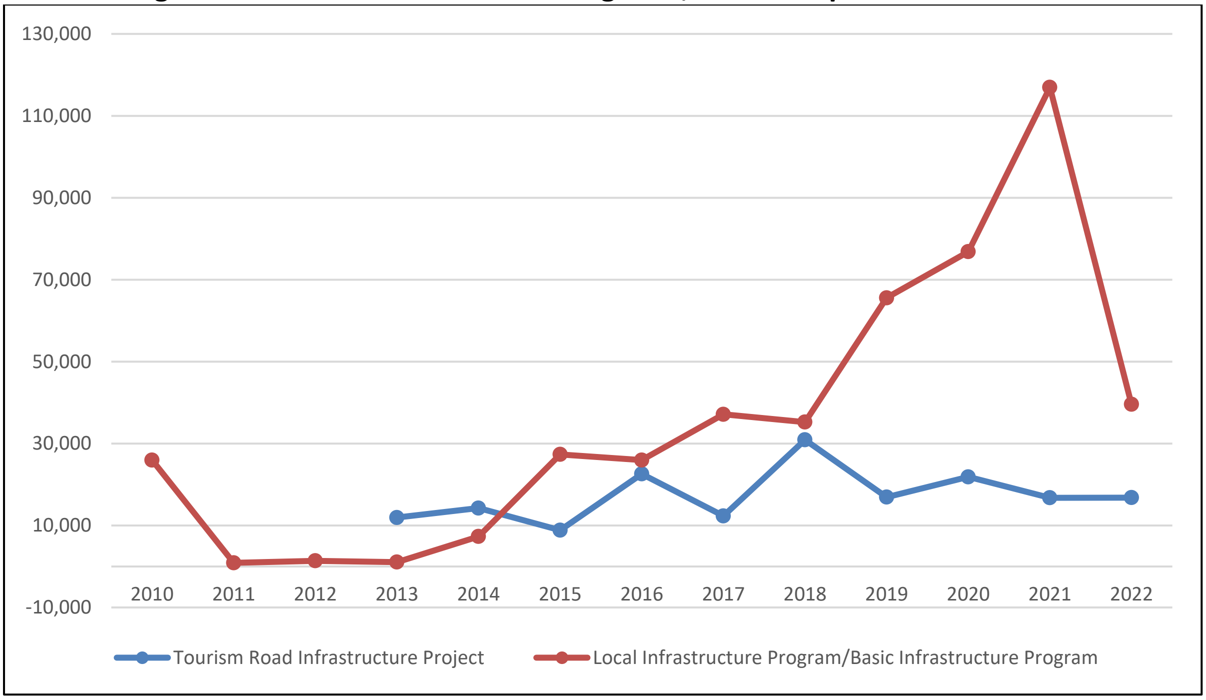
Annex C. Table 1. DSWD Programs, in million pesos

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	ACTUAL EXPENDITURES									GAA				
TOTAL NATIONAL BUDGET	**1,434,145.55**	**1,472,977.43**	**1,580,016.55**	**1,828,981.26**	**1,998,375.52**	**2,019,062.07**	**2,414,640.62**	**2,682,814.86**	**3,315,324.63**	**2,861,527.55**	**2,882,621.53**	**3,066,514.47**	**3,263,095.84**	**2,798,402.58**
TOTAL department budget	*13,687.84*	*16,054.45*	*38,189.96*	*55,803.11*	*69,661.08*	*86,118.11*	*124,346.72*	*108,806.87*	*153,622.88*	*141,814.44*	*141,164.05*	*163,811.38*	*176,659.84*	*191,156.99*
Priorities according to PBM														
4Ps	4,347.87	6,914.34	13,032.58	23,626.39	27,240.09	30,750.11	35,129.62	34,018.57	47,232.05	89,408.30	89,752.32	108,765.97	106,800.57	115,669.94
SLP	12.83	0.00	0.00	43.13	1,003.62	1,303.53	2,703.90	4,148.79	4,541.35	5,060.00	1,724.88	5,451.87	4,279.21	4,864.89
Supplementary Feeding Program	313.74	302.49	1,715.40	1,713.95	1,693.61	2,270.57	1,764.73	2,204.86	2,259.17	3,428.46	3,489.19	3,700.42	3,830.42	4,161.54
Protective Services Program	140.75	0.00	0.00	0.00	0.00	1,562.39	2,437.71	2,680.28	2,163.72	5,708.08	5,087.95	8,733.93	23,560.93	18,033.82
Balik Probinsiya														2,700.00
Other relevant programs:														
Social Pension for Indigent Senior Citizens	271.27	0.00	514.31	733.16	908.57	1,585.38	3,353.68	4,592.61	8,968.60	19,282.86	23,184.22	23,184.23	23,458.27	23,518.02
KALAHI-CIDSS-KKB	633.24	192.74	1,103.74	738.50	549.39	909.63	8,617.50	5,572.79	6,969.73	50.00	50.00	620.00	2,205.31	2,705.31
PAMANA (Peace and Development)											302.19	960.92	960.92	960.92
SAP														0.00
Subtotal	5,719.70	7,409.57	16,366.03	26,855.12	31,395.27	38,381.61	54,007.14	53,217.89	72,134.61	122,937.70	123,590.76	151,417.33	165,095.61	172,614.43

