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***Analysis of the Regional Allocation  
of the FY 2023 National Budget***

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# ANALYSIS OF THE REGIONAL ALLOCATION OF THE FY 2023 NATIONAL BUDGET

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## INTRODUCTION

The country's economy, which took the brunt of the impact of the COVID-19 crisis, is slowly recovering as the government ramps up its public spending and lifts restrictive policies to absorb the socio-economic shocks of the pandemic. The Asian Development Bank (ADB, 2022) expects the Philippine economy to expand further than expected this year, given the increase in investments and household spending, the expansion of the government's vaccination program, and the removal of travel restrictions across the archipelago. Relative to this, the ADB predicts that the country's economy will grow by at least 6.5% in 2022. This estimate may not be far-fetched as the Philippine Statistics Authority (PSA, 2022) has reported that the economy grew by as much as 7.4% in the second quarter of 2022.

Although the economy has showed positive developments in terms of growth, challenges brought about by rising consumer prices, high underemployment and unemployment rate<sup>2</sup> that are still higher than pre-pandemic levels, and other external factors—e.g., the Russia-Ukraine conflict and natural disasters—continue to hound the country's post-pandemic recovery. A resurgence of COVID-19 and its variants may also pose a threat to the country's reopening and recovery efforts. The country has lost earlier gains in poverty reduction—as the global health crisis worsened poverty incidence from 16.2% in 1<sup>st</sup> half of 2018 to 18.9% in the same period in 2021. Amid these challenges, the new administration ambitiously aims to elevate the country to the upper-middle-class income status and to bring down poverty incidence to single digit (9%) by end of the term.

In the inaugural budget message of the Marcos Jr. Administration, it has promised to deliver an *Agenda for Prosperity* by continuing the gains of the previous administration in infrastructure development and by accelerating support to the education, agriculture, and health sectors. Relative to this, the NG has proposed a total budget of P5,268 billion for 2023 that shall be guided by the President's 8-point socioeconomic agenda: (1) food security, (2) improved transportation, (3) affordable and clean energy, (4) health care, (5) social services, (6) education, (7) bureaucratic efficiency, and (8) sound fiscal management.

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<sup>2</sup> The 2021 Labor Force Survey reported that the total number of unemployed individuals reached 3.27 million or an unemployment rate of 6.6% as of December 2021. This is higher than the unemployment rate before the pandemic which stood at 5.1% in 2019.

Following the Mandanas-Garcia ruling, local government units (LGUs) will now be in better footing to provide and to directly execute tailor-fitted programs and projects based on the needs of their localities and constituents. Nonetheless, the support of the NG, especially in capacitating LGUs, will be crucial to development of LGUs and regions which have high poverty incidence and low fiscal capacities. Early this year, the National Economic and Development Authority (NEDA, 2022) has underscored the importance of further improving regional equity, especially in infrastructure development, to support the country's economic growth and momentum. According to NEDA, this may be done by assessing regions with "low scores in social or infrastructure indicators and relatively lower funding in the past years" to determine the gaps in the implementation of programs that requires close coordination between LGUs and national government units.

This budget brief looks into the regional distribution of the 2023 National Expenditure Program (NEP), and the regional allocation of major executive department budgets and the NG's infrastructure program. It also examines the responsiveness of the national budget to select socio-economic indicators such as population, unemployment rate, poverty incidence, and regional level economic output.

### **REGIONAL BUDGET SHARES <sup>3</sup>**

The proposed national budget for FY 2023 amounts to P5,268 billion which is slightly higher by 4.9% or P244.4 billion than this year's budget level of P5,023.6 billion. The total expenditure program is based on the combined budgets of the departments, including the allocation for Special Purpose Funds (SPFs) such as the Allocations to Local Government Units (ALGU), the Debt Service Fund-Interest Payment, the Pension and Gratuity Fund (PGF), Miscellaneous Personnel Benefit Fund (MPBF), and the Budgetary Support to Government Corporations (BSGC), among others.

As shown in Table 1, among the major geographic clusters, NCR and Luzon (net of NCR) will get the highest allocation at 18.8% (P989.8 billion) and 18.1% (P954.5 billion) of the total budget, respectively. Mindanao regions will receive 11.9% (P628.7 billion) of the total while the Visayan regions will get a combined budget share of 8.3% (P437.6 billion). Meanwhile, the remaining 42.9% share or P2,257.4 billion are non-regionalized allocations, particularly lodged either under the Nationwide (NW) and Central Office (CO) funds. Note that the CO funds pertain to the allocation being managed by the Head Offices of the departments/agencies for their respective units.

For the period 2019-2021, actual expenditures in Table 1 show that the budget shares of the regions (except for NCR) and of the Central Office have generally increased. In the case of the NW allocation, its actual budget share over the same period has declined from 14.8% in 2019 to 10.6% in 2021. Among the major island groups, it was Luzon (net of NCR) that posted the highest budget share growth from 18.8% in 2019 to 21.6% in 2021 (or by 2.7 percentage points). The

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<sup>3</sup> *Analysis of the regional distribution of the national budget is based on Table B.6 of the BESF.*

budget share of Visayas likewise increased from 8.7% to 9.7% while that of Mindanao expanded from 11.5% to 13.6% in the same period.

In 2023, all three major island groups will have lower budget shares as compared to this year's budget level. All the regions, with the exception of NCR, shall post lower budget allocations and shares next year. This may be attributed to the huge increase in the NW allocation which accounts for 35.5% of the proposed total budget (from 20.6% in 2022). Nonetheless, the budgets of regional offices are expected to be supplemented by funds to be downloaded from the NW budget during the budget execution.

**TABLE I**  
**REGIONAL DISTRIBUTION OF THE TOTAL NG BUDGET, 2019-2023**  
**(IN PERCENT SHARE)**

Regions	Share to Total Regional Allocation (%)					Levels, In Billion Pesos	
	2019 Actual	2020 Actual	2021 Actual	2022 Approved	2023 Proposed	2022 Approved	2023 Proposed
<b>Nationwide</b>	<b>14.8</b>	<b>12.9</b>	<b>10.6</b>	<b>20.6</b>	<b>35.5</b>	<b>1,035.7</b>	<b>1,868.7</b>
<b>Central Office</b>	<b>8.6</b>	<b>14.9</b>	<b>20.0</b>	<b>7.2</b>	<b>7.4</b>	<b>362.4</b>	<b>388.7</b>
<b>NCR</b>	<b>37.6</b>	<b>33.9</b>	<b>24.6</b>	<b>18.4</b>	<b>18.8</b>	<b>922.2</b>	<b>989.8</b>
<b>Luzon, net of NCR</b>	<b>18.8</b>	<b>18.2</b>	<b>21.6</b>	<b>26.5</b>	<b>18.1</b>	<b>1,333.3</b>	<b>954.5</b>
Region I	2.4	2.3	2.9	2.6	2.2	132.5	116.0
CAR	1.3	1.2	1.6	2.7	1.1	135.5	60.5
Region II	2.1	2.0	2.4	2.6	1.9	131.9	102.6
Region III	4.2	4.1	4.8	5.7	4.3	287.7	224.3
Region IV-A	4.5	4.4	5.0	6.1	4.4	308.5	231.8
Region IV-B	1.6	1.5	1.8	2.6	1.6	130.3	85.5
Region V	2.7	2.6	3.1	4.1	2.5	206.8	133.8
<b>Visayas</b>	<b>8.7</b>	<b>8.4</b>	<b>9.7</b>	<b>11.1</b>	<b>8.3</b>	<b>558.7</b>	<b>437.6</b>
Region VI	3.3	3.2	3.6	4.0	3.0	198.8	158.4
Region VII	3.0	3.0	3.3	3.8	2.9	192.7	155.3
Region VIII	2.4	2.3	2.8	3.3	2.4	167.2	123.8
<b>Mindanao</b>	<b>11.5</b>	<b>11.7</b>	<b>13.6</b>	<b>16.1</b>	<b>11.9</b>	<b>811.3</b>	<b>628.7</b>
Region IX	1.8	1.7	2.0	2.3	1.8	114.8	96.6
Region X	2.3	2.1	2.6	3.2	2.3	163.3	119.2
Region XI	2.1	2.1	2.5	3.3	2.2	168.0	117.8
Region XII	1.9	1.8	2.0	2.2	1.7	108.4	88.8
CARAGA	1.5	1.5	1.7	2.3	1.5	113.2	76.6
ARMM	1.8	2.5	2.8	2.9	2.5	143.5	129.6
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>5,023.6</b>	<b>5,268.0</b>

Sources of basic data: BESF 2021-2023

The proposed allocation under NW in 2023 is P1,868.7 billion, which is significantly higher by 80.4% than the current year's level of P1,035.7 billion. This budget pertains to programs and projects that are centrally-managed such as the SPFs or those which are yet to be distributed to regions of the respective government units. For next year, bulk of the NW budget will come from SPFs amounting to P1,094.8 billion and the combined allocation of departments at P773.9 billion. Budget growth in NW in 2023 is largely due to the P628.2 billion allocation for DPWH—given only P3.7 billion in 2022 (as reported in Table B.6 on Regional Allocation of the Expenditure Program by Department/Special Purpose Funds, 2023 BESF). In nominal terms, other significant increases in NW can be traced to the following SPFs: (1) PGF (+P89 billion); (2) Interest Payments (+P69.7 billion); and (3) MPBF (+P61.3 billion).

Total PGF amounting to P272.9 billion will cover the pensions of civilian and military/ uniformed personnel (MUPs), retirement benefits, and separation benefits or incentives of affected personnel in case of any reorganization or rightsizing. Note that MUP pensions (P128.7 billion) is fully subsidized by NG absent a contribution-based pension system, and it remains automatically indexed to salary rates of those in active service. The MPBF amounting to P89.0 billion will be used for deficiencies in authorized salaries/benefits, and requirements for the filling and creation of authorized positions. Meanwhile, with NG debt levels at a high of P12.9 trillion (as of July 2022), NG has set aside a total of P582.3 billion for interest payments in 2023.

## ALLOCATION OF SELECTED DEPARTMENTS

Table 2 presents the allocation of the five (5) major departments by major island groups, including the NCR. These include the following executive departments: Agriculture (DA), Education (DepEd), Health (DOH), Social Welfare and Development (DSWD), and Public Works and Highways (DPWH).

**Agriculture.** For 2023, the total allocation of the Department of Agriculture (DA) amounts to P102.2 billion which is 43.9% or P31.1 billion higher than this year's budget. All major island groups, including NCR, will have significant increases in their budgets next year. Mindanao will get P13.4 billion (13.1% of the total), which is 85% higher than its 2022 level of P7.2 billion. On the other hand, Luzon (net of NCR) will receive the highest budget share of 40.1% equivalent to a budget of P40.9 billion—or 66.6% higher than its 2022 budget (P24.6 billion).

Outside NCR, the top five (5) regions with the highest allocation are all from Luzon—Region III (P11.5 billion), Region II (P9.0 billion), Region I (P6.8 billion), Region V (P4.4 billion), and Region IV-B (P3.9 billion). Nonetheless, all regions posted double-digit percentage increases, except for the Cordillera Administrative Region (CAR) which saw its proposed budget grow by 8.4% from P2 billion to P2.2 billion (*see Annex 2-A*).

