2020
PEOPLE’S PROPOSED BUDGET
Continuing the Journey to a More Peaceful and Progressive Philippines

Republic of the Philippines
DEPARTMENT OF BUDGET AND MANAGEMENT
About the Cover

The Duterte Administration continues its role as the partner of the Filipino people in bringing real change to the country — through its relentless efforts to provide everyone a better life. This simple illustration of land, air, and sea transportation depicts the intensified spending on infrastructure and social services, and the Build, Build, Build program as the Administration’s flagship program. It also epitomizes the primary goal of the 2020 proposed National Budget — to continue the journey to a more peaceful and progressive Philippines.

Cover design and description by: Junrey E. Rosales and Lara Jane S. Evalle

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One of the simplest definitions of a budget — and yet an insightful guide in its preparation and appreciation — is that it is the embodiment of the values of the people for whom it is crafted, a reflection of their current priorities, and an expression of their aspirations for the future.

Insightful — because by that definition, the budget is supposed to provide a glimpse of what the people cherish and what has held them together in the past, what they are focused on today, and what they dream of for themselves and for their children.

The 2020 proposed National Budget has been crafted to be and do precisely that. As the financial program for the Fiscal Year that now takes us well into the second half of the Duterte Administration, it bridges the years of dreaming and planning and the period of continuing action to finally begin the harvest of benefits from our work.

There is already much that has been accomplished, from when our government and our people committed to begin together the journey of change that would lead to progress. But as President Rodrigo Duterte himself constantly reminds us, it is not yet the time to rest on our achievements thus far. It is, rather, the time to review and renew the resolve that the fruits of change are sustainable, inclusive, and lasting for all.

In 2020, therefore, we continue the journey to a more peaceful and progressive Philippines. With a proposed national budget of PhP4.100 trillion, which the President has submitted for the scrutiny and approval of Congress, we aim to focus more intensely on giving our people the life they aspire for, and indeed deserve — where they are assured of health and happiness, productivity and progress.

As it has in the past, the government will prioritize programs and projects that will accelerate the utilization of budgets, primarily in the infrastructure and social services sectors. For it is this path that will take us surely and swiftly to the bright future we seek.

The National Budget is at the service of the people, crafted with the vision to give them a better life. Understanding and appreciating the aims and features of the document will strengthen the government’s partnership with the people in the common journey we have begun.

Through this publication, prepared and distributed by the Department of Budget and Management, we aim to provide the comprehensive information and salient features of the 2020 proposed National Budget, in a simple and reader-friendly presentation, in order that our people can truly participate in the agenda and strategies for development, leading to a peaceful and progressive life.

WENDEL E. AVISADO
Acting Secretary

The 2020 Proposed National Budget
- Continuing the Journey to a More Peaceful and Progressive Philippines
- Budget Dimensions by Sector, Expense Class, Region, Recipient Unit, Special Purpose Funds, and Appropriation Source
- Off-Budget Accounts
Continuing the Journey to a More Peaceful and Progressive Philippines

With the start of a new decade in the year 2020, the journey continues in transforming the Philippines into a country where the experience of peace, justice, and progress is no longer just a dream or aspiration. The 4.100 trillion 2020 proposed National Budget builds on the work of the previous years’ annual expenditure programs, as well as their accomplishments during the past three years of the Duterte Administration. Well into the second half of the Administration, this Budget supports the agenda towards Ambisyon 2040, and the goal of a strongly rooted, comfortable, and secure life for every Filipino family.

Crafting a national budget is like budgeting the monthly income of a Filipino family. Certain portions of that income are allocated for expenses for food, education, health, rent, utilities, and savings and investments, among others.

The income the Philippine government gets from revenues are also spent on the same priorities under these four (4) philosophies:

1. Support for our growth targets

The PhP4.100 trillion Budget is 12% more than the 2019 Budget. It will comprise 19.4% of GDP compared to the 19.2% in 2019. The government’s expansionary fiscal policy will help the country achieve its growth target of 7 to 8 percent by 2022.

GDP Growth Targets, 2019-2022

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
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</thead>
<tbody>
<tr>
<td>2018 (Actual)</td>
<td>6.2%</td>
</tr>
<tr>
<td>2019</td>
<td>6.0-7.0%</td>
</tr>
<tr>
<td>2020</td>
<td>6.5-7.5%</td>
</tr>
<tr>
<td>2021</td>
<td>7.0-8.0%</td>
</tr>
<tr>
<td>2022</td>
<td>7.5-8.0%</td>
</tr>
</tbody>
</table>

2. Adherence to fiscal responsibility

The government continues to pursue sound fiscal or budget policies, such as the full implementation of the Comprehensive Tax Reform Program, to improve the efficiency and effectiveness of the tax system. The budget deficit is limited to 3.2% of GDP or PhP677.6 billion to bring down the government debt from 41.8% of GDP in 2018 to 39.0% by 2022.

3. Effective allocation for infrastructure and social services

Huge portions of the National Budget will still go to the infrastructure and social services sector. In fact, the biggest budgets are allocated to the following sectors: Education (PhP673.0 billion), Public Works (PhP534.3 billion), Social Welfare (PhP195.0 billion), Health (PhP166.5 billion), and Transportation (PhP147.0 billion), among others.

4. Continued adoption of the Cash Budgeting System

With the continued adoption and implementation of the Cash Budgeting System in the 2020 Budget, the government expects better planned, coordinated, and implemented programs by government agencies, thereby improving the delivery of goods and services and enhancing national and personal economic growth.

The 2020 proposed National Budget will focus on the programs and projects under the following categories:

- Law, public order, and safety
- Education and social protection
- Good governance and justice
- Agriculture, environment, natural resources, and risk resiliency
- Construction and economic development
- Youth and the marginalized

These highlight the inclusion in the Budget of a number of landmark programs which will see their first year of implementation.
2020 Budget Dimensions
By Sector (Old System)\(^1\)

The Social Services Sector, which still gets the largest portion of the 2020 proposed National Budget, amounts to PhP1,525.2 billion. This is followed by the Economic Services Sector (PhP1,183.7 billion), General Public Services Sector (PhP734.5 billion), Debt Burden (PhP461.0 billion), and Defense Sector (PhP195.6 billion).

### 2020 National Budget: PhP4.100 trillion

**Social Services: PhP1,525.2 billion**
To fund programs and projects for education, health, social welfare, and housing that will uplift the lives of all Filipinos, especially the poor and vulnerable

**Economic Services: PhP1,183.7 billion**
To boost the country’s economy through increased investments in infrastructure, tourism, trade, and agriculture, and intensified generation of quality jobs, among others

**General Public Services: PhP734.5 billion**
To ensure the preservation of public order and safety and sound, fair, and efficient management of our fiscal resources, among others

**Debt Burden: PhP461.0 billion**
To cover interest payments on local and foreign debts, and net lending

**Defense: PhP195.6 billion**
To intensify efforts to ensure the peace and security of the country through the implementation of security reforms and modernization of the armed forces, among others

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**2020 Budget Dimensions**
By Sector (COFOG)

The Classification of the Functions of Government (COFOG) system is another view of the functional allocation of the budget. It is based on the type and content of the programs.

### What is COFOG?

As an international standard, the COFOG system provides a more consistent, meaningful, and comprehensive framework for budget allocation as it breaks down the budget according to the function and purpose of the expenditure items, regardless of the implementing agency. Most importantly, it also allows intercountry comparisons of governments’ roles in economic and social functions. Since 2015, the Philippines has adopted this system, which was developed by the Organisation for Economic Co-operation and Development (OECD), in categorizing budget expenditures.