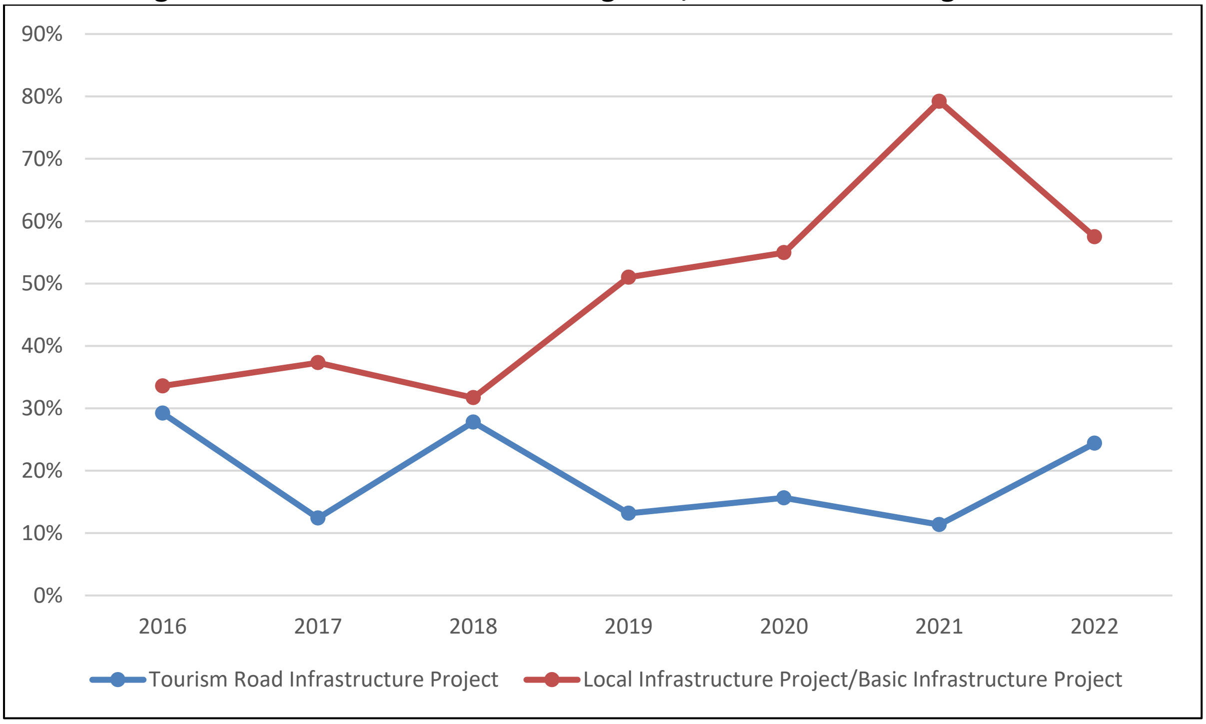
Annex D. Table 1. DPWH LGU Assistance Program, in million pesos

