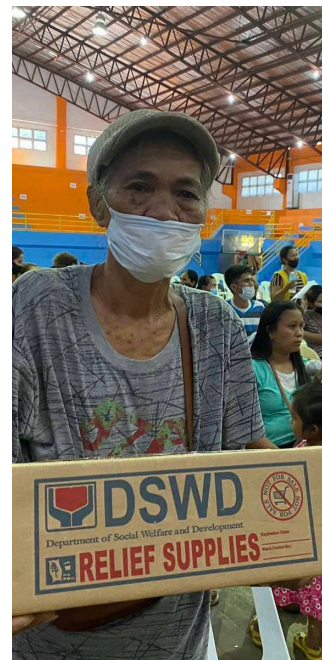


# LAYING THE GROUNDWORK FOR A SUSTAINABLE FUTURE:

## *Priority Expenditures Supporting the Philippine Development Plan*

The 2023 National Budget of the Philippines amounting to Php 5.268 trillion (USD 94.82 billion) supports the Philippine Development Plan (PDP) 2023-2028, which was framed based on the 8-Point Socioeconomic Agenda of the Marcos Jr. Administration. Listed here are strategies identified in the PDP to which priority expenditures have been aligned to ensure that the economy is on track in achieving the Agenda for Prosperity: Economic Transformation towards Inclusivity and Sustainability.