### Sectors that Benefit Society as a Whole

<table>
<thead>
<tr>
<th>Sector</th>
<th>2020 Proposed: PhP</th>
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<tbody>
<tr>
<td>General Public Services</td>
<td>1,541.4 B</td>
</tr>
<tr>
<td>Economic Affairs</td>
<td>680.3 B</td>
</tr>
<tr>
<td>Public Order and Safety</td>
<td>242.8 B</td>
</tr>
<tr>
<td>Defense</td>
<td>167.7 B</td>
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<tr>
<td>Environmental Protection</td>
<td>28.2 B</td>
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</tbody>
</table>

### Sectors that Directly Benefit Individuals

<table>
<thead>
<tr>
<th>Sector</th>
<th>2020 Proposed: PhP</th>
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<tbody>
<tr>
<td>Education</td>
<td>267.5 B</td>
</tr>
<tr>
<td>Social Protection</td>
<td>586.0 B</td>
</tr>
<tr>
<td>Economic Affairs</td>
<td>680.3 B</td>
</tr>
<tr>
<td>Health</td>
<td>164.7 B</td>
</tr>
<tr>
<td>Housing and Community Amenities</td>
<td>8.1 B</td>
</tr>
<tr>
<td>Recreation, Culture, and Religion</td>
<td>4.8 B</td>
</tr>
</tbody>
</table>

Note: Figures in ( ) are percentage shares of the total budget.

\(^1\)Based on the function of the recipient agencies of the budget allocations.
2020 Budget Dimensions
By Expense Class

The 2020 proposed National Budget may also be considered under broad categories of expenditure, namely Maintenance and Other Operating Expenses (MOOE), Personnel Services (PS), Capital Outlays (CO), and Financial Expenses (FinEx).

- **Maintenance and Other Operating Expenses (MOOE)**
  PhP1,587.8 billion, or 38.7% of the total Budget, will be used, among others, for the following:
  - Funding of the citizen-centric government programs and services, particularly for human capital development, such as the Universal Health Care Program, Pantawid Pamilyang Pilipino Program, Universal Access to Quality Tertiary Education Program, and K to 12 Program
  - Subsidies for Government-Owned and/or -Controlled Corporations (GOCCs)
  - Allocations for local government units*

- **Personnel Services (PS)**
  PhP1,255.7 billion, or 30.6% of the total Budget, will fund, among others, the following:
  - Salaries, wages, and other compensation of permanent, temporary, contractual, and casual employees of the government
  - Hiring of teachers, police officers, and jail guards
  - Pensions of military/uniformed personnel

- **Capital Outlays and Net Lending (CO)**
  PhP804.2 billion, or 19.6% of the total Budget, will primarily support the Build, Build, Build Program. This will be used, among others, for the construction of:
  - Public infrastructure, such as roads, rails, ports, and airports
  - School and hospital buildings
  - Telecommunications facilities

- **Financial Expenses (FinEx)**
  PhP452.4 billion, or 11.0% of the total Budget, will pay, among others, for:
  - Management supervision/trusteeship fees
  - Interest expenses, guarantee fees, bank charges, and commitment fees
  - Other financial charges incurred in owning or borrowing an asset or property

*Inclusive of Internal Revenue Allotment, Special Shares in the Proceeds of National Taxes, Local Government Support Fund, Special Shares in the Proceeds of Fine Code Fees, and Barangay Officials’ Death Benefits

2020 Budget Dimensions
By Region

The government has allotted about PhP2,809 trillion, or 68.5% of the total PhP4,100 trillion 2020 proposed National Budget, to directly fund programs and projects in the regions. This will address the imbalance of economic growth between urban and rural areas across the country. This allocation will boost inclusive growth in rural-based areas, ensuring that growth is felt equally across the population and falls evenly throughout the archipelago.

**Nationwide Allocations**
- PhP1,018.0 billion
- PhP76,654

**PhP273.0 B**

**Central Office Allocations** pertain to allocations being managed by the Head Office of departments/agencies for their respective units and those for central departments and agencies, such as the Congress, Office of the President, the Judiciary, Office of the Ombudsman, and Commission on Human Rights.

**PhP1,017.7 B**

**Non-Regionalized Budget**

**Distribution of the Proposed Regionalized Budget and Per Capita Allocation**

**Per Capita Allocation**
- Figures may not add up due to rounding off
- Based on the 2020 projected population (PSA)
2020 Budget Dimensions
By Recipient Unit

Sixty-five (65) percent, or PhP2,665.9 billion, of the 2020 proposed National Budget, will go to the national government agencies to fund their priority programs and projects.

On the other hand, PhP781.1 billion, or 19.1% of the total Budget, will go to the Local Government Units (LGUs), which includes the Internal Revenue Allotment shares of LGUs, Local Government Support Fund, and allocation for the Bangsamoro Autonomous Region in Muslim Mindanao. The Government-Owned and/or -Controlled Corporations will get subsidies and net lending of PhP202.0 billion or 4.9% of the PhP4.100 trillion.

Allotment shares of LGUs, Local Government Support Fund, and allocation for the Bangsamoro Autonomous Region in Muslim Mindanao.

Support Fund, and allocation for the Bangsamoro

Allocations to Local Government Units (LGUs)

PhP781.1 B
Subsidy given to local governments, corresponding to their share in national revenue collections, to implement their priority programs and projects

Of which:

- Internal Revenue Allotment
- Local Government Support Fund
- Special Shares in the Proceeds from National Taxes
- Metropolitan Manila Development Authority
- Special Shares in the Proceeds from Fire Code Fees
- Bangsamoro Autonomous Region in Muslim Mindanao

Budgetary Support to Government Corporations

PhP202.0 B
Assistance to government corporations in the form of equities and/or subsidies, including net lending. Of this amount, PhP67.4 billion goes to the Philippine Health Insurance Corporation for the National Health Insurance Program

Pension and Gratuity Fund

PhP190.2 B
Payment for the pension, retirement and terminal leave benefits, and separation pay of civil servants or their beneficiaries, among others

Miscellaneous Personnel Benefits Fund

PhP63.4 B
Personnel-related expenses, such as the creation of new positions and the filling up of authorized positions, among others

What are SPFs?

There are two types of SPFs, namely; lump-sum SPFs and disaggregated SPFs. Disaggregated SPFs comprise the larger portion (71.3%) of these SPFs. To promote transparency, the government has been limiting the number of these funds by integrating program funds under the regular budgets of agencies.

Disaggregated SPFs

PhP236.7 B
These are funds whose allocation have already been broken down into specific agencies and/or programs and projects but are presented as funds in the Budget.

Lump-Sum SPFs

PhP498.3 B
These funds cannot be disaggregated yet during budget preparation and/or can only be implemented when certain conditions have been complied with.

National Disaster Risk Reduction and Management Fund

PhP20.0 B
For aid, relief, repair, and rehabilitation in communities and areas affected by natural and human-induced calamities

Tax Expenditure Fund

PhP14.5 B
Payment for taxes and customs duties of agencies, LGUs, and government corporations

Contingent Fund

PhP13.0 B
Funding for urgent and/or new projects and activities of government agencies and corporations that need to be implemented or paid for during the fiscal year

Debt Interest Payments

PhP451.0 B
Payment for the cost incurred from domestic and foreign borrowings

TOTAL SPFs

PhP1,735 T
The 2020 proposed National Budget is composed of New General Appropriations, amounting to PhP2,850.2 billion, and Automatic Appropriations with PhP1,249.8 billion. New General Appropriations is the portion of the Budget presented to the Congress annually for approval, while Automatic Appropriations fund programs that have already been authorized under existing laws and do not need legislation by the Congress.

The New General Appropriations is divided into Programmed and Unprogrammed Appropriations. Programmed Appropriations are funds released during the fiscal year allocated to programs, activities, and projects of and for the following:

- Departments and Agencies: PhP 2,304.7 billion
- Special Purpose Funds: PhP 545.5 billion

Unprogrammed Appropriations are standby appropriations which are released once the collections in any of the revenue sources exceed the targets or when foreign loans are received. These include:

- Support for Foreign Assisted Projects: PhP 90.4 billion
- Risk Management Program: PhP 30.0 billion
- Support to GOCCs: PhP 61.8 billion
- Others: PhP 34.1 billion

1 Excludes Unprogrammed Appropriations, since these will only be released when revenue collections exceed targets or when foreign loans are received.

2 Includes Social Programs, and Other Infrastructure Projects, AFP Modernization Program, Normalization Program in Mindanao, Health Facilities Enhancement Program, National ID System, Arrears of LWSS Loans, and refund of service development fund.

