

Agenda for Prosperity:
Economic Transformation
Towards Inclusivity and Sustainability



**PEOPLE'S
PROPOSED
BUDGET**

2023

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2023 People's Proposed Budget

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Foreword

“Let the economic transformation towards inclusive and sustainable growth begin.”

The National Expenditure Program for 2023 is not only a budgetary program but it serves a purpose: the administration’s Agenda for Prosperity.

President Ferdinand Marcos, Jr. and the Cabinet are determined to achieve economic transformation towards inclusivity and sustainability. Hence, the President’s resolve to steer the nation to the prosperity it truly deserves resounds through the pages of the National Expenditure Program.

This agenda involves achieving the objectives of our Medium-Term Fiscal Framework: 6.5% to 8.0% real gross domestic product (GDP) growth annually between 2023 to 2028; 3.0% National Government (NG) deficit to GDP ratio by 2028; less than 60% NG debt-to-GDP ratio by 2025; 9.0% or single digit poverty by 2028; and the attainment of upper middle-income status.

On track for 2023 in spite of external headwinds, we will sustain our growth momentum. Government disbursements will remain above 20.0% of GDP on average over the entire plan period. Also on the path to growth, we will pursue the Build, Better, More program that is a continuation and expansion of the Duterte Administration’s Build, Build program, with infrastructure spending projected to reach 5.0% to 6.0% of GDP over the next six years.

However, our growth must be inclusive and sustainable. Hence, in crafting the budget, we have been equally committed to the government’s 8-Point Socioeconomic Agenda: food security; improved transportation; affordable and clean energy; health care; social protection; improved and face-to-face education; bureaucratic efficiency; and sound fiscal management.

In line with this, we have established priority sectors. These are: Education, with the highest allocation at Php 852.8

billion, consistent with the Constitutional mandate to assign the highest budgetary priority to education; Public Works, with an allocation of Php 718.4 billion to continue the Build, Build, Build or to fuel the Build, Better, More program that is essential for our economic transformation and to generate more jobs; Health, with an allocation of Php 296.3 billion, as we continue to address the pandemic and expand our health care systems to the regions; Social Welfare, with an allocation of Php 197.0 billion to address the needs of the poor and marginalized, among other targeted sectors of the economy; Agriculture, with an allocation of Php 184.1 billion and a much-needed 39.2% increase from its 2022 allocation; and Transportation, with an allocation of Php 167.1 billion or a 120.4% increase.

“The President’s resolve to steer the nation to the prosperity it truly deserves resounds through the pages of the National Expenditure Program.”

The 2023 National Budget is Php 5.268 Trillion or 22.2% of GDP. The bulk of this, or 66.4%, represents allocations for the national government agencies (NGAs). Meanwhile, local government units (LGUs) will receive 18.3%, including the Php 64.8 billion Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) Block Grant. Support to Government-Owned and/or -Controlled Corporations (GOCCs) will receive 4.3%, while 11.1% will be used to pay for obligations to the government’s creditors.

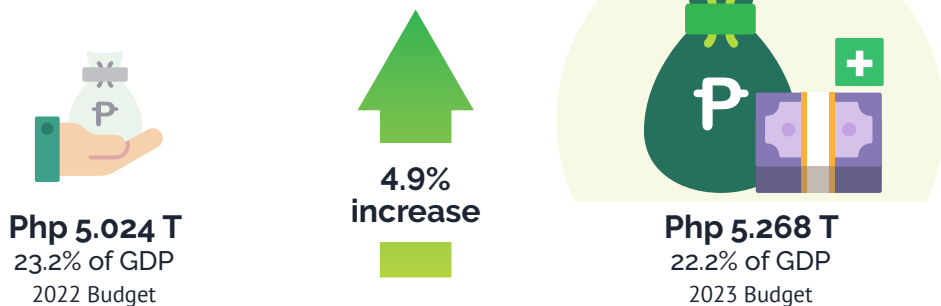
We hope this budget will serve its purpose of spurring economic growth while implementing much needed reforms. As the President said in his Budget Message, let the economic transformation towards inclusive and sustainable growth begin!


AMENAH F. PANGANDAMAN
Secretary

Agenda for Prosperity: Economic Transformation towards Inclusivity and Sustainability

On August 22, 2022, President Ferdinand R. Marcos, Jr. submitted to the Congress his Administration's first full-year spending program—the Php 5.268 Trillion Proposed National Budget for Fiscal Year (FY) 2023. Crafted in harmony with the 8-Point Socioeconomic Agenda, the proposed Budget will transform the national economy towards inclusivity and sustainability for a more prosperous Philippines.

Budget Comparison (2022 vs 2023)



Agenda for Prosperity

The proposed FY 2023 National Budget supports the achievement of the Administration's headline goals:



- 6.5%-7.5% real gross domestic product (GDP) growth in 2022
- 6.5%-8.0% real GDP growth annually between 2023 to 2028



9.0% or single-digit poverty rate by 2028



3.0% National Government (NG) deficit to GDP ratio by 2028



Less than 60.0% NG debt-to-GDP ratio by 2025



Attainment of middle-income status (at least USD 4,256.00 national income per capita)

Key Budget Priorities

Priority expenditures in the proposed 2023 National Budget are consistent with the government's 8-Point Socioeconomic Agenda, which outlines strategies to address the immediate issues confronting the Filipino people, such as rising inflation, low income, and socioeconomic scarring from the pandemic.



Strengthen the purchasing power of Filipinos

- Food security
- Improved transportation
- Affordable and clean energy



Reduce vulnerability and mitigate scarring from the COVID-19 pandemic

- Social services
- Healthcare
- Education



Ensure sound macroeconomic fundamentals

- Bureaucratic efficiency
- Sound fiscal management



Support Local Governments

To facilitate full devolution pursuant to Executive Order No. 138 (s. 2021), the proposed Budget provides allocations to empower local government units (LGUs) in delivering the services that have been devolved to them.

- **Php 820.3 billion**
National Tax Allotment for LGUs
- **Php 28.9 billion**
Local Government Support Fund



Budget Dimensions

By Sector (Traditional System)

This is one of several ways of presenting and understanding the National Budget. This perspective, considered the traditional system, classifies the expenditures under five broad categories. Php 2.063 trillion, or 39.2% of the proposed National Budget, will go to Social Services. Economic Services will receive Php 1.538 trillion (29.2%), followed by General Public Services and Debt Burden with Php 805.6 billion (15.3%) and Php 611.0 billion (11.6%), respectively. The remaining Php 249.9 billion (4.7%) will go to Defense.

39.2%

Social Services

2023: Php 2.063 T

2022: Php 1.932 T

Key items

Education, Culture, and

Manpower Development:

Php 902.8 B

Social Security, Welfare and

Employment: Php 515.5 B

Subsidy to Local Government

Units: Php 329.2 B

Health: Php 308.2 B



29.2%

Economic Services

2023: Php 1.538 T

2022: Php 1.494 T

Key items

Communications, Roads, and

Other Transport: Php 828.5 B

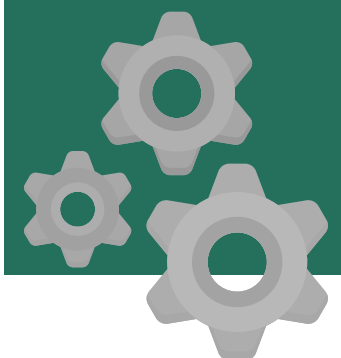
Subsidy to LGUs: Php 311.4 B

Agriculture and Agrarian

Reform: Php 200.3 B

Water Resources Development

and Flood Control: Php 95.0 B



15.3%

General Public Services

2023: Php 805.6 B

2022: Php 834.7 B

Key items

Public Order

and Safety: Php 343.5 B

Subsidy to LGUs: Php 249.1 B

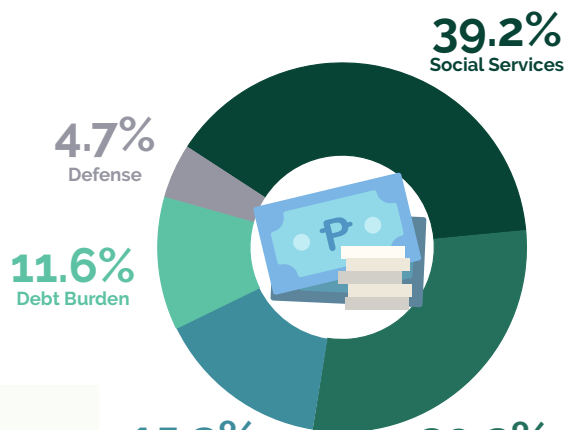
General Administration:

Php 172.0 B

Other General Public Services:

Php 40.9 B





Php 5.268 T
Proposed FY 2023
National Budget

11.6%
Debt Burden
2023: Php 611.0 B
2022: Php 541.3 B

Key items
Net Lending: Php 28.7 B
Debt-Service-Interest
Payments: Php 582.3 B

4.7%
Defense
2023: Php 249.9 B
2022: Php 221.1 B

Key items
Domestic Security: Php 249.9 B



Budget Dimensions

By Sector (COFOG)

A presentation of the National Budget, based on the Classification of the Functions of Government (COFOG) System, provides another perspective, which clearly reflects and/or highlights specific policy issues and facilitates historical and international comparisons.



What is COFOG?

- The COFOG system categorizes government expenditures into 10 sectors according to their function, purpose, and contribution to society. The sub-sectors are considered under two basic types: sectors that benefit society in general, and sectors that directly benefit individual persons.
- The COFOG provides a more accurate presentation of government expenditures and allows intercountry comparisons of governments' roles in economic and social functions.

Sectors that Benefit Society as a Whole

General Public Services

2023: Php 2.298 T

2022: Php 2.153 T

Executive and legislative organs, financial and fiscal affairs, external affairs: Php 898.4 B

General services: Php 704.6 B

Public debt transactions: Php 596.8 B

Economic Affairs

2023: Php 757.2 B

2022: Php 747.3 B

Transport: Php 551.3 B

Agriculture, forestry, fishing and hunting: Php 160.7 B

General economic, commercial and labor affairs: Php 18.3 B

Public Order and Safety

2023: Php 278.9 B

2022: Php 270.5 B

Police services: Php 180.5 B

Law courts: Php 37.0 B

Prisons: Php 24.5 B

Defense

2023: Php 218.9 B

2022: Php 201.5 B

Military defense: Php 216.5 B

Civil defense: Php 2.3 B

Environmental Protection

2023: Php 20.9 B

2022: Php 24.9 B

Protection of biodiversity and landscape: Php 8.6 B

Waste management: Php 3.0 B

Pollution abatement: Php 2.7 B



Sectors that Directly Benefit Individuals' Welfare and Development

Education

2023: Php 831.8 B

2022: Php 773.5 B

Pre-primary and primary education: Php 309.2 B

Secondary education: Php 291.5 B

Tertiary education: Php 97.7 B



Social Protection

2023: Php 552.4 B

2022: Php 561.3 B

Pantawid Pamilyang Pilipino Program: Php 115.6 B

Survivors (Gender and Development, Internally Displaced Persons and Disaster Relief Assistance): Php 75.7 B

Old age (Senior Citizens): Php 25.5 B



Health

2023: Php 299.0 B

2022: Php 277.0 B

Health insurance: Php 100.2 B

Hospital services: Php 12.0 B

Public health services: Php 5.1 B



Housing and Community Amenities

2023: Php 7.8 B

2022: Php 10.4 B

Water supply: Php 4.2 B

Community development: Php 2.4 B



Recreation, Culture, and Religion

2023: Php 3.8 B

2022: Php 4.7 B

Cultural services: Php 1.7 B

Broadcasting and publishing services: Php 0.6 B

Recreation and sporting services: Php 0.6 B



Budget Dimensions

By Expense Class

When grouped according to Expense Class, the bulk of the proposed 2023 National Budget, amounting to Php 2.042 trillion, goes to Maintenance and Other Operating Expenses. Personnel Services gets the second largest share at Php 1.621 trillion. Capital Outlays receives Php 1.022 trillion, while Financial Expenses amounts to Php 583.2 billion.

