

OFFICE OF THE PRESS SECRETARY
News and Information Bureau

**PRESS BRIEFING OF PRESS SECRETARY ATTY. TRIXIE CRUZ-ANGELES WITH DEPARTMENT
OF BUDGET AND MANAGEMENT SECRETARY AMENAH PANGANDAMAN**
AUGUST 31, 2022 (12:11 P.M. – 12:39 P.M.)

USEC. EUGENIO: Magandang araw, Malacañang Press Corps. Kasama po natin ngayong tanghali si Press Secretary, Atty. Trixie Cruz-Angeles at Department of Budget Management Secretary Amenah Pangandaman. Secretary, good afternoon po.

SEC. CRUZ-ANGELES: Magandang hapon. Maraming salamat, Usec. Greggy. Magandang hapon, Malacañang Press Corps.

Ang briefing po na ito ay primarily para makapagpresinta si Secretary Amenah Pangandaman ng tungkol sa budget for 2023. You can direct questions to her after her presentation. Nandito rin po kami kung mayroon kayong ibang katanungan on other topics. In the meantime, ang ating Budget Secretary, Madam Amenah Pangandaman.

DBM SEC. PANGANDAMAN: Thank you, Secretary Trixie. And thank you, Usec. Greggy.

Good afternoon to all. Thank you for this opportunity to talk about the National Expenditure Program for 2023. Let me begin with our mindset we developed an NEP.

We wanted a budget that is responsive to every need of every Filipino. This guided every decision we had to make in making the NEP. With that in mind, the DBM evaluated a total of 8.56 trillion worth of agency budget proposals for 2023. And in doing so, we considered the DBCC (Development Budget Coordination Committee) approved expenditure ceiling of P5.268 trillion. That said, the proposed budget is 4.9% higher than this year's budget and is equivalent to 22.2% of GDP.

This theme, *“Agenda for Prosperity: Economic Transformation Towards Inclusivity and Sustainability.”*

To reflect the theme, here are the top ten departments based on allocation: Please note that the except for education sector, the budget for this Department is net of their personal services requirement. This ranking, nevertheless, reflects the administration's priority.

Next are the top ten departments rank based on their percentage increase relative fiscal 2022 GAA. Again, except for the education sector, the budget for this Department is net of their personal services requirement.

As you can see, the highest budget increase went to Transportation with 147.7% increase; and to Agriculture with a 42.7 percent increase. Again, this reflects the administration's priority sector.

The proposed National Budget is tailored fit according to the 8-point socio-economic agenda and is anchored on these pillars: Strengthening the purchasing power of Filipinos; reducing vulnerability and mitigating scarring from COVID-19 pandemic and lastly, ensuring sound macro-economic fundamentals and supporting local government.

Let me discuss each one. The first pillar aims to strengthen the purchasing power of the Filipinos. Hence, the fiscal 2023 proposed National Budget include programs that will ensure the affordability and accessibility of basic goods and services.

To ensure food security, the Department of Agriculture's banner program will receive a larger share in the 2023 compared to its current budget. In particular, the provision for the National Rice Program almost doubled at 30.55 billion from 15.77 billion. The increase is largely due to the 19.48 billion budget for the expansion of fertilizer support to make fertilizers more accessible to rice farmers to prevent production losses. This will be complemented by the 10 billion Rice Competitiveness Enhancement Fund or RCEP, half of which will be dedicated to driving fund mechanization pursuant to RA 11203 or the Rice Liberalization Act to improve the competitiveness of local rice farmers and increase their income.

The production of other commodities such as corn, livestock, fisheries and high-value crop will also be supported with higher budget next year.

We will also support "shoulder-ready" infrastructure program under the Build Better More Program to propel growth in agriculture, trade, tourism sectors and eventually, reduce transport and logistics cost. A total of 1.196 trillion is allocated for these programs and is equivalent to five percent of GDP. This is within the target of five to six percent of GDP annual appropriation for infrastructure.

The infrastructure program is projected to average at 5.5% of GDP for the next six years, 2022 to 2028.