National Expenditure Program as a Percent of GDP (2020)

- New General Appropriations: 13.5%
- Automatic Appropriations: 5.9%

The 2020 proposed National Budget of PhP4.100 trillion is equivalent to 19.4% of our PhP21.12 trillion GDP, with the following breakdown:

- Internal Revenue Allotment: PhP 648.9 billion
- Debt Service-Interest Payment: PhP 451.0 billion
- Bangsamoro Block Grant: PhP 63.6 billion
- Retirement and Life Insurance Premiums: PhP 49.3 billion
- Special Accounts in the General Fund: PhP 12.5 billion
- Net Lending: PhP 10.0 billion
- Tax Expenditure Fund: PhP 14.5 billion
- Pension of Ex-President and their Spouses: <PhP 0.1 billion

The Department of Health
Revenues: PhP24.3 billion
Expenditures: PhP22.8 billion
For the purchase of drugs, medicines, and equipment, among others, sourced from the income of hospitals.

The Department of Labor and Employment
Revenues: PhP4.8 billion
Expenditures: PhP4.2 billion
For the appeal bonds, monetary judgment awards, and socio-economic projects, among others.

The Department of Transportation
Revenues: PhP2.1 billion
Expenditures: PhP3.7 billion
For the rental fees and consultancy services, among others.

The Judiciary
Revenues: PhP8.4 billion
Expenditures: PhP8.3 billion
For the allowances of justices and judges, among others, sourced from legal fees and other service income.

Other Executive Offices
Revenues: PhP3.1 billion
Expenditures: PhP3.0 billion
For various programs and operating expenses, among others.

Major Off-Budget Accounts, FY 2020
(in billion Pesos)

- Department of Health
  Revenues: PhP24.3 billion
  Expenditures: PhP22.8 billion
  For the purchase of drugs, medicines, and equipment, among others, sourced from the income of hospitals.

- Department of Labor and Employment
  Revenues: PhP4.8 billion
  Expenditures: PhP4.2 billion
  For the appeal bonds, monetary judgment awards, and socio-economic projects, among others.

- Department of Transportation
  Revenues: PhP2.1 billion
  Expenditures: PhP3.7 billion
  For the rental fees and consultancy services, among others.

- The Judiciary
  Revenues: PhP8.4 billion
  Expenditures: PhP8.3 billion
  For the allowances of justices and judges, among others, sourced from legal fees and other service income.

- Other Executive Offices
  Revenues: PhP3.1 billion
  Expenditures: PhP3.0 billion
  For various programs and operating expenses, among others.

Departments/agencies are expected to spend PhP101.7 billion from the PhP103.6 billion estimated off-budget revenues for 2020. These additional expenditures are equivalent to 2.5% of the Budget.
Spending Priorities

- Law, Public Order, and Safety
- Education and Social Protection
- Good Governance and Justice
- Agriculture, Environment, Natural Resources, and Risk Resiliency
- Construction and Economic Development
- Youth and the Marginalized
Peace and Public Order

Recent strides in the peace efforts, such as the passage of the Bangsamoro Organic Law and the intensified campaign against criminality and illegal drugs, show that the government is on track in its national agenda for peace and development.

Reducing Criminality and Illegal Drugs

For 2020, General Public Services, which includes, among others, the increased allocation for the Philippine National Police (PNP), will receive a higher budget of PhP733.8 billion to support the fight against crime, lawlessness, and illegal drugs.

Efforts will be made to guarantee the safety and security of citizens in their communities.

By allotting a bigger budget of PhP195.6 billion to the Defense Sector, the Administration will continue to actively combat terrorism and maintain national sovereignty.

To achieve peace that is lasting and sustainable in the country, the proposed Budget funds priority programs that aim to address the root causes of conflict in vulnerable communities.

Operations of the PNP
To support the operations, programs, and projects of the PNP, particularly:

- PhP14.4 B Filling up of 26,685 positions in the PNP
- PhP3.0 B Creation of 10,000 Police Officer 1 positions to bring our police-to-population ratio to the ideal ratio of 1:500
- PhP100 M Construction of 16 police stations nationwide

Anti-Illlegal Drug Operations of the Philippine Drug Enforcement Agency (PDEA)
To suppress the supply of dangerous drugs through the conduct of anti-illegal drug operations

Enforcement of the Philippine Anti-Illlegal Drugs Strategy
To ensure that communities are drug-free through the joint efforts of the PNP, Department of Health, Department of the Interior and Local Government, and Dangerous Drugs Board

Ensuring Public Order and Safety

Efforts will be made to guarantee the safety and security of citizens in their communities.

Bureau of Fire Protection
To reduce the occurrence of and casualties from fire incidents

Bureau of Jail Management and Penology
To ensure the safekeeping of inmates in district, city, and municipal jails

Bureau of Corrections
To effectively and efficiently secure and manage 47,010 national prisoners

Upholding Territorial Integrity and Sovereignty

By allotting a bigger budget of PhP195.6 billion to the Defense Sector, the Administration will continue to actively combat terrorism and maintain national sovereignty.

Department of National Defense
To respond to internal and external security threats, and cover the PhP25.0 billion requirement for the Revised Armed Forces of the Philippines (AFP) Modernization Program

Attaining Inclusive and Sustainable Peace

To achieve peace that is lasting and sustainable in the country, the proposed Budget funds priority programs that aim to address the root causes of conflict in vulnerable communities.

Transition to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)
To ensure the smooth transition from the ARMM to the new BARMM, pursuant to Republic Act No. 11024 or the Bangsamoro Organic Law

- BARMN Infrastructure Development
  PhP17.7 B To fund the construction of strategic infrastructure in the region
- Normalization Program in the Bangsamoro
  PhP88 M To fund the operating requirements of the Office of the Presidential Adviser on the Peace Process in the implementation of the Normalization Program in the Bangsamoro

Payapa at Masaganang Pamayanan (PAMANA) Program
To improve socioeconomic conditions and strengthen peace-building initiatives in isolated and conflict-affected communities of Mindanao

Of which:

- PNP61 M: Community Support
  (Department of Social Welfare and Development)
- PNP61 M: Health Insurance Premiums
  (Philippine Health Insurance Corporation)
- PNP23 M: Support for Indigenous Peoples
  (National Commission on Indigenous Peoples)

Implementation of the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC)
To end communist armed struggles in areas affected by and vulnerable to conflict through the adoption of the National Peace Framework, providing development interventions in these communities

- PhP622 M

Of which:

- PNP622 M: Community Support
  (Department of Social Welfare and Development)
Education

Enhancing human capital through accessible and quality education leads to technological advancement, innovation, and a skilled labor force that drives the growth of an economy. This is why the government will allocate PhP673.0 billion to the Education Sector in 2020, a 1.2% increase from this year’s PhP665.1 billion.

2020 Targets of the DepEd

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

<table>
<thead>
<tr>
<th>Education Level</th>
<th>2019 (%)</th>
<th>2020 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>93.87</td>
<td>97.00</td>
</tr>
<tr>
<td>Secondary</td>
<td>73.36</td>
<td>89.00</td>
</tr>
</tbody>
</table>

Completion Rate
The percentage of students who have completed an education level in the required number of years of study

<table>
<thead>
<tr>
<th>Education Level</th>
<th>2019 (%)</th>
<th>2020 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>97.00</td>
<td>99.00</td>
</tr>
<tr>
<td>Secondary</td>
<td>89.00</td>
<td>93.00</td>
</tr>
</tbody>
</table>

Source: Philippine Development Plan 2017-2022

Basic Education
Primary and secondary education are critical in building the foundation for learning skills and developing good values and attitudes in the youth. The Department of Education (DepEd) will be granted a PhP551.7 billion budget for 2020 to ensure that it reaches and accomplishes its targets and goals.