Maintenance and Other Operating Expenses (MOOE)

2023: Php 2.042 T  2.1%
2022: Php 2.085 T

- Budgetary support for the operations of government agencies, such as expenses for supplies and materials, transportation, travel, water and power utilities, and repairs, among others
- Increased allocations for various health, education, and social protection programs and services of the National Government, such as the Government Assistance and Subsidies of the Department of Education, National Health Insurance Program of the Philippine Health Insurance Corporation, and National Rice Program of the Department of Agriculture
- Subsidies to Government-Owned and/or -Controlled Corporations (GOCCs)
- Allotment to local government units^{1/}

^{1/}Inclusive of National Tax Allotment, Special Shares in the Proceeds of National Taxes, Local Government Support Fund, Special Shares in the Proceeds of Fire Code Fees, Barangay Officials Death Benefits, Allocation for the Metropolitan Manila Development Authority, and Bangsamoro Autonomous Region in Muslim Mindanao

Personnel Services (PS)

2023: Php 1.621 T  15.4%
2022: Php 1.405 T

- Implementation of the fourth and last tranche of the Salary Standardization Law V and the National Government Rightsizing Program
- Wages, benefits, and other allowances of government civilian and military employees
- Pensions of military and uniformed personnel, including civilian personnel
- Creation and filling of unfilled government positions





Capital Outlays (CO)

2023: Php 1.022 T **0.2%**
 2022: Php 1.019 T

- Road and transport infrastructure programs and projects of the Department of Public Works and Highways and the Department of Transportation
- Infrastructure requirements of the Basic Education Inputs Program of the Department of Education and the Health Facilities Enhancement Program of the Department of Health
- Purchase of goods and services that add to the assets of the National Government
- Loan outlays, equity contributions to GOCCs, capital transfers to LGUs, and other capital outlays

Financial Expenses (FinEx)

2023: Php 583.2 B **13.5%**
 2022: Php 513.8 B

- Allocations for the payment of management, supervision/trusteeship fees, interest expenses, guarantee fees, bank charges, and commitment fees
- Allocations for the payment of other financial charges incurred by national government agencies when owning or renting an asset or property
- Interest payments on national government debt

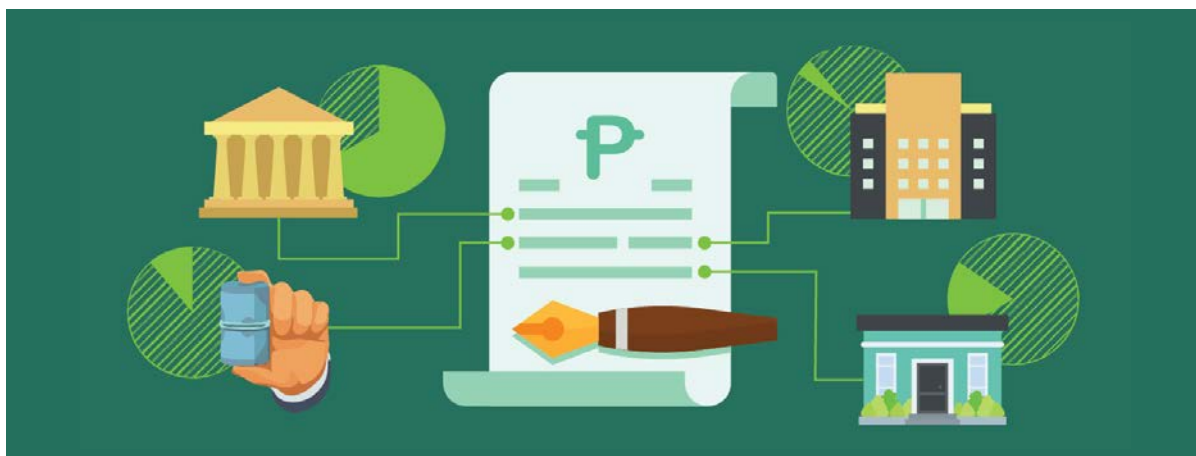
Particulars	2022		2023	
	Amount (in trillion Pesos)	% Share of the Budget	Amount (in trillion Pesos)	% Share of the Budget
MOOE	2.085	41.5	2.042	38.8
PS	1.405	28.0	1.621	30.8
CO (includes Net Lending)	1.019	20.3	1.022	19.4
FinEx	0.514	10.2	0.583	11.1
Total	5.024	100.0	5.268	100.0

Note: Figures may not add up due to rounding off.

Budget Dimensions

By Recipient Unit

Another way of presenting the National Budget is on the basis of Recipient Entity—specifically the National Government Agencies (NGAs), Local Government Units (LGUs), Government-Owned and/or -Controlled Corporations (GOCCs), and Creditors.



NGAs

A total of Php 3.499 trillion, representing 66.4% of the proposed National Budget, will go to the NGAs, to fund various government programs and projects in priority sectors, such as the Agriculture and Social Services sectors. This is 8.75% higher than the 2022 allocation of Php 3.217 trillion.

LGUs

A total of Php 962.2 billion, or 18.3% of the proposed National Budget, will go to the LGUs. This consists primarily of the National Tax Allotment and the block grant for the Bangsamoro Autonomous Region in Muslim Mindanao, among others.

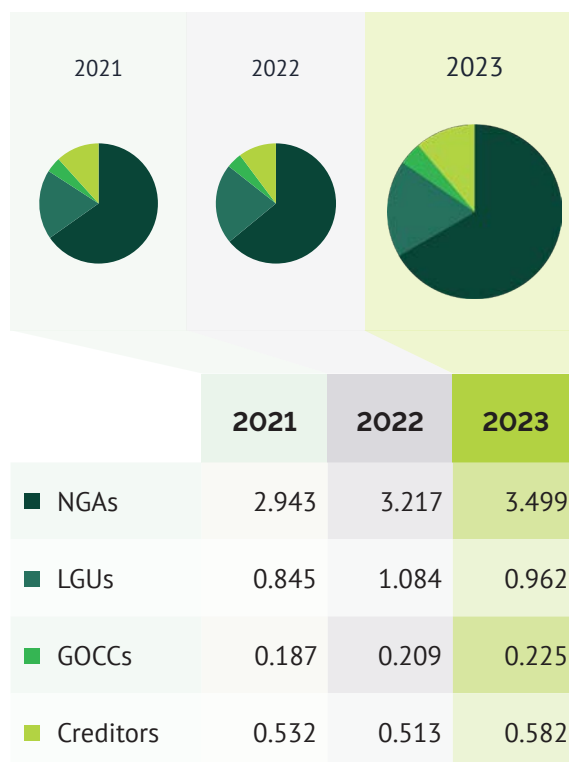
GOCCs

Php 224.5 billion, 4.3% of the proposed National Budget, is earmarked for GOCCs to fund their priority programs, such as the National Health Insurance Program and irrigation services, among others.

Creditors

The remaining Php 582.3 billion will be allocated for Creditors. Taking up 11.1% of the proposed National Budget, it will cover loan repayments, including the corresponding interest payments.

Budget by Recipient Unit, 2021-2023 (in trillion Pesos)



Top Ten Departments

1		Department of Education^{1/} 2023: Php 852.8 B 2022: Php 788.5 B
2		Department of Public Works and Highways 2023: Php 718.4 B 2022: Php 786.6 B
3		Department of Health^{2/} 2023: Php 296.3 B 2022: Php 268.4 B
4		Department of the Interior and Local Government 2023: Php 253.1 B 2022: Php 251.3 B
5		Department of National Defense 2023: Php 240.7 B 2022: Php 220.9 B
6		Department of Social Welfare and Development 2023: Php 197.0 B 2022: Php 205.0 B
7		Department of Agriculture^{3/} 2023: Php 184.1 B 2022: Php 132.2 B
8		Department of Transportation 2023: Php 167.1 B 2022: Php 75.8 B
9		The Judiciary 2023: Php 52.7 B 2022: Php 47.0 B
10		Department of Labor and Employment 2023: Php 41.4 B^{4/} 2022: Php 51.3 B

Includes the budgets of:

^{1/}Commission on Higher Education, State Universities and Colleges, and Technical Education and Skills Development Authority

^{2/}Philippine Health Insurance Corporation

^{3/}DA's attached agencies and corporations, Philippine Crop Insurance Corporation, and Department of Agrarian Reform

^{4/}Department of Migrant Workers

Budget Dimensions

By Region

A presentation of the 2023 Proposed National Budget in terms of regional distribution reflects the Administration's resolve to boost inclusive growth, particularly in the rural-based areas, through an allocation of Php 3.536 trillion, or 67.1% of the total budget, to fund programs and projects in the regions.

Regionalized Budget

2023: Php 3.536 T

2022: Php 3.626 T

- Luzon
- Visayas
- Mindanao
- National Capital Region



Luzon

Php 1.221 T

Per Capita: Php 24,221

CAR

Php 86.2 B

Per Capita: Php 46,612

Region I

Php 146.7 B

Per Capita: Php 27,221

Region II

Php 130.3 B

Per Capita: Php 34,666

Region III

Php 278.3 B

Per Capita: Php 21,589

Region IV-A

Php 280.3 B

Per Capita: Php 16,546

MIMAROPA

Php 117.1 B

Per Capita: Php 35,673

Region V

Php 182.1 B

Per Capita: Php 28,899



Visayas

Php 539.1 B

Per Capita: Php 25,366

Region VI

Php 188.3 B

Per Capita: Php 23,263

Region VII

Php 190.5 B

Per Capita: Php 23,130

Region VIII

Php 160.4 B

Per Capita: Php 32,558



Mindanao

Php 778.1 B
Per Capita: Php 28,855

Region IX

Php 122.3 B
Per Capita: Php 31,698

Region XII

Php 111.4 B
Per Capita: Php 21,806

Region X

Php 159.5 B
Per Capita: Php 30,781

CARAGA

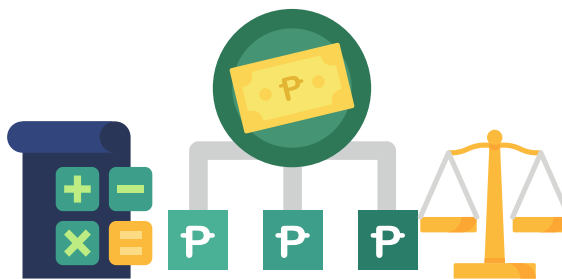
Php 102.2 B
Per Capita: Php 36,024

Region XI

Php 153.1 B
Per Capita: Php 27,676

BARMM

Php 129.6 B
Per Capita: Php 29,131



National Capital Region

Php 997.7 B
Per Capita: Php 69,957

Notes:

- Figures may not add up due to rounding off.
- Per capita allocations are based on the projected mid-year population of the Philippine Statistics Authority (as of July 1, 2023)

Non-Regionalized Budget

2023: Php 1.732 T

2022: Php 1.398 T

- Nationwide Allocations
- Central Office Allocations



Nationwide Allocations^{1/}

Php 1.321 T

Allocations that consist of special purpose funds and lump sums that will be distributed to various regions during the budget year.



Central Office Allocations

Php 411.3 B

Allocations that represent the assets managed by the Head Office of departments/agencies for their respective units.

^{1/} Includes the Allocations to Local Government Units, National Disaster Risk Reduction and Management Fund, Contingent Fund, Miscellaneous Personnel Benefits Fund, Pension and Gratuity Fund, Net Lending, Tax Expenditure Fund, and Debt Service Fund

Budget Dimensions

By Special Purpose Fund

Every fiscal year, appropriations are provided in the General Appropriations Act to cover expenditures for specific purposes. These Special Purpose Funds (SPFs) are additional allocations to the recipient departments/agencies' budgets during budget execution, pursuant to special conditions per SPF. For 2023, the total SPFs amount to Php 2.179 trillion^{1/} or 41.4% of the proposed FY 2023 National Budget.

