



FISCAL YEAR  
**2022**

# The President's Budget Message

Sustaining the Legacy of Real Change for the Future Generations





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**Message of  
President Rodrigo Roa Duterte  
to the Eighteenth Congress of the Philippines  
on the National Budget for Fiscal Year 2022**

**Sustaining the Legacy of Real Change  
for Future Generations**

August 23, 2021

Ladies and Gentlemen of the 18<sup>th</sup> Congress:

I have the honor to submit to you, through the President of the Senate and the Speaker of the House of Representatives, the Proposed National Budget for Fiscal Year (FY) 2022.

**INTRODUCTION**

Real change begins with us and in us. But its fruits – the harvest from what we sow and the yield from our toil – will live on after us and beyond us.

Five years ago, I began a journey with our people on the tortuous path of reform. More than being a mandate given to me as the President of this nation, it was a task that I had to accomplish and a mission that I had to fulfill within six years, through the support of the men and women in public service, and strength from the faith and trust of the Filipino people we are sworn to serve.

I said then, when I submitted for your approval the financial program for the first full fiscal year of my Administration, that for change to be real and lasting, it would have to start with us. In 2016, this was acknowledged by our people and by you, honorable men and women of Congress, as together we started our agenda of reform that would lead to the realization of our nation's collective aspiration of building a life that is *matatag, maginhawa at panatag* – a life that is strongly-rooted, comfortable, and secure.

It was simple, somehow measurable, and certainly achievable. So we set our goals, ranked our priorities, and drew up strategies and programs. And I was confident, as I reflected in my last State of the Nation Address days ago, that they were reachable “through the institution of reforms and radical changes in both the structure of government and the mode of governance – changes designed to yield responsibility and accountability.”

Indeed, over the first four years of my Administration, we were well on track in our journey of change towards peace and progress for all. That is, until last year's onslaught of the Coronavirus (COVID-19) pandemic, which reversed some of the gains we had already achieved. Like the rest of the world, we reeled from the health, economic, and social impact of COVID-19. But in spite of this, we managed to stay afloat and weather the worst of the health crisis by keeping our focus on what matters most: the lives and safety of our people, in the context of health and economic stability.

Almost 18 months since the outbreak of the pandemic in our country, the unseen enemy persists to threaten our fragile progress, especially with the emergence of new variants of the virus. This, however, does not deter us from continuing our effective pandemic response focused on vigorously-pursued vaccination programs, among others.

And we must continue to forge on. The pandemic may have pushed us off track and momentarily clouded our vision, but it has not robbed us of our dreams, nor the means to work towards their realization

Today, I present the proposed National Budget of PhP5.024 Trillion for 2022. It is the last full-year financial program crafted by my Administration – a crucial document because it is key to our success in the battle against COVID-19 in the coming year.

I have less than a year from now to complete my term and accomplish my task. Today, I call on you, honorable men and women of the 18<sup>th</sup> Congress, to enable us to safeguard our people from future impacts of the pandemic, and to assure them that we will sustain the legacy of real change for future generations.

#### **BUDGET PHILOSOPHY**

To ensure that the 2022 National Budget would be an effective impetus to drive us back to a strong and genuine recovery, the crafting of the PhP5.024 Trillion proposed Budget is guided by three (3) main pillars, which also correspond to the goals of its implementation. These are: Building Resilience amidst the Pandemic; Sustaining the Momentum towards Recovery; and Continuing the Legacy of Infrastructure Development.

**Building Resilience amidst the Pandemic.** From where we stand now, we recognize that we may not yet be witnessing the end of the COVID-19 pandemic in the immediate future. Nor will it be the last pandemic that we may experience in the years to come. That is why we cannot, and must never, let our guard down even when this crisis is over.

Thus, we will build our resilience as we mainstream health in every aspect of our budgetary priorities for next year. If there is

one lesson that we have drawn from this pandemic, it is that the health and well-being of our fellow Filipinos are of paramount importance, because our people are the most valuable assets of this country.