Also presented are the top ten departments receiving bulk of the proposed infrastructure budget, with DPWH and DOTr leading the list. A significant amount is also provided for social infrastructure covering hospitals and health centers, school buildings and housing community facilities.

Similarly, for the agriculture and environmental sectors, support will be provided for irrigation system and reforestation project.

Finally, the Department of Energy will receive a total of 2.2 billion in 2023 for its program. Of this amount, 476 million will be used for its Renewable Energy Development Program; Energy Efficiency and Conservation Program; and Alternative Fuels and Technology Program.

To reduce our vulnerability and mitigate scarring from COVID-19 pandemic, healthcare, social services and face-to-face classes are our priority. The government will be providing around 206.5 billion of ayuda under the proposed 2023 budget. This is composed of the cash transfer and other subsidy programs by various agencies; 165.4 billion pesos under the DSWD for the implementation of various social assistance program; 22.39 billion pesos will be provided for the implementation of the Medical Assistance to Indigent and Financially Incapacitated patients (MAIF) with the Department of Health.

Meanwhile, the TUPAD program of the Department of Labor and Employment will be provided with 14.9 billion for next year. The 2.5 billion will be provided to the Department of Transportation for the provision of fuel subsidies to the transport sector. Finally, one billion will be provided to the Department of Agriculture for the provision of financial subsidies and fuel subsidies to rice and corn farmers and fisherfolk.

Abiding by the Constitution and reflecting the President's commitment to invest in human capital development and empower the youth, the education sector will receive the highest allocation, 852.8 billion, covering the Department of Education, State Universities and Colleges, CHED and Technical Education Skills and Development Authority (TESDA).

With the Department of Education's allocation, we hope to implement continued face-to-face learning. We will achieve this through the construction of new classrooms and education facilities under the Basic Education Facilities Program with 9.28 billion; and a provision of learning materials through the Flexible Learning Options Program with 19.95 billion. Students will also continue to receive subsidies and education assistance to help them fulfill senior high school and Tech-Voc courses with 54.9 billion.

We will likewise prioritize funding for Universal Access to Quality Tertiary Education Program with 47.4 billion which will provide free tuition fee and other school fees to college students who will eventually constitute the country's workforce.

But human capital development must be accompanied by a strong healthcare system that can withstand unprecedented changes. Therefore, the Universal Health Care Program will continuously be given budget priority.

To strengthen our healthcare system, 23 billion pesos will be allocated for DOH Health Facilities Enhancement Program or HFEP to continue access to health care services through the construction, rehabilitation, and upgrading of health facilities and the purchase of medical equipment while 720 million pesos allocated for the National Surveillance Network that will improve transitioning of the COVID-19 surveillance system or regular surveillance activity and

redesigning the Health Statistical [unclear] Program to better address data and information need.

Prevention and control of communicable diseases, we provided with 5.84 billion pesos while 22 billion is provided for the procurement of vaccines under the fiscal year 2023 until the appropriation.

Along with human capital development, we must take care both most vulnerable in global inflation. As such, the Department of Social Welfare and Development will receive 197 billion to address the needs of the poor and marginalized among other targeted sectors of the economy. These include the proposed increase of the budget allocation for the Pantawid Pamilyang Pilipino Program.

After taking care of our people is equally important to take care of our environment. As such, mobilizing resources that enhance resilience and promote low-carbon development is the key agenda of our government. In pursuit of these, the budget for climate change mitigation will reach 453.11 million in 2023. This is equivalent to 8.6% of the total proposed budget. This is significantly higher by 56.4% that this year's allocation of 289.73 billion or 5.8% of the budget.

There is also the climate change expenditure tagging show that water sufficiency project have been prioritized with 264.89 billion. Meanwhile, funding for sustainable energy and food security remains substantial at 131.5 billion and 40.78 billion respectively. Please note that the climate change expenditure increased in recent year, it grew by an average of 21.3% from 2015 to 2023 – much faster than the average annual growth rate of the total national government expenditure of 10.5%.