Php 1.538 T Disaggregated SPFs

Funds that are already broken down into allocations for a specific agency's programs and projects

Php 961.5 B Allocations to Local Government Units (LGUs)^{2/}

Subsidies that are granted to LGUs representing their share from the national revenue collections

- Php 820.3 B** National Tax Allotment
- Php 74.4 B** Bangsamoro Autonomous Region in Muslim Mindanao
- Php 33.6 B** Special Shares in the Proceeds of National Taxes
- Php 28.9 B** Local Government Support Fund
- Php 4.4 B** Metropolitan Manila Development Authority



Php 224.5 B Budgetary Support to Government Corporations

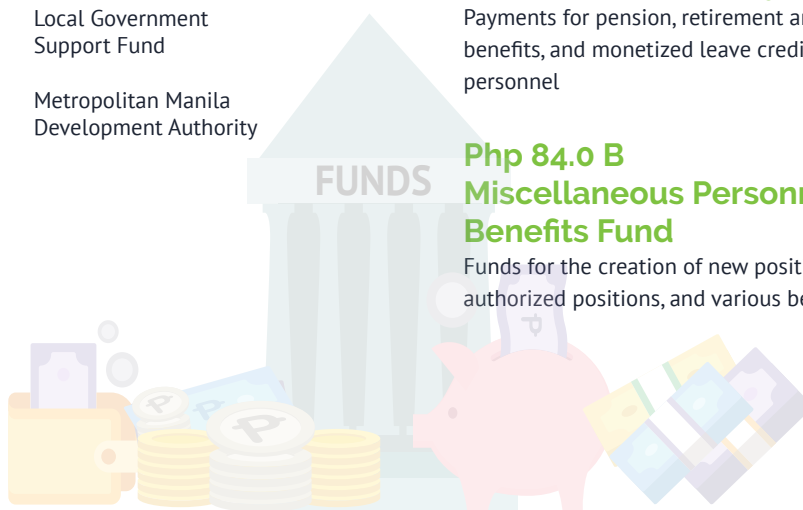
Equities and/or subsidies provided as financial assistance to all 49 government corporations

Php 267.8 B Pension and Gratuity Fund

Payments for pension, retirement and terminal leave benefits, and monetized leave credits of government personnel

Php 84.0 B Miscellaneous Personnel Benefits Fund

Funds for the creation of new positions, filling of authorized positions, and various benefits of civil servants

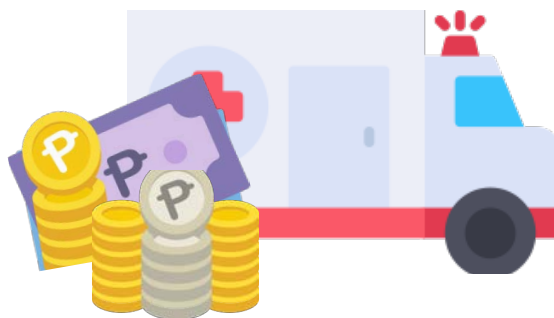


^{1/}The Php 2.179 trillion SPFs include the budget allocations for automatic appropriations (e.g. National Tax Allotment)

^{2/}Excludes the Special Shares in the Proceeds from Fire Code Fees and the Barangay Officials Death Benefits under the Lump Sum SPFs

Php 641.6 B Lump-Sum SPFs

Funds that are not yet disaggregated and/or can only be implemented when certain conditions are met



Php 31.0 B National Disaster Risk Reduction and Management Fund (NDRRMF)^{3/}

Funds that will be used to aid communities and areas affected by natural and human-induced disasters

Php 14.5 B Tax Expenditure Fund

Funds to cover and customs obligations of agencies, LGUs, and government corporations

Php 13.0 B Contingent Fund

Funds 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

Php 760 M Allocations to LGUs

Php 710 M Funds for the Special Shares in the Proceeds from Fire Code Fees

Php 50 M Barangay Officials Death Benefits

Php 582.3 B Debt Interest Payments

Payment for expenses from domestic and foreign borrowings



^{3/}Includes Marawi Siege Victims Compensation Fund: Php 1.0 B

Budget Dimensions

By Appropriation Source

Based on source of appropriation, Php 3.671 trillion, or 69.7%, of the total proposed 2023 National Budget, comprise New General Appropriations, and Php 1.597 trillion, or 30.3%, are considered as Automatic Appropriations.



New General Appropriations

Php 3.671 T

2022: Php 3.351 T

Appropriations submitted to the Congress annually for approval and legislation

- Departments and Agencies Php 3.002 T
- Special Purpose Funds Php 669.2 B

Automatic Appropriations

Php 1.597 T

2022: Php 1.673 T

Appropriations which do not need to be included in the legislation of the Budget since these are already authorized by existing laws

- National Tax Allotment Php 820.3 B
- Debt Service-Interest Payments Php 582.3 B
- BARMM Annual Block Grant Php 64.8 B
- Retirement and Life Insurance Premiums Php 64.2 B
- Net Lending Php 28.7 B
- Special Accounts in the General Fund Php 22.2 B
- Tax Expenditure Fund Php 14.5 B
- Pension of Ex-Presidents/Spouses Php 0.48 M



Unprogrammed Appropriations 2023: Php 588.2 B

2022: Php 251.6 B

Appropriations that are available for the use of agencies when there are excess revenues, new revenue sources, or when there are approved loans for foreign-assisted projects



Major Allocations under the 2023 Unprogrammed Appropriations

Php 380.6 B

Support to Foreign-Assisted Projects

Php 149.7 B

Support to Infrastructure Projects and Social Programs

Php 20.7 B

Budgetary Support to Government-Owned and/or -Controlled Corporations

Php 19.0 B

Public Health Emergency Benefits and Allowances for Health Care and Non-Health Care Workers

Php 10.0 B

Bangko Sentral ng Pilipinas (BSP) Equity Infusion pursuant to RA No. 11211

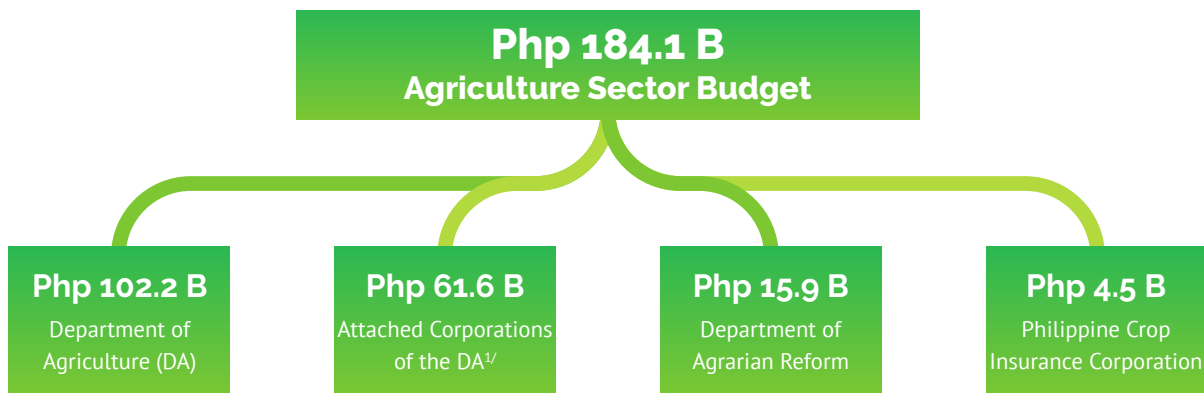
Php 5.0 B

AFP Modernization Program



Agriculture and Food Security

To address the challenges of a looming food crisis and to achieve the long-term goal of food security, the government is committed to revitalize agriculture and transform the sector to become a major driver of economic growth. As a top priority for 2023, the Agriculture sector is provided Php 184.1 billion, a 39.2% increase over its 2022 budget of Php 132.2 billion.



Note: Figures may not add up due to rounding off.



Strengthening Resilience of Food Systems

Php 12.0 B Buffer Stocking Program

To increase the country's buffer stock capacity from 9 days to 15 days by procuring 631,579 metric tons of palay from local farmers

Php 0.7 B Seed Buffer Stocking

To purchase high-quality rice and corn seeds and ensure enough supply in the event of calamities and emergencies

^{1/}Includes allocations for the National Dairy Authority, National Food Authority, National Irrigation Administration, National Tobacco Administration, Philippine Coconut Authority, Philippine Fisheries Development Authority, Philippine Rice Research Institute, and Sugar Regulatory Administration

Expanding Agricultural Infrastructure

Php 30.5 B Irrigation Services

To provide year-round irrigation for 2,456,222.06 hectares of farmland through the irrigation services of the National Irrigation Administration and the small-scale irrigation projects of the DA

Php 13.1 B Farm-to-Market Roads (FMRs)

To construct, rehabilitate, and repair 1,095.71 kilometers (km) of FMRs

Regional Allocation of FMRs, 2023

Particulars	Amount	% Share to Total
CAR	Php 0.5 B	3.7
Region I	Php 1.9 B	14.2
Region II	Php 0.8 B	6.1
Region III	Php 1.1 B	8.5
Region IV-A	Php 0.8 B	5.8
MIMAROPA	Php 0.7 B	5.4
Region V	Php 1.7 B	13.0
Region VI	Php 0.9 B	6.6
Region VII	Php 0.8 B	6.0
Region VIII	Php 1.4 B	10.8
Region IX	Php 0.5 B	3.5
Region X	Php 0.7 B	5.4
Region XI	Php 0.6 B	4.3
Region XII	Php 0.4 B	3.0
CARAGA Region	Php 0.5 B	3.9
Total	Php 13.1 B	100.0

Note: Figures may not add up due to rounding off.

Php 5.1 B Fish Ports

To construct, rehabilitate, improve, and operate four fish ports in major strategic areas, namely Navotas, General Santos, Camaligan, and Sual

Php 500 M^{2/} Farm-to-Mill Roads and Bridges

To construct 26.71 km of farm-to-mill roads (Php 481 M) and 20 bridges (Php 19 M) in key sugarcane-producing provinces

^{2/}Funds will be released directly to the Department of Public Works and Highways and projects will also be implemented by the said department.





