

## **DBM Presentation on the FY 2021 Proposed National Budget**

### **DBCC Virtual Press Conference**

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Fellow members of the Economic Team, colleagues from national government agencies (NGAs) and local government units, civil society organizations, people's organizations, academe, business sector, media, development partners and to my fellow Filipinos who are watching us today... Good Afternoon!

With the emergence of the COVID-19 pandemic, many of our fellow Filipinos, especially members of marginalized groups are now in a more vulnerable state. This prompted the National Government to swiftly enact mitigating interventions to address the public health emergency. The passage of the Bayanihan to Heal as One Act permitted the President to exercise emergency budget powers, among others. In turn, this enabled the Department of Budget and Management (DBM) to release allotments amounting to P374.89 billion to various government agencies to support the implementation of their COVID-19 Response programs, activities and projects.

To aid our vulnerable Filipinos, bulk of the COVID-19 budget went to programs that provide assistance to low-income households, displaced formal and informal workers, distressed Overseas Filipino Workers, and affected farmers and fisherfolks.

And as of 03 August 2020, the PMS reported that all beneficiaries under the DOLE CAMP and TUPAD Programs, DOF-SSS Small Business Wage Subsidy Program as well as DA's Rice Farmers Financial Assistance Program and Expanded SURE Aid and Recovery Project for farmers and fisherfolks have received financial assistance.

One of the programs largely supported by the National Government is the Social Amelioration Program or SAP headed by the DSWD. For the first tranche of implementation of the SAP, the DSWD has already served 17,651,960 beneficiaries and has disbursed P100.22 Billion as payouts. The second tranche, meanwhile, is still ongoing. As of August 4, 2020, DSWD reports that 9,771,490 beneficiaries have already received their payouts approximately amounting to a total of P63.29 billion. 100 percent accomplishment rate is being targeted by the DSWD by mid-August.

Presently, as Metro Manila and other COVID-19 local hotspots are again placed under Modified Enhanced Community Quarantine from August 4 to August 18, the DBM assures

the public that we will heed the plea of our frontliners by providing the necessary budgetary support for COVID-19 response programs and initiatives that aim to aid our health care workers.

Moreover, we also support the passage of the proposed Bayanihan II Bill in Congress and will provide funds therefor to support COVID-19 response and recovery interventions geared towards reducing the adverse impact of the pandemic and bolstering economic resiliency.

These include COVID-19 Response programs and initiatives that will help ramp-up COVID-19 testing and contact tracing efforts such as the hiring of 50,000 additional contact tracers and increasing testing capacity to about 64,000 tests per day, from the current peak of 35,000 tests per day. This will also cover funding support for continuous hiring of additional Human Resources for Health, provision of special risk allowance for private and public health care workers, and augmentation for the operations of DOH Hospitals, among many others. It will also ensure that our valiant health workers who contract or succumb to the disease will continuously receive financial support.

Assistance will also be provided to aid our vulnerable Filipinos and affected businesses, workers and displaced overseas Filipino workers (OFWs) through the (1) Department of Labor and Employment (DOLE)'s CAMP and TUPAD Program; (2) DOLE-OWWA's AKAP Program; (3) DSWD's Emergency Subsidy Program and Sustainable Livelihood Program; and the (4) DA's Productivity and Enhancement Projects, among many others.

Together with the economic team, we particularly look forward to working with the 18th Congress in finalizing the proposed Bayanihan II Bill and its eventual passage.

We believe that government efforts must be sustained moving forward to fully address the impact of the pandemic and accelerate economic recovery. That is why we are proposing a national budget of P4.506 trillion for FY 2021 which is 9.9 percent higher than this year's budget and is equivalent to 21.8 percent of GDP.

This was already approved by the President during a special meeting with the Development Budget Coordination Committee (DBCC) held on July 30, 2020

The FY 2021 budget will sustain government efforts towards effectively responding to the COVID-19 pandemic by focusing government spending on improving our healthcare systems, ensuring food security, enabling a digital government and economy as well as helping communities cope and prevail in these trying times. Hence, the theme of the

proposed budget is *"Reset, Rebound, and Recover: Investing for Resiliency and Sustainability"*.

Specifically, the proposed FY 2021 budget aims to prioritize the social services sector and fund health-related COVID-19 programs to address the continuing threat of the pandemic. Budgetary support will be provided for the National Health Insurance Program, Medical Assistance to Indigent Patients, Human Resources for Health Program, and Health Facilities Enhancement Program, among others. The FY 2021 budget will also provide a budget for the procurement of COVID-19 vaccine and the provision of personal protective equipment to DOH hospitals, laboratories and centers.

Meanwhile, education-related programs such as the Universal Access to Quality Tertiary Education and Basic Education Learning Continuity Plan program will also be prioritized to ensure educational continuity amid the health crisis.

The National Government will also continue to advance the Build, Build, Build Program to boost infrastructure development and promote employment. For the DPWH, the proposed FY 2021 budget will support its Asset Preservation Program, Network Development Program, Bridge Program, and Flood Management Program, among many others. For the DOTr, meanwhile, the Rail Transport Program, Aviation Infrastructure Program, Maritime Infrastructure Program, and Land Public Transportation Program will remain to be funded in the proposed budget. Funding support will also be provided for Information and Communications Technology expenditures to improve the country's wi-fi, and broadband infrastructures and develop e-platform and online systems to support the efforts of the different departments for the new normal.

To help communities cope and prevail in these trying times, the proposed FY 2021 budget will also prioritize government programs and strategies that help improve the productivity of the agriculture and fishery sector, accelerate the recovery of Micro Small Medium Enterprises, and develop e-competitiveness of local industries. Moreover, programs that promote digital upskilling, training and retooling of workers, and the digitalization of the government and economy will also be prioritized.

The proposed FY 2021 budget is therefore geared towards saving lives and protecting communities while making different sectors of the economy stronger and more agile.

It is based on the sound fiscal policy of spending within means, on the right priorities, and with measurable results under a regime of transparent, accountable, and participatory governance.

It is also a budget that is inclusive - it is for Luzon, Visayas and Mindanao. It is a budget for the poor and the vulnerable, our farmers and fisherfolk, our senior citizens and children and every Filipino in between. The 2021 People's budget will not only help manage the crisis and hasten economic recovery, but also embodies the collective hope and aspirations of the Filipinos amid this pandemic.

Every peso of the proposed P4.506 trillion FY 2021 Budget went through numerous budget hearings and consultations with the agencies, and levels of scrutiny and approval.

The DBM will be finalizing the FY 2021 National Expenditure Program (NEP) and other budget documents for submission to Congress before the 30-day Constitutional deadline on August 26, 2020.

Let us all help one another in this fight against COVID-19. And with love, mercy and compassion of our Almighty God, we shall overcome. Maraming Salamat po!