Tertiary Education
To improve the quality of education and employability of graduates, the Tertiary Education Sector is given PhP109.3 billion for 2020. State Universities and Colleges (SUCs) will get PhP68.5 billion, while the Commission on Higher Education will be provided with PhP40.8 billion, of which PhP35.4 billion will go to the UAQTE program, which are allotted as follows:

- PhP18.4 billion for the Tertiary Education Subsidy
  - To fund the scholarships of 190,881 students

- PhP2.3 billion for the Training for Work Scholarship Program (TWSP)
  - To offer specific courses, such as agri-fishery/agri-business/agri-industrial and general infrastructure, among others, to 102,393 enrollees

- PhP16.0 billion for the Free Higher Education Program
  - To provide financial assistance, such as payment for school fees, to 1,239,175 beneficiaries

- PhP1.2 billion for the Special Training for Employment Program (STEP)
  - To provide 55,775 beneficiaries with community-based trainings for skills that will enable them to gain employment

Health and Nutrition Services
PhP6.0 billion for the school-based Feeding Program
PhP1.4 billion for the Dental Health Care Program

Learning Resources
PhP12.6 billion for the procurement of:
- 10.3 million textbooks and instructional materials
- 3,392 Science and Mathematics equipment
- 46,310 computer packages
- 1,200 Technical-Vocational equipment

Government Assistance and Benefits for Students and Teachers
PhP31.2 billion to provide financial aid for:
- 2,034,519 students of private Junior and Senior High Schools, and Non-DepEd Schools
- 53,260 teachers under the Teacher Salary Subsidy Program

Source: Philippine Development Plan 2017-2022

Technical-Vocational Education
To ensure that the Technical Education and Skills Development Authority (TESDA) continues to equip the citizens with world-class technical-vocational skills, TESDA is granted a PhP11.9 billion budget for 2020. This also includes the PhP3.9 billion budget for the UAQTE Program.
Social Protection

The goal is to “leave no one behind” by protecting the poor and marginalized Filipinos and building up their resilience and, eventually, helping them to achieve a better quality of life. The government has allotted PhP205.7 billion for this department mandated to protect the social welfare of every Filipino. Of this total, PhP108.8 billion will go to the Department of Social Welfare and Development to fund the landmark Pantawid Pamilyang Filipino Program Act institutionalized through Republic Act No. 11310.

Social Protection for Children and Particularly Vulnerable Groups

**Supplementary Feeding Program**
To provide nutritional support to 1,881,979 day care children aged 2 to 12 years through a 120-day feeding program

PhP3.6 B

**Social Pension for Indigent Senior Citizens**
To provide a PhP500 monthly stipend to 3,796,791 senior citizens as supplementary benefit for their daily expenses and medical needs

PhP23.2 B

**Bangsamoro Umpungan sa Nutrisyon (BangUN) Program**
To nourish children aged 0 to 12 years, as well as pregnant and lactating women, in select barangays in the Bangsamoro Autonomous Region in Muslim Mindanao, who have been identified to be in need of nutritional intervention

PhP158 M

**Implementation of the Centenarians Act**
To grant senior citizens aged 100 years and up a one-time cash incentive of PhP100,000

PhP109 M

Social Welfare of Senior Citizens

**Social Welfare for Distressed Overseas Filipinos (OFs) and Trafficked Persons**

To assist overseas Filipinos (OFs) who are in distress, who have been victims of trafficking, or are returning to the country. Furthermore, this will cover programs that will promote protection of and generate modest employment for our OFs. The total allocation of PhP167 million will support these programs, which include:

- PhP90 M Services to Distressed Overseas Filipinos
- PhP52 M Services to Displaced Persons
- PhP24 M Recovery and Reintegration Program for Trafficked Persons

Social Protection for the Poor

**Conditional Cash Transfer (CCT) or the Pantawid Pamilyang Filipino Program (4Ps)**
To improve the status of 4.4 million poor Filipino households by providing health grants, education grants, rice subsidy, and livelihood assistance

PhP108.8 B

**Unconditional Cash Transfer (UCT) Program**
To cushion the effects of price adjustments due to the inadvertent impacts of the TRAIN Law by providing a tax subsidy of PhP300 per month to 10 million indigent families, including CCT beneficiaries and social pensioners

PhP37.2 B

**Sustainable Livelihood Program**
To expand access to livelihood and employment opportunities to 108,145 Filipino households, including CCT beneficiaries, and indigent and marginalized families

PhP3.0 B

Social Mitigating Measures under the TRAIN Law

**Services to Distressed Overseas Filipinos**

PhP90 M

**Services to Displaced Persons**

PhP52 M

**Recovery and Reintegration Program for Trafficked Persons**

PhP24 M
Universal Health Care

With the passage of the Universal Health Care Act, or Republic Act No. 11223, the country’s health system enters a new era that guarantees that every Filipino, especially the poor and vulnerable, will have equitable access to quality and affordable health care services. For 2020, PhP166.5 billion will be provided for the Health Sector for the first year of implementation of this Act.

ENSURING EFFICIENT AND RELIABLE HEALTH SERVICES

2020 Regional Allocation for the Health Facilities Operations Program

<table>
<thead>
<tr>
<th>Region</th>
<th>Department of Health (DOH) Hospitals</th>
<th>Dangerous Drug Abuse Treatment and Rehabilitation Centers</th>
<th>Blood Centers and National Voluntary Blood Services</th>
<th>National Research Laboratories</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>1,564,053</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>I</td>
<td>2,171,438</td>
<td>98,014</td>
<td>5,774</td>
<td>-</td>
</tr>
<tr>
<td>II</td>
<td>2,038,386</td>
<td>58,285</td>
<td>5,774</td>
<td>-</td>
</tr>
<tr>
<td>III</td>
<td>2,788,821</td>
<td>178,052</td>
<td>5,774</td>
<td>-</td>
</tr>
<tr>
<td>NCR</td>
<td>11,958,071</td>
<td>238,146</td>
<td>550,082</td>
<td>184,330</td>
</tr>
<tr>
<td>IV-A</td>
<td>1,035,729</td>
<td>90,397</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MIMAROPA</td>
<td>376,295</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>V</td>
<td>1,668,975</td>
<td>110,169</td>
<td>5,774</td>
<td>-</td>
</tr>
<tr>
<td>VI</td>
<td>1,686,571</td>
<td>51,363</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>VII</td>
<td>4,352,812</td>
<td>111,436</td>
<td>9,694</td>
<td>-</td>
</tr>
<tr>
<td>VIII</td>
<td>834,365</td>
<td>59,130</td>
<td>2,459</td>
<td>-</td>
</tr>
<tr>
<td>IX</td>
<td>1,992,437</td>
<td>12,000</td>
<td>2,459</td>
<td>-</td>
</tr>
<tr>
<td>X</td>
<td>2,043,027</td>
<td>74,853</td>
<td>2,459</td>
<td>-</td>
</tr>
<tr>
<td>XI</td>
<td>3,234,377</td>
<td>12,000</td>
<td>2,459</td>
<td>-</td>
</tr>
<tr>
<td>XII</td>
<td>792,858</td>
<td>12,000</td>
<td>2,459</td>
<td>-</td>
</tr>
<tr>
<td>CARAGA</td>
<td>595,877</td>
<td>69,210</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>39,134,092</td>
<td>1,175,045</td>
<td>602,672</td>
<td>184,330</td>
</tr>
</tbody>
</table>

*This budget is lodged under the DOH (PhP2.5 billion) and Miscellaneous Personnel Benefits Fund (PhP7.0 billion)
Government Service Delivery

With the objective to improve service delivery and boost the country’s competitiveness, the Duterte Administration pursues good governance measures to foster an enabling business environment, eliminate red tape and corruption, and uphold justice and the rule of law.