Enhancing Agricultural Yields

Php 49.9 B

National Programs of the DA

National Rice Program	Php 30.5 B
National Fisheries Program	Php 5.5 B
National Corn Program	Php 5.2 B
National Livestock Program	Php 5.2 B
National High Value Crops Program	Php 2.0 B
National Organic Agriculture Program	Php 0.9 B
National Urban and Peri-Urban Agriculture Program	Php 0.4 B

Php 10.0 B

Rice Competitiveness Enhancement Fund

To boost the competitiveness and income of local rice farmers through farm mechanization; rice seed development, propagation, and promotion; expanded credit assistance; and rice extension services

Php 820 M

Development of Coconut and Palm Oil Industry

To plant 1,368,510 coconut seedlings in 9,570 hectares of farm lands, among other targets

Php 296 M

Dairy Industry Development Program

To produce 25.14 million liters of milk and train 1,743 dairy farmers and cooperatives, among other targets

Modernizing Agriculture

Php 5.9 B

Agricultural Machineries, Equipment, and Facilities

To construct agricultural facilities and procure on-farm and post-harvest machineries, facilities, and equipment

Php 1.7 B

Agricultural Competitiveness Enhancement Fund

To cover the following:

- Provide grants for research and development (R&D) and commercialization of agricultural and fishery products
- Finance studies on agriculture, forestry, fisheries, and veterinary medicine
- Provide loan/credit with reasonable interest, which shall not exceed Php 5 million per project loan, for the acquisition and establishment of agri-based production and post-production, and processing machineries, equipment, and facilities

Php 1.4 B

National Agriculture, Aquatic, and Natural Resources R&D Program

To fund facilities development, capacity building, and research projects on marine environment, genomics, animal and plant diseases, and innovative horticulture, among others



Supporting Food Producers

Php 4.5 B Crop Insurance Program

To cover full insurance premiums for 2,291,897 farmers and fisherfolk listed in the Registry System for Basic Sectors in Agriculture

Php 2.8 B Agricultural Credit Program

To extend affordable and accessible credit to small farmers and fisherfolk

Php 1.8 B Special Area for Agricultural Development Project

To provide identified beneficiaries with agricultural interventions on animals, crops, and fisheries to help increase their productivity and alleviate poverty

Php 1.0 B Fuel Assistance Program

To help corn farmers and fisherfolk cope with rising fuel and production costs

Ensuring Food Safety

Php 2.3 B Agriculture and Fishery Regulatory Support Program

To maintain zero incidence of foot and mouth disease and avian influenza in 81 provinces and develop 20 agrifishery standards

Php 1.0 B Cold Examination Facilities in Agriculture (CEFA)

To establish 2 CEFAs for inspecting imported agricultural products for pests and diseases and ensuring their compliance with national standards and regulations stipulated under the Food Safety Act

Expediting Land Distribution

Php 6.1 B Support to Parcelization of Lands for Individual Titling (SPLIT) Project

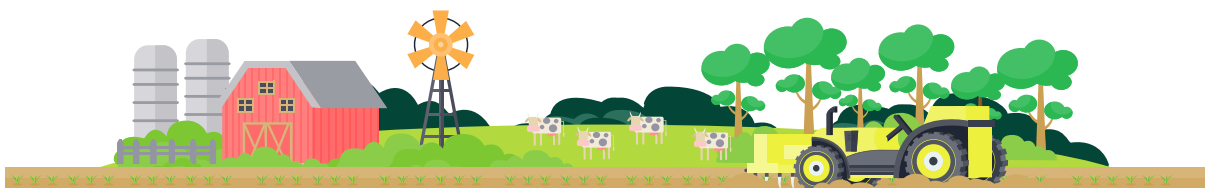
To provide individual land titles to 288,158 land beneficiaries

Php 3.5 B Land Tenure Security Program

To fund the land acquisition and distribution of 27,101.99 hectares of agricultural land to 22,282 land reform beneficiaries

Php 2.4 B Agrarian Reform Beneficiaries (ARB) Development and Sustainability Program

To finance the capacity building development for ARBs and enhance their farm productivity and income



Social Protection

The worst of the pandemic may be over, but as Filipinos continue to feel its scarring effects, the Administration aims to mitigate the impact by strengthening social protection measures with a budget of Php 197.0 billion for the Department of Social Welfare and Development (DSWD). This will ensure an efficient and effective response to the urgent needs of individuals, households, and communities, especially the most vulnerable and those in the hard-hit sectors.

Safeguarding the Marginalized and Vulnerable

Php 115.6 B

Pantawid Pamilyang Pilipino Program

To provide education and health grants and rice subsidies for 4.4 million households

Php 25.3 B

Social Pension for Indigent Senior Citizens

To augment the resources for daily subsistence and other medical needs of 4.1 million indigent senior citizens through a Php 500.00 monthly allowance

Php 19.9 B

Protective Services for Individuals and Families in Difficult Circumstances

To provide financial assistance to 1.7 million individuals and families in difficult circumstances through the Alternative Family Care Program and Protective Services Program

Php 3.7 B

Supplementary Feeding Program

To provide hot meals for 1.8 million children enrolled in LGU-managed child development centers and supervised neighborhood play, as well as milk for 157,968 malnourished children

Supporting Community and Livelihood Development and Recovery

Php 11.0 B

Kapit-Bisig Laban sa Kahirapan -Comprehensive and Integrated Delivery of Social Services: National Community Driven Development Project (Additional Financing)

To engage local governments in the identification, implementation, and completion of poverty alleviation projects and community-driven development

Php 4.4 B

Sustainable Livelihood Program

To support 191,028 household beneficiaries through either micro-enterprise development or employment facilitation

Php 3.3 B

Disaster Response and Management Program

To provide rehabilitation and relief programs in areas affected by natural or human-induced calamities, epidemics, and catastrophes, among others

Php 969 M

Payapa at Masaganang Pamayanan (PAMANA) Program

To implement interventions, such as easier access to basic social services in areas that are prone to and affected by conflicts to ensure their socioeconomic development



Social Services from Other Departments and Agencies

Php 100.2 B

National Health Insurance Program

Php 22.4 B

Medical Assistance to Indigent and Financially - Incapacitated Patients

Php 15.6 B

Tulong Panghanapbuhay sa Ating Disadvantaged/ Displaced Workers and Government Internship Program

Php 10.0 B

Emergency Repatriation Program

Php 2.5 B

Fuel Subsidies for Public Transport Drivers and Operators

Php 1.0 B

Fuel Subsidies for Farmers and Fisherfolk

Health

As the quarantine restrictions in the country are eased and Filipinos slowly learn to live with the pandemic, the government remains vigilant to ensure that the efforts to curb the pandemic will not go to waste. Thus, keeping the nation healthy remains a priority, hence, the Health sector will receive Php 296.3 billion for its projects, activities, and programs.

Improving the Capacity of Health Care Systems

Health Facilities Operation Program Php 63.7 billion

To fund the operations of DOH-administered hospitals and other health care facilities across the country

Purchase and Allocation of Drugs, Medicines, and Vaccines Php 29.1 billion

To procure various medical drugs, medicines, vaccines, and medical and dental supplies for various government health facilities

Health Facilities Enhancement Program Php 23.0 billion

To construct, expand, and purchase hospital equipment for government health care facilities, including the upgrading of facilities for COVID-19 response

National Health Workforce Support System Php 16.9 billion

To deploy 26,035 personnel in remote and depressed areas to provide promotive and curative services



Regional Allocations for the Health Facilities Operation Program (in Pesos)

Region	DOH Hospitals and Other Health Facilities	Blood Centers and National Voluntary Blood Services	Dangerous Drug Abuse Treatment and Rehabilitation Centers	National and Sub-National Reference Laboratories
CAR	2,759,219,000	-	4,428,000	3,409,000
I	3,224,236,000	10,180,000	139,269,000	-
II	3,397,130,000	2,632,000	67,977,000	-
III	4,866,314,000	18,709,000	147,534,000	-
NCR	18,854,034,000	541,210,000	298,637,000	713,908,000
IV-A	1,646,006,000	-	107,258,000	-
MIMAROPA	568,734,000	-	-	-
V	2,905,069,000	13,638,000	144,679,000	33,970,000
VI	2,732,803,000	-	67,276,000	3,409,000
VII	4,828,274,000	25,591,000	152,338,000	3,409,000
VIII	1,397,109,000	4,911,000	74,804,000	-
IX	2,782,495,000	14,567,000	8,389,000	-
X	3,242,918,000	4,908,000	98,592,000	-
XI	5,283,167,000	28,139,000	39,564,000	6,930,000
XII	1,375,829,000	4,911,000	39,716,000	-
CARAGA	956,431,000	-	91,315,000	-
TOTAL	60,819,768,000	669,396,000	1,481,776,000	765,035,000

Investing in Health Technology and Research and Development (R&D)

National Health Research and Development Program

Php 746 million

To support various health-related R&D activities such as research and studies on COVID-19 and its behaviors, as well as COVID-19 related public health research

Virology Science and Technology Institute of the Philippines

Php 420 million

To finance seven (7) R&D projects and the study of viruses and viral diseases, including the coronavirus

Promoting Supportive and Inclusive Health Care Systems

National Health Insurance Program

Php 100.2 billion

To provide Filipinos with accessible and affordable health care services as mandated by Republic Act No. 11223 or the Universal Health Care Law

Target Beneficiaries:

- 12.75 million indigents under the National Household Targeting System
- 8 million senior citizens pursuant to Republic Act No. 10645 or the Expanded Senior Citizens Act of 2010
- 143,424 unemployed persons with disability
- 99,800 financially-incapable point-of-service patients
- 25,512 *PAyapa at MASaganang PamayaNAn* beneficiaries

Medical Assistance to Indigent and Financially-Incapacitated Patients

Php 22.4 billion

To provide funds for the hospitalization and medical assistance of 1.6 million indigent patients

Health Sector Research Development

Php 156 million

To ensure the continuous enhancement of the country's Health sector



Public Health Emergency Benefits and Allowances for Health Care and Non-Health Care Workers

Php 20.0 billion

To fund the COVID-19 allowances of 526,727 public and private health care workers and non-health care workers as well as the compensation and other benefits of 46,800 public and private health care workers and non-health care workers involved in COVID-19 response

Family Health, Immunization, Nutrition, and Responsible Parenting

Php 8.3 billion

To promote responsible parenting by addressing the needs and aspirations of families, and capacitating them to handle various health situations



Safeguarding Public Health

Prevention and Control of Communicable Diseases Php 5.8 billion

To prevent and curb the spread of infectious diseases, and for the purchase of personal protective equipment and RT-PCR cartridges

Epidemiology and Surveillance Program Php 718 million

To develop and evaluate surveillance systems and other health information systems and improve health policies, programs and systems

Prevention and Control of Non-Communicable Diseases Php 2.1 billion

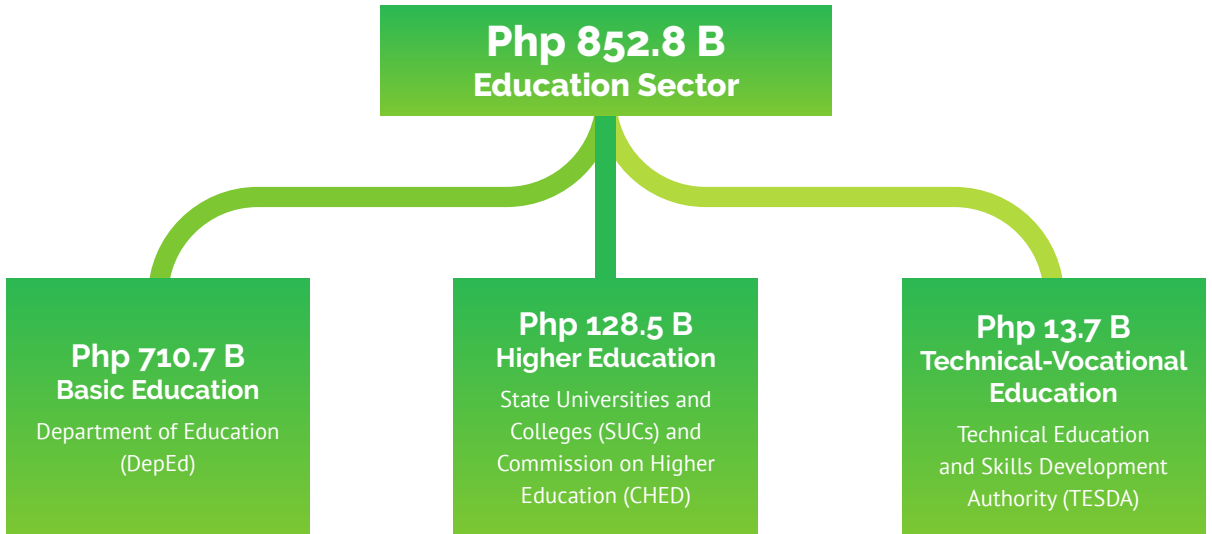
To promote the prevention of and treatment against chronic diseases, such as hypertension, diabetes, cancer, and mental illness

Quarantine Services and International Health Surveillance Php 406 million

To conduct surveillance and enforce quarantine laws and regulations in order to prevent the entry of diseases

Education

The Administration puts a high premium on the education of Filipino children, as the best investment and greatest legacy of the nation. To ensure that education is accessible and that no child is left behind, the government allocates Php 852.8 billion to the Education sector in 2023 as it continues to invest in human capital development and empowerment of the youth.