**Education.** The National Government allocates a total of P710.7 billion for the Department of Education (DepEd) for 2023. This is around P79.9 billion or 12.7% higher than the current year's level of P630.8 billion. All regions, except for the Nationwide allocation, will get budgetary increments next year. The budget for Nationwide will decline by about 16.7% (P4.8 billion) to a

total of P24.2 billion in 2023. Meanwhile, Luzon (net of NCR) will get the highest increment— i.e., it will increase by P36.5 billion (13.2%) to a total allocation of P312.7 billion or a budget share of 44%. The DepEd budget for other island groups is distributed as follows: Mindanao – P154.9 billion (21.8%), and Visayas – P153 billion (21.5%). The Education budget for NCR will also increase from P51.3 billion in 2022 to P61.9 billion in 2023 or an increase of P10.6 billion (20.7%).

**TABLE 2**  
**ALLOCATION OF SELECTED DEPARTMENTS**

Departments/Regions	Levels, in Billion Pesos		Percent Share to Total (%)		Increase/(Decrease)	
	2022 GAA Adjusted	2023 Proposed	2022 GAA Adjusted	2023 Proposed	Amount	%
<b>Agriculture</b>	<b>71.0</b>	<b>102.2</b>	<b>100.0</b>	<b>100.0</b>	<b>31.1</b>	<b>43.9</b>
Nationwide	1.2	2.0	1.7	1.9	0.8	66.1
Central Office	-	-	-	-	-	-
NCR	32.2	37.6	45.3	36.8	5.4	16.8
Luzon, net of NCR	24.6	40.9	34.6	40.1	16.4	66.6
Visayas	5.8	8.3	8.2	8.1	2.5	42.0
Mindanao	7.2	13.4	10.2	13.1	6.1	85.0
<b>Education</b>	<b>630.8</b>	<b>710.7</b>	<b>100.0</b>	<b>100.0</b>	<b>79.9</b>	<b>12.7</b>
Nationwide	29.1	24.2	4.6	3.4	(4.8)	(16.7)
Central Office	2.3	3.9	0.4	0.6	1.6	70.6
NCR	51.3	61.9	8.1	8.7	10.6	20.7
Luzon, net of NCR	276.3	312.7	43.8	44.0	36.5	13.2
Visayas	135.7	153.0	21.5	21.5	17.3	12.8
Mindanao	136.2	154.9	21.6	21.8	18.7	13.8
<b>Health</b>	<b>188.4</b>	<b>196.1</b>	<b>100.0</b>	<b>100.0</b>	<b>7.7</b>	<b>4.1</b>
Nationwide	78.1	42.7	41.5	21.8	(35.3)	(45.3)
Central Office	44.1	75.7	23.4	38.6	31.6	71.8
NCR	20.2	22.8	10.7	11.6	2.6	12.9
Luzon, net of NCR	21.5	25.5	11.4	13.0	4.1	19.0
Visayas	9.9	11.8	5.2	6.0	2.0	19.8
Mindanao	14.7	17.5	7.8	8.9	2.8	18.9
<b>Public Works and Highways</b>	<b>786.6</b>	<b>718.4</b>	<b>100.0</b>	<b>100.0</b>	<b>(68.2)</b>	<b>(8.7)</b>
Nationwide	3.7	628.2	0.5	87.5	624.5	16,916.7
Central Office	-	-	-	-	-	-
NCR	70.9	52.5	9.0	7.3	(18.4)	(25.9)
Luzon, net of NCR	388.6	8.0	49.4	1.1	(380.6)	(97.9)
Visayas	120.9	4.8	15.4	0.7	(116.1)	(96.0)
Mindanao	202.6	24.9	25.8	3.5	(177.7)	(87.7)
<b>Social Welfare and Development</b>	<b>205.0</b>	<b>197.0</b>	<b>100.0</b>	<b>100.0</b>	<b>(8.0)</b>	<b>(3.9)</b>
Nationwide	48.1	36.8	23.5	18.7	(11.3)	(23.5)
Central Office	22.9	20.2	11.1	10.3	(2.6)	(11.4)
NCR	9.8	8.0	4.8	4.1	(1.8)	(18.0)
Luzon, net of NCR	52.0	55.6	25.4	28.2	3.6	7.0
Visayas	30.1	31.8	14.7	16.1	1.7	5.6
Mindanao	42.2	44.6	20.6	22.6	2.4	5.7

Source of basic data: BESF 2023

The regional distribution of the DepEd budget (*Annex 2-B*) shows that Region IV-A and Region III will have the biggest budget share at 11.7% (P83.5 billion) and 9.9% (P70.6 billion), respectively. Both regions are also among those that will receive higher increments in 2023—i.e., an additional P12.5 billion for Region IV-A and P8.4 billion for Region III. Other regions with relatively higher increments include: (1) NCR (+P10.6 billion, 20.7%), (2) Region VII (+P7.1 billion, 14.9%), and (3) Regions VIII and VI (with +P5.1 billion each). With the exception of BARMM whose budget grew heftily from only P200 million in 2022 to P2.1 billion next year, all other regions will grow by at least 9.8%.

**Health.** The total budget for the Department of Health (DOH) in 2023 amounts to P196.1 billion which is 4.1% or P7.7 billion higher than its 2022 budget. Despite the minimal increment for DOH, all regions will have double-digit growth increases in their respective budget—with CARAGA (30.1%), Region XII (29.5%), Region V (28.8%), Region II (21.7%), Region VI (21.3%), and Region IV-B (21.0%) posting the highest growth rates in 2023 (*see Annex 2-C*).

Among the major island groups, Visayas will get the biggest increase in 2023—i.e., its combined DOH budget will expand by 19.8% from P9.9 billion in 2022 to P11.8 billion next year. Luzon (net of NCR) and Mindanao will also get a boost in their budgets—growing by about 19% to P25.5 billion and P17.5 billion, respectively. Meanwhile, the Central Office which accounts for 38.6% of the proposed DOH budget will receive P75.7 billion or 71.8% more than its 2022 level. The Nationwide allocation will sharply decline by 45.3% from P78.1 billion in 2022 to only P42.7 billion in 2023.

**Social Welfare and Development.** The total allocation for the Department of Social Welfare and Development (DSWD) in 2023 amounts to P197 billion. This is 3.9% or P8 billion lower than the current year's level of P205 billion. Except for NCR and CAR, all the regions will receive varying increments in their respective allocations in 2023 (*see Annex 2-D*). In 2023, the allocations for NCR and CAR will be reduced by 18% and 3.4%, respectively.

By major island groups, Luzon (net of NCR) shall get the highest allocation of P55.6 billion (28.2%), followed by Mindanao with an allocation of P44.6 billion (22.6%). The allocation for the Visayas amounting to P31.8 billion (16.1%) is about 5.6% higher than its 2022 level. Meanwhile, allocations under Nationwide and the Central Office will be lower at P36.8 billion (18.7%) and P20.2 billion (10.3%) in 2023, respectively.

**Public Works and Highways.** Allocation for the Department of Public Works and Highways (DPWH) in 2023 amounts to P718.4 billion, which is P68.2 billion or 8.7% lower than in 2022. Based on the BESF Table B.6, only roughly 12.5% of the total DPWH budget for 2023 have been regionalized. As a result, the budget shares of Luzon, Visayas and Mindanao will be low at 1.1% (P8 billion), 0.7% (P4.8 billion), and 3.5% (P24.9 billion), respectively. Notably, all regions have significantly smaller proposed budgets next year as most of the funds (87.5%) are lodged under Nationwide (*Annex 2-E*).

Note, however, that while the BESF (Table B.6) reports that non-regionalized DPWH budget are all under NW, the NEP has no category for NW but allocates only for Central Office. Volume 2 of the NEP (Details of the DPWH Programs/Projects) has its own presentation format whereby projects are presented under NCR (with sub-category for Central Office that is subsequently broken down to regions, likewise including NCR). Given the differences in data presentation, it is important to clarify the extent that the DPWH has actually regionalized its budget—and whether projects apparently tagged for specific regions (albeit under the Central Office) remain centrally-managed.

It may also be noted that under ALGU, a separate Special Development Fund equivalent to P5 billion is allocated for BARMM. This is pursuant to Section 2, Article XIV of RA 11054 mandating the appropriation of P5 billion for the period of ten (10) years for the purpose of rebuilding, rehabilitation, and development of conflict-afflicted communities.

## **INFRASTRUCTURE OUTLAY**

The National Government proposed an infrastructure budget of P1,196 billion for 2023, which is slightly higher by 1.5% (P18.1 billion) than this year's allocation of P1,177.9 billion. This will fund the Build, Better, More infrastructure program of the current administration which aims to sustain infrastructure spending to at least 5% of GDP and build on the progress of its predecessor Build, Build, Build program.

As shown in Table 3, the non-regionalized infrastructure outlay (referring to allocations under NW and Central Office) corners about 92% or P1,099.9 billion of the total infrastructure budget in 2023. This is a huge spike from the non-regionalized share of 67.1% in 2022. The Central Office gets 76.8% (P918.7 billion) while Nationwide allocation accounts for 15.1% (P181.2 billion). The regions combined will receive 8% (P96.1 billion) of the planned infrastructure outlays next year. It may be noted that while the overall regional distribution of the 2023 budget (based on BESF Table B.6.c.) bares that the increase in non-regionalized budget is lodged at the Nationwide, the infrastructure outlay by regions (based on BESF Table B.4.c.) show the hefty increase at the Central Office.

All regions will have significantly reduced allocations for infrastructure in 2023 as more funds are concentrated at the Central Office. Except for BARMM, the infrastructure budget of the regions will decline by at least 52.8% (NCR) to as high as 94.5% (Region IV-A). By major island groups, the infrastructure outlay/shares are as follows: Mindanao (P30.5 billion or 2.5% share), Luzon (P27.2 billion or 2.3%), and Visayas (P10.5 billion or 0.9%). NCR gets a separate 2.3% share equivalent to P27.9 billion allocation.