PRIORITY EXPENDITURES

# TRANSFORMING PRODUCTION SECTORS

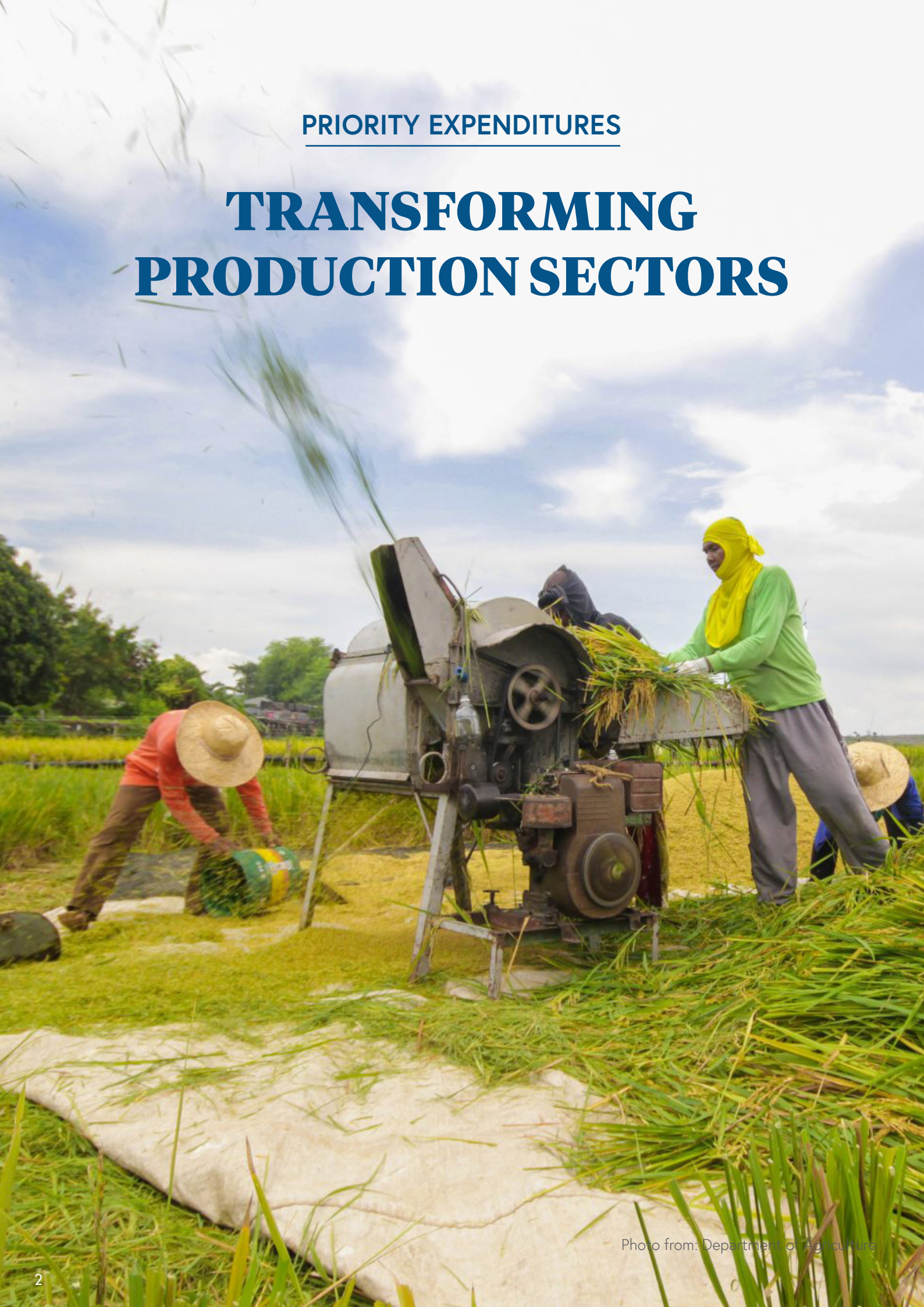


Photo from: Department of Agriculture





Photos from: Department of Agriculture and Department of Trade and Industry

## **Modernize Agriculture and Agribusiness & Ensure Food Security**

Economic growth and food security will be achieved through improved agricultural productivity and the re-establishment of the Philippines as a top exporter of agricultural products. Thus, the agriculture and agrarian reform sector was allocated Php 186.4 billion (USD 3.36 billion), a budgetary boost of around 29 percent of its previous year's allocation. Of this amount, over Php 42.0 billion (USD 771.1 million) is set to improve the production of agricultural commodities, including rice with over Php 30.0 billion (USD 545.4 million) allotment. The government has also established a Php 10.0 billion (USD 180.0 million) Rice Competitiveness Enhancement Fund. Some Php 14.98 billion (USD 269.64 million) will be used to develop farm-to-market and farm-to-mill roads; Php 22.86 billion (USD 411.48 million) will be for irrigation; and over Php 10.0 billion (USD 182.2 million) will be for machinery, equipment, and facilities.

## **Revitalize Industry**

The government will encourage innovation, technology adoption, and servicification of manufacturing to add greater value to local products. The Department of Trade and Industry, as the lead agency tasked to develop globally competitive industry sectors, was allocated Php 6.58 billion (USD 118.44 million). Of this amount, a total of Php 2.04 billion (USD 36.68 million) will be used for the development of Micro, Small, and Medium Enterprises (MSMEs), the Exports and Investments Development Program, and the Industry Development Program, among others.





Photo from: Department of Tourism

## Reinvigorate Services

The Philippines' Services sector will shift to become a modern, productive, and resilient global leader providing higher value-adding and differentiated services. To honor the world-class creativity of Filipinos, the government supports the development of the "Filipino Brand" to promote the Philippines as a tourist destination and venue for businesses and events. In support of this, a total of Php 3.79 billion (USD 68.22 million) was allocated to the Department of Tourism. To promote the Philippines as a tourist destination, the Branding Campaign Program has been allocated Php 1.27 billion (USD 22.86 million), while the Tourism Promotions Board received Php 1.27 billion (USD 22.86 million). Local government units and enterprises will also be onboarded to catalyze the tourism sector as a driver of inclusive growth.



Photo from: Department of Science and Technology

## Advance R&D, Technology, and Innovation

Recognizing the interdisciplinary coordination of science, technology, and innovation (STI) as a driving force for sustainable and inclusive growth, the national budget allocates a total of Php 18.6 billion<sup>1</sup> (USD 335.96 million) for the advancement of Research and Development across different sectors. Of this amount, Php 3.597 billion (USD 64.75 million) is provided to ensure the strategic promotion of STI.

<sup>1</sup> Includes budgets for R&D of general public services, defense, public order & safety, economic affairs, environmental protection, health, recreation, culture, and religion, education, and social protection sectors



A high-angle, close-up photograph of a group of diverse young children, likely in a school setting. They are all wearing white short-sleeved shirts. Many of the children have their hands raised, some with fingers spread, as if participating in a game or a group activity. The children are smiling and looking towards the camera, creating a sense of joy and community. The background is slightly blurred, focusing attention on the children in the foreground.