Note: Figures may not add up due to rounding off.

Basic Education

Php 53.2 B Government Assistance and Subsidies

To extend financial support to 2.6 million deserving junior and senior high school students who wish to pursue secondary education in private schools

Php 2.7 B Additional Human Resources

To create additional 10,000 teaching positions

Php 19.4 B Flexible Learning Options

To develop, reproduce, and deliver learning materials or blended learning resources to 24,495,703 students

Php 9.8 B Basic Education Facilities

To construct 2,379 classrooms and TechVoc laboratories, procure 16,027 sets of school seats and tables, rehabilitate 2,358 schools, and provide electricity to 163 sites

Php 8.9 B Computerization Program

To procure and distribute 82,090 multimedia packages to public schools

Php 778 M In-Service Training

To provide in-service training and other learning and development interventions to public school personnel



Php 47.4 B Universal Access to Quality Tertiary Education Program (UAQTE)

Php 25.8 B
CHED

Php 18.7 B
SUCs

Php 2.9 B
TESDA

Higher Education

Php 1.5 B Student Financial Assistance Programs

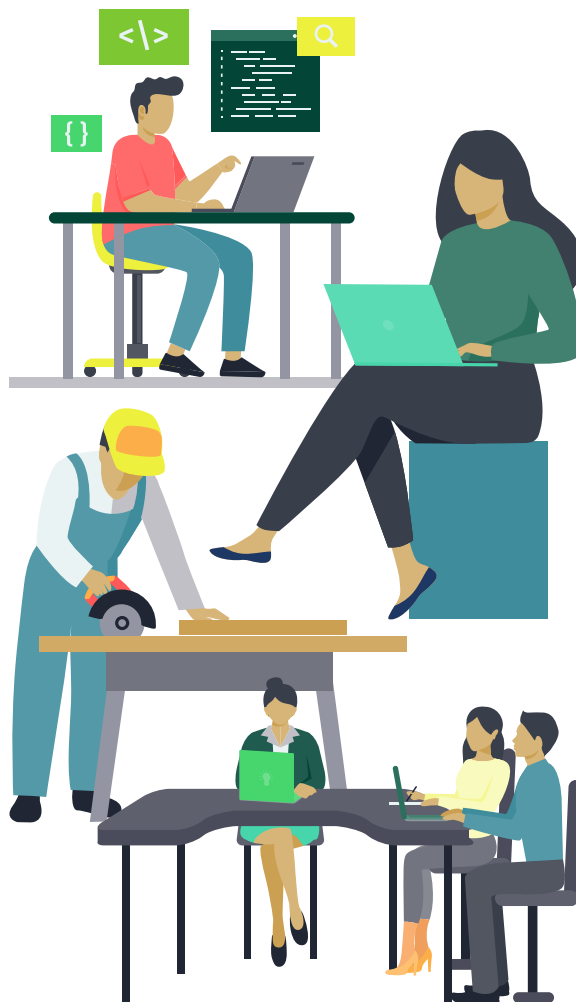
To provide scholarships and grants-in-aid programs for 21,053 student beneficiaries

Php 250 M Medical Scholarship and Return Service Program

To assist deserving medical students pursue their medical education and training, in exchange for services rendered in public health offices or hospitals

Php 167 M Subsidy for Tuition Fees of Medical Students in SUCs

To provide financial assistance to medical students in SUCs



Technical-Vocational Education and Training

Php 2.6 B Training for Work Scholarship Program

To provide training for 106,626 target enrollees in specific courses that will capacitate them with knowledge and skills that cater to industries and sectors with high employment demand

Php 1.9 B Special Training for Employment Program

To conduct community-based specialty trainings for 84,729 scholars and make them more employable

Php 1.0 B Tulong Trabaho Scholarship Program

To provide training scholarship grants for 20,045 target enrollees

Labor and Employment

A healthy and productive workforce is key to progress and prosperity. The Administration ensures this through strategic programs to enhance employment opportunities, create quality and green jobs, improve working conditions, and protect workers' rights, while building a healthy and harmonious business environment in the country.

Improving the Labor Workforce

To increase employment opportunities and better equip the country's labor force, the Department of Labor and Employment will receive Php 26.2 billion in 2023.

Php 18.4 B Livelihood and Emergency Employment Program

To provide livelihood assistance to displaced, disadvantaged, and unemployed workers

Php 14.9 B *Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers (TUPAD)*

Php 2.5 B DOLE Integrated Livelihood Program

Php 707 M Government Internship Program

Php 317 M Adjustment Measures Program

Php 771 M Employment Facilitation Program

To prepare and give assistance to Filipino youth as they enter the labor force

Php 584 M Special Program for Employment of Students

Php 108 M Job Search Assistance

Supporting Overseas Filipinos

Recognizing the importance of Overseas Filipino Workers (OFWs) in supporting the growth of the country's economy, the Administration is giving the newly created Department of Migrant Workers Php 15.2 billion for its budget in 2023.

Php 10.0 B Emergency Repatriation Program

To provide 367,287 beneficiaries with transportation assistance, temporary accommodation, and psychosocial counselling

Php 10.8 B Social Protection and Welfare for OFWs Program

To provide trainings and scholarships and establish 38,667 business enterprises for livelihood grantees

Php 2.7 B Overseas Employment and Welfare Program

To assist 1,017,960 beneficiaries through various employment facilitation and welfare services



Empowering Local Businesses

To boost the country's micro, small, and medium enterprises (MSMEs), various programs in the proposed FY 2023 National Budget will be funded, in order to help them grow and thrive during the COVID-19 pandemic.

Php 2.3 B MSME Development Program

To continue formulating and improving all plans, programs, and policies on MSME development and support

- Php 887 M** Rural Agro-Enterprise Partnership for Inclusive Development Growth
- Php 487 M** Establishment of *Negosyo* Centers
- Php 87 M** One Town, One Product: Next Generation
- Php 70 M** Shared Service Facilities

Php 773 M Exports and Investments Development Program

To increase domestic and foreign exports and investments in the country

Php 1.5 B *Pondo para sa Pagbabago at Pag-asenso* Program

To provide additional sources of financing with affordable and cost-efficient interest rates to micro entrepreneurs



Science, Technology, and Innovation

Recognizing the interdisciplinary coordination of science, technology, and innovation (STI) as a driving force for sustainable and inclusive growth, the proposed 2023 National Budget allocates funds to ensure the strategic promotion of STI in the country.

Encouraging Research and Development (R&D) and Innovation

The Department of Science and Technology (DOST) will receive Php 24.1 billion in 2023 to cultivate a thriving research environment and develop modern technologies that will benefit the people and the economy.

Php 7.1 B DOST-Science Education Institute Grants and Scholarships

To support 55,426 scholar beneficiaries in science, technology, engineering and mathematics (STEM)

Undergraduate program: 50,518 scholars

Master's program: 3,863 scholars

Doctoral program: 1,045 scholars

Php 3.5 B Strategic Science and Technology (S&T) Program

To support the harmonized national S&T agenda by funding a target of 197 projects and aiding 108 grantees

Php 2.2 B S&T Development in the Countryside

To stimulate growth in the regions by providing 13,301 S&T interventions

Php 377 M STEM Scholarships of the Philippine Science High School System

To cover scholarship grants for 10,513 high school and senior high school students

Php 94 M Balik-Scientist Program

To provide incentives for Filipino scientists, technologists, and experts living abroad to return to the Philippines and contribute to the development of various industries



Enhancing the Digital Economy

To support the transformation to a technology-driven and digital economy, the Department of Information and Communications Technology (DICT) is allocated Php 9.8 billion to implement its programs and projects in 2023.

Php 2.5 B Free Public Internet Access Program

To provide Filipinos with free, fast, and secure internet access in public places such as hospitals, schools, airports, seaports, and terminals, among others

Php 2.4 B Free Internet Wi-Fi Connectivity in Public Places

Php 51 M Free Internet Wi-Fi Connectivity in State Universities and Colleges

Php 1.7 B National Government Data Center Infrastructure

To design, develop, implement, and integrate a secure data infrastructure that would ensure quick and efficient delivery of government services

Php 1.5 B National Broadband Plan

To fund the deployment of fiber optic cables and wireless technologies to enhance internet speed and affordability

Php 169 M National Government Portal

To create an online one-stop shop of government data, information, and services for faster and more efficient public service delivery

Allocations for Attached Agencies of the DICT

Php 461 M National Telecommunications Commission

Php 353 M Cybercrime Investigation and Coordination Center

Php 208 M National Privacy Commission



Enterprise Development

Seeking to foster an enabling business environment that supports investments and enterprise development, the proposed 2023 National Budget will facilitate the transformation to a more agile, efficient, and responsive government. This will be achieved through digitalization, streamlining, and the elimination of red tape and corruption in the bureaucracy.

Accelerating the Transition to Digital Governance

Php 4.7 B Information and Communications Technology (ICT) Systems and Infostructure Development, Management, and Advisory Program

To fund the implementation of various ICT programs of the Department of Information and Communications Technology that will facilitate the shift to e-governance

Of which:

Php 1.7 B
National Government Data Center Infrastructure

Php 1.5 B
National Broadband Plan

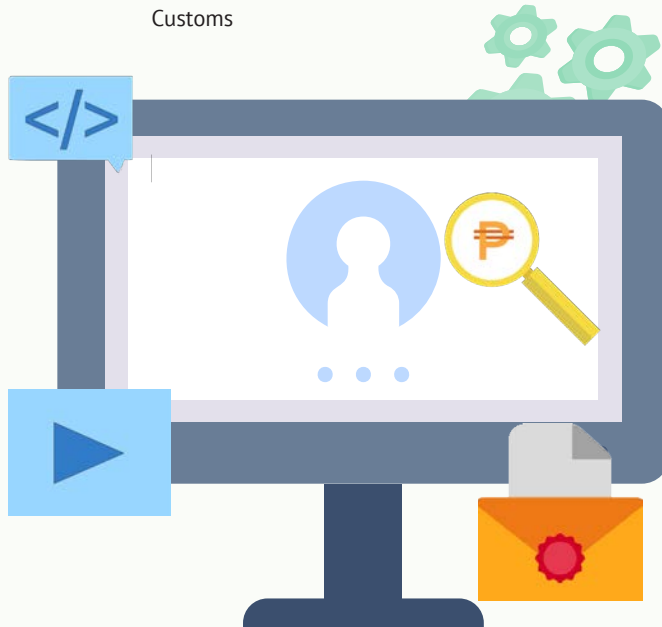
Php 169 M
National Government Portal

Php 2.6 B Revenue Information Systems Development and Infrastructure Support

To support ICT programs of the Bureau of Internal Revenue that will facilitate filing and paying of taxes for improved revenue collection

Php 1.2 B Philippine Customs Modernization Project

To streamline, automate, and develop a world-class customs processing system that will enhance revenue generation and trade facilitation of the Bureau of Customs



Ensuring a Clean and Efficient Government

Php 4.8 B Office of the Ombudsman

To reduce the incidence of corruption in the government through enforcement of the following programs:

Php 759 M
Anti-Corruption Investigation Program

Php 575 M
Anti-Corruption Enforcement Program

Php 97 M
Corruption Prevention Program

Php 2.1 B Sandiganbayan

To fund, among others, the Sandiganbayan Adjudication Program in order to effectively process a target of 5,640 cases involving public officials and employees accused of graft and corruption

Php 2.1 B Philippine Identification System

To ensure the full implementation of a single national ID system and provide identification cards for 92 million Filipinos by mid-2023

Php 149 M Ease of Doing Business and Efficient Delivery of Government Services Program

To streamline government processes for improved public service through the strengthened implementation of the Ease of Doing Business and Efficient Government Service Delivery Act

Encouraging Trade and Investments

Php 773 M Exports and Investments Development Program

To support the development, facilitation, and promotion of both domestic and foreign exports and investments

Php 109 M Investment Promotion Program

To finance the promotion of foreign and local investments, as well as the registration and supervision of investment projects, among others



Infrastructure

As President Ferdinand Marcos Jr. emphasized, the backbone of an economy is its infrastructure. Robust spending on the infrastructure sector helps stimulate the country's economy through the creation of thousands of jobs for Filipinos. As the government sustains these investments, this sector will continue to be one of the top priorities under the Marcos Jr. Administration.