To support climate change mitigation and adaptation program, the following programs have been tagged as climate change expenditure: The DPWH Flood Management Program with 168.5 billion for the construction and maintenance of flood mitigating structure and drainage system and for the flood mitigating facilities along major and principal [unclear]. The DENR's National Greening Program with 2.49 billion and the Protected Area of Development and Management Program with 94.72 million.

Further, in support of the LGUs efforts in protecting their respective coastal areas, the national government through the DENR likewise provide 246.12 million for the management of coastal and marine resources area.

Now, for the government to better implementing plan, we must make changes within the bureaucracy. Towards this end, we will prioritize digitalization and accelerate digital transformation. Thus, we have allotted some 12.4 billion to fund ITC project throughout the bureaucracy.

The improvement of revenue collections through digitalization will also be a priority. As the DOF and its attached agencies – BIR and BOC will receive 3.56 billion or equivalent to 28.6% of the total ITC proposed budget for their digital transformation program.

On DBM's end, we have a budget reform agenda. Foremost is the digitalization of the economy with the rollout of the Budget and Treasury Management System or BTMS in all agencies. We will likewise enhance bureaucratic sufficiency through the institutionalization of the past budgeting system.

Our economic transformation agenda also concentrates for the delusion of local government units. This allows them to directly implement program and intervention tailor fit for the needs of their constituents.

These programs are just a few of many. You may refer to our digital [unclear] for more details. It includes the President's budget message and the 2023 people proposed budget at [unclear].

Let me leave you with this final word: With this budget, we want every Filipino especially our farmers, fisherfolk, laborers, and those who are marginalized to not just survive but to reap the benefit of economic growth and national progress in their everyday life.

Maraming salamat po.

USEC. EUGENIO: Okay. Sec. Pangandaman, for our first question, from Anjo Alimario of CNN Philippines. [*'Andiyan ba si Anjo?'*]

Second question po niya: Hindi ba maapektuhan noong napakalaking requirement for debt servicing implementation ng mga priority programs and projects?

DBM SEC. PANGANDAMAN: With our NTFF po, we will try to consolidate our fiscal program. So, with the fiscal program po, we wanted to sana... to bring back our debt rate to 60% from... I think now it's 63% 'no, 65%. So, of the total amount po noong debt servicing natin, 11.6% lang po iyan ng budget or iyong 611 billion ang ating debt [unclear]. Because iyong 1.2 trillion po, that's automatically appropriated po. While it is higher by 12.9% compared to this year's 541.03 billion due to our previous borrowings brought about by the pandemic, big chunk pa rin po of the budget will still go to our priority programs and budget from the national government.

USEC. EUGENIO: Thank you, Sec. For second question, from Maricel Halili of TV-5.

MARICEL HALILI/TV5: Hi, Sec. Magandang hapon po. Ma'am, si Congressman Ralph Recto, he mentioned about 588 billion pesos shades of grey doon sa 2023 budget. He was actually referring to unprogrammed funds na hindi raw itemized. So, can you clarify this, Sec.? Bakit hindi naka-itemized ito? Para saan ba itong unprogrammed funds?

DBM SEC. PANGANDAMAN: The total unprogrammed funds po for 2023 – 588.21 billion. Mayroon po ‘tong detalye: 5 million po will go to AFP Modernization Program; 20.7 billion po will go to budgetary support to GOCC – ito po ‘yung mga conversion ng national government advances into subsidy to GOCC; support to foreign assistance projects po, mostly po these are DOTr foreign assisted project with the total amount of 380.6 billion po; risk management program, 1 billion; payment a year to LTO IT services, 2 billion; and refund of the service development [unclear] to [unclear] develop [unclear] property in Tokyo, .02 billion; Bangko Sentral ng Pilipinas equity infusion pursuant to RA 11211 with 10 billion pesos; public health emergency benefit allowances for health care and non-health care workers, 19 billion.