Accordingly, this Budget will continue to fund the procurement and distribution of vaccines to curb the spread of the COVID-19 virus, and at the appropriate time, provide booster shots for people who have already completed their vaccinations to further strengthen their immune system and reduce the chances of suffering the adverse symptoms of the virus infection. It will also aim to enhance the capacity of our country's health system for knowledge and technology generation, acquisition, and adoption through the establishment of the Virology Science and Technology Institute of the Philippines. And, to assure the development of a strong and healthy citizenry, we will directly address the prevalent problem of stunting and malnutrition among Filipino children through the formulation of the National Food Policy, which outlines the national priorities and roadmap for achieving zero hunger.

Social protection improves resilience. The pandemic may have exposed the vulnerabilities of our social protection policies, but we managed to act swiftly, decisively and appropriately. Our decision to provide emergency subsidies to 18 million households in the country, during our strict community quarantine periods last year, has been recognized by our global partners. Likewise, we ensured safe and convenient benefit access to our conditional cash transfers or 4Ps, by temporarily suspending the conditions relating to school attendance and health visits (for four months from February to May 2020), otherwise standard requirements to qualify for the said benefit.

For FY 2022, the PhP475.9 billion allocation for social protection and PhP803.0 billion for the education sector will aim to strengthen our safety nets and support job and income





security, thereby preventing a learning crisis from becoming an intergenerational catastrophe.

**Sustaining the Momentum towards Recovery.** The FY 2022 Proposed National Budget aims to resume the narrative of growth and development, as it endeavors to claim more victories and success stories on the road to genuine recovery.

For even as we continue to address the continuing challenges of the pandemic, especially with the emergence of new and more vicious variants of the virus, we will pave the way to gain back the health and strength of our people, and the vigor of our economy.

We have to work together to recharge and rebuild the present, and to protect and preserve it for the future. We will do so while being conscious of our duty as stewards of the environment for the next generations. We shall strive to build a “greener economy” that will promote better air and water quality, which will not only reduce our vulnerability to pandemics, but also improve our lives and well-being.

The PhP5.024 Trillion Budget will energize our economy, enabling us to regain consumer and business confidence as we pursue a real Gross Domestic Product (GDP) growth target of 7.0 to 9.0 percent for 2022.

We will witness, and make way for, the massive role to be played by our local government units (LGUs) as partners of the National Government in the implementation of development programs that will unlock growth across the country. For this year marks the implementation of a Budget that will have to be fully compliant with the decision of the Supreme Court on the Mandanas-Garcia case. Implicit in this ruling is the empowerment of LGUs to undertake full ownership of crucial basic services that have been devolved to them, based on the Local Government Code of 1991 and other pertinent laws.

**Continuing the Legacy of Infrastructure Development.**

Recovering from this pandemic is imperative. But all our achievements will come to naught if we do not use this experience to become better prepared for future crises.

The proposed 2022 National Budget intends to ramp up economic growth through continuing investments in public infrastructure. In fact, our infrastructure program for next year is expected to increase to PhP1.180 trillion, equivalent to 5.3 percent of our GDP. In the medium term, the infrastructure budget will average 5.4 percent of GDP.

I have directed our infrastructure agencies, specifically the Department of Public Works and Highways (DPWH) and the Department of Transportation (DOTr), to make sure that projects under our *Build, Build, Build* Program take into account public health and safety measures. These include, among others, issues of congestion, mobility, and inadequate safety protocols that, if addressed properly, will slow the spread of COVID-19 and similar crises in the future.

**FINANCING THE FY 2022 BUDGET**

Our prudent fiscal stance, which we have sought to maintain even in the midst of crises, will enable us to respond to the continuing challenges of this pandemic, and help us revive our economy and gradually revert to pre-crisis levels.

Thus, the financing strategy for the proposed national expenditure program for next year will be consistent with our fiscal consolidation strategy to further strengthen macroeconomic fundamentals and rebuild fiscal space.

For FY 2022, we expect to generate PhP3.290 trillion in total revenues, representing 14.9 percent of GDP. This amount is

14.2 percent higher than this year's programmed revenue collections of PhP2.882 trillion, and will enable us, along with our financing program, to support the estimated disbursements of PhP4.955 trillion. The estimated total disbursements is 4.6 percent higher year-on-year and is equivalent to 22.4 percent of GDP.