A total of Php 1.189 trillion, or 5.0% of GDP, is allocated for the government's 2023 infrastructure program, which is still well within the target of 5.0% to 6.0% GDP share of annual appropriations for infrastructure.

Build, Better, More

(formerly Build, Build, Build Program)



2023: Php 1.189 T

2022: Php 1.178 T

- Php 398.5 B** Road Networks
- Php 212.2 B** Flood Control Systems
- Php 164.1 B** Development Fund of LGUs
- Php 105.3 B** Railways
- Php 52.3 B** Buildings
- Php 50.3 B** Right-of-Way Acquisitions
- Php 29.5 B** Irrigation Systems
- Php 16.8 B** Hospitals and Health Centers
- Php 13.9 B** School Buildings
- Php 5.3 B** Water Supply Systems
- Php 3.6 B** Power Supply Systems
- Php 2.5 B** Housing and Community Facilities
- Php 1.4 B** Reforestation Projects



Regional Breakdown of the Infrastructure Program, 2022-2023

(in billion Pesos)

Particulars	2022 GAA	2023 NEP
Nationwide ^{1/}	205.1	266.9
Central Office ^{2/}	585.2	276.4
Cordillera Administrative Region (CAR)	18.9	28.7
Region I	20.8	34.7
Region II	19.7	32.9
Region III	37.7	63.0
National Capital Region (NCR) ^{3/}	59.1	40.6
Region IV-A	34.7	51.1
MIMAROPA	16.1	34.2
Region V	30.9	49.7
Region VI	19.3	33.2
Region VII	21.7	39.3
Region VIII	24.1	41.2
Region IX	10.4	27.7
Region X	18.0	50.8
Region XI	16.6	47.1
Region XII	12.2	24.5
CARAGA	9.0	29.1
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) ^{4/}	18.6	18.1
Total	1,178.0	1,189.1

Note: Figures may not add up due to rounding off.

^{1/} Nationwide allocations pertain to allocations that are yet to be distributed to various regional offices of departments/agencies and to multi-user special purpose funds (e.g., Calamity Funds).

^{2/} Central Office allocations consist of infrastructure allocations being managed by the head offices of departments/agencies for their respective units.

^{3/} Regional allocations for the 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 the BARMM (and former ARMM) provinces



Collaborating With Different Sectors

The DPWH also partners with other national government agencies to implement key infrastructure projects in their respective sectors. In 2023, Php 10.3 billion will be set aside for the construction and improvement of access roads to airports, sea ports, and trades, industries, and economic zones all over the country.

Access Roads/Bridges

Php 15.7 B Tourist destinations
Php 8.1 B Trade, industries, and economic zones
Php 2.3 B Airports, seaports, and railways
Php 1.7 B National roads that link to indigenous peoples' communities

Facilities

Php 20.8 B Multi-purpose buildings/facilities to support social services
Php 0.5 B For people with disabilities, senior citizens, and gender responsiveness

Local Governments

Php 31.8 B Local Program (DPWH)
Php 10.0 B Support to the Barangay Development Program of the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC)

Selected Targets for Different Sectors

- **16.313 kilometers (km)** of constructed/improved roads to airports
- **27.563 km** of constructed/improved roads to seaports
- **308.063 km** of constructed/improved roads to tourist destinations
- **155.813 km** of constructed/improved roads to industries



Enhancing Mobility

The government's main arm in the implementation of public infrastructure programs and projects takes up the second highest allocation in the proposed 2023 National Budget.

The Department of Public Works and Highways (DPWH) will receive Php 718.4 billion in 2023, an 8.7% decrease from its Php 786.6 billion budget in 2022.

Php 132.6 B	Network Development Program
Php 84.2 B	Asset Preservation Program
Php 45.7 B	Bridge Program

Improving Local Transportation

For 2023, the Department of Transportation (DOTr) will receive a hefty portion of the proposed National Budget—and this is reflected in the 120.4% increase in its budget. From Php 75.8 billion in 2022, the DOTr will be allocated Php 167.1 billion in 2023 to fund transportation projects in land, rail, air, and sea.

Php 114.0 B	Rail Transport
Php 4.7 B	Land Public Transport
Php 2.5 B	Air Transport
Php 0.9 B	Maritime Transport

Selected Targets of the DPWH

- Newly constructed roads: **50.804 km**
- Widened roads: **494.65 km**
- Maintained and rehabilitated bridges: **304**
- (New and replacement) constructed bridges: **19,570.052 lineal meters**



Environment, Climate Adaptation, and Disaster Resilience

As the Philippines continues its journey towards inclusive and sustainable transformation, the government also puts a premium on environmental expenditures. The Department of Environment and Natural Resources, as the main implementer of environment-related programs and projects, will receive Php 24.1 billion in 2023.

Protecting the Environment

Php 2.5 B National Greening Program

To cover 11,631 hectares of area; 6,179,762 seedlings to be planted; and 156,909 hectares of area to be maintained

Php 1.7 B Manila Bay Rehabilitation

To improve solid waste management in the Manila Bay and clean the *esteros* and other waterways that are connected to it, among others

Php 1.0 B Protected Areas Development and Management

To conserve biodiversity in protected areas by promoting sustainable management of all types of forests, restore degraded forest, and increase reforestation, among others

Php 256 M Solid Waste Management

To fund the monitoring of compliance of local government units, pursuant to Republic Act No. 9003 or the Ecological Solid Waste Management Act

Php 246 M Coastal and Marine Ecosystems Management

To reduce the drivers and threats of degradation of coastal and marine ecosystems

Php 184 M Clean Water Regulations

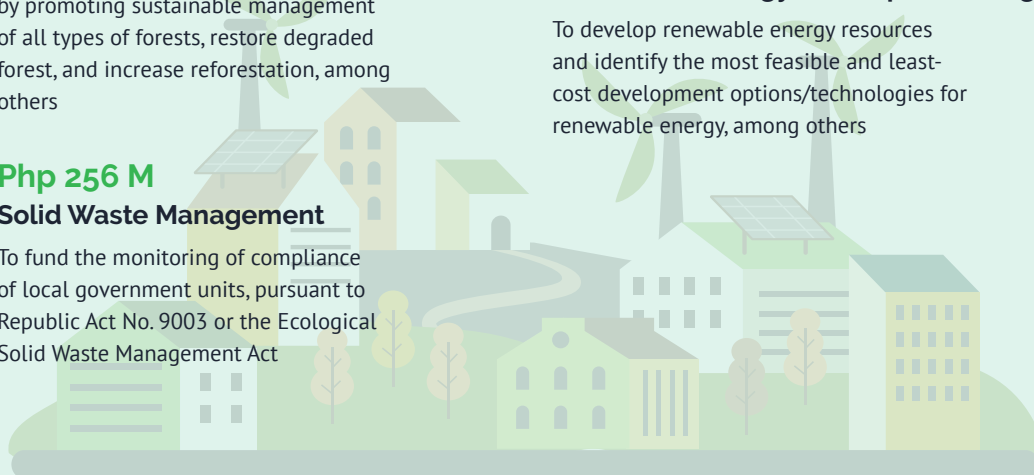
To ensure better quality of water in priority rivers and critical waterbodies

Php 178 M Clean Air Regulations

To improve the air quality by operating, maintaining, and calibrating 106 air quality monitoring stations, among others

Php 145 M Renewable Energy Development Program

To develop renewable energy resources and identify the most feasible and least-cost development options/technologies for renewable energy, among others



Funding Climate Change Adaptation

Php 453.1 B Climate Change Expenditures

To fund programs and projects that focus on food security, water sufficiency, ecosystem and environmental stability, human security, climate smart industries and services, sustainable energy, knowledge and capacity development, and cross-cutting



Ensuring Disaster Preparedness

Php 168.9 B Flood Management Program

To construct 1,293 flood mitigation structures and drainage systems, as well as construct and/or rehabilitate 708 flood mitigation facilities in major river basins and principal rivers

Php 31.0 B National Disaster Risk Reduction and Management Fund

To help mitigate the effects of disasters and calamities by funding relief, reconstruction, rehabilitation, and other related services of the government

Php 6.4 B Quick Response Fund

To fund the quick assistance of national government agencies in areas affected by disasters, calamities, epidemics, or complex emergencies

Of which:

Department of Education: **Php 2.0 B**

Department of Social Welfare
and Development: **Php 1.3 B**

Department of Agriculture: **Php 1.0 B**

Department of Public Works and Highways: **Php 1.0 B**

Department of Health: **Php 500 M**

Office of Civil Defense: **Php 500 M**

Bureau of Fire Protection: **Php 50 M**

Philippine National Police: **Php 50 M**



The 2023 Budget and the Economy

In line with the Administration's agenda for prosperity, the proposed 2023 National Budget aims to achieve an inclusive and sustainable economic transformation that is felt by all Filipinos. With this and the expected recovery in the global economy, as well as the anticipated stabilization of global oil prices, the Philippines' domestic economy is seen to expand over the medium term.

Macroeconomic Assumptions, 2021-2025

Particulars	Actual	Adjusted	Projections ^{1/}		
	2021	2022	2023	2024	2025
Real GDP Growth (%) ^{2/}	5.7	6.5-7.5	6.5-8.0	6.5-8.0	6.5-8.0
Inflation Forecast (%) ^{3/}	3.9	4.5-5.5	2.5-4.5	2.0-4.0	2.0-4.0
Dubai Crude Oil (USD/ bbl)	68.77	90-110	80-100	70-90	70-90
FOREX (Php/USD)	49.25	51-53	51-55	51-55	51-55
London Interbank Offered Rate (LIBOR), 180 days (%)	0.2	1.5-2.5	3.0-4.0	3.0-4.0	2.5-3.5
Growth of Goods Export (%) ^{4/}	12.4	7.0	6.0	6.0	6.0
Growth of Goods Import (%) ^{4/}	31.7	18.0	6.0	8.0	8.0

^{1/}Assumptions and targets adopted by the Development Budget Coordination Committee (DBCC) on July 8, 2022

^{2/}At constant 2018 prices

^{3/}Inflation rate using the 2018-based CPI

^{4/}Based on the IMF's Balance of Payments and International Investment Position Manual, 6th edition (BPM6)



Real GDP Growth

For 2023 to 2025, the government targets a 6.5% to 8.0% economic growth.

Inflation

The rate of inflation in 2023 is seen to settle between 2.5% to 4.5%.

Dubai Crude Oil

The price of Dubai crude oil is projected to range from USD 80 to USD 100 per barrel in 2023.

Foreign Exchange Rate

For 2023 to 2025, the exchange rate is expected to settle between Php 51 and Php 55 per US dollar.

LIBOR

The projection for the six-month LIBOR will be maintained within the range of 3.0% to 4.0% in 2023.

Exports and Imports

The export and import of goods are both expected to grow by 6.0% in 2023.