**Pursue Swift and Fair Administration of Justice**

- **Department of Justice (DOJ)**
  PhP23.2 B
  To fund the programs and projects of the DOJ, such as:
  - PhP6.2 B  Law Enforcement Program
  - PhP4.4 B  Free Legal Services to Indigents and Other Qualified Persons (Public Attorney’s Office)
  - PhP200 M  Witness Protection Program

- **Anti-Trafficking in Persons Enforcement**
  PhP65 M
  To cover the requirements for the implementation of Republic Act No. 9208 or the Anti-Trafficking in Persons Act led by the DOJ aimed at reinforcing efforts against human trafficking

- **The Judiciary**
  PhP38.7 B
  To ensure the speedy and fair resolution of cases through the country’s court system, of which:
  - PhP20.1 B  Operations of the Supreme Court and the Lower Courts
  - PhP1.2 B  Creation and repair of new and existing Halls of Justice

- **Justice Sector Convergence Program**
  PhP78 M
  To decongest jails, promote community and service-oriented policing, and strengthen the barangay justice system, among others

**Promote Ease of Doing Business**

- **Negosyo Centers**
  PhP512 M
  To fund the establishment and management of 1,099 Negosyo Centers, assist 785,000 clients, and facilitate access to business services for micro, small, and medium enterprises

- **Anti-Red Tape Authority**
  PhP72 M
  To implement and oversee efforts on anti-red tape reforms, and enforce the ease of doing business in the country, in accordance with Republic Act No. 11032 or the Ease of Doing Business Act

**Take Action Against Corruption**

- **Anti-Corruption Enforcement and Investigation**
  PhP1.1 B
  To support the implementation of anti-corruption programs of the Office of the Ombudsman

- **National Government Portal (NGP)**
  PhP381 M
  To sustain the implementation and operations of the NGP as the central portal for transacting with the government for a more efficient and transparent service delivery

- **Budget and Treasury Management System**
  PhP278 M
  To provide for the automation, consolidation, and management of government financial information in a common electronic database

- **Hotline 8888**
  PhP34 M
  To cover the cost of equipment and facilities needed for the operations of the 8888 Citizens’ Complaint Center

- **Project D.I.M.E. (Digital Imaging for Monitoring and Evaluation)**
  PhP20 M
  To monitor and evaluate the status of big-ticket programs and projects of the government using drones, satellites, and state-of-the-art geotagging applications
Agriculture

With millions of Filipinos largely dependent on agriculture, forestry, and fishing (AFF) for their livelihood, the government will allot PhP142.7 billion to make the AFF Sector more productive and climate change resilient, ensure food security, and help uplift the lives of farmers and fisherfolk.

FOOD PRODUCTION

- Major Commodity Programs of the Department of Agriculture (DA) PhP11.5 B
  To invest in programs aimed at enhancing food production in order to meet the growing food needs of the people
  - PhP7.0 B Rice Program
  - PhP4.5 B Fisheries
  - PhP1.5 B Corn Program
  - PhP1.4 B High-Value Crops
  - PhP0.9 B Livestock
  - PhP0.5 B Organic Agriculture

- Rice Competitiveness Enhancement Fund (RCEF) PhP10.0 B
  To provide farmers with rice farm machineries and equipment for mechanization; develop, propagate, and promote inbred rice seeds; expand rice credit assistance; and support agricultural extension services, pursuant to Republic Act No. 11203 or the Rice Liberalization Act

- Buffer Stocking Program PhP7.0 B
  To procure 388,889 metric tons of palay from local farmers in order to maintain a national rice reserve for calamities and emergencies (National Food Authority)

AGRICULTURAL INFRASTRUCTURE

- Irrigation Systems Development and Restoration PhP36.3 B
  To create, repair, maintain, and develop national and communal irrigation systems and provide free irrigation for small farmers (DA and National Irrigation Administration)
  - Number of hectares (ha) irrigated in all cropping seasons: 2,252,560 ha
    - National Irrigation System: 1,361,646 ha
    - Communal Irrigation System: 890,914 ha

- Farm-to-Market Roads (FMRs) PhP12.4 B
  To construct 904 kilometers of FMRs in order to facilitate or improve the transport of goods and services between production areas and markets

  **Regional Allocation for FMRs (FY 2020)**

<table>
<thead>
<tr>
<th>Region</th>
<th>PhP</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>332 M</td>
</tr>
<tr>
<td>Region I</td>
<td>516 M</td>
</tr>
<tr>
<td>Region II</td>
<td>522 M</td>
</tr>
<tr>
<td>Region III</td>
<td>637 M</td>
</tr>
<tr>
<td>NCR</td>
<td>544 M</td>
</tr>
<tr>
<td>Region IV-A (CALABARZON)</td>
<td>250 M</td>
</tr>
<tr>
<td>MIMAROPA</td>
<td>638 M</td>
</tr>
<tr>
<td>Region V</td>
<td>772 M</td>
</tr>
<tr>
<td>Region VI</td>
<td>738 M</td>
</tr>
<tr>
<td>Region VII</td>
<td>791 M</td>
</tr>
<tr>
<td>Region VIII</td>
<td>465 M</td>
</tr>
<tr>
<td>Region IX</td>
<td>502 M</td>
</tr>
<tr>
<td>Region X</td>
<td>622 M</td>
</tr>
<tr>
<td>Region XI</td>
<td>539 M</td>
</tr>
<tr>
<td>Region XII</td>
<td>584 M</td>
</tr>
<tr>
<td>CARAGA</td>
<td>501 M</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,959 M</td>
</tr>
</tbody>
</table>

  1/ Inclusive of locally-funded and foreign-assisted projects
  2/ Covers locally-funded projects only

VALUE CHAIN DEVELOPMENT

- Research and Development (R&D) PhP57 M
  To fund 507 projects under the National R&D Program of the Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development

- Crop Insurance PhP5.5 B
  To fund the full insurance premiums of 1,800,144 subsistence farmers and fishermen (Philippine Crop Insurance Corporation)

- Land Acquisition and Distribution PhP2.6 B
  To transmit for DENR approval the land survey plans for 34,359 ha of private agricultural lands and government-owned lands and accomplish the target 42,792 ha of land with registered Emancipation Patent/Certificate of Land Ownership Award (Department of Agrarian Reform)

- Credit Assistance PhP2.5 B
  To expand easy access credit for farmers and fisherfolk listed under the Registry System for Basic Sectors in Agriculture (Agricultural Credit Policy Council)
Environment

The government aims to provide Filipinos with a future where they can live peacefully and in a clean and healthy environment. Saving Mother Nature and managing the country’s natural resources will not only keep Filipinos healthy, but also mitigate the harsh effects of climate change.

Securing the Environment

To protect the country’s natural resources and restore damaged or threatened ecosystems, the Duterte Administration has allocated PhP26.4 billion to the Department of Environment and Natural Resources. This budget will be used to draft and enforce environmental policies, implement proper resource management strategies, and secure the environment.

Forest and Watershed Management Program

To manage, develop, and protect forests and watersheds in order to ensure sustainable habitats for wildlife, replenish bioproducts, and improve ecological conditions. This allocation includes:

- National Greening Program
  - To sustain the forestry rehabilitation efforts of planting over 150,000 hectares (ha) of forests, producing 166.9 million seedlings, and maintaining 318,871 ha of forests and watersheds

- Environment and Natural Resources Resiliency Program
  - To create better-adapted ecosystems in vulnerable areas in the country, such as forests, watersheds, peri-urban areas, and coastal areas

Solid Waste Management Program

To support local government units in the rehabilitation and/or closure of dumpsites, and the establishment of materials recovery facilities

Coastal and Marine Ecosystems Rehabilitation

PhP1.6 billion to protect and restore Philippine marine biodiversity and coastal habitats comprised of coral reefs, seagrass beds, and mangrove forests, wherein PhP1.5 billion is allocated for the rehabilitation of the Manila Bay as part of the Administration’s plan to ensure that the country’s environmental areas are protected properly.

Climate Change Adaptation and Mitigation

In response to the hazards brought about by climate change, the Administration will provide PhP220.8 billion for Climate Change Adaptation and Mitigation (CCAM) for various government agencies. This allocation will be used, among others, for the following:

- To construct and rehabilitate flood mitigation facilities; fortify measures on flood control; and prevent risks to both human lives and economic productivity under the climate change expenditure of the Department of Public Works and Highways

- To fund the risk resiliency program for food security, ecosystem stability, human security, climate smart industries and cities, sustainable energy, and knowledge and capacity building

- To lessen the country’s dependence on fossil fuels and reduce our carbon footprint, thereby decreasing our contribution to global warming

SPENDING PRIORITIES
Agriculture, Environment, Natural Resources, and Risk Resiliency

PhP8.4 B

PhP5.2 B

PhP73 M

PhP566 M

PhP154 M

PhP174.7 B

PhP46.1 B

PhP146.5 B

PhP220.8 B
Infrastructure

To intensify infrastructure development, the Duterte Administration continues to fund its flagship Build, Build, Build Program with PhP72.5 billion for the proposed infrastructure budget for 2020 and representing 4.6% of GDP.