**TABLE 3**  
**INFRASTRUCTURE OUTLAYS BY REGION, 2022-2023**

Region	Levels, In Billion Pesos		% Share to Total		Increase/Decrease	
	2022	2023	2022	2023	Amount	%
<b>Nationwide</b>	<b>205.1</b>	<b>181.2</b>	<b>17.4</b>	<b>15.1</b>	<b>(23.9)</b>	<b>(11.7)</b>
<b>Central Office</b>	<b>585.2</b>	<b>918.7</b>	<b>49.7</b>	<b>76.8</b>	<b>333.5</b>	<b>57.0</b>
<b>NCR</b>	<b>59.1</b>	<b>27.9</b>	<b>5.0</b>	<b>2.3</b>	<b>(31.2)</b>	<b>(52.8)</b>
<b>Luzon, Net of NCR</b>	<b>178.7</b>	<b>27.2</b>	<b>15.2</b>	<b>2.3</b>	<b>(151.5)</b>	<b>(84.8)</b>
CAR	18.9	2.7	1.6	0.2	(16.3)	(85.9)
Region 1	20.8	4.4	1.8	0.4	(16.4)	(79.0)
Region II	19.7	5.1	1.7	0.4	(14.6)	(74.2)
Region III	37.7	7.3	3.2	0.6	(30.4)	(80.6)
Region IV-A	34.7	1.9	2.9	0.2	(32.7)	(94.5)
Region IV-B	16.1	2.6	1.4	0.2	(13.4)	(83.5)
Region V	30.9	3.2	2.6	0.3	(27.6)	(89.5)
<b>Visayas</b>	<b>65.0</b>	<b>10.5</b>	<b>5.5</b>	<b>0.9</b>	<b>(54.5)</b>	<b>(83.9)</b>
Region VI	19.3	3.1	1.6	0.3	(16.2)	(84.0)
Region VII	21.7	2.7	1.8	0.2	(19.0)	(87.4)
Region VIII	24.1	4.7	2.0	0.4	(19.4)	(80.5)
<b>Mindanao</b>	<b>84.7</b>	<b>30.5</b>	<b>7.2</b>	<b>2.5</b>	<b>(54.2)</b>	<b>(64.0)</b>
Region IX	10.4	2.2	0.9	0.2	(8.2)	(78.7)
Region X	18.0	2.2	1.5	0.2	(15.7)	(87.6)
Region XI	16.6	2.1	1.4	0.2	(14.4)	(87.1)
Region XII	12.2	2.5	1.0	0.2	(9.6)	(79.1)
CARAGA	9.0	3.3	0.8	0.3	(5.7)	(63.2)
BARMM	18.6	18.1	1.6	1.5	(0.6)	(3.0)
<b>TOTAL</b>	<b>1,177.9</b>	<b>1,196.0</b>	<b>100.0</b>	<b>100.0</b>	<b>18.1</b>	<b>1.5</b>

Source of basic data: BESF 2023

Table 4 shows that out of the total P1,196 billion infrastructure outlay next year, about 63.5% (P759.8 billion) are for various hard infrastructures (sub-category infra outlays) such as roads, railways, seaport and airport systems, water and power supply, and flood control projects. Allocation for SC-Infra Outlay is higher by less than half a billion (0.1%) compared to current year's level. The Central Office gets 97.8% (P743.1 billion) while the regions combined will have a 2.2% share (P16.7 billion) of the hard infrastructure outlays. Regions with more than P1 billion infrastructure budget are the following: Region 1 (P2 billion), Region V (P1.9 billion), Region VIII (P1.5 billion), Region III (P1.2 billion), and Region 2 (P1 billion) (*see Annex 3*).

By infrastructure type (under SC-Infra Outlay), huge allocations go to road networks (P412.3 billion), flood control systems (P174.3 billion), and railway systems (P105.2 billion). The national government also allocates P28.7 billion for right-of-way related expenditures. Infrastructure outlay also includes the sum of P164.1 billion pertaining to the 20% of the NTA—the type of projects will have to be determined by the spending LGUs. Meanwhile, a total of P115.4 billion was set aside for Buildings and Other Structures, including allocations for buildings (P72.9 billion, hospitals and health centers (P23.2 billion) and school buildings (P13.9 billion). Budgetary Support to GOCCs amounts to P44.3 billion—of which P29.5 billion will be spent for irrigation systems.

**TABLE 4**  
**INFRASTRUCTURE OUTLAYS BY CATEGORY, 2022-2023**

Particulars	Levels, in Million Pesos		% Share to Total Infra		Increase/(Decrease)	
	2022	2023	2022	2023	Amount	%
<b>SC-Infrastructure Outlay</b>	759,293.0	759,776.4	64.5	63.5	483.5	0.1
Road Networks	483,982.7	412,312.9	41.1	34.5	(71,669.8)	(14.8)
Flood Control Systems	209,981.8	174,309.4	17.8	14.6	(35,672.4)	(17.0)
Railway System	11,497.9	105,193.3	1.0	8.8	93,695.4	814.9
Other Infrastructure Assets	35,920.8	29,491.3	3.0	2.5	(6,429.6)	(17.9)
Right-of-Way	2,838.9	28,658.9	0.2	2.4	25,820.0	909.5
Water Supply Systems	7,652.4	5,757.8	0.6	0.5	(1,894.6)	(24.8)
Airport Systems	3,875.0	2,489.0	0.3	0.2	(1,386.0)	(35.8)
Communication Networks	223.0	634.0	0.0	0.1	411.0	184.3
Sewer Systems	486.5	500.0	0.0	0.0	13.5	2.8
Power Supply Systems	382.7	423.8	0.0	0.0	41.0	10.7
Seaport Systems	2,451.2	6.0	0.2	0.0	(2,445.2)	(99.8)
National Tax Allotment ( <i>formerly IRA</i> )	191,808.3	164,053.8	16.3	13.7	(27,754.5)	(14.5)
Buildings and Other Structures	98,264.8	115,383.6	8.3	9.6	17,118.8	17.4
Budgetary Support to GOCCs	38,516.9	44,290.7	3.3	3.7	5,773.8	15.0
Machinery and Equipment Outlay	30,918.7	41,015.9	2.6	3.4	10,097.3	32.7
Repairs and Maintenance - Infrastructure Assets	-	19,606.2	-	1.6	19,606.2	-
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)	18,392.7	17,951.1	1.6	1.5	(441.6)	(2.4)
NDRRMF-Infrastructure Outlay	13,101.2	17,101.2	1.1	1.4	4,000.0	30.5
Rent/Lease Expenses	7,231.4	7,111.5	0.6	0.6	(119.8)	(1.7)
Subscription Expenses	2,303.8	3,581.0	0.2	0.3	1,277.2	55.4
Land Improvements Outlay	1,737.8	1,643.7	0.1	0.1	(94.1)	(5.4)
Repairs and Maintenance - Buildings and Other Structures	95.4	1,288.9	0.0	0.1	1,193.5	1,250.7
Repairs and Maintenance - Transportation Equipment	-	1,000.0	-	0.1	1,000.0	-
Transportation Equipment Outlay	3,783.6	822.3	0.3	0.1	(2,961.3)	(78.3)
Investment in GOCCs	673.5	674.9	0.1	0.1	1.4	0.2
Repairs and Maintenance - Leased Assets	3,141.4	548.6	0.3	0.0	(2,592.7)	(82.5)
Internet Subscription Expenses	1,200.2	115.1	0.1	0.0	(1,085.0)	(90.4)
Other Supplies and Materials Expenses	-	19.2	-	0.0	19.2	-
Land and Buildings Outlay	-	8.7	-	0.0	8.7	-
Heritage Assets	27.4	7.8	0.0	0.0	(19.6)	(71.5)
Computer Software	1.7	1.7	0.0	0.0	-	-
Semi-Expandable Machinery and Equipment Expenses	6.0	0.5	0.0	0.0	(5.4)	(90.9)
Semi-Expandable Furniture, Fixtures and Books Expenses	1,115.7	-	0.1	-	(1,115.7)	(100.0)
Financial Assistance to LGUs	182.4	-	0.0	-	(182.4)	(100.0)
LGSF-Financial Assistance to LGUs	6,124.0	-	0.5	-	(6,124.0)	(100.0)
<b>TOTAL</b>	<b>1,177,919.7</b>	<b>1,196,002.9</b>	<b>100.0</b>	<b>100.0</b>	<b>18,083.2</b>	<b>1.5</b>

Source of basic data: BESF 2023

It may be noted that sub-categories for infrastructure outlay also include those that could be classified under MOOE (e.g., expenses for rent/lease, internet subscription, and other supplies and materials expenses). Some infrastructure outlay category (e.g., machinery and equipment,

furniture/fixtures and books expenses, heritage assets, and transportation equipment) may fall under capital outlay, but are not the type of spending that can directly stimulate economic activity and contribute to the generation of jobs.

## EQUITY AND THE NATIONAL BUDGET

The 2019 Mandanas ruling increased the LGUs' expected income from its National Tax Allotment (NTA) which allows for LGUs to play a greater role in delivering to their localities, especially as more responsibilities were devolved to them. While this is so, existing equity concerns from the previous Internal Revenue Allotment formula still persist. In order to ensure that there are no gaps in the service delivery in the regions as the Mandanas ruling is implemented, the National Government plays an important role in assisting the LGUs in this transition, particularly the areas lagging in development and those that have weak financial and technical capacities to perform their devolved functions.

Table 5 presents the per capita distribution of the regionalized budget for the period 2021-2023.<sup>4</sup> Allocations under "Nationwide" and "Central Office" were removed. Budgets of agencies without regional offices that are lodged under NCR were likewise removed to avoid bloating the NCR figures. Per capita allocation was used to account for the differences in regional population and is indicative of the average allocation per person.

Among all the regions, NCR has the biggest proposed allocation for 2023 with highest budget per capita (BPC) of P62,383. Coming next, but far behind NCR, is CAR with BPC of P32,700. It may be noted that while NCR BPC will increase by 6.8% next year, such growth is not enough to cover for the 21.5% decline in its BPC in 2022. The notable reduction in per capita allocation for NCR (from P74,427 in 2021 to P58,434 in 2022) is likely due to the absence of Bayanihan funding in 2022 unlike in 2020 and 2021 when most of the government's COVID-19 response was lodged in the region's budget. On the other hand, the program 2022 BPC for the other regions largely went up from their actual 2021 levels. Most of the regions' BPC rankings from 2021 was maintained save for CAR which received the largest approved BPC for 2022.

The proposed average per capita allocation in 2023 amounts to P25,781 which is lower than the current year's average of 31,624. Less than half of the regions have BPC in 2023 that are above the country average. These regions are: NCR, CAR, and Regions II and IV-B (Luzon), and BARMM and CARAGA (Mindanao). Excluding NCR, the per capita allocation for these regions range between P26,052 and P32,700. Meanwhile, 11 out of 17 regions have per capita allocations that are below the national average. Bottom five (5) regions with lowest per capita allocation are as follows: Regions IV-A (P13,686), XII (P17,387), III (P17,397), VII (P18,861), and VI (P19,579). The same regions have least BPCs in 2022.

<sup>4</sup> Computation of the budget per capita (BPC) includes the IRA/NTA and the allocation for BARMM (both items under Allocations to LGUs) that were distributed to the regions based on Table B.6 of the BESF on the Regional Allocation of the Expenditure Program. Note that IRA/NTA (representing the 20% Development Fund) in Table B.4 on the Regional Breakdown of Infrastructure Outlay is classified under Nationwide.