Fiscal Sensitivity to Key Macroeconomic Indicators^{5/}

(in billion Pesos)

Indicator	2023		
	Revenues	Disbursements	Budget Balance ^{6/}
1 percentage point increase in real GDP growth	33.7	-	33.7
1 percentage point increase in inflation rate	30.4	-	30.4
1 percentage point increase in merchandise import growth	6.5	-	6.5
1 percentage point increase in Treasury Bill Rate	1.0	5.0	(4.0)
1 percentage point increase in Treasury Bond Rate	1.3	6.4	(5.1)
1 percentage point increase in LIBOR (180 days)	-	12.7	(12.7)
Php 1.00 depreciation in Foreign Exchange Rate	10.0	2.4	7.6

^{5/}Sources: Department of Finance and Bureau of the Treasury

^{6/}A negative figure in the budget balance means an increase in the deficit.

- For every 1 percentage point increase in the GDP, Php 33.7 billion worth of additional revenues is expected to be collected.

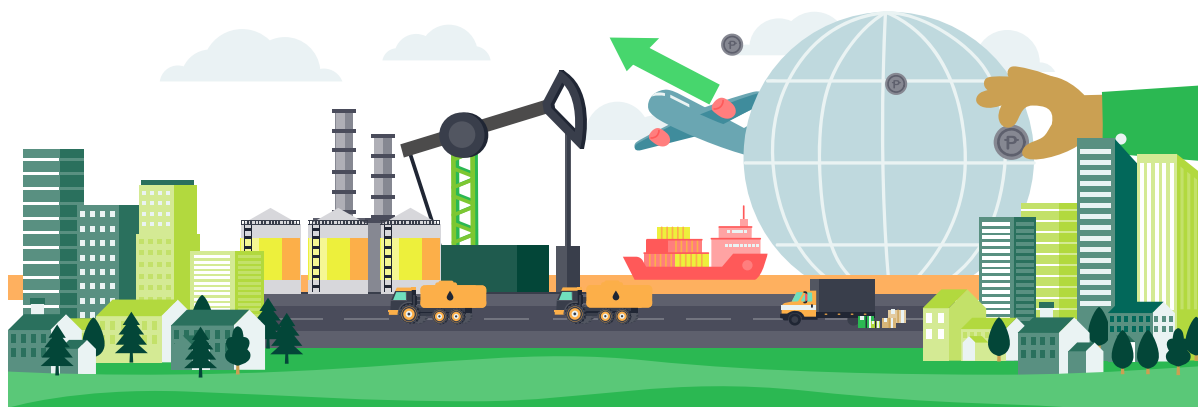
- A 1 percentage point uptick in the Treasury Bill Rate will expand revenue collection by Php 1.0 billion and increase expenditures by Php 5.0 billion, pushing the budget deficit upwards.

- A 1 percentage point increase in the inflation rate will enable the government to collect Php 30.4 billion in additional revenues.

- For every 1 percentage point increase in LIBOR, disbursements will expand by Php 12.7 billion and the deficit will increase by the same level.

- For every 1 percentage point increase in the import level, the government expects to receive an additional Php 6.5 billion in revenues.

- Every Php 1.00 depreciation translates to an additional Php 10.0 billion in revenues and Php 2.4 billion in disbursements. This will improve the budget balance by Php 7.6 billion.



Fiscal Program

Sound fiscal management with an effective fiscal program is needed in order to achieve a prosperous and transformed Philippines. In 2023, the government will ensure that the revenue collection, disbursement program, and deficit levels are well-managed to help achieve the country's economic goals.

Fiscal Program, 2021-2025 (in trillion Pesos)



Sources: Department of Finance, Department of Budget and Management, National Economic and Development Authority, and Bureau of the Treasury Notes:

- Figures may not add up due to rounding off.

^{1/} Program approved by the Development and Budget Coordination Committee (DBCC) on May 24, 2022

^{2/} Projection approved by the DBCC via Ad Referendum

^{3/} The details of the FYs 2021-2023 Financing Program are shown in Table D.1 of the BESF.

^{4/} Includes proceeds used for prepayments in bond exchange transactions

Revenues

For 2023, revenues are expected to reach Php 3.633 trillion or 15.3% of GDP. This amount is 10.0% higher than the 2022 program of Php 3.304 trillion.

Disbursements

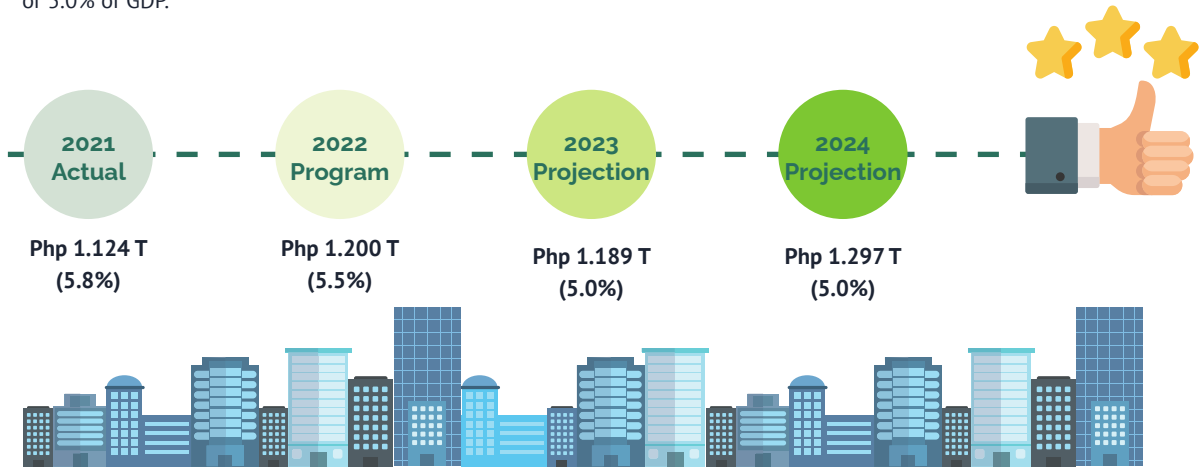
Disbursements in 2023 will amount to Php 5.086 trillion or 21.4% of GDP. This is 2.6% higher than the Php 4.955 trillion program this year.

Deficit

The deficit will decrease to Php 1.453 trillion, Php 0.198 trillion lower than the 2022 level.

Infrastructure Program*

To help boost the economy, the infrastructure program for 2023 will be at Php 1.189 trillion or 5.0% of GDP.



The Marcos Jr. Administration will collect more revenues through various tax administration reforms, such as the Corporate Recovery and Tax Incentives for Enterprises or the CREATE LAW, among others. As a result, expenditure priorities in priority sectors will be funded, leading to increased government spending.

Meanwhile, the high deficit level caused by the COVID-19 pandemic was inevitable, however, it is now expected to decrease over the medium-term.



*Projections pertain to disbursements from National Government infrastructure, infrastructure subsidy/equity to government corporations, and transfers to local government units intended for infrastructure activities. Include payables from the current year's budget and prior years' obligations.

Revenues^{1/}

The projected revenue collection for FY 2023 is expected to reach Php 3.633 trillion, which will be used to fund high-impact priority programs, activities, and projects, particularly in education, health, and social protection systems improvement, disaster-risk management, and digital transformation.

Total Revenues, FY 2021-2025

2021 (Actual)	2022 (Program)	2023 (Projection)	2024 (Projection)	2025 (Projection)
Php 3.006 T 15.5% of GDP Up by 5.2%	Php 3.304 T 15.2% of GDP Up by 9.9%	Php 3.633 T 15.3% of GDP Up by 10.0%	Php 4.063 T 15.6% of GDP Up by 11.8%	Php 4.577 T 16.0% of GDP Up by 12.7%

Breakdown of Revenue Source



- **Php 3.464 T**
Tax Revenues
- **Php 168.3 B**
Non-Tax Revenues
- **Php 0.5 B**
Privatization



^{1/}Consistent with the medium-term macroeconomic assumptions and fiscal program approved in the DBCC Ad Referendum dated August 19, 2022

Major Contributors in the Revenue Program, 2023

Tax Revenue Program

Taxes collected by the Bureau of Internal Revenue, Bureau of Customs, and other offices from net income and profits, properties, domestic goods and services, and international trade and transactions, among others

Of which:

Php 3.436 T	Department of Finance
Php 21.2 B	Department of Transportation
Php 3.8 B	Department of the Interior and Local Government
Php 0.6 B	Department of Environment and Natural Resources
Php 0.1 B	Department of Justice
Php 2.5 B	Other Executive Offices

Non-Tax Revenue Program

Collections from Treasury Operations, Government-Owned and/or -Controlled Corporations, fees and charges, and other non-tax revenues, among others

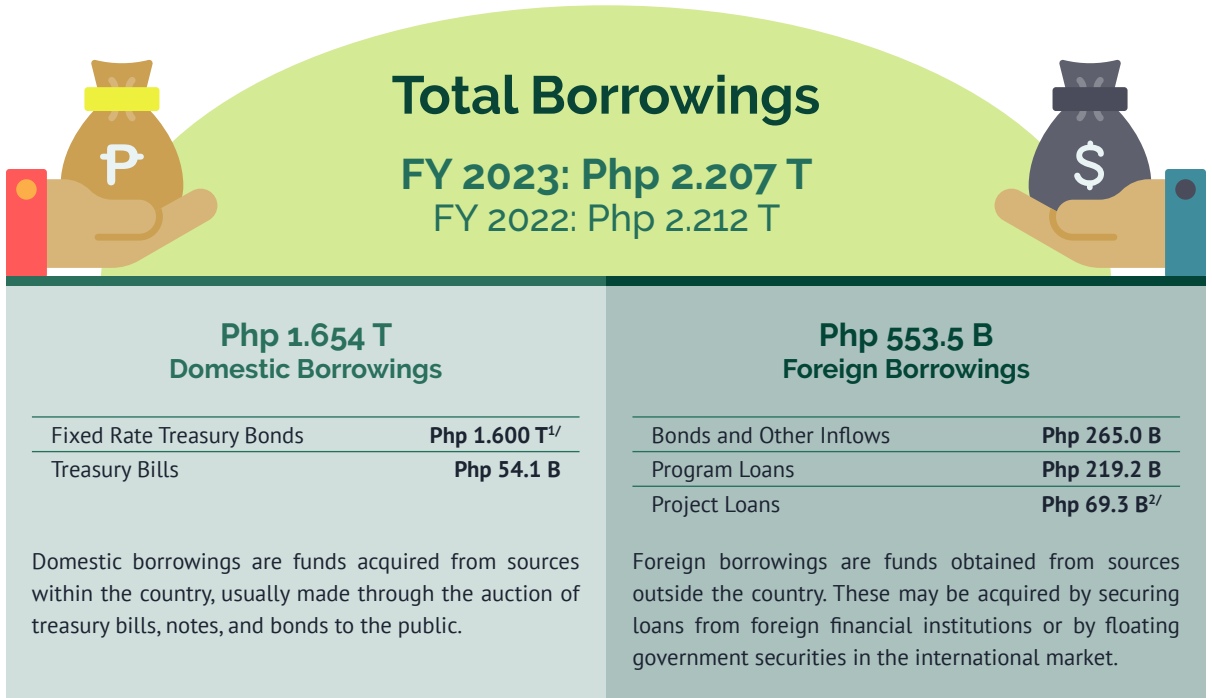
Of which:

Php 81.0 B	Department of Finance
Php 27.8 B	Department of Energy
Php 17.1 B	Department of Justice
Php 8.3 B	Department of Transportation
Php 6.0 B	Department of Information and Communications Technology
Php 6.0 B	Department of Foreign Affairs



Borrowings

Borrowings are funds obtained from repayable sources, which may be domestic or foreign, to finance or augment funds for government programs, activities, and projects. For 2023, the government will borrow Php 2.207 trillion, following a 75:25 mix in favor of domestic sources.



Note: Figures may not add up due to rounding off.