**PRIORITY EXPENDITURES**

**PROMOTING HUMAN AND  
SOCIAL DEVELOPMENT &  
REDUCING VULNERABILITIES**





Photo from: Department of Health

## Boost Health

The Health sector received one of the biggest increases in the budget with an allocation of Php 320.89 billion (USD 5.78 billion), higher by Php 43.85 billion (USD 789.3 million) than its allocation last year. Under this, some Php 100.17 billion (USD 1.80 billion) is set aside for the provision of affordable and inclusive healthcare. Moreover, PhP 26.81 billion (USD 482.58 million) is allotted for the Health Facilities Enhancement Program which will fund regular operating requirements of public health facilities, and ensure their continuous services across the country. Meanwhile, Php 16.95 billion (USD 305.1 million) will fund the National Health Workforce Support System.

## Increase Income-earning Ability

We will empower the Filipino workforce by creating more jobs, quality jobs, and green jobs, and implementing measures for upskilling and reskilling. The newly created Department of Migrant Workers received a budget of Php 16.13 billion (USD 290.34 million) to ensure the welfare of Overseas Filipino Workers. Meanwhile, Php 23.01 billion (USD 414.18 million) was allocated for the Department of Labor and Employment's Livelihood and Emergency Employment Program, among others.



Photo from: Department of Migrant Workers





Photo from: Department of Education

## **Improve Education and Lifelong Learning**

Education remains the number one budget priority, as mandated by the Philippine Constitution, with an allocation of Php 896.08 billion<sup>2</sup> (USD 16.13 billion) for the Education Departments and Agencies. This covers the budgets for the hiring of more teachers, provision of free tuition at the tertiary level, and building of more learning facilities. To ensure inclusivity, the budget also continues to fund technical-vocational courses. Allocations for the Basic Education Inputs Program, Higher Education Development Program, and Technical Education and Skills Development Program, among others, were also earmarked in the budget.

<sup>2</sup> Covers Department of Education, State Universities and Colleges, Commission on Higher Education, Technical Education and Skills Development Authority, National Defense College of the Philippines, Philippine Military Academy, Local Government Academy, Philippine National Police Academy, Philippine Public Safety College, Science Education Institute, and Philippine Science High School System





## **Establish Livable Communities**

To uplift the standards of human settlements and improve living conditions of Filipinos, Php 18.88 billion (USD 339.84 million) is provided for the Housing and Communities Sector for housing and community development, as well as improvement of water supply, among others. This also includes Php 313.92 million (USD 5.65 million) for the Housing Program for Informal Settler Families Residing in Danger Areas in Metro Manila, together with other relocation projects for families affected by calamities.

## **Strengthen Social Protection**

The Social Protection Sector will receive Php 616.79 billion (USD 11.10 billion) or 11.7 percent of the budget. Of this amount, Php 227.81 billion (USD 4.10 billion) is allocated for cash assistance programs which include, but are not limited to, the *Pantawid Pamilyang Pilipino Program*, Social Pension for Indigent Senior Citizens, and the Protective Services for Individuals and Families in Difficult Circumstances.



Photos from: Department of Social Welfare and Development



PRIORITY EXPENDITURES

# CREATING AN ENVIRONMENT FOR ECONOMIC GROWTH







Photo from: Department of Transportation

## Expand and Upgrade Infrastructure

With infrastructure development being a vital element in economic transformation, the government is projecting infrastructure spending to reach 5.0 percent to 6.0 percent of GDP over the next six years. This will be realized through the administration's Build, Better, More Program with an allocation of Php 1.3 trillion (USD 23.4 billion) for this year. Bulk of the budget will go to projects of the Department of Public Works and Highways which has the second largest allocation among agencies amounting to Php 894.2 billion (USD 16.1 billion). Among the infrastructure projects to be prioritized include the Central Luzon Link Expressway (CLLEX) Phase I with Php 254.2 billion (USD 4.58 billion), Metro Manila Interchange Construction Project Phase VI with Php 103.6 billion (USD 1.86 billion), and Road Upgrading and Preservation Project with Php 91.7 billion (USD 1.65 billion).

To finally achieve improved transportation in the Philippines, the Department of Transportation was allotted Php 106.0 billion (USD 1.91 billion) which represents a 40 percent increase from its previous year's allocation. Among the major projects under this are the North-South Commuter Railway System with Php 25.11 billion (USD 451.98 million), Metro Manila Subway Project Phase 1 with Php 11.26 billion (USD 202.68 million), MRT 3 Rehabilitation Project with Php 549 million (USD 9.88 million), and the Maritime Safety Capability Improvement Project Phase 2 with Php 588 million (USD 10.5 million).