**TABLE 5**  
**REGIONAL BUDGET PER CAPITA, 2021-2023**  
**(NET OF NATIONWIDE, CENTRAL OFFICE, AND 9 NGAS UNDER NCR)**

Region	2021 Actual	2022 Program	2023 Proposed	Rank
<b>NCR</b>	<b>74,427.4</b>	<b>58,434.1</b>	<b>62,382.7</b>	1
<b>Luzon, net of NCR</b>	<b>20,197.5</b>	<b>26,786.6</b>	<b>18,933.5</b>	
Region I	24,821.6	24,757.6	21,518.7	12
CAR	40,782.0	73,741.2	32,699.6	2
Region II	29,808.1	35,394.2	27,294.0	5
Region III	17,535.7	22,639.4	17,396.8	15
Region IV-A	14,060.0	18,525.8	13,685.5	17
Region IV-B	25,965.0	40,134.8	26,051.8	6
Region V	23,041.6	33,101.0	21,236.3	10
<b>Visayas</b>	<b>21,372.8</b>	<b>26,547.0</b>	<b>20,588.6</b>	
Region VI	20,597.6	24,745.7	19,579.1	13
Region VII	19,121.6	23,657.5	18,860.5	14
Region VIII	26,433.8	34,359.8	25,135.1	7
<b>Mindanao</b>	<b>23,753.7</b>	<b>30,462.5</b>	<b>23,315.5</b>	
Region IX	23,560.7	29,947.4	25,037.2	8
Region X	23,478.0	31,829.2	23,012.4	9
Region XI	21,303.2	30,817.0	21,299.6	11
Region XII	18,256.9	21,481.6	17,387.4	16
CARAGA	28,839.0	40,288.1	27,008.2	3
BARMM	30,440.9	32,930.3	29,131.2	4
<b>TOTAL</b>	<b>28,141.1</b>	<b>31,623.6</b>	<b>25,780.8</b>	

*Note: The 9 NGAs whose budgets are lodged under NCR are: Congress, OP, OVP, DOE, PCOO, JLEC, Judiciary, Ombudsman, and CHR*  
*Source of basic data: BESF 2023 (DBM), and Updated Projected Mid-Year Population for the Philippines Based on the 2015 POPCEN Results: 2020-2025 (PSA)*

In terms of island groups, Mindanao posts the highest BPC for 2023 at P23,316 followed by Visayas at P20,589 and Luzon (net of NCR) at P18,934. All three island groups will have lower per capita allocation compared to 2022 level, with Luzon (net of NCR) BPC decreasing by 29.3% or P7,853. Meanwhile, the BPC of Mindanao and Visayas will be lower by 23.5% (P7,147) and 22.4% (P5,958), respectively. Compared to NCR's BPC, the wide margin is palpable as it is about three times as great as that of the three major island groups.

Although the BPC for the regions (except NCR and Region 1) went up in the 2022 program as opposed to 2021 actual, the 2023 proposed per capita allocations for all regions (except NCR) went down double-digit bringing most of BPCs even lower than the 2021 level. Steepest declines were seen in CAR, Region V, Region IV-B, and CARAGA. Note that these decreases may be due to huge funds particularly lodged under Nationwide. In a cash-based budgeting system, funded projects are considered to be implementation-ready and must already be identified with corresponding details at the budget legislation stage.

## REGIONAL BUDGET SHARES AND SOCIO-ECONOMIC INDICATORS

Table 6 compares the regional budget shares against socio-economic indicators on regional income, population, unemployment, and poverty. These indicators were chosen as they are important benchmarks of the government’s vision for a high-trust and resilient society exhibiting inclusive growth. Poverty and unemployment are important development indicators that ensure economic growth is inclusive and sustainable. The poverty estimates used are from the official poverty statistics based on the 2021 Family Income and Expenditure Survey (FIES). For unemployment, the 2021 Annual Labor Market Statistics preliminary results were used.

Meanwhile, population and regional income (gross regional domestic product or GRDP) are measures of a region’s demand and productivity. Regions with larger populations require more public goods and services, while regions that have higher income have the capacity to spend and provide for these needs. Population data used is from the updated projections based on the 2015 Population Census. Regional income data used is the latest full-year GRDP figures available from PSA (2021).

Analyzing the budget shares vis-à-vis the indicator shares can demonstrate if the regional budget complements with regional conditions. By computing the difference between the budget shares and the regional indicator share to the country total, the responsiveness of the budget to regional needs (i.e., poverty, unemployment, and population) and productivity (i.e., GRDP) can be roughly assessed. When the difference is close to zero, it suggests that the budget corresponds to regional conditions. On the other hand, when the difference is significant then there is a possible divergence between the regional needs and the regional allocation of the budget. Note that this is not a conclusive measure but is only indicative of the budget’s responsiveness towards regional needs and capacity—analyzed separately by socio-economic indicator. As mentioned, the non-regionalized budgets that were not included in this analysis can further benefit the regions since these funds are downloaded during budget execution.

**Population Share.** The country’s most populated regions—Region IV-A, NCR, and Region III—all come from Luzon and already account for almost 40% of the total Philippine population. Of the three most populated regions, the budget shares of Regions IV-A and III are low compared to their population shares posting the two largest differences among the regions, particularly for Region IV-A with a difference of -7.0. The two regions are followed by Regions VI and VII in the Visayas which reported a negative disparity between their respective budget and population shares. Regions that have either no or positive disparity in their funding and population shares are NCR, CAR, and Regions II and IV-B from Luzon as well as CARAGA and BARMM from Mindanao.

**TABLE 6**  
**REGIONAL BUDGET SHARES AND KEY SOCIO-ECONOMIC INDICATORS**

Region	Shares by Socio-Economic Indicators (%) [A]				Budget Shares [B] (%)	Difference [B-A]			
	POP <sup>1/</sup> (2023)	UNEMP <sup>2/</sup> (2021)	Poverty <sup>3/</sup> (2021)	GRDP <sup>4/</sup> (2021)		2023 BESF	POP <sup>1/</sup> (2023)	UNEMP <sup>2/</sup> (2021)	Poverty <sup>3/</sup> (2021)
<b>NCR<sup>5/</sup></b>	<b>12.6</b>	<b>17.6</b>	<b>2.4</b>	31.7	<b>30.6</b>	<b>17.9</b>	<b>13.0</b>	<b>28.2</b>	<b>(1.2)</b>
<b>Luzon, net of NCR</b>	<b>44.7</b>	<b>48.7</b>	<b>35.5</b>	<b>36.9</b>	<b>32.8</b>	<b>(11.9)</b>	<b>(15.9)</b>	<b>(2.7)</b>	<b>(4.1)</b>
Region I	4.8	5.1	3.8	3.3	4.0	(0.8)	(1.2)	0.2	0.7
CAR	1.6	1.3	0.9	1.7	2.1	0.4	0.8	1.2	0.4
Region II	3.3	2.7	2.8	2.1	3.5	0.2	0.9	0.7	1.5
Region III	11.4	10.4	7.2	10.6	7.7	(3.7)	(2.7)	0.6	(2.9)
Region IV-A	15.0	20.9	8.4	14.4	8.0	(7.0)	(13.0)	(0.4)	(6.4)
Region IV-B	2.9	2.9	3.3	2.0	2.9	0.0	0.1	(0.4)	1.0
Region V	5.6	5.4	9.1	2.9	4.6	(1.0)	(0.8)	(4.5)	1.7
<b>Visayas</b>	<b>18.8</b>	<b>16.8</b>	<b>25.6</b>	<b>13.5</b>	<b>15.0</b>	<b>(3.8)</b>	<b>(1.8)</b>	<b>(10.6)</b>	<b>1.5</b>
Region VI	7.2	6.2	7.6	4.8	5.4	(1.7)	(0.8)	(2.1)	0.6
Region VII	7.3	7.0	11.1	6.4	5.3	(2.0)	(1.6)	(5.8)	(1.0)
Region VIII	4.4	3.6	6.9	2.3	4.3	(0.1)	0.6	(2.7)	1.9
<b>Mindanao</b>	<b>23.9</b>	<b>16.9</b>	<b>36.4</b>	<b>17.9</b>	<b>21.6</b>	<b>(2.3)</b>	<b>4.7</b>	<b>(14.8)</b>	<b>3.8</b>
Region IX	3.4	1.8	5.7	2.2	3.3	(0.1)	1.5	(2.4)	1.1
Region X	4.6	3.2	6.6	4.9	4.1	(0.5)	0.9	(2.5)	(0.8)
Region XI	4.9	2.8	4.5	5.0	4.0	(0.9)	1.2	(0.5)	(0.9)
Region XII	4.5	3.2	7.0	2.6	3.1	(1.5)	(0.2)	(4.0)	0.5
CARAGA	2.5	1.9	4.6	1.7	2.6	0.1	0.7	(2.0)	0.9
BARMM	3.9	3.9	8.0	1.5	4.5	0.5	0.5	(3.5)	3.0

1/ Based on Updated Projected Mid-Year Population for the Philippines Based on the 2015 POPCEN Results: 2020-2025, PSA website.  
2/ Share of unemployed individuals in the region to the total number of unemployed individuals in the country. This is based on the Preliminary results of the 2021 Annual Labor Market Statistics (released on 02 May 2022).

3/ Share of poor people in the region to the total number of poor individuals in the country. This is based on the preliminary results of the 2021 Family Income and Expenditure Survey (FIES).

4/ GRDP base year is 2018.

5/ NCR is net of 9 NGAs (Congress, OP, OVP, DOE, PCOO, JLEC, Judiciary, Ombudsman, and CHR) whose budget are lodged under NCR.

Source of basic data: 2023 BESF (DBM) Regional Account of the Philippines, as of April 2022 (PSA), Labor Force Survey: 2021 Annual Labor Market Statistics, released on May 2022 (PSA), and 2021 Full Year Official Poverty Statistics Tables (PSA)

Luzon (net of NCR) is the most populated island group as it already accounts for 44.7% of the country's population but it only gets one-third (32.8%) of the funding allocation—thus, a double-digit negative balance in its population and budget shares. Meanwhile, Visayas posts a -3.8 percentage point difference and Mindanao sees a -2.3 percentage point disparity. While all the island groups present negative disparities in terms of population, NCR's budget share (30.6%) exceeds its population share by 17.9 percentage points. This indicates some inequity in the distribution of the budget when assessed against population. Although the regional budget does not have to strictly follow the population size of the regions due to factors such as big-ticket infrastructure projects, it is important to consider as it is indicative of the region's demand for public goods and services.

**Unemployment Share.** Government spending can generate jobs through infrastructure projects and can stimulate the economy through increased demand for goods and services which makes public investment more valuable for regions with high unemployment shares. Contrasting the regional budget shares and unemployment shares presents similar results and trends as with that of the population analysis.

The most populated regions (NCR and Regions IV-A and III) also recorded the most unemployed individuals, together accounting for 49% of the total unemployed. Of these three regions, only NCR has more resources to address high unemployment with its budget share exceeding its unemployment share by 13.0 percentage points. On the other hand, Regions IV-A and III posted negative disparities of 13.0 and 2.7 percentage points, respectively. This is true as well to Regions I, V, VI, VII, and XII which posted negative values, while all other regions have budget shares that do not vary largely from their unemployment shares.

Consequently, Luzon (net of NCR) accounts for the highest unemployment share among the island groups. It does not seem to have enough resources with a budget share that is 15.9 lower than its unemployment share. Visayas also reported a negative difference from its budget share but in a much smaller magnitude (-1.8). Mindanao was the only island group that posted a positive disparity with a budget share that is 4.7 percentage points higher than its unemployment share.

**Poverty Share.** The imbalance between the regional allocations and the poverty shares is larger than those of the other indicators. In particular, NCR's budget share exceeds its poverty share (2.4%) by 28.6 percentage points. All regions in Luzon (except for Region V) have budget shares that are more or less the same as their respective poverty shares. This is a stark contrast from the case of the regions in the Visayas and Mindanao. While Mindanao accounts for 36.4% of the country's poor population, its budget share is 14.8 percentage points lower. Mindanao is the island group that has the biggest share of poor individuals, but it is Region VII in the Visayas that reported the highest poverty share in 2021—with a budget share that is 5.8 percentage points below its poverty share.