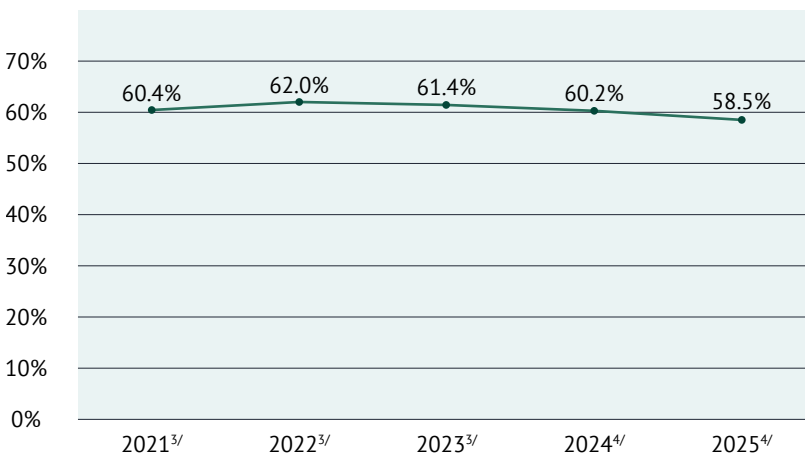
^{1/}Includes A/R bonds

^{2/}Includes relent loans assumed by the NG based on Subsidiary Loan Agreement

National Government Debt Level

(As a % of GDP)

With the expected sustained growth of the economy in the medium term, the debt-to-GDP ratio of the National Government is projected to gradually decrease to less than 60.0% of GDP by 2025.



^{3/}Based on the FY 2023 Budget of Expenditures and Sources of Financing

^{4/}Based on the Indicative Medium-Term Financing Program provided by the Bureau of the Treasury as of August 12, 2022

Glossary



1. | Allotment

The share of appropriations which serves as a government entity's limit and basis for committing/ incurring obligations, in accordance with the purpose, documentation requirements, and within the period of time as specified in any of the following budget authorization documents to be issued by the DBM:

1. General Appropriations Act as the Allotment Order (GAAO) for specific appropriation items deemed released upon effectivity of the GAA, i.e., "For Comprehensive Release";
2. General Allotment Release Order issued to all national government agencies, in general, to incur obligations, i.e. Retirement and Life Insurance Premium (RLIP), except RLIP for the departments/agencies chargeable against Special Accounts in the General Funds (SAGFs) and those covered by special arrangements; and
3. Special Allotment Release Order (SARO) issued to identified agencies to incur obligations not exceeding a given amount during a specified period for the purpose indicated. It shall cover expenditures' the release of which is subject to compliance with specific laws or regulations, or is subject to separate approval or clearance by competent authority.

2. | Appropriation

An authorization pursuant to law or other legislative enactment, hence, required Congressional action, directing the spending of public funds for a specific purpose, up to a specified amount under specified conditions.

3. | Budget

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

4. | Budget Deficit

A situation where government spending exceeds revenues.

5. | Cash Budgeting System

Budgeting system where the annual appropriations limit incurring obligations and disbursing payments for goods delivered and services rendered, inspected and accepted within the current fiscal year, or the transition period approved by the President as recommended by the DBM. Payments of these obligations shall be made until the Extended Payment Period, as authorized by the GAA.

6. | Debt Service

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

7. | Disbursement

A settlement/liquidation/payment of an obligation incurred in the current or prior years, involving cash or noncash transactions and covered by disbursement authorities.

8. | Expenditure Program

The approved ceiling on the obligations that could be incurred by

the government in a given budget year. The said ceiling is supported by estimated financial resources.

9. | Expense Class

Classification of expenditures under the following categories:

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

10. | Fiscal Policy

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

11. | Gross Domestic Product (GDP)

The sum of gross value added of all resident producer units plus that part (possibly the total) of taxes on products, less subsidies on products, that is not included in the valuation of output. GDP simply refers to the total value of goods and services produced in a country over a specific time frame, such as a quarter or a year. The GDP growth rate adjusted for prices may be used as a measure of the economic development or progress of a country.

12. | Inflation

Rate of increase in the average prices of goods and services typically purchased by consumers.

Budget Cycle

Government budgeting involves four distinct phases that make up the Budget Cycle: preparation, legislation, execution, and accountability. While the Executive Branch implements the budget for the current year, it also plans and prepares the budget for the succeeding year and ensures that goals are met by monitoring, evaluating, and reporting actual performance year-round. Shown here is the ideal schedule of activities that government agencies follow during the cycle.



Off-Budget Accounts

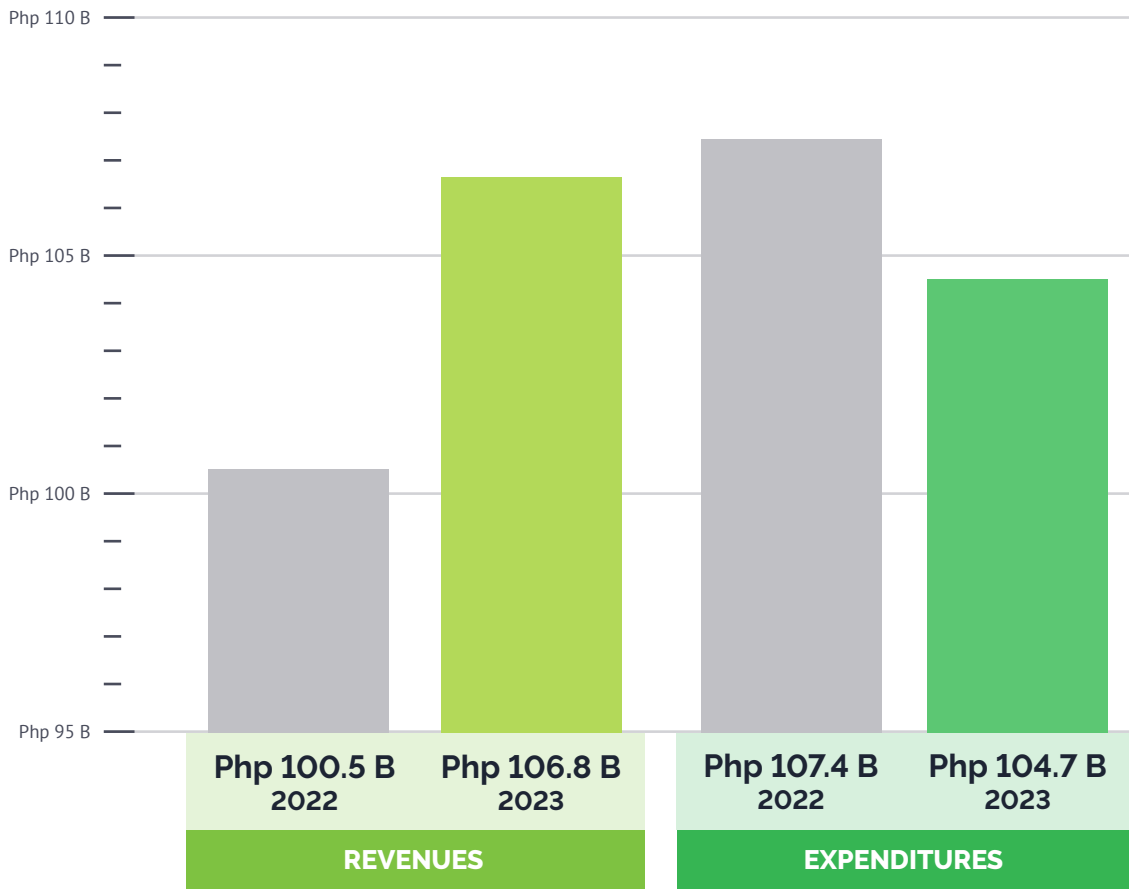
Pursuant to certain laws, some government agencies are allowed to collect income from their operations to cover particular expenses that are not included in the National Expenditure Program. Known as off-budget accounts, these are still subject to inspection by the Commission on Audit to safeguard their use.

Total Off-Budget Accounts for 2023

The government's off-budget revenues for 2023 is projected to reach Php 106.8 billion. This amount, in addition to existing funds, will be used to augment or finance specific expenditures worth Php 104.7 billion.

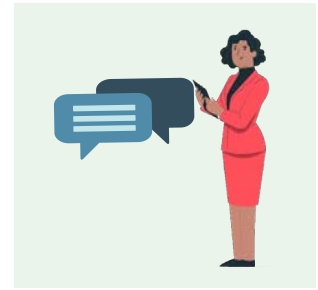


Off-Budget Accounts, 2022-2023



Ask Your Government

You deserve to be informed and be in the loop on where your taxes go. Get involved by picking up the phone or sending an email to know more!



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



Office of the President
Presidential Complaint Center
8249-8310 loc. 8175
www.op-proper.gov.ph



Office of the Vice President
Public Assistance Division
8370-1716 to 19 loc. 112, 113
www.ovp.gov.ph



Department of Agriculture
Public Assistance and Complaints Desk
8928-8741 to 64 loc. 2136
www.da.gov.ph



Department of Education
Public Assistance Action Center
8636-1663; 8633-1942; 8638-7529
action@deped.gov.ph
www.deped.gov.ph



Department of Environment and Natural Resources
Strategic Communication and Initiatives Service
8249-3367 loc. 1054, 1055
www.denr.gov.ph



Department of Foreign Affairs
Office of the Undersecretary for Migrant Workers
8834-4996; 8834-4449
oumwa@dfa.gov.ph
www.dfa.gov.ph



Department of Health
Malasakit Program Office
8651-7800 loc. 1805 to 1818
www.doh.gov.ph



Department of the Interior and Local Government
Public Affairs and Communication Service
8876-3454 loc. 5701; 8925-0349
www.dilg.gov.ph



Department of Justice
DOJ Action Center (DOJAC)
8526-3365; 8521-2930
dojac@doj.gov.ph
www.doj.gov.ph



Department of Labor and Employment
Information and Publication Service
DOLE Hotline: 1349
www.dole.gov.ph



Department of Migrant Workers
DMW-ORCC Help Desk
1348-DMW-OWWA 24/7 Hotline
repat@dmw.gov.ph
www.dmw.gov.ph



Department of Public Works and Highways
Stakeholders Relations Service
5304-3202; 5304-3280; 5304-3532; 5304-3275
www.dpwh.gov.ph



Department of Science and Technology
Public Assistance and Complaints Desk
8838-9080
www.dost.gov.ph



Department of Tourism
Tourism Information Frontline Services
8459-5200 to 30 loc. 223
8551-0698; 8832-2964 (Airport)
www.beta.tourism.gov.ph



Department of Trade and Industry
DTI Direct/Customer Contact Center
1-DTI (1-384); (0917) 834-3330
ASK@dti.gov.ph
www.dti.gov.ph



Department of Transportation
Communications and Commuter Affairs
8790-8300; 8790-8400 loc. 305, 362, 723
comms@dotr.gov.ph; publicassistance@dotr.gov.ph
www.dotr.gov.ph



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4 Agree

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Is the publication informative?

The following sections are relevant and informative:

The Proposed 2023 National Budget	1	2	3	4	5
Spending Priorities	1	2	3	4	5
Financing the National Budget	1	2	3	4	5
The Basics of Budgeting	1	2	3	4	5

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The content is logical and well-organized.	1	2	3	4	5
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The graphs, tables, photos, and illustrations aid in understanding the text better.	1	2	3	4	5

Is the publication well-designed?

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The color scheme is appealing.	1	2	3	4	5
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(continue to next page)



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Or how do you intend to use this publication?

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- Mail to **Advocacy, Communications, and Training Service, Department of Budget and Management, General Solano St., San Miguel, Manila 1005**
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Thank you and God bless!



2023 People's Proposed Budget

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Data Sources

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Fiscal Planning and Reforms Bureau
Local Government and Regional Coordination Bureau

Department of Budget and Management

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