Now, mayroon pong balanse iyan na 149.7 billion – ito po ‘yung support to infrastructure projects and social program. Ito po ay naka-divide between MOOE and capital outlay. Ang mga proyekto po na nilalagay natin dito, ito po ‘yung mga proyekto na hindi pa po natin alam na mangyayari. Katulad po noong nagkaroon tayo ng pandemic o noong nagkaroon ng fuel hike, dito po natin kinuha iyong pondo para sa pagbibigay ng bus carousel natin, additional funding po for our ayuda and even po iyong pagpapatayo natin ng mga clinic o iyong mga services po sa health sector noong panahon po ng pandemic. I think the unprogrammed funds po, is actually itemized po for transparency po of everyone.

MARICEL HALILI/TV5: Ma’am, just a clarification. So, meaning po iyong unprogrammed funds po allotted siya, just in case there is an emergency or crisis like what we have experienced?

DBM SEC. PANGANDAMAN: Puwede po siya, kung mayroon po tayong hindi inaasahan na pangyayari po, para pong pandemic or iyong mga proyekto po dito na-identify natin, kapag nagkaroon po tayo ng extra revenue po from DoF – BIR or Bureau of Custom, puwede rin pong mag-trigger ng release ng mga proyekto po dito.

MARICEL HALILI/TV5: All right. Thank you, Sec.

USEC. EUGENIO: Thank you, next question Vanz Fernandez of Police Files. Okay, question po ni Miss Vanz. Secretary Pangandaman, ang question po niya: Bakit po na-slash ang budget para sa UP-PGH? Puwede po ba itong taasan, pati na rin po iyong budget for building ng classrooms for DepEd? Ano po ba ang absorptive capacity ng DepEd?

DBM SEC. PANGANDAMAN: For the UP System at saka UP-PGH, if we will compare the budget from 2022 GAA to 2023 NEP, nagkaroon po ito ng reduction. Sa UP system po 9.8% at saka sa UP-PGH po, 5.9%. However po, iyong reduction po kasi na ito, ito po iyong mga Congress-introduced changes and adjustments and iyong mga non-recurring programs and project po.

Ibig pong sabihin, ito iyong mga one-time purchase po, for example po for UP-PGH, kung bibili po tayo ng mga equipment po. Kunwari, x-ray machine or similar medical equipment po, one time lang po ito binibili, hindi po ito kailangan pang magsunod na taon kapag ito po ay nagamit na.

USEC. EUGENIO: Thank you, Sec. Sec. Pangandaman, we have also a question from Celerina of NHK. Sabi po niya: Included ba ang allocation for the revival of Bataan Nuclear Power plant? If so, how much?

DBM SEC. PANGANDAMAN: For the Bataan Nuclear Power Plant, wala po tayong budget.

USEC. EUGENIO: Okay. Any other questions? Okay may pahabol po na question dito. Sec: Ano po ang stand ninyo sa abolition ng PS-DBM? Na-mention po ninyo sa Congress hearing na nakapag-generate ng savings ang PS-DBM sa paanong paraan po?

DBM SEC. PANGANDAMAN: Again po, I will be consistent with my previous pronouncement po. I defer to the wisdom of the Congress po, if they wish to abolish. But again po, sana po, with the new leadership po of Atty. Dennis Santiago, he is a known procurement practitioner po and the same time, iyong advocacy po talaga from the very beginning, when he started on procurement po.

In fact, he was part in crafting of the GPRA (Government Procurement Reform Act), iyong procurement law po natin. Noong time po ni Secretary Diokno, I was undersecretary during that time, I remember, I ought to mention during the hearing in Congress, but during that time po, nagkaroon po tayo ng savings sa PS-DBM na worth 18 billion po. It was actually returned po iyan sa ating national government coffer.

So, I think, if we will just – again clean po, maayos po iyong procurement process system and in fact, si Atty. Dennis Santiago po, nag-isyu na, that we will concentrate po muna on the major mandate po ng PS-DBM, which is to procure po iyong mga non-common use supplies. So, siguro po, we will concentrate on that and then, we will use e-procurement and e-shopping po for our procurement in the national government para po maging transparent. We can go live streaming po.