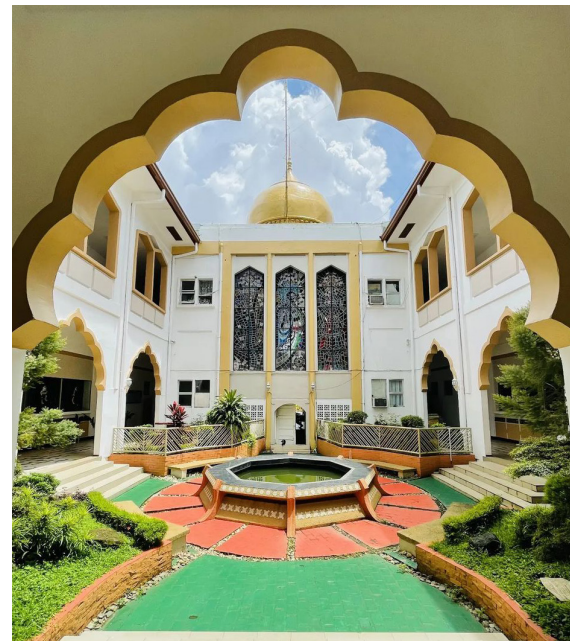


## Establish Digitalization

We will invest in Information and Communications (ICT) infrastructure development to accelerate the country's digital transformation. Thus, Php 24.1 billion (USD 434.3 million) was allocated for the funding of ICT projects that will connect government agencies and enhance their accessibility to the public. These projects include the Free Public Internet Access Program with Php 2.5 billion (USD 45.0 million), the National Government Data Center with Php 1.67 billion (USD 30.06 million), National Government Broadband Plan with Php 1.88 billion (USD 33.84 million), and National Government Portal with Php 269.08 million (USD 4.84 million).

## Ensure Peace and Security

Ensuring that socioeconomic efforts are implemented without disruptions, the government aims to strengthen its institutions and empower communities to address threats to peace and security. A total of Php 282.46 billion (USD 5.08 billion) has been allocated for Public Order and Safety, while Php 210.03 billion (USD 3.78 billion) has been allocated for the Defense sector. The Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) received Php 64.76 billion (USD 1.17 billion) block grant and Php 5.0 billion (USD 90.0 million) Special Development Fund for conflict-affected communities in the region. These will pave the way to stronger cooperation between the national government and the autonomous government in BARMM so we can finally achieve just and lasting peace for all Filipinos.



## Improve Bureaucratic Efficiency & Ensure Sound Fiscal Management

Programs to reinforce integrity and accountability in the Philippine bureaucracy include the Ease of Doing Business and Efficient Delivery of Government Services Program, allocated Php 142.84 million (USD 2.57 million), and the Organizational and Productivity Enhancement Program, given Php 45.93 million (USD 0.83 million). The government will likewise accelerate the rollout of the Philippine Identification System with Php 2.06 billion (USD 37.08 million), which will expedite the provision of social support to Filipino citizens. Meanwhile, a total of Php 3.29 billion (USD 59.28 million) was allotted for the development of the Revenue Information Systems and the Treasury Single Account, as well as the Philippine Customs Modernization Project, among others





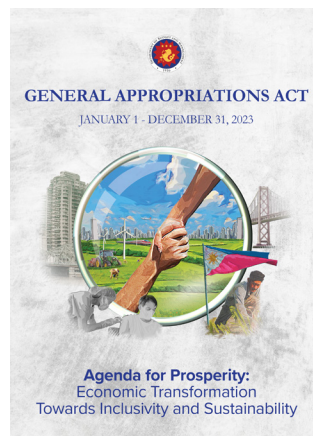


Photo from: Department of Energy

## Accelerate Climate Action

To demonstrate the country's strong commitment in implementing a comprehensive reform agenda to respond to climate change, a total of Php 464.50 billion (USD 8.36 billion), representing about 60 percent increase from last year's allocation, has been tagged as climate change public expenditures. The Climate Change Expenditure Tagging (CCET) is an initiative of the Department of Budget and Management, in partnership with the Climate Change Commission, mandating government agencies to track their CCEs.

Note:  
USD to PHP exchange rate as of 07 February 2023:  
1 USD = 55.0 PHP



Scan here for more information on the FY 2023 General Appropriations Act (GAA)



*Consistently surpassing growth expectations amidst global headwinds by diligently staying on track with our economic programs, we are confident that we will achieve the Philippine Development Plan. All agencies of the Marcos Jr. Administration are working synchronously on the Agenda for Prosperity to achieve our desired inclusive and sustainable economic transformation and make the Philippines the ideal investment destination.*