Of the PhP3.290 trillion total revenues, tax revenues will amount to PhP3.125 trillion, 15.1 percent higher than this year's level of PhP2.715 trillion. The Bureau of Internal Revenue (BIR) is expected to raise some PhP2.435 trillion in taxes while the Bureau of Customs (BOC) will collect some PhP671.7 billion.

In noting these revenue targets for next year, we commend the contributions of our revenue collecting agencies, in particular the Department of Finance (DOF), for their efforts to ensure that we will have the resources we need, especially in our continuing battle against COVID-19.

This year, I signed the Financial Institutions Strategic Transfer (FIST) Act and the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, to accelerate economic recovery by restoring business confidence and reviving private domestic investments.

The FIST Law will serve as a fortress for our financial system as it will enable our banks to act swiftly to ensure stability in any event of a crisis. Through FIST, banks can free up much-needed liquidity for lending to the productive sectors of our economy, which are crucial to our recovery.

CREATE, on the other hand, will provide the largest fiscal stimulus program in the country's history, with more than PhP1.000 trillion (USD 20.5 billion) worth of tax relief for enterprises, over the next 10 years. It rationalizes fiscal incentives by creating an enhanced, performance-based,

transparent, and time-bound incentives package for strategic investments.

At this point, let me take this opportunity to appeal to our esteemed members of the 18<sup>th</sup> Congress to prioritize the enactment of the economic liberalization bills under the legislative agenda of my Administration, which seek to amend the Foreign Investments Act, Public Service Act and the Retail Trade Liberalization Act. These are among the yet unfinished but extremely urgent business that we must swiftly act upon in order to further invigorate the economy.

For 2022, the deficit as a share of GDP will reach 7.5 percent, lower than the 9.3 percent of GDP program this year. Financing requirements will rely mostly on domestic sources, with a borrowing mix of 77:23 to ensure fiscal sustainability, as we gradually bring the deficit back to pre-COVID-19 levels over the medium term.

Notwithstanding the challenges ahead, we still commit to a manageable and sustainable debt-to-GDP ratio over the medium-term. Evidently, despite our debt-to-GDP ratio reaching 54.6 percent last year due to COVID-19 spending and inevitable drop in revenues as a result of the pandemic, our prudent and effective fiscal, debt, and liability management strategies in recent years, as reflected in our historically low deficit and debt-to-GDP ratios, enabled us to afford the temporary deviation and expansion of the deficit from the pre-pandemic program of 3.2 percent of GDP.

### **KEY BUDGET PRIORITIES**

As the country continues to reel from the impact of the COVID-19 pandemic, there is imminent danger that the gains we had made over the years, in pursuit of a secure, comfortable, and strongly-rooted life for Filipinos, could be reversed.

Therefore, we cannot and will not be complacent. We must keep our focus on the most critical and urgent challenge confronting us today, and which will continue to affect our future. We must prepare for what may even be worse battles ahead, and ensure that we have sufficient resources to combat this pandemic and resuscitate our economy.

The 2022 National Budget will sustain our COVID-19 response efforts while supporting the gradual transition to full recovery. It will fund key programs and measures aimed at fortifying the four main fronts of our pandemic battle strategy: health and nutrition, social protection, governance, and development.

Similar to the financial programs we had previously crafted, the proposed 2022 National Budget is consistent with the priorities outlined in our national development plans in order to carry on, even after my term, the legacy of real change that will benefit future generations of Filipinos.

## **Health and Nutrition**

### **Sustaining Our COVID-19 Response, Control, and Mitigation.**

The emergence of more Coronavirus variants, which could lead to surges in the number of cases of infection among the population, continues to threaten the recovery and stability of both our health care system and national economy. Clearly, the most pressing need is to further strengthen our healthcare system and safeguard our people from widespread virus transmission.

Thus, the proposed 2022 National Budget puts a premium on the health sector, which will receive a budget of PhP252.4 billion, an increase of 14.0 percent from the 2021 level of PhP221.2 billion. Of this total, PhP162.0 billion will go to the Department of Health (DOH) to fund its programs, activities,



and projects (PAPs) aimed at ensuring the efficiency and sustainability of our COVID-19 response efforts. This amount is 16.5 percent higher than the agency's 2021 budget of PhP139.0 billion.