Regional Breakdown of the FY 2020 Infrastructure Budget

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationwide$</td>
<td>PhP170.6B</td>
</tr>
<tr>
<td>Central Office$</td>
<td>PhP493.7B</td>
</tr>
<tr>
<td>CAR</td>
<td>PhP12.4B</td>
</tr>
<tr>
<td>Region I</td>
<td>PhP15.6B</td>
</tr>
<tr>
<td>Region II</td>
<td>PhP14.9B</td>
</tr>
<tr>
<td>Region III</td>
<td>PhP25.5B</td>
</tr>
<tr>
<td>NCR$</td>
<td>PhP55.4B</td>
</tr>
<tr>
<td>Region IV A</td>
<td>PhP19.9B</td>
</tr>
<tr>
<td>MIMAROPA</td>
<td>PhP12.0B</td>
</tr>
<tr>
<td>Region V</td>
<td>PhP18.8B</td>
</tr>
<tr>
<td>Region VI</td>
<td>PhP18.0B</td>
</tr>
<tr>
<td>Region VII</td>
<td>PhP17.4B</td>
</tr>
<tr>
<td>Region VIII</td>
<td>PhP15.8B</td>
</tr>
<tr>
<td>Region IX</td>
<td>PhP11.3B</td>
</tr>
<tr>
<td>Region X</td>
<td>PhP15.3B</td>
</tr>
<tr>
<td>Region XI</td>
<td>PhP14.4B</td>
</tr>
<tr>
<td>Region XII</td>
<td>PhP12.6B</td>
</tr>
<tr>
<td>Region XIII</td>
<td>PhP11.1B</td>
</tr>
<tr>
<td>Bangsamoro Autonomous Region in Muslim Mindanao (BARM$)</td>
<td>PhP17.9B</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>PhP972.5B</td>
</tr>
</tbody>
</table>

$Figures may not add up due to rounding off.

1. Nationwide allocations pertain to allocations that are yet to be distributed to various regions of the departments/agencies and multi user Special Purpose Funds (e.g., Calamity Funds).
2. Central Office allocations consist of infrastructure allocations being managed by the Head Office of departments/agencies for their respective units.
3. Regional allocations for NCR include funding requirements of departments/agencies located in the NCR with nationwide coverage but without regional operating units.
4. Inclusive of infrastructure projects located in BARM$ provinces.

Safe and Reliable National Road Systems*

<table>
<thead>
<tr>
<th>Targets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>PhP119.1B Network Development Program</td>
<td></td>
</tr>
<tr>
<td>PhP51.8B Asset Preservation Program</td>
<td></td>
</tr>
<tr>
<td>PhP32.9B Bridge Program</td>
<td></td>
</tr>
<tr>
<td><strong>Length of maintained roads</strong></td>
<td>955.021 kilometers (km)</td>
</tr>
<tr>
<td><strong>Length of rehabilitated/reconstructed/upgraded roads</strong></td>
<td>321.660 km</td>
</tr>
<tr>
<td><strong>Length of newly constructed roads</strong></td>
<td>1,081.660 km</td>
</tr>
<tr>
<td><strong>Length of widened roads</strong></td>
<td>996.693 km</td>
</tr>
<tr>
<td><strong>Total length of new and replaced bridges</strong></td>
<td>24,222.018 linear meters (lm)</td>
</tr>
<tr>
<td><strong>Number of maintained and rehabilitated bridges</strong></td>
<td>487</td>
</tr>
<tr>
<td><strong>Length of newly-constructed bridges</strong></td>
<td>1,790.040 lm</td>
</tr>
</tbody>
</table>

*Figures may not add up due to rounding off.

Note: Figures may not add up due to rounding off.
To fund local access roads, local bridges, sanitation and health facilities, and potable water system projects, among others.

To improve and develop the New Cebu International Container Port Project.

**Assistance to Municipalities**
To fund local access roads, local bridges, sanitation and health facilities, and potable water system projects, among others

**Conditional Matching Grant to Provinces**
To pave, repair, and improve around 500 km of provincial roads

**Assistance to Cities**
To construct, rehabilitate, repair, and/or improve open spaces

---

### Infrastructure Projects for Local Government Units (LGUs)

To improve livability in urban and rural areas, LGUs will be implementing their own infrastructure projects based on the needs of their areas.

- **Assistance to Municipalities**
  - PhP11.7 B
- **Conditional Matching Grant to Provinces**
  - PhP8.2 B
- **Assistance to Cities**
  - PhP2.4 B

---

**Information Technology (IT) Infrastructure Projects**

The Duterte Administration continues to improve the country’s IT sector. A total of PhP5.2 billion is allocated for IT infrastructure programs under the Department of Information and Communications Technology. This will fund, among others:

- **Free Wi-Fi Connectivity in Public Places**
  - PhP1.4 B
  - To provide safe and free Wi-Fi access in public spaces and State University and Colleges

- **National Government Portal**
  - PhP381 M
  - To serve as a one-stop gateway unifying all web-based government content for reliable government online services, data, and information

- **National Government Data Center**
  - PhP295 M
  - To ensure high quality service by providing internet connections to government agencies

- **National Broadband Plan**
  - PhP196 M
  - To improve internet speed by accelerating the deployment of fiber optic cables and wireless technologies all over the country

---

**Infrastructure for Various Sectors**

Apart from maintaining the country’s roads and bridges, the Department of Public Works and Highways (DPWH) also manages various infrastructure projects in partnership or convergence with other agencies and sectors.

**Disaster Preparedness**

To ensure the safety of Filipinos and avoid casualties during calamities:

- **PhP61.6 B**
  - For flood control projects

- **PhP3.0 B**
  - For the rehabilitation of disaster-related infrastructure and other facilities

**Tourism**

In order to take advantage of the increasing international tourist arrivals in the country, the government allot:

- **PhP2.1 B**
  - For the construction and improvement of 690,075 km of access roads leading to declared tourism destinations

- **PhP2.3 B**
  - For the construction and improvement of access roads leading to ports

**Trade and Industry**

Through the joint agreement between the DPWH and the Department of Trade and Industry, roads and bridges leading to business and trade areas will be funded in support of the Industry and Trade Development Program.

- **PhP1.0 B**
  - For the construction, rehabilitation, upgrade, and improvement of roads and bridges leading to industry and trade development areas
Youth and the Marginalized

To ensure inclusive and sustainable development, the government seeks to provide all Filipinos, especially the youth and the vulnerable groups, with equitable opportunities to meaningfully contribute to and equally benefit from socioeconomic growth.

**Child Development**

The government will invest in strategies to care for the welfare of Filipino children.

**PhP2.5 B**

**Early Childhood Care and Development Convergence (ECCDC) Program**

To fund the following programs that will address the health, nutrition, social protection, and educational needs of children aged 0 to 4 years old:

- **PhP2.2 B**
  - Implementation of the Family Health, Nutrition, and Responsible Parenting Program (Department of Health [DOH])

- **PhP159 M**
  - Provision for the First 1000 Days Program to address malnutrition among mothers and children (DOH-National Nutritional Council)

- **PhP149 M**
  - Capacity-building and institutional development of intermediaries and other partners of the Program (Department of Education-ECCDC)

**Employment**

With a proposed budget of PhP14.9 billion, the Department of Labor and Employment will continue to expand the creation of productive and decent jobs, particularly for the youth and disadvantaged sectors.

**PhP3.9 B**

**Tulong P PanghandaBay sa Ating Disadvantaged/Displaced Workers (TUPAD) Program**

To assist and provide emergency employment for 351,001 displaced workers, underemployed, and seasonal workers.

**PhP514 M**

**Special Program for Employment of Students (SPES)**

To provide employment for 114,410 youth beneficiaries and help them pursue their education.

**PhP41 M**

**Jobstart Philippines**

To help the youth find suitable jobs through the provision of trainings designed to enhance their skills and employability.

**Housing and Basic Utilities**

The Budget supports programs and projects aimed at providing the poor and homeless with decent homes and access to basic utilities, such as water and electricity.

**PhP5.3 B**

To fund the construction of 3,517 housing units under the National Housing Authority, including the 3,237 settlement units for the relocation of informal settler families (ISFs) affected by the Manila Bay Rehabilitation Project.