All regions in Mindanao and Visayas (plus Region V) have budget shares that are significantly lower than their poverty shares, which in a way indicates the unresponsiveness of the budget to poverty conditions. This can be partly attributed to the distribution of the National Tax Allotment (previously the Internal Revenue Allotment) that does not include poverty as a criterion in determining the individual LGUs' shares (which eventually accrues to the geographic region). Social services, such as free education and health, tend to be more in demand in poorer regions which means there is a greater need for government spending in these areas.

**GDP Share.** The GRDP indicator measures the economic contribution of the regions to the country's aggregated economic output (GDP). Regions with higher income or GRDP are relatively better-off and could be less dependent on NG support. Ideally, regions with lower regional incomes should be given more government resources to boost their local economies and promote development where it is vital.

An assessment of budget shares against the GDP shares shows that the budget corresponds more with regional incomes compared to other indicators. Regions with GDP shares of less than 5% will receive a 2023 budget share that is slightly above their GDP shares. Conversely, regions with GDP shares that are greater than 5%: NCR, Regions III, IV-A, VII, X and XI, were allotted with budget shares that are lower. Although trends seem equitable, magnitude of shares show that NCR still gets the highest budget share (30.6%) even though its GDP share at 31.7% is significantly higher than that of the other regions.

Regions IV-A and III follow NCR with GDP shares of 14.4% and 10.6%, respectively, but their budget shares are much lower at 6.4% and 2.9%. This implies the greater extent that these regions subsidize the others with budget shares higher than their contribution to the country's GDP. Regions IV-A and III are the regions adjacent to NCR which also explains its large population and unemployment shares. However, the allocations for these regions are notably lower compared to their shares in these indicators, unlike the NCR which will receive a budget share that is higher than its share for all other indicators except for GRDP.

## **ASSESSMENT ON A PER CAPITA BASIS**

Another tool to assess the regional equity of the proposed national budget is by plotting the regional budget per capita (BPC) against the regional indicators in a scatterplot diagram. The regional indicators that will be examined include the regional unemployment rate (ratio of unemployed individuals to total labor force in the region), regional poverty incidence (ratio of poor individuals to regional population) and regional income (GRDP) in 2020.

In the following analyses, the scatterplot diagrams<sup>5</sup> and the Spearman correlation<sup>6</sup> coefficients are presented to see if there is a relationship between the BPC and the regional indicators. The sign of the correlation coefficient determines whether the relationship between the BPC and the indicator is positive or negative. If the correlation coefficient is 0.7 and higher then there is a strong relationship; if the coefficient is from 0.5 to below 0.7 then there is a moderate relationship; and if the coefficient is between 0.3 and 0.5 then there is a weak relationship. Correlation coefficients below 0.3 imply that there is a very weak to no relationship between the variables.

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<sup>5</sup> Based on 2023 proposed budget per capita (BPC).

<sup>6</sup> Spearman correlation was employed since the variables included in the analysis are not normally distributed based on the Shapiro-Wilk test. In contrast to a Pearson correlation, a Spearman correlation does not require normally distributed data. The assumption of normality means that the data roughly fits a bell curve shape, with more values near the center and fewer as you move away when plotted in a graph. The Shapiro-Wilk test was used for assessing normality since it is commonly used for small sample sizes (<50 samples).



The Spearman correlations for actual budget years (2020-2021) and program budget years (2022-2023) are presented in Table 7. The correlations were calculated to help give a picture of the relationship of select indicators to intended regional budget allocation and to actual regional spending. Correlation coefficients excluding NCR were computed as the region acts as an outlier in all indicators as reflected in the scatterplot diagrams. A set of correlation coefficients that includes NCR were also determined in order to compare how NCR influences the budget’s responsiveness.

**TABLE 7  
SPEARMAN CORRELATION COEFFICIENTS**

Particular	Actual (2020-2021)		Program (2022-2023)	
	w/o NCR	w/ NCR	w/o NCR	w/ NCR
Unemployment	-0.77**	-0.51**	-0.63**	-0.42**
Poverty Incidence	0.31*	0.09	0.23*	0.03
GRDP	-0.84**	-0.54**	-0.70**	-0.44**

Note: \*\* significant at 5% level of significance, \*significant at 10% level of significance

**Unemployment Rate.** The correlation coefficients for the regional BPC and unemployment rates are -0.77 for actual budget years and -0.63 for program budget years. This shows that there is a strong negative relationship between the regional BPC and unemployment in actual budget usage while a moderate negative relationship is seen for program budget. Once NCR was added, the negative relationship between the two variables weakens. A negative relationship suggests that the BPC for places with high unemployment rates are low while the BPC for regions with low unemployment rates are high. This implies that the regional budget is not responsive to regional unemployment rates.

**FIGURE I  
REGIONAL BPC AND UNEMPLOYMENT RATE**

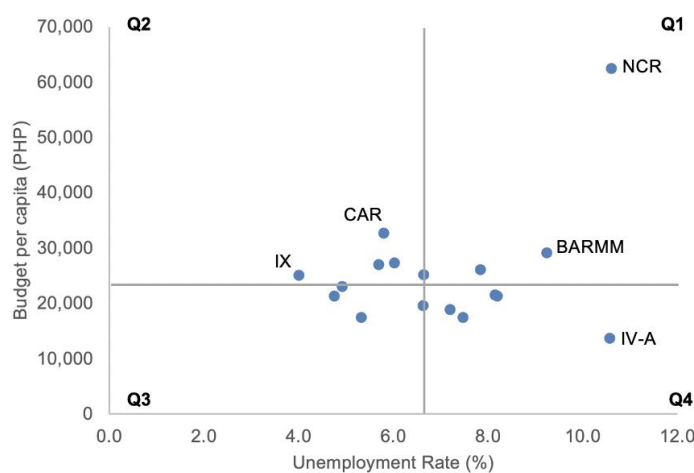


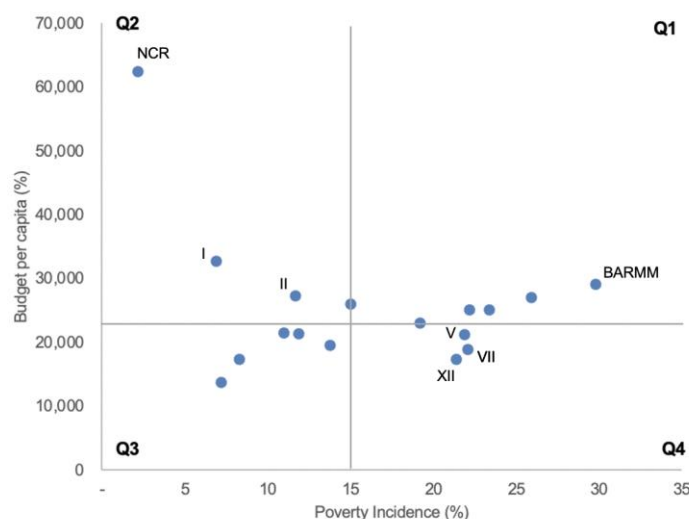
Figure 1 shows the scatterplot diagram between the regional BPC and the unemployment rates where the diagram’s median-based quadrants are examined. Regions in the upper right-hand side or the first quadrant (Q1) are those with above-median BPC and unemployment rates. Those in the upper left-hand side (Q2) are regions with above-median BPC but have below-median

unemployment rates. Regions in the lower left-hand quadrant (Q3) are those with both below-median BPC and unemployment rates. Lastly, regions in the lower right-hand quadrant (Q4) have below-median BPC but above-median unemployment rate. The median BPC is P23,012 while the median unemployment rate is 6.6%.

The quadrant analysis shows that NCR is an outlier compared to the other regions with both its BPC and unemployment rate way above median. Region IV-A, on the other hand, deviates in the lower-right quadrant (Q4) which means that it will get below-median BPC despite above-median unemployment rate. Other regions hover around the median BPC and are more dispersed in terms of unemployment rates. Regions in Q4 are generally worse-off as they receive less-than-median BPC while having above-median unemployment. Joining Region IV-A in Q4 are Regions I, III, V, and VII. In contrast, regions in Q2 are better-off as they are allocated with above-median BPC while reporting below-median unemployment rates. These regions are Regions II, IX, XII, and CAR.

**Poverty Incidence.** Unlike unemployment rates, the BPC and the poverty incidence posts a positive relationship albeit very weak. The correlation coefficients for regions without NCR are 0.31 and 0.23 which indicate a weak relationship between the two. Although the positive relationship is weak, it suggests that regions outside NCR that have higher incidence of poverty may be receiving larger allocations than their counterparts that have lower poverty incidence. There is an opportunity to not only make the regional budget more responsive in terms of unemployment but also in terms of poverty incidence. Correlation coefficients that consider all regions are not significant.

**FIGURE 2**  
**REGIONAL BPC AND POVERTY INCIDENCE**

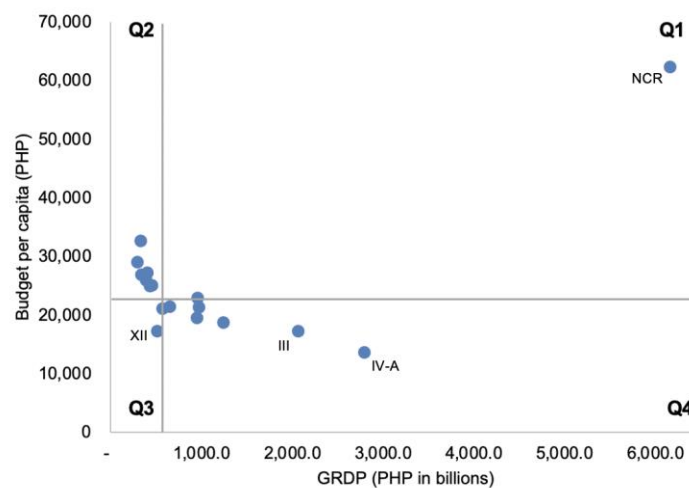


NCR continues to stand out with its significantly higher BPC despite having the lowest poverty incidence as seen in Figure 2. The same is true for Region I but at a smaller extent while other regions in Q2 are Regions II and IV-B which also received above-median budget with below-median poverty incidence. Meanwhile, BARMM is also an outlier due to its poverty incidence that is considerably above the median of 15.0%. Even though BARMM has the highest regional

poverty incidence, its BPC remains to be close to the median. Moreover, Regions V, VII and XII seem to be worse-off in terms of poverty as they are in Q4 with high poverty incidence but low BPC.

**GRDP.** Similar with the unemployment rates, the BPC exhibits a strong negative relationship with GRDP with a correlation of -0.84 for actual budget years and -0.70 for program budget years. When NCR is included, this negative relationship becomes weaker at -0.54 for actual and -0.44 for program. This indicates that richer regions receive less BPC which leaves more government funding for lower income regions where NG support would matter more.

**FIGURE 3**  
**REGIONAL BPC AND GRDP**



Since it is desirable for regions with lower regional income to be endowed with higher BPC, Q1 now represents the regions that are in a better position as they both have above-median BPCs and regional incomes while Q3 contains the regions that are worse-off since they have below-median BPCs and regional incomes (*Figure 3*). Most regions are in Q2 and Q4 which indicates that the BPC is indeed responsive in terms of GRDP. However, NCR as an outlier is more apparent as it is the only region in Q1 with a GRDP that is way above-median coupled with a BPC that is largely higher than that of the other regions. Meanwhile, Region XII which is the only region in Q3 has a relatively low BPC despite its low GRDP per capita.