As we continuously strengthen the implementation of the Prevention, Detection, Isolation, Treatment, and Reintegration (PDITR) strategy, we will allot PhP5.1 billion for the procurement of laboratory supplies to further boost our testing capacities. Further, PhP3.8 billion will fund the emergency hiring of 6,810 COVID-19 Human Resources for Health (HRH).

We will also allocate PhP17.0 billion for the regular HRH Program to hire and deploy 26,035 health professionals to public and private hospitals in underserved areas where they are most needed.

PhP13.5 billion will be used to ensure the sustained operations of DOH hospitals in Metro Manila, while another PhP37.3 billion is provided for the operations of DOH regional hospitals and other health facilities.

Moreover, PhP376 million will cover COVID-19 related expenditures of the Veterans Memorial Medical Center and Armed Forces of the Philippines Medical Center. This budget will be used to ensure that the medical needs of veterans and their dependents, as well as military and civilian personnel, are sufficiently met.

To facilitate a comprehensive and coordinated response to the pandemic, PhP106 million is set aside for the One Hospital Command Center (OHCC). Through the OHCC, our *kababayans* needing urgent medical care will be referred to the appropriate hospital or other health facility that could best provide the care they need. It will also facilitate the efficient transport and pick-up of patients, provide health system capacity data analytics

and risk communications, and optimize the use of critical care services of every hospital in the area.

**Augmenting Health Systems Capacity and Improving Emergency Response Capability.** The COVID-19 pandemic experience underscored the importance of investments in infrastructure, mechanisms and strategies to strengthen the resilience and improve the preparedness of our health systems to address health crises, particularly disease outbreaks.

To upgrade and expand our national medical infrastructure, we are allocating PhP19.6 billion for the Health Facilities Enhancement Program (HFEP), to be used for the construction, rehabilitation, and upgrading of health facilities, as well as for the procurement of medical equipment and ambulances. This amount includes the PhP1.4 billion needed to cover the requirements for the construction of new government hospitals pursuant to recently-approved laws.

Additionally, PhP30.0 billion is provided for the purchase of drugs, medicines, vaccines, and medical and dental supplies for distribution to government health care facilities. Eighty (80) percent of this total amount will be allocated to disease-stricken provinces.

We will further undertake a proactive approach in preparing for, and responding to, future pandemics and other health emergencies by investing in medical research and development (R&D). An amount of PhP1.3 billion will be given to the Department of Science and Technology (DOST) to support its R&D efforts, specifically against COVID-19. The bulk of this amount, or PhP983 million, is intended for the establishment of the Virology Science and Technology Institute of the Philippines, which will serve as the country's premier virology research facility. Further, PhP140 million will be provided to the Philippine Genomic Information and Resource Hub (PGIRH) to strengthen the capacity of the University of the Philippines'

Philippine Genome Center in conducting genomic biosurveillance and immune-biosurveillance of COVID-19 variants.

To further support the DOH's COVID-19 response activities, we will set aside a budget of PhP619 million to scale up the health information technology (IT) capabilities of the agency, particularly for the Integrated Disease Surveillance System and the Philippine COVID-19 Vaccine Information Management System.

Even as we are focused on strengthening our COVID-19 response, we remain determined to arrest and prevent the spread of diseases, communicable or otherwise, to safeguard the general health and well-being of our citizens. For 2022, a total of PhP8.2 billion is allocated for the prevention and control of infectious diseases. This amount includes the PhP819 million earmarked for the purchase and distribution of 758,700 sets of personal protective equipment (PPE) to various DOH hospitals, laboratories, and Centers for Health Development.

Another PhP1.4 billion is intended for the purchase of medical commodities for the prevention of non-communicable illnesses such as hypertension, diabetes, mental health, and cancer.

**Providing Equitable Access to Healthcare.** The signing of the Universal Health Care (UHC) Law in 2019 was a significant stride towards our goal of providing all Filipinos, regardless of social and financial status, with equitable access to quality and affordable health services. We will not let the ongoing health emergency hinder us from accomplishing this objective.