**PhP14 B**

To cover the PhP897 million requirement for the implementation of the High Density Housing Program and PhP500 million for the Community Mortgage Program catering to ISFs and low-income Filipinos under the Social Housing Finance Corporation.

**PhP1.0 B**

To ensure the access of 2,222 low income families to affordable and secure shelter financing through the Socialized Loan Housing Take-out of Receivables (SHELTER) Program of the National Home Mortgage Finance Corporation.

**PhP642 M**

To fund the operations of the Department of Human Settlements and Urban Development (DHSUD) as the main government agency for managing human settlements, and urban development.

**PhP1.2 B**

To provide potable water supply for 232,446 households in 134 waterless areas through the Sagana at Ligtas na Tubig Para sa Lahat (SALINTUBIG) Program.

**PhP1.5 B**

To provide electricity for 775 sitios through the Sitio Electrification Program.

**PhP1.4 B**

To ensure the access of 2,222 low income families to affordable and secure shelter financing through the Socialized Loan Housing Take-out of Receivables (SHELTER) Program of the National Home Mortgage Finance Corporation.

**PhP41 M**

To provide employment for 114,410 youth beneficiaries and help them pursue their education.

**You’re Hired**

**You’re Hired**

**2020 PEOPLE’S PROPOSED BUDGET**
The Budget and the Economy

Just like in a family where the parents are keenly aware of developments and risks that can affect the family income, the government also closely monitors the events which can affect its revenue collection and spending. Recognizing and addressing this fiscal sensitivity to key macroeconomic indicators is crucial to ensuring the realistic and successful implementation of the programs supported in the Budget.

Macroeconomic Assumptions, 2018-2022

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Actual 2018</th>
<th>Projection³</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP Growth (%)</td>
<td>6.2</td>
<td>6.0-7.0</td>
<td>6.5-7.5</td>
<td>7.0-8.0</td>
<td>7.0-8.0</td>
<td></td>
</tr>
<tr>
<td>Inflation (%)</td>
<td>5.2</td>
<td>2.0-4.0</td>
<td>2.0-4.0</td>
<td>2.0-4.0</td>
<td>2.0-4.0</td>
<td></td>
</tr>
<tr>
<td>364-day Treasury Bill Rate (%)</td>
<td>5.1</td>
<td>5.5-6.5</td>
<td>5.0-6.0</td>
<td>5.0-6.0</td>
<td>5.0-6.0</td>
<td></td>
</tr>
<tr>
<td>FOREX (PhP/USD)</td>
<td>52.66</td>
<td>51-53</td>
<td>51-55</td>
<td>51-55</td>
<td>51-55</td>
<td></td>
</tr>
<tr>
<td>LIBOR, 180 Days (%)</td>
<td>2.5</td>
<td>2.5-3.5</td>
<td>1.5-2.5</td>
<td>1.5-2.5</td>
<td>1.5-2.5</td>
<td></td>
</tr>
<tr>
<td>Dubai Oil (USD/bl)</td>
<td>69.42</td>
<td>60-75</td>
<td>60-75</td>
<td>60-75</td>
<td>60-75</td>
<td></td>
</tr>
<tr>
<td>Exports Growth (%)¹⁰</td>
<td>-0.3</td>
<td>2.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>Imports Growth (%)¹⁰</td>
<td>9.4</td>
<td>7.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
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</tbody>
</table>

¹Assumptions and targets adopted by the Development Budget Coordination Committee (DBCC) on July 18, 2019
³(in billion Pesos)

Fiscal Sensitivity to Key Macroeconomic Indicators, 2018-2020²

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 percentage point increase in real GDP Growth</td>
<td>21.4</td>
<td>23.0</td>
<td>26.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1 percentage point increase in inflation rate</td>
<td>20.7</td>
<td>20.5</td>
<td>22.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1 percentage point increase in merchandise import growth</td>
<td>4.2</td>
<td>5.5</td>
<td>5.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1 percentage point increase in Treasury Bill Rate</td>
<td>1.0</td>
<td>0.8</td>
<td>0.4</td>
<td>2.0</td>
<td>2.6</td>
</tr>
<tr>
<td>1 percentage point increase in London Interbank Offered Rate (180 days)</td>
<td>-</td>
<td>-</td>
<td>5.3</td>
<td>5.9</td>
<td>6.5</td>
</tr>
<tr>
<td>1 peso depreciation in foreign exchange rate</td>
<td>9.5</td>
<td>8.8</td>
<td>10.7</td>
<td>2.1</td>
<td>2.2</td>
</tr>
</tbody>
</table>

²Source: Department of Finance and Bureau of the Treasury
³A negative figure in the budget balance means an increase in deficit.
Fiscal Program

The Duterte Administration will maintain its revenue and spending plan in the next three years. This plan involves sustaining the rising trend in government revenue collections to sufficiently support its increasing funding needs for priority projects.

National Government Fiscal Program, 2018-2022

(in billion Pesos)

<table>
<thead>
<tr>
<th>Year</th>
<th>Disbursements</th>
<th>Revenues</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>513.3</td>
<td>1,264.6</td>
<td>751.3</td>
</tr>
<tr>
<td>2019</td>
<td>620.0</td>
<td>1,677.8</td>
<td>1,057.8</td>
</tr>
<tr>
<td>2020</td>
<td>749.7</td>
<td>2,028.6</td>
<td>1,278.9</td>
</tr>
<tr>
<td>2021</td>
<td>876.2</td>
<td>2,419.9</td>
<td>1,543.7</td>
</tr>
<tr>
<td>2022</td>
<td>1,043.5</td>
<td>2,850.2</td>
<td>1,806.7</td>
</tr>
</tbody>
</table>

The active revenue collection efforts of the government will ensure that its increasing disbursements targets until 2022 will be adequately funded while maintaining, at the same time, a very reasonable budget deficit of 3.2% of GDP.

End-of-Plan Targets

- 20.4% Disbursements-to-GDP
- 17.2% Revenue Effort
- 7.0-8.0% Growth Target
- 3.2% Deficit Target

Revenues

The government projects a total revenue collection of PhP3.536 trillion for 2020. It is 12.3% higher than the PhP3.150 trillion collected in 2019. The total revenues for 2020 is equivalent to 16.7% of GDP compared with 16.5% in 2019.

What are the sources of government revenues?

- Tax Revenues
  - PhP2,576.0 B - Bureau of the Internal Revenue
  - PhP 731.2 B - Bureau of Customs
  - PhP 251.8 B - Others

- Non-Tax Revenues
  - PhP282.3 B - Bureau of the Treasury
  - PhP93.3 B - Fees and Charges
  - PhP65.8 B - Others

- Privatization
  - PhP2.0 B

Note: Figures may not add up due to rounding off.
Comprehensive Tax Reform Program

Some PhP195.5 billion of the revenue collections for 2020 is projected to come from the Comprehensive Tax Reform Program (CTRP). This will be invested in infrastructure and social development to boost the Administration’s thrust towards inclusive growth and poverty reduction.

Estimated Proceeds from Tax Measures in FY 2020

Pending CTRP Packages

The following tax reform proposals will be refiled in the 18th Congress. While Package 2+ and the Motor Vehicle User’s Charge are designed to generate additional revenues, Packages 2, 3, and 4 will focus on implementing reforms to make the tax system more efficient and globally competitive.

Borrowings

To secure access to cheaper sources of borrowings, the Duterte Administration ensures the soundness of its creditworthiness or the ability to pay off its debt. To achieve this, it will stick to its borrowing mix policy of 75:25 in favor of domestic sources, sustain the downward course of its total debt as a share of GDP, and implement reforms aimed at managing government arrears and liabilities.

Long-term Sustainability of the National Government’s Debt Level

At 39.0% share to GDP by 2022, the country will finally reach the ideal 40% debt-to-GDP ratio threshold for developing and emerging economies like the Philippines. At this rate, the country’s debt level is more sustainable and the economy is more than capable to pay off its debt.
**Glossary**

1. **Allotment.** Authorization issued by the Department of Budget and Management (DBM) to an agency allowing the latter to commit/incure obligations and/or pay out funds within a specified period of time and within the amount specified through the:
   - General Appropriations Act as the Allotment Order (GAAAO), for specific appropriation items deemed released upon effectivity of the GAA;
   - General Allotment Release Order (GARO) for the full year requirement for the automatically appropriated Retirement and Life Insurance Premium (RLIP) contributions; and
   - Special Allotment Release Order (SARO) for budget items requiring compliance with certain conditionalities.