### **Sector-specific Expenditures**

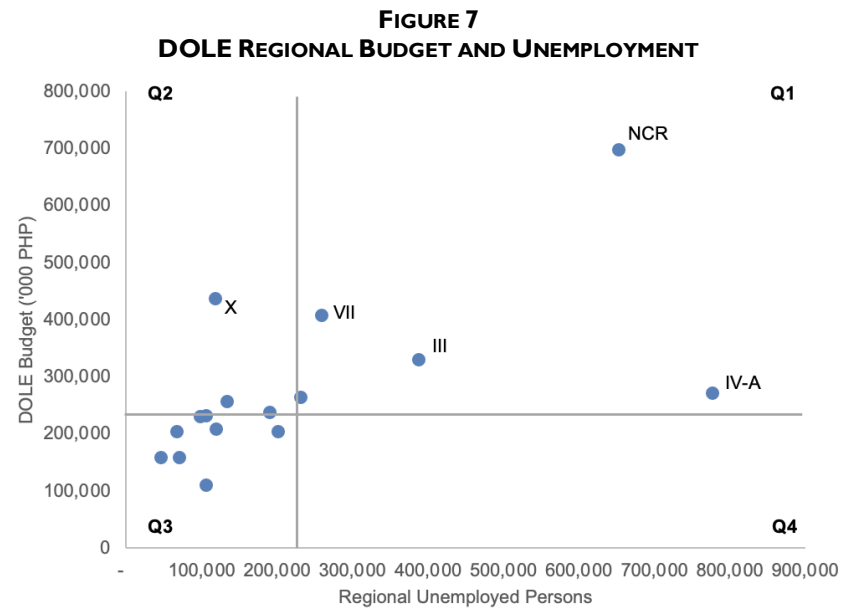
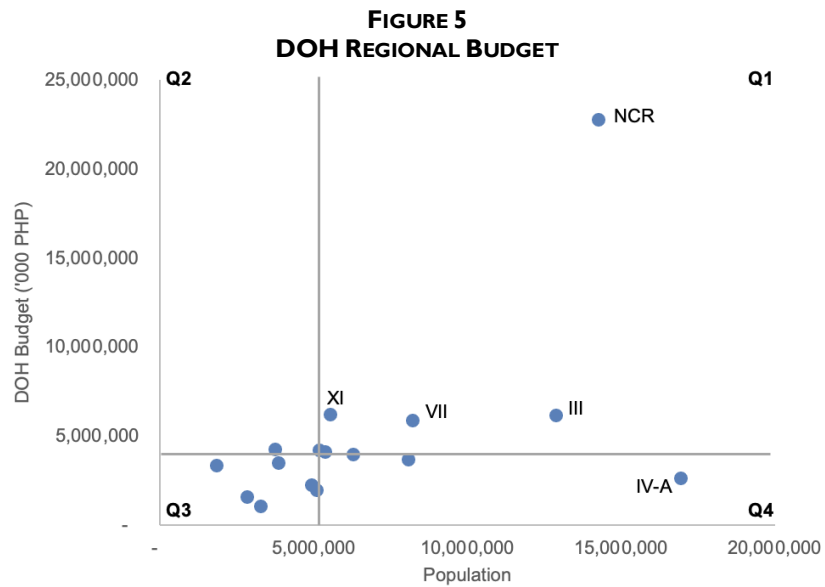
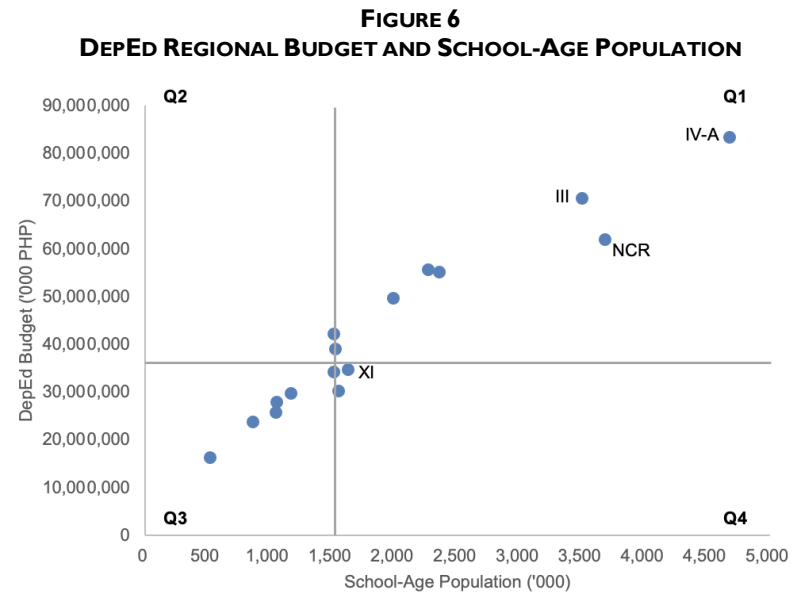
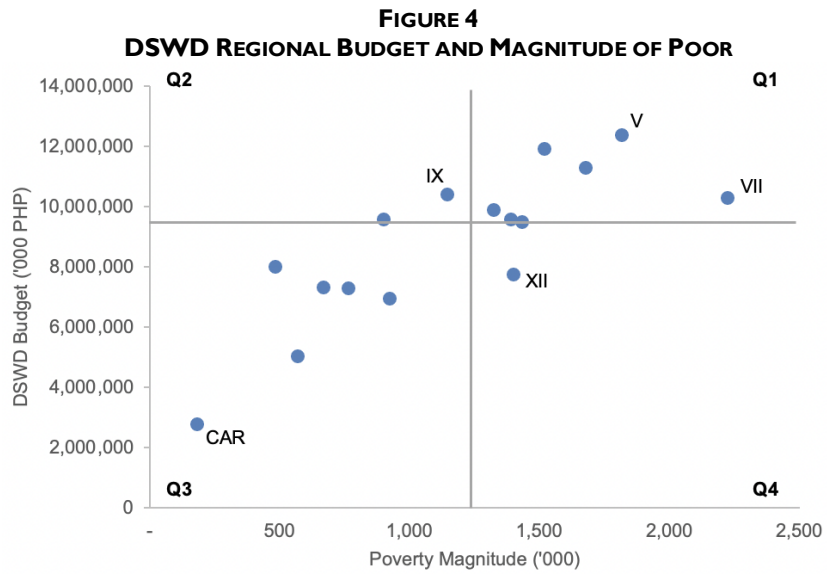
This section further examines the relationship between the regional distribution of the budget and key socio-economic indicators by utilizing the quadrant analysis. It delves into the responsiveness of the budget of specific national government agencies (NGAs) that deliver certain social services, which would otherwise not be seen if only looking at the budget as a whole. Selected NGAs are the Departments of Social Welfare and Development (DSWD), Health (DOH), Education (DepEd), and Labor and Employment (DOLE). BARMM was not included in the analysis since most NGAs do not have any allocation for the region due to the annual block grant that BARMM receives from NG pursuant to the Bangsamoro Organic Law.

**Social Welfare.** Most regions are located in the Q1 and Q3 of the diagram which implies that the DSWD budget corresponds with the regional level of poverty as budget allocation is mostly proportional to the poverty magnitude (*Figure 4*). While this is so, the Region VII which has the highest poverty level will just get near-median agency funding. Meanwhile, Region XII is the lone region that is situated in Q4 which means it will be given a below-median allocation despite having a relatively high poverty level. This is in contrast to Region IX which is the only region in Q2.

**Health.** The DOH budget is also proportionate in relation to the regional population levels as shown in *Figure 5*. However, unlike social welfare, there are a number of outlier regions for the health sector, one of which is NCR, which will receive an allocation that is way-above median. Although the NCR is largely populated, Region IV-A which is more populated will receive a below-median allocation for health. This suggests that allocation for health in the Region IV-A may be low if checked per capita. It needs to be considered though that part of the DOH regional budget goes to the operational expenses of already existing hospitals—the distribution of which may not be equitable across regions.

**Education.** *Figure 6* presents that the regional budget for DepEd is highly proportionate to the regional school-age population. Similar to DOH, there are outliers among the regions – Regions IV-A, III, and NCR. While the education budget for these regions are much higher, they are justified as these regions are also the most populated with school-age children. On the other hand, Region XI is located in Q4 but its population and budget levels are not far-off from the median. Note that the distribution of the DepEd budget will mostly follow the resources needed for the operation of existing schools (like DOH for hospitals). The Personal Services component (primarily for the salaries of teachers) can be considered non-discretionary.

**Labor.** *Figure 7* shows that most regions are within Q1 and Q3 in terms of the DOLE budget and the regional unemployment levels which indicates an equitable regional budget distribution in the labor sector. However, in Q1, there is a stark difference between the budget levels of outliers Regions IV-A and NCR. Although Region IV-A posts the highest number of unemployed persons, it only received an allocation that is near-median, similar to its health budget. On the other hand, NCR is allocated with a large budget to target its also high number of unemployed persons. It may be noted that the mandate of DOLE also includes looking after the welfare of those employed and promoting industrial peace among workers and employers, and that employment creation results from more economic activities in the region.



## CONCLUSION

- ❑ In a cash-based budgeting system, projects to be funded should be shovel-ready with project locations already identified even in the budget preparation stage. Non-regionalized budget should only cover inter-regional projects/programs or expenditure items that involve centralized procurements (e.g., textbooks, vaccines).
- ❑ Executive agencies need to clearly differentiate allocations between Nationwide, Central Office, and NCR as a region. Properly classifying the expenditure items is important to ensure that NCR shares are not bloated and that purely Central Office functions are also differentiated from expenditure items (under Nationwide) that subsequently will be downloaded to the regions. Moreover, there is a need to ensure that budget presentation with regional disaggregation should be made consistent across budget documents—i.e., the BESF and the NEP. Proper allocation allows for the visibility of regions in need of more funding and a better basis for legislative decision-making on how to potentially reallocate regional funds efficiently and equitably.
- ❑ The regional budget is highly responsive in terms of GRDP with low income regions receiving more funding than regions with higher income. However, changes can be made in order for the budget to be more sensitive towards unemployment and poverty. The regional BPC's negative relationship with unemployment show that regions with high levels of unemployment will receive lower allocation and although the budget has a positive relationship with poverty, it is weak and can be improved. The effect of NCR on the correlation coefficients highlights the large difference of its budget compared to the other regions.
- ❑ In terms of the regional budget and indicator share analysis as well as the quadrant analysis, it seems that funding for Regions IV-A and III are not as equitable in terms of population and unemployment. Although these regions are peripheral to NCR, their regional budgets do not come close, especially for Region IV-A which posted higher population, unemployment, and poverty shares than the capital.
- ❑ The SC ruling on the Mandanas-Garcia case is a vital change for local governments as they are to receive a larger share in the National Tax Allotment, coupled with the devolved functions from the NG. While greater responsibilities are given to the LGUs, the NG should still ensure that there will be no disruptions in the public service provided by the government to its people—especially for low-income LGUs that may struggle due to this transition. It is important that the regional budgets of the NGAs are able to support these LGUs by making them more responsive to key socio-economic indicators that reflect local capacities and needs. Agencies should be able to properly target funding assistance to financially-disadvantaged LGUs, and should aim to correct existing imbalances resulting from inherent inequities in the existing NTA distribution.
- ❑ The scarring effects of the COVID-19 pandemic have worsened disparities across regions in the country. Certain localities are more disadvantaged than others as existing capacities (financial, institutional and human resources) to respond to the challenges brought about by

the pandemic greatly vary to start with. The National Government's role in promoting equitable development among regions is crucial as the country recovers from the economic effects of the pandemic and other global events. The formulation and implementation of a national budget that prioritizes regions that are greatly in need of additional support will ensure inclusive growth and development.