In line with the UHC Law, we will continue to support the National Health Insurance Program (NHIP) of the DOH with a higher budget of PhP80.0 billion, to subsidize the health insurance premiums of a target 13.2 million indigent families identified under the National Household Targeting System for





Poverty Reduction, 7.3 million senior citizens, and 25,514 families under the *Payapa at Masaganang Pamayanan* (PAMANA) Program.

On top of these, an amount of PhP17.0 billion will be used to cover the hospitalization expenses of, and provide medical assistance to, 1.8 million indigent patients through *Malasakit* Centers nationwide.

**Ensuring Quality Nutrition.** Recognizing the significance of a healthy and well-nourished human capital in driving economic growth, my Administration is committed to put an end to the plague of hunger in our country. Hunger not only jeopardizes our people's health, but also limits their productivity and capacity to fully contribute to national development.

In 2020, by virtue of Executive Order No. 101, we established and directed the Zero Hunger Task Force to formulate the National Food Policy which will serve as our roadmap for eradicating pervasive hunger in the Philippines by 2030.

Alarmingly, more Filipinos are being pushed into starvation and malnutrition due to increasing unemployment rates and rising food prices, which have also resulted from the COVID-19 outbreak. In response to this, we will support multi-sectoral interventions to address hunger and food insecurity. The proposed Budget will ensure the availability of safe, affordable, and vitamin-enriched foods, especially to those most likely to starve as a consequence of the ongoing health crisis.

To address the prevalent wasting and stunting among Filipino children, we will assure that the nutritional needs of the youth are adequately met through various feeding and dietary supplementation programs targeted at children and their mothers.

Under the DOH's Complementary Feeding Program, PhP250 million is set aside for the purchase of therapeutic milk and protein-enriched meals to supplement the diet and improve the nutritional status of infants and lactating mothers. Some 13,755 children aged 6-23 months are expected to benefit from this program.

In addition, PhP139 million of the DOH-National Nutrition Council's budget will be for the Early Childhood Care and Development in the First 1,000 Days Program. This amount will support local government units in providing additional sustenance to the nutritionally at-risk pregnant women in the 5<sup>th</sup> to 6<sup>th</sup> class municipalities, within the 39 provincial nutrition target areas. We expect to cover 19,290 beneficiaries under this program.

We will further strengthen our nutrition programs for sustained human capital development by setting aside PhP4.2 billion for 2022, for the implementation of the Supplementary Feeding Program (SFP) of the DSWD. The SFP aims to mitigate malnutrition among children especially during their formative years, by providing meals and milk within a 120-day period, for a target 1,939,868 children ages two to five years who are not formally enrolled in kindergarten schools, including the provision of milk feeding for 5<sup>th</sup> to 6<sup>th</sup> class municipalities.

Similarly, PhP3.3 billion is intended for the Department of Education's School-based Feeding Program, to provide 1,723,808 severely wasted and wasted learners with nutritious food products and fresh milk in order to improve their nutritional condition.

**Strengthening Food Security.** To support our zero-hunger initiative, we will ramp up agricultural food production and strengthen our food production systems. For 2022, PhP152.1 billion is allotted for agriculture and agrarian development, 6.0 percent higher than the PhP143.4 billion provided in 2021. The

increased allocation is a testament to our continuing resolve to achieve food security for the nation.

Of this amount, PhP72.0 billion will be given to the Department of Agriculture (DA). The DA will allocate PhP28.3 billion, or 39.3 percent of its budget, to further improve the production of major agricultural commodities and provide extra income for farmers and fisherfolk through its banner programs on rice (PhP15.7 billion), livestock (PhP5.1 billion), fisheries (PhP3.5 billion), corn (PhP1.5 billion), high value crops (PhP1.5 billion), organic agriculture (PhP519 million), and dairy (PhP477 million). The funding increase for the National Livestock Program can be attributed to the PhP4.1 billion assistance lodged under it for the recovery and repopulation of hogs in areas affected by the African Swine Fever outbreak.

As rice is the main staple in every Filipino household, we will sustain investments that aim to enhance the output of the rice industry by setting aside PhP10.0 billion for the Rice Competitiveness Enhancement Program in 2022, pursuant to RA No. 11203 or the Rice Tariffication Law. This budget is intended to assist our local rice producers by providing them with various agricultural innovations that will help increase their harvest, and eventually enable them to become at par with foreign farmers.