At isa pa po is, siguro kasama din dito is pag-aayos po noong sistema ng pagpo-procure together with GPPB (Government Procurement Policy Board) po, kasi po iyong GPPB po is another attached agency of DBM na siyang nag-aayos po ng, [unclear], ng government procurement act.

USEC. EUGENIO: Sec, last question from Ted Cordero ng GMA News online: Kailan daw po ninyo isa-submit iyong proposed Rightsizing Bill?

DBM SEC. PANGANDAMAN: Ah, we already provided po the Congress, iyong Rightsizing Bill po natin. In fact, we have a few senators po, who already filed the bill. I think, Senator Escudero already filed the bill. In the House po, mayroon din po, mga tatlo na po yatang nag-file. So, I think, kapag na-refer na po ito sa proper committee, we will be more than happy po, to be present during their committee hearings and deliberation.

USEC. EUGENIO: Okay. Maraming salamat po, Secretary Amenah Pangandaman ng DBM. Ngayon naman, we will open the floor for few questions kay Press Secretary, Atty. Trixie Cruz-Angeles.

Kat Domingo ng ABS-CBN.

KAT DOMINGO/ABS-CBN: Secretary Trixie, good afternoon. Ma'am, Cebu City Mike Rama signed an executive order today that removes the mandatory wearing of face masks in Cebu City, your reaction, please?

PRESS SEC. CRUZ-ANGELES: I'm sorry, requiring mandatory?

KAT DOMINGO/ABS-CBN: He signed an executive order that removes the mandatory wearing of face masks. So hindi na po mandatory iyong pagsusuot ng face masks in Cebu?

PRESS SEC. CRUZ-ANGELES: We respect the mandate of local governments over their own jurisdictions. The President has no reaction to this as of yet.

KAT DOMINGO/ABS-CBN: So, follow-up question lang po. So, there will be no issues with the DOH. Because the last time this happened, it was an issue against Governor Gwen Garcia. So, how do we avoid confusion similar to what happened before?

PRESS SEC. CRUZ-ANGELES: Like I said, there is no reaction yet from the Palace on this one. It may be taken under advisement, although, we do respect the mandates of local governments over their own jurisdictions. If this is brought up, then we will make such an announcement. We are also waiting for the reaction of the DOH on this one. So, without all of that information coming in, there will be no statement yet.

KAT DOMINGO/ABS-CBN: Salamat po.

USEC. EUGENIO: Thank you, Kat. Next question, Secretary kay Anna Felicia ng GMA News Online: Update lang po sa probe regarding doon sa alleged forged appointment paper?

PRESS SEC. CRUZ-ANGELES: I'm sorry, what was the question?

USEC. EUGENIO: Sec, update daw po doon sa alleged forged appointment paper. Any update?

PRESS SEC. CRUZ-ANGELES: Well, as of yesterday afternoon, I was informed by Secretary Boying Remulla that the NBI has already commenced its investigation. We are waiting to hear from the CIDG.

USEC. EUGENIO: Okay, any other questions from MPC? Ma'am, okay na po yata lahat, Secretary.

PRESS SEC. CRUZ-ANGELES: Well, we are here we may as well announce that we sent out a statement earlier. Usec. Greggy, with your indulgence, we would like to announce the following appointments today.

The following have been appointed to Cybercrime Investigation and Coordinating Center under the Department of Information and Communications Technology, Alexander K. Ramos is now the New Executive Director; the Deputy Executive Director is Mary Rose E. Magsaysay; Patricia May M. Abejo is Director IV; Rojun Hosillos, also Director IV and Alvin Miro Navarro, Director IV.

So, uulitin ko po, these are for CICC – the Cybercrimes Investigation and Coordinating Center, under the Department of Information and Communications Technology.

USEC. EUGENIO: Okay, maraming salamat po, Press Secretary Atty. Trixie Cruz-Angeles. Maraming salamat, Malacañang Press Corps.

###

--

News and Information Bureau – Transcription Section