2. **Allotment Class.** Classification of expenditures under the following categories:
   - Personnel Services (PS)
   - Maintenance and Other Operating Expenses (MOOE)
   - Financial Expenses (FinEx)
   - Capital Outlays (CO)

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

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

5. **Budget Deficit.** A situation when government spending exceeds revenues.

6. **Cash Budgeting System.** This system of budgeting limits incurring obligations and disbursing payments for goods delivered and services rendered, inspected, and accepted within the current fiscal year prior to 2022 or the approved transition period after the fiscal year. Payments for contractual obligations may be settled until the end of the Extended Payment Period or within three (3) months after the end of the preceding fiscal year.

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

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

9. **Expenditure Program.** The ceiling on the obligations that may be incurred by the government within a given budget year. The said ceiling is supported by estimated financial resources.

10. **Fiscal Policy.** The part of government policy which is concerned with the raising of resources through taxation and borrowings and deciding on the level and pattern of expenditures.

11. **Gross Domestic Product (GDP).** This measures the total output within the geographic boundaries of the country, regardless of the nationality of the entities producing the output.

12. **Inflation.** The persistent rise in the general price level of goods and services.

**The Basics of Budgeting**

- Glossary
- The Budget Cycle

Sources: 2020 Budget of Expenditures and Sources of Financing, Bangko Sentral ng Pilipinas
The Budget Cycle

The four phases of the Budget Cycle include a series of activities that government agencies are mandated to follow year-round — preparation, legislation, execution, and accountability. During this cycle, the Executive Branch implements the budget for the existing year, and at the same time plans the budget for the succeeding year. The government ensures that goals are met by monitoring, evaluating, and reporting real-time performance throughout the year.

Source: Joint Circular No. 2017-1 issued on June 30, 2017 (Department of Budget and Management, Department of Finance, and the National Economic and Development Authority)
How Can We Assist You?

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

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

<table>
<thead>
<tr>
<th>Office of the President</th>
<th>Presidential Complaint Center</th>
<th>736-8645, 736-8603</th>
<th><a href="mailto:pcc@malacanang.gov.ph">pcc@malacanang.gov.ph</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Vice President</td>
<td>Public Assistance Division</td>
<td>370-1716 &amp; 370-1719 loc. 113</td>
<td><a href="mailto:pad@ovp.gov.ph">pad@ovp.gov.ph</a></td>
</tr>
<tr>
<td>Office of the Ombudsman</td>
<td>Public Assistance and Corruption Prevention Bureau</td>
<td>479-7300, 317-8300 loc. 4330</td>
<td></td>
</tr>
<tr>
<td>Department of Agriculture</td>
<td>Public Assistance and Complaints Desk</td>
<td>928-8741 to 64 loc. 2136</td>
<td></td>
</tr>
<tr>
<td>Department of Education</td>
<td>DepEd Action Center</td>
<td>636-1663, 633-1942</td>
<td><a href="mailto:action@deped.gov.ph">action@deped.gov.ph</a></td>
</tr>
<tr>
<td>Department of Environment and Natural Resources</td>
<td>Strategic Communications and Initiatives Service</td>
<td>249-3367 loc. 1054, 1055; 928-2910</td>
<td></td>
</tr>
<tr>
<td>Department of Foreign Affairs</td>
<td>Office of the Undersecretary for Migrant Workers</td>
<td>834-4996, 834-4449; 832-1672, 551-0847 F</td>
<td><a href="mailto:oumwa@dfa.gov.ph">oumwa@dfa.gov.ph</a></td>
</tr>
<tr>
<td>Department of Health</td>
<td>Public Assistance and Complaints Hotline</td>
<td>651-7900 loc. 2318 to 2319</td>
<td></td>
</tr>
<tr>
<td>Department of the Interior and Local Government</td>
<td>Public Assistance and Complaint Center</td>
<td>925-0343, 925-1135</td>
<td></td>
</tr>
<tr>
<td>Department of Justice</td>
<td>DOJ Action Center (DOJAC)</td>
<td>526-3365; 521-2930</td>
<td><a href="mailto:dojac@doj.gov.ph">dojac@doj.gov.ph</a></td>
</tr>
<tr>
<td>Department of Labor and Employment</td>
<td>Information and Publication Service</td>
<td>DOLE Hotline: 1349</td>
<td></td>
</tr>
<tr>
<td>Department of Public Works and Highways</td>
<td>Stakeholders Relationship Service</td>
<td>304-3280</td>
<td><a href="mailto:pilorin.elizabeth@dpwh.gov.ph">pilorin.elizabeth@dpwh.gov.ph</a></td>
</tr>
<tr>
<td>Department of Science and Technology</td>
<td>Public Assistance and Complaints Desk</td>
<td>837-2071 loc. 2036, 2051; 838-9080</td>
<td></td>
</tr>
<tr>
<td>Department of Tourism</td>
<td>Tourism Information and Special Projects Unit</td>
<td>459-5200 to 30 loc. 101, 102</td>
<td><a href="mailto:mmramos@tourism.gov.ph">mmramos@tourism.gov.ph</a></td>
</tr>
<tr>
<td>Department of Trade and Industry</td>
<td>DTI Direct/Customer Contact Center</td>
<td>1-3TI (1-384); (0917) 834-3330</td>
<td><a href="mailto:ask@dti.gov.ph">ask@dti.gov.ph</a></td>
</tr>
<tr>
<td>Department of Transportation</td>
<td>Communication and Commuter Affairs Office</td>
<td>790-8300; 790-8400 loc. 305, 362, 723</td>
<td></td>
</tr>
<tr>
<td>Civil Service Commission</td>
<td>Public Assistance and Information Office</td>
<td>931-7993; 932-0381; 932-0179 F</td>
<td><a href="mailto:palo@csc.gov.ph">palo@csc.gov.ph</a></td>
</tr>
<tr>
<td>Commission on Audit</td>
<td>Public Information Office</td>
<td>951-6955; 951-0934</td>
<td><a href="mailto:press@coa.gov.ph">press@coa.gov.ph</a></td>
</tr>
<tr>
<td>Commission on Elections</td>
<td>Education and Information Department</td>
<td>527-5574</td>
<td><a href="mailto:eid@comelec.gov.ph">eid@comelec.gov.ph</a></td>
</tr>
<tr>
<td>Commission on Human Rights</td>
<td>Citizen’s Help and Action Division</td>
<td>294-8704</td>
<td></td>
</tr>
<tr>
<td>Philippine Statistics Authority</td>
<td>Public Assistance and Complaint Desk</td>
<td>461-0800 loc. 208</td>
<td></td>
</tr>
</tbody>
</table>

DEPARTMENT OF BUDGET AND MANAGEMENT

2020 PEOPLE’S PROPOSED BUDGET

SURVEY FEEDBACK FORM

Name: ______________________
Organization (Indicate position): ______________________
Location/Address: ______________________
Nature of the Organization: ______________________
Sector (Please encircle): a. NGA b. CSO c. LGU d. Academe e. SUC f. Media
g. Others (Please specify): ______________________

Kindly rate (encircle) based on the following criteria:

- Is the publication informative?
- Is the publication understandable?

The 2020 Proposed National Budget
Continuing the Journey to a More Peaceful and Progressive Philippines
2020 Budget Dimensions (By Sector [Old System and COFOG], By Expense Class, By Region, By Recipient Unit, By Special Purpose Fund, By Appropriation Source, and Off-Budget Accounts)

Spending Priorities
Law, Public Order, and Safety
Education and Social Protection
Good Governance and Justice
Agriculture, Environment, Natural Resources, and Risk Resiliency
Construction and Economic Development
Youth and the Marginalized
Budget and the Fiscal Program
The Budget and the Economy, Fiscal Program, Revenues, Comprehensive Tax Reform Program, Borrowings

Basics of Budgeting
Glossary
Budget Cycle
How Can We Assist You?

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

Date: ____________
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