Also, we have earmarked PhP7.0 billion for the Buffer Stocking Program of the National Food Authority (NFA) to procure 368,421 metric tons of *palay* and assure the availability of rice especially in crisis situations such as the COVID-19 pandemic.

Aside from these programs, we aim to further capacitate the agri-fishery sector in contributing to national food security through the following allocations: PhP31.5 billion for the National Irrigation Administration to provide year-round irrigation to 2,318,853 hectares of farmland; PhP4.5 billion for the Crop Insurance Program to provide free insurance

protection against crop losses caused by natural disasters and plant infestations to 2,291,897 subsistence farmers listed in the Registry System for Basic Sectors in agriculture; PhP4.2 billion for the Fisheries Infrastructure Development Program to construct, upgrade, and operate fish ports and other post-harvest facilities nationwide; and another PhP2.5 billion for the provision of credit support to farmers and fisherfolk, among others.

### **Social Protection**

While the implementation of strict community quarantines controlled transmission and prevented COVID-19 from infecting more Filipinos, these measures also brought with them the unintended effects of restricting movement, particularly the limitation of spending and income generation. While indeed no one is spared from the impact of the pandemic, it is the vulnerable and the marginalized sector who grapple the hardest with the far-reaching consequences of such a wide-scale health emergency – the disruption of our Micro, Small, and Medium Enterprises (MSMEs), the inevitable increase in unemployment, and the rising cost and inaccessibility of medical care.

The resulting income loss of PhP1.040 trillion nationwide in 2020 prompts us now, more than ever, to get back on track in reaching the goal we had set at the beginning of this Administration, that is, decreasing the poverty incidence rate by 14 percent by 2022.

**Reducing the Vulnerability of Filipinos to the Effects of the Pandemic.** While our economic progress was sidetracked due to the COVID-19 pandemic, we are beginning to see glimmers of hope resulting from our response to this emergency. In terms of social welfare, we are getting back on track through the continued implementation of our inequality reduction programs, with the *Pantawid Pamilyang Pilipino Program* (4Ps) at the

forefront. For this, PhP191.4 billion will be allotted to the DSWD, PhP115.7 billion of which will be used to provide 4.4 million 4Ps household beneficiaries with conditional cash transfer, health and educational grants, and rice subsidies. These beneficiaries are mostly indigenous peoples, informal settlers, families in geographically isolated and disadvantaged areas (GIDAS), and farmers and fisherfolk as identified by the *Listahanan*.

With the outbreak of the pandemic, we cannot overlook our senior citizens, who are in a vulnerable state given the situation. Our social inclusivity efforts to ensure that our senior citizens are protected calls us to allocate PhP23.5 billion for Social Pension for Indigent Senior Citizens, providing 3,835,066 beneficiaries with a monthly stipend of PhP500 to augment daily sustenance and medical needs.

Meanwhile, we are earmarking PhP18.0 billion for the Protective Services for Individuals and Families in Difficult Circumstances Program to provide financial, material, and psychosocial support to Filipinos who became jobless due to the pandemic and are directly in need of financial assistance.

To make transformative improvements in the beneficiaries' sources of income, we will continue the implementation of the Sustainable Livelihood Program (SLP). We are allocating PhP4.9 billion for this program under the DSWD, which would enable the beneficiaries to develop either their entrepreneurial ability or employment suitability with the SLP's Micro-Enterprise Development or Employment Facilitation tracks.

Lastly, social welfare is not confined only to demographics but can also be regional in scope, especially if we take into consideration the underdeveloped regions, overcrowded cities, and results of rigid community quarantines to help contain COVID-19. Hence, my Administration is funneling PhP2.7 billion into the components of the *Balik-Probinsya, Bagong Pag-asa*

(BP2) Program which are under the DSWD. Among the objectives of the BP2 Program is to encourage our fellow Filipinos to contribute economically to their home provinces by giving them financial incentives, such as enterprise support, and education and housing allowances.