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## ANNEXES

### ANNEX I REGIONAL ALLOCATION OF THE TOTAL NATIONAL GOVERNMENT BUDGET

Region	Levels, in Billion Pesos					Percent Share to Total (%)					Increase/(Decrease)							
	Actual			Adjusted	Proposed	Actual			Adjusted	Proposed	Levels, In Billion Pesos				Growth Rates (%)			
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	19-20	20-21	21-22	22-23	19-20	20-21	21-22	22-23
<b>Nationwide</b>	<b>535.7</b>	<b>555.3</b>	<b>488.0</b>	<b>1,035.7</b>	<b>1,868.7</b>	<b>14.8</b>	<b>12.9</b>	<b>10.6</b>	<b>20.6</b>	<b>35.5</b>	<b>19.6</b>	<b>(67.4)</b>	<b>547.8</b>	<b>833.0</b>	<b>3.7</b>	<b>(12.1)</b>	<b>112.3</b>	<b>80.4</b>
<b>Central Office</b>	<b>308.8</b>	<b>639.9</b>	<b>918.3</b>	<b>362.4</b>	<b>388.7</b>	<b>8.6</b>	<b>14.9</b>	<b>20.0</b>	<b>7.2</b>	<b>7.4</b>	<b>331.1</b>	<b>278.3</b>	<b>(555.9)</b>	<b>26.4</b>	<b>107.2</b>	<b>43.5</b>	<b>(60.5)</b>	<b>7.3</b>
<b>NCR</b>	<b>1,356.7</b>	<b>1,459.2</b>	<b>1,132.9</b>	<b>922.2</b>	<b>989.8</b>	<b>37.6</b>	<b>33.9</b>	<b>24.6</b>	<b>18.4</b>	<b>18.8</b>	<b>102.5</b>	<b>(326.2)</b>	<b>(210.7)</b>	<b>67.6</b>	<b>7.6</b>	<b>(22.4)</b>	<b>(18.6)</b>	<b>7.3</b>
<b>Luzon, net of NCR</b>	<b>679.7</b>	<b>786.4</b>	<b>991.9</b>	<b>1,333.3</b>	<b>954.5</b>	<b>18.8</b>	<b>18.2</b>	<b>21.6</b>	<b>26.5</b>	<b>18.1</b>	<b>106.7</b>	<b>205.5</b>	<b>341.4</b>	<b>(378.8)</b>	<b>15.7</b>	<b>26.1</b>	<b>34.4</b>	<b>(28.4)</b>
Region I	86.7	97.2	131.9	132.5	116.0	2.4	2.3	2.9	2.6	2.2	10.5	34.7	0.6	(16.5)	12.1	35.6	0.5	(12.5)
CAR	47.7	53.3	74.3	135.5	60.5	1.3	1.2	1.6	2.7	1.1	5.6	21.0	61.1	(75.0)	11.8	39.4	82.2	(55.3)
Region II	75.3	86.9	110.1	131.9	102.6	2.1	2.0	2.4	2.6	1.9	11.6	23.2	21.8	(29.3)	15.4	26.6	19.8	(22.2)
Region III	153.2	178.4	219.4	287.7	224.3	4.2	4.1	4.8	5.7	4.3	25.2	41.0	68.2	(63.4)	16.5	23.0	31.1	(22.0)
Region IV-A	160.8	190.1	230.0	308.5	231.8	4.5	4.4	5.0	6.1	4.4	29.3	39.9	78.5	(76.7)	18.2	21.0	34.1	(24.9)
Region IV-B	58.3	66.5	83.4	130.3	85.5	1.6	1.5	1.8	2.6	1.6	8.2	16.9	46.9	(44.9)	14.1	25.5	56.3	(34.4)
Region V	97.7	113.9	142.7	206.8	133.8	2.7	2.6	3.1	4.1	2.5	16.2	28.8	64.1	(73.0)	16.6	25.3	45.0	(35.3)
<b>Visayas</b>	<b>312.9</b>	<b>362.3</b>	<b>445.2</b>	<b>558.7</b>	<b>437.6</b>	<b>8.7</b>	<b>8.4</b>	<b>9.7</b>	<b>11.1</b>	<b>8.3</b>	<b>49.4</b>	<b>82.9</b>	<b>113.5</b>	<b>(121.1)</b>	<b>15.8</b>	<b>22.9</b>	<b>25.5</b>	<b>(21.7)</b>
Region VI	117.7	136.2	164.2	198.8	158.4	3.3	3.2	3.6	4.0	3.0	18.6	27.9	34.6	(40.3)	15.8	20.5	21.1	(20.3)
Region VII	107.8	127.4	154.0	192.7	155.3	3.0	3.0	3.3	3.8	2.9	19.6	26.6	38.7	(37.4)	18.2	20.9	25.1	(19.4)
Region VIII	87.5	98.7	127.0	167.2	123.8	2.4	2.3	2.8	3.3	2.4	11.2	28.3	40.2	(43.3)	12.8	28.7	31.6	(25.9)
<b>Mindanao</b>	<b>416.7</b>	<b>505.9</b>	<b>624.6</b>	<b>811.3</b>	<b>628.7</b>	<b>11.5</b>	<b>11.7</b>	<b>13.6</b>	<b>16.1</b>	<b>11.9</b>	<b>89.2</b>	<b>118.7</b>	<b>186.7</b>	<b>(182.6)</b>	<b>21.4</b>	<b>23.5</b>	<b>29.9</b>	<b>(22.5)</b>
Region IX	65.9	73.1	89.8	114.8	96.6	1.8	1.7	2.0	2.3	1.8	7.3	16.6	25.1	(18.2)	11.0	22.8	28.0	(15.9)
Region X	83.6	92.0	119.1	163.3	119.2	2.3	2.1	2.6	3.2	2.3	8.4	27.2	44.1	(44.0)	10.0	29.5	37.0	(27.0)
Region XI	76.5	89.4	114.4	168.0	117.8	2.1	2.1	2.5	3.3	2.2	13.0	25.0	53.6	(50.2)	17.0	28.0	46.8	(29.9)
Region XII	68.6	77.4	91.0	108.4	88.8	1.9	1.8	2.0	2.2	1.7	8.8	13.6	17.4	(19.6)	12.9	17.6	19.1	(18.1)
CARAGA	55.8	64.2	80.2	113.2	76.6	1.5	1.5	1.7	2.3	1.5	8.4	16.1	33.0	(36.6)	15.0	25.0	41.1	(32.3)
ARMM	66.4	109.8	130.0	143.5	129.6	1.8	2.5	2.8	2.9	2.5	43.4	20.2	13.5	(13.9)	65.4	18.4	10.4	(9.7)
<b>TOTAL</b>	<b>3,610.5</b>	<b>4,309.0</b>	<b>4,600.8</b>	<b>5,023.6</b>	<b>5,268.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>698.5</b>	<b>291.8</b>	<b>422.8</b>	<b>244.4</b>	<b>19.3</b>	<b>6.8</b>	<b>9.2</b>	<b>4.9</b>

Source of basic data: BESF 2021-2023

### ANNEX 2-A: DEPARTMENT OF AGRICULTURE

Region	Levels, in Billion Pesos		Share to Total (%)		Increase/(Decrease)	
	2022 GAA Adjusted	2023 Proposed	2022 GAA Adjusted	2023 Proposed	Amount	%
<b>Nationwide</b>	<b>1.19</b>	<b>1.98</b>	<b>1.7</b>	<b>1.9</b>	<b>0.8</b>	<b>66.1</b>
<b>Central Office</b>	-	-	-	-	-	-
<b>NCR</b>	<b>32.18</b>	<b>37.57</b>	<b>45.3</b>	<b>36.8</b>	<b>5.4</b>	<b>16.8</b>
<b>Luzon, net of NCR</b>	<b>24.6</b>	<b>40.9</b>	<b>34.6</b>	<b>40.1</b>	<b>16.4</b>	<b>66.6</b>
Region I	3.48	6.82	4.9	6.7	3.3	96.1
CAR	2.02	2.19	2.8	2.1	0.2	8.4
Region II	4.80	8.96	6.8	8.8	4.2	86.9
Region III	5.98	11.45	8.4	11.2	5.5	91.6
Region IV-A	2.34	3.21	3.3	3.1	0.9	37.1
Region IV-B	2.98	3.91	4.2	3.8	0.9	31.3
Region V	2.97	4.36	4.2	4.3	1.4	47.0
<b>Visayas</b>	<b>5.8</b>	<b>8.3</b>	<b>8.2</b>	<b>8.1</b>	<b>2.5</b>	<b>42.0</b>
Region VI	2.40	2.70	3.4	2.6	0.3	12.4
Region VII	1.47	2.09	2.1	2.0	0.6	41.9
Region VIII	1.98	3.52	2.8	3.4	1.5	78.0
<b>Mindanao</b>	<b>7.2</b>	<b>13.4</b>	<b>10.2</b>	<b>13.1</b>	<b>6.1</b>	<b>85.0</b>
Region IX	1.30	2.23	1.8	2.2	0.9	71.7
Region X	1.63	3.42	2.3	3.3	1.8	109.4
Region XI	1.40	2.70	2.0	2.6	1.3	92.3
Region XII	1.83	3.38	2.6	3.3	1.6	85.4
CARAGA	1.07	1.65	1.5	1.6	0.6	53.9
BARMM	-	-	-	-	-	-
<b>Total</b>	<b>71.0</b>	<b>102.2</b>	<b>100.0</b>	<b>100.0</b>	<b>31.1</b>	<b>43.9</b>