	2016	2017	2018	2019	2020	2021	2022 (NEP)
TOTAL Department Budget	**384,287.16**	**454,721.01**	**637,864.48**	**549,390.51**	**580,886.01**	**694,822.72**	**685,237.09**
Local Infrastructure Program (total)	25,960.49	37,139.00	35,251.57	65,573.02	76,836.66	116,948.13	39,585.00
School Buildings	1107.36	1040.94	454.55	1036.63	570.00	822.76	0.00
Multipurpose/Facilities	10128.48	12597.46	18595.88	27505.14	29742.83	48343.42	17205.15
Flood Control Structures/Facilities	982.43	4119.67	2340.94	6482.85	7369.38	10103.70	6378.40
Drainage/Protection Works	770.67	1083.00	798.75	1132.80	2041.19	3984.66	0.00
National Roads	334.50	6127.25	754.24	5038.55	6440.23	6188.67	10221.45
National Bridges	12.00	151.00	0.00	570.00	0.00	43.00	0.00
Local Roads	11461.15	11024.76	10777.02	20996.28	27462.73	44871.01	0.00
Local Bridges	553.15	464.70	829.52	1972.29	1465.02	2589.08	0.00
Water Supply	610.75	530.22	700.68	838.49	1745.28	1.83	979.50
Roads and Bridges - IPs	0.00	0.00	0.00	0.00	0.00	0.00	1643.50
Roads and Bridges - LGUs	0.00	0.00	0.00	0.00	0.00	0.00	1501.00
Coastal Roads	0.00	0.00	0.00	0.00	0.00	0.00	215.00
Major Public Buildings							251.50
Public Health Facilities (Evac, Quarantine)							1189.50
Tourism Road Infrastructure Program	**22,582.21**	**12,340.04**	**30,908.91**	**16,931.70**	**21,864.52**	**16,763.32**	**16,803.51**

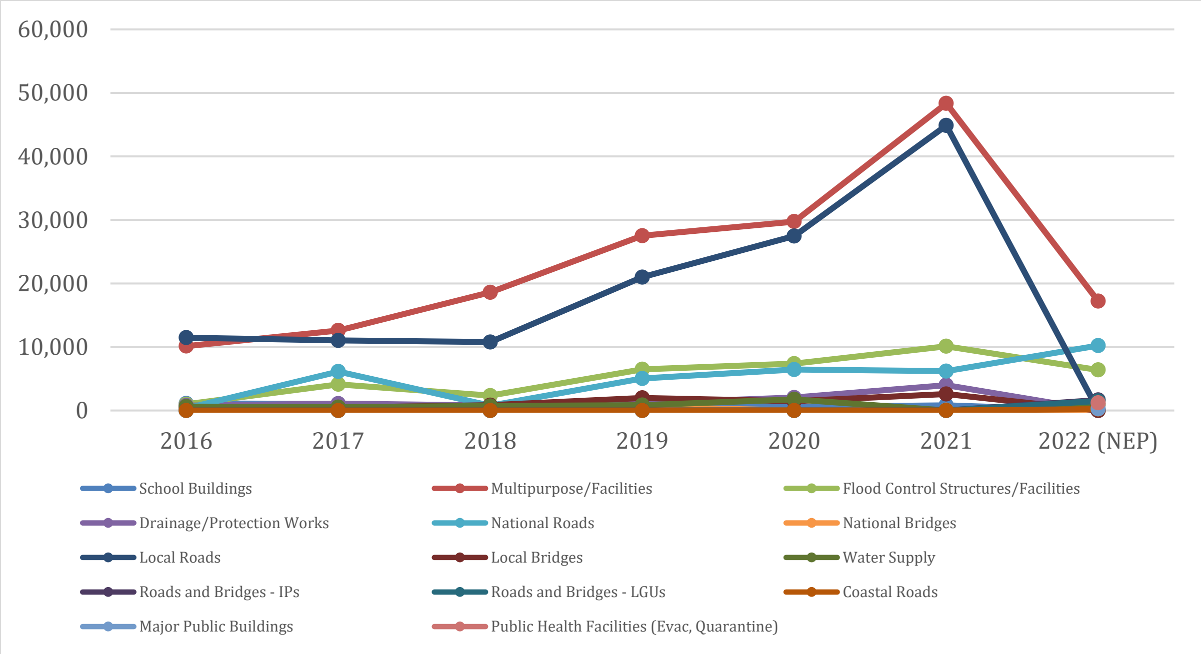
Annex D. Figure 1. DPWH LGU Assistance Programs, in million pesos



Annex D. Figure 2. DPWH LGU Assistance Programs, in % of DPWH Budget



Annex D. Figure 3. DPWH Local Infrastructure Programs, in million pesos



Annex D. Figure 4. DPWH Local Infrastructure Programs, in % of DPWH budget)