**Assuring Income, Employment, and Other Support for Filipino Workers within and beyond our Borders.** Based on the establishment reports submitted to the Department of Labor and Employment (DOLE), a total of 227,901 workers from 7,438 establishments were displaced due to retrenchment and permanent closure from January to June 2021, as several business owners and employers are still reeling from the effects of the pandemic. In April this year, the DOLE disclosed that more than 500,000 Overseas Filipino Workers (OFWs) had been repatriated because of the COVID-19 effects worldwide.

As part of our continuing COVID-19 response and post-pandemic recovery, we are ready to restart economic activities, specifically by upskilling the workforce, regaining business confidence, and accelerating labor market access. Hence, I have signed Executive Order No. 140 to officially institutionalize the National Employment Recovery Strategy (NERS). The resulting 20-agency strong task force will be headed by the Department of Trade and Industry (DTI), with the DOLE and Technical Education and Skills Development Authority (TESDA) as co-chairs.

Among the objectives of the NERS is sustaining the empowering safety nets for the Filipino workers. The Livelihood and Emergency Employment Program of the DOLE will receive a budget of PhP22.3 billion, of which PhP21.0 billion will go to the *Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers (TUPAD)* Program and the Government Internship Program (GIP). The TUPAD program has been utilized as COVID-19 response to help informal workers recover from economic

displacement, while the GIP extended internship opportunities to high school, technical vocational, and college graduates.

Also included in the DOLE's program of poverty reduction and inclusive development are the DOLE Integrated Livelihood Program (DILP), which will be provided PhP810 million, and the Adjustment Measures Program (AMP), for which we have allocated PhP492 million. These programs will continue to assist and support displaced workers affected by the COVID-19 pandemic by facilitating livelihood formation and restoration, enhancing employability, and assisting companies in restructuring workforce policies.

It is also worth noting that the skills and hard work of Filipino workers have gained recognition not only locally, but also beyond our borders. However, unforeseen crises and calamities, including the ongoing COVID-19 pandemic, constantly underscore the importance of looking out for the welfare of our OFWs and addressing their particular needs during such situations.

Towards this objective, we are providing the DOLE Overseas Workers Welfare Administration (OWWA) with PhP11.2 billion for its Emergency Repatriation Program, and PhP53 million for the Reintegration Services Program. These programs will provide transportation assistance, temporary accommodation, psychosocial counselling, and livelihood opportunities for successful reintegration of our OFWs.

### **Good Governance**

Good governance has always been, and remains a key priority and focus of my Administration. But in the midst of these challenging times, good governance should no longer be an aspiration, but rather a way of life, for our people deserve no less.

Indeed, we have delivered on this commitment through our COVID-19 response. With our brand of governance, lives have been saved and families shielded from further losses. The way our bureaucracy will continue to operate will not only dictate our economic recovery, but will also spell the difference between life and death.

**Implementing Interventions at the Grassroots – through LGUs.**

Our proposed National Budget recognizes that more aggressive government interventions through good governance are needed to address the risk of economic scarring due to the continuing impacts of the pandemic on tourism and other service sectors.

We will start at the grassroots – in our LGUs – where interventions matter most, and where results are more widely and immediately felt.

Last June 1, 2021, I signed Executive Order No. 138 on the full devolution of certain functions of the Executive Branch to LGUs to ensure the efficient implementation of the Supreme Court Ruling on the Mandanas-Garcia case.

For 2022, PhP959.04 billion - higher by around 38 percent compared to previous year's share - will go to the national tax allotment (NTA) shares of LGUs for the implementation of PAPs that promote the welfare and development of their constituents. A PhP10.0 billion Growth Equity Fund will also be established to aid communities with high poverty incidence. We have identified at least 16 provinces and 258 municipalities that will benefit from this.

**Streamlining and Digitizing Government.** The emergency responses of various governments around the world to battle the pandemic include resorting to extraordinary measures out of a sense of urgency. Our Administration has time and again stressed that Congress is a vital partner in our own COVID-19



response. We acted swiftly and surely without sacrificing accountability and transparency.

For this reason, the Philippines topped the list of the COVID-19 Global Scorecard on Accountability by the International Budget Partnership. We can proudly claim that we are one of the very few countries with an “adequate level of fiscal accountability in its early response to the (COVID-19) pandemic”.