Source of basic data: BESF 2023

### ANNEX 2-B: DEPARTMENT OF EDUCATION

Region	Levels, in Billion Pesos		Share to Total (%)		Increase/(Decrease)	
	2022 GAA Adjusted	2023 Proposed	2022 GAA Adjusted	2023 Proposed	Amount	%
<b>Nationwide</b>	<b>29.06</b>	<b>24.21</b>	<b>4.6</b>	<b>3.4</b>	<b>(4.8)</b>	<b>(16.7)</b>
<b>Central Office</b>	<b>2.29</b>	<b>3.91</b>	<b>0.4</b>	<b>0.6</b>	<b>1.6</b>	<b>70.6</b>
<b>NCR</b>	<b>51.29</b>	<b>61.90</b>	<b>8.1</b>	<b>8.7</b>	<b>10.6</b>	<b>20.7</b>
<b>Luzon, net of NCR</b>	<b>276.3</b>	<b>312.7</b>	<b>43.8</b>	<b>44.0</b>	<b>36.5</b>	<b>13.2</b>
Region I	35.35	39.05	5.6	5.5	3.7	10.5
CAR	13.76	16.25	2.2	2.3	2.5	18.1
Region II	25.29	27.88	4.0	3.9	2.6	10.2
Region III	62.28	70.64	9.9	9.9	8.4	13.4
Region IV-A	70.94	83.46	11.2	11.7	12.5	17.7
Region IV-B	23.50	25.82	3.7	3.6	2.3	9.8
Region V	45.16	49.65	7.2	7.0	4.5	9.9
<b>Visayas</b>	<b>135.7</b>	<b>153.0</b>	<b>21.5</b>	<b>21.5</b>	<b>17.3</b>	<b>12.8</b>
Region VI	50.52	55.64	8.0	7.8	5.1	10.1
Region VII	47.99	55.13	7.6	7.8	7.1	14.9
Region VIII	37.14	42.22	5.9	5.9	5.1	13.7
<b>Mindanao</b>	<b>136.2</b>	<b>154.9</b>	<b>21.6</b>	<b>21.8</b>	<b>18.7</b>	<b>13.8</b>
Region IX	27.07	29.83	4.3	4.2	2.8	10.2
Region X	29.98	34.23	4.8	4.8	4.3	14.2
Region XI	30.00	34.73	4.8	4.9	4.7	15.8
Region XII	27.33	30.24	4.3	4.3	2.9	10.6
CARAGA	21.59	23.79	3.4	3.3	2.2	10.2
BARMM	0.20	2.08	0.0	0.3	1.9	943.5
<b>Total</b>	<b>630.8</b>	<b>710.7</b>	<b>100.0</b>	<b>100.0</b>	<b>79.9</b>	<b>12.7</b>

Source of basic data: BESF 2023

### ANNEX 2-C: DEPARTMENT OF HEALTH

Region	Levels, in Billion Pesos		Share to Total (%)		Increase/(Decrease)	
	2022 GAA Adjusted	2023 Proposed	2022 GAA Adjusted	2023 Proposed	Amount	%
<b>Nationwide</b>	78.07	42.73	41.4	21.8	(35.3)	(45.3)
<b>Central Office</b>	44.09	75.73	23.4	38.6	31.6	71.8
<b>NCR</b>	20.19	22.79	10.7	11.6	2.6	12.9
<b>Luzon, net of NCR</b>	21.5	25.5	11.4	13.0	4.1	19.0
Region I	3.67	4.11	1.9	2.1	0.4	12.0
CAR	2.91	3.33	1.5	1.7	0.4	14.7
Region II	3.48	4.24	1.8	2.2	0.8	21.7
Region III	5.21	6.17	2.8	3.1	1.0	18.4
Region IV-A	2.21	2.63	1.2	1.3	0.4	18.8
Region IV-B	0.88	1.07	0.5	0.5	0.2	21.0
Region V	3.09	3.98	1.6	2.0	0.9	28.8
<b>Visayas</b>	9.9	11.8	5.2	6.0	2.0	19.8
Region VI	3.04	3.69	1.6	1.9	0.6	21.3
Region VII	4.93	5.89	2.6	3.0	1.0	19.4
Region VIII	1.89	2.24	1.0	1.1	0.4	18.7
<b>Mindanao</b>	14.7	17.5	7.8	8.9	2.8	18.9
Region IX	2.96	3.51	1.6	1.8	0.5	18.5
Region X	3.53	4.22	1.9	2.2	0.7	19.5
Region XI	5.47	6.20	2.9	3.2	0.7	13.4
Region XII	1.52	1.97	0.8	1.0	0.4	29.5
CARAGA	1.22	1.59	0.6	0.8	0.4	30.1
BARMM	-	-	-	-	-	-
<b>Total</b>	<b>188.4</b>	<b>196.1</b>	<b>100.0</b>	<b>100.0</b>	<b>7.7</b>	<b>4.1</b>

Source of basic data: BESF 2023

### ANNEX 2-D: DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT

Region	Levels, in Billion Pesos		Share to Total (%)		Increase/(Decrease)	
	2022 GAA Adjusted	2023 Proposed	2022 GAA Adjusted	2023 Proposed	Amount	%
<b>Nationwide</b>	48.11	36.79	23.5	18.7	(11.3)	(23.5)
<b>Central Office</b>	22.85	20.24	11.1	10.3	(2.6)	(11.4)
<b>NCR</b>	9.78	8.02	4.8	4.1	(1.8)	(18.0)
<b>Luzon, net of NCR</b>	52.0	55.6	25.4	28.2	3.6	7.0
Region I	6.56	7.31	3.2	3.7	0.7	11.3
CAR	2.87	2.77	1.4	1.4	(0.1)	(3.4)
Region II	4.84	5.04	2.4	2.6	0.2	4.2
Region III	8.94	9.49	4.4	4.8	0.6	6.2
Region IV-A	10.35	11.29	5.0	5.7	0.9	9.1
Region IV-B	6.66	7.31	3.2	3.7	0.6	9.8
Region V	11.75	12.38	5.7	6.3	0.6	5.4
<b>Visayas</b>	30.1	31.8	14.7	16.1	1.7	5.6
Region VI	11.06	11.92	5.4	6.1	0.9	7.8
Region VII	9.86	10.29	4.8	5.2	0.4	4.4
Region VIII	9.19	9.58	4.5	4.9	0.4	4.3
<b>Mindanao</b>	42.2	44.6	20.6	22.6	2.4	5.7
Region IX	10.07	10.41	4.9	5.3	0.3	3.4
Region X	8.94	9.89	4.4	5.0	0.9	10.6
Region XI	9.21	9.57	4.5	4.9	0.4	3.9
Region XII	7.72	7.76	3.8	3.9	0.0	0.5
CARAGA	6.24	6.96	3.0	3.5	0.7	11.6
BARMM	-	-	-	-	-	-
<b>Total</b>	<b>205.0</b>	<b>197.0</b>	<b>100.0</b>	<b>100.0</b>	<b>(8.0)</b>	<b>(3.9)</b>

Source of basic data: BESF 2023

## ANNEX 2-E: DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

Region	Levels, in Billion Pesos		Share to Total (%)		Increase/(Decrease)	
	2022 GAA Adjusted	2023 Proposed	2022 GAA Adjusted	2023 Proposed	Amount	%
<b>Nationwide</b>	<b>3.69</b>	<b>628.21</b>	<b>0.5</b>	<b>87.5</b>	<b>624.5</b>	<b>16,916.7</b>
Central Office	-	-	-	-	-	-
<b>NCR</b>	<b>70.88</b>	<b>52.50</b>	<b>9.0</b>	<b>7.3</b>	<b>(18.4)</b>	<b>(25.9)</b>
<b>Luzon, net of NCR</b>	<b>388.6</b>	<b>8.0</b>	<b>49.4</b>	<b>1.1</b>	<b>(380.6)</b>	<b>(97.9)</b>
Region I	40.36	0.51	5.1	0.1	(39.8)	(98.7)
CAR	51.96	0.56	6.6	0.1	(51.4)	(98.9)
Region II	31.86	0.52	4.1	0.1	(31.3)	(98.4)
Region III	71.50	3.35	9.1	0.5	(68.1)	(95.3)
Region IV-A	77.52	1.96	9.9	0.3	(75.6)	(97.5)
Region IV-B	42.63	0.44	5.4	0.1	(42.2)	(99.0)
Region V	72.77	0.67	9.3	0.1	(72.1)	(99.1)
<b>Visayas</b>	<b>120.9</b>	<b>4.8</b>	<b>15.4</b>	<b>0.7</b>	<b>(116.1)</b>	<b>(96.0)</b>
Region VI	39.47	1.53	5.0	0.2	(37.9)	(96.1)
Region VII	36.84	2.70	4.7	0.4	(34.1)	(92.7)
Region VIII	44.56	0.56	5.7	0.1	(44.0)	(98.8)
<b>Mindanao</b>	<b>202.6</b>	<b>24.9</b>	<b>25.8</b>	<b>3.5</b>	<b>(177.7)</b>	<b>(87.7)</b>
Region IX	23.17	0.45	2.9	0.1	(22.7)	(98.1)
Region X	51.15	8.90	6.5	1.2	(42.3)	(82.6)
Region XI	63.78	13.96	8.1	1.9	(49.8)	(78.1)
Region XII	20.34	0.42	2.6	0.1	(19.9)	(97.9)
CARAGA	37.49	1.12	4.8	0.2	(36.4)	(97.0)
BARMM	6.63	-	0.8	-	(6.6)	-
<b>Total</b>	<b>786.6</b>	<b>718.4</b>	<b>100.0</b>	<b>100.0</b>	<b>(68.2)</b>	<b>(8.7)</b>

Source of basic data: BESF 2023

**ANNEX 3**  
**SUB-CATEGORY OF INFRASTRUCTURE OUTLAYS BY REGION, 2023**  
**(IN MILLION PESOS)**

Region	Flood Control Systems	Communication Networks	Airport Systems	Sewer Systems	Seaport Systems	Road Networks	Right-of-Way	Railway Systems	Power Supply Systems	Water Supply Systems	Other Infra Assets	TOTAL
Nationwide	-	-	-	-	-	-	-	-	-	-	-	-
Central Office	173,222.1	613.7	2,489.0	500.0	1.0	399,156.7	28,658.9	105,193.3	20.0	4,658.2	28,563.6	<b>743,076.6</b>
NCR	1,072.3	19.5	-	-	-	7.8	-	-	328.3	0.2	790.1	<b>2,218.1</b>
CAR	-	0.8	-	-	-	488.0	-	-	-	135.4	-	<b>624.2</b>
Region 1	-	-	-	-	-	1,865.1	-	-	-	94.6	-	<b>1,959.7</b>
Region II	-	-	-	-	-	804.5	-	-	10.0	187.5	-	<b>1,002.0</b>
Region III	-	-	-	-	-	1,114.5	-	-	-	78.4	-	<b>1,192.9</b>
Region IV-A	-	-	-	-	-	758.7	-	-	25.0	90.4	27.5	<b>901.6</b>
Region IV-B	-	-	-	-	-	710.9	-	-	-	81.2	27.5	<b>819.6</b>
Region V	-	-	-	-	-	1,710.0	-	-	-	115.8	27.5	<b>1,853.3</b>
Region VI	-	-	-	-	-	861.0	-	-	10.0	47.4	-	<b>918.4</b>
Region VII	-	-	-	-	-	790.0	-	-	5.5	45.2	-	<b>840.7</b>
Region VIII	15.0	-	-	-	-	1,419.8	-	-	5.0	43.0	27.5	<b>1,510.4</b>
Region IX	-	-	-	-	-	456.0	-	-	-	54.3	-	<b>510.2</b>
Region X	-	-	-	-	-	705.0	-	-	-	21.9	-	<b>726.9</b>
Region XI	-	-	-	-	5.0	565.0	-	-	-	36.5	-	<b>606.5</b>
Region XII	-	-	-	-	-	393.0	-	-	-	30.5	-	<b>423.5</b>
CARAGA	-	-	-	-	-	507.0	-	-	20.0	37.3	27.5	<b>591.8</b>
ARMM	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>174,309.4</b>	<b>634.0</b>	<b>2,489.0</b>	<b>500.0</b>	<b>6.0</b>	<b>412,312.9</b>	<b>28,658.9</b>	<b>105,193.3</b>	<b>423.8</b>	<b>5,757.8</b>	<b>29,491.3</b>	<b>759,776.4</b>

Source of basic data: BESF 2023