To further strengthen our fight against graft and corruption, PhP249 million will be given to the Anti-Red Tape Authority to promote transparency and ensure streamlined processes in government transactions.

Indeed, the pandemic highlighted the need to utilize digital technology in the pursuit of the swift administration of justice. The justice sector budget will include the PhP45.0 billion for the Judiciary; PhP26.3 billion for the Department of Justice; and PhP4.0 billion for the Office of the Ombudsman. With these funds, Halls of Justice will be constructed nationwide, free legal services will be made available for indigent and other qualified persons, and anti-corruption investigation and enforcement programs will be implemented.

In line with this, my Administration has long recognized the importance of digital government in ensuring quick and appropriate response to any crisis. Thus, for 2022, PhP16.4 billion will fund the PAPs under the Medium-Term Information and Communications Technology Harmonization Initiative (MITHI). As work-from-home arrangements and virtual interaction were highlighted during the pandemic, videoconferencing and other modes of digital communication have to be continuously developed to improve government efficiency and productivity.

For the Philippine Identification System of the Philippine Statistics Authority (PSA), PhP4.8 billion has been dedicated to

register and encode the data of 116 million Filipinos nationwide, inclusive of the 10 million overseas Filipinos, by 2024. To complement this, we will also be funding the agency's Generation/Compilation of Community-Based Statistics with PhP574 million, almost five (5) times higher than its 2021 budget of PhP85 million, to assess the impacts of our anti-poverty measures and macroeconomic reforms at the barangay, municipal, city and provincial level, especially those that belong to the 5<sup>th</sup> and 6<sup>th</sup> income class.

**Maintaining Law, Public Order, and Safety.** I mentioned in my first Budget Message that I would double, or even triple, the efforts of the government to reduce criminality in our country. True to our word, the Administration has never held back, and will surely continue, in our efforts to maintain public order and safety, and to ensure the protection of our territory and sovereignty.

For the Department of the Interior and Local Government, we have earmarked PhP250.4 billion. Of this amount, PhP48.1 billion will promote peace and order by improving services for fire protection, and jail management and penology. The Philippine National Police (PNP), for its part, will receive the amount of PhP190.7 billion to effectively perform its functions, such as increasing police presence in local communities and guaranteeing the enforcement of quarantine measures especially in areas with the highest concentration of COVID-19 cases. Moreover, PhP380 million will fund the first phase of the Safe Philippines Project which will upgrade the capability of authorities to reduce criminality, and improve traffic management, fire services management, jail services management, disaster risk reduction and management, and public safety and security.

We still have a long battle ahead before we can fully eradicate the drug problem in the country, but we will continue to ramp up efforts in this campaign. The government will allot PhP2.5



billion for the Philippine Anti-Illegal Drugs Strategy. The Barangay Drug Clearing Program of the Philippine Drug Enforcement Agency will receive PhP286 million to reduce the use of illegal drugs and to minimize its impact in 7,090 affected barangays nationwide.

We will continue to address the problems arising from the continuing communist terrorist activities in the countryside. The National Task Force to End Local Communist Armed Conflict, the government's primary arm in ending local communist-armed conflict, has been allotted a budget of PhP28.1 billion for 2022. We have done so much more than any other previous administration to end this 52-year-old conflict, and our latest achievement is the designation, by the Anti-Terrorism Council, of the National Democratic Front as a terrorist group. The success of our past efforts now pave the way for the smooth implementation of the Barangay Development Program, which will rehabilitate 1,406 barangays in conflict-affected areas.

Meanwhile, some PhP222.0 billion will be allocated for the Department of National Defense. This includes, among others, the PhP35.0 billion budget for the Revised Armed Forces of the Philippines Modernization Program, and PhP929 million for the operationalization of the 11<sup>th</sup> Infantry Division in Jolo, Sulu. Similarly, a PhP348 million budget of the Philippine Navy will be used for the construction of the Balabac Port Facility in Palawan to increase the tempo of operations in the West Philippine Sea.

Finally, I wish to assure our brothers and sisters in the Bangsamoro Region of my Administration's faithfulness to the promise of support in their journey towards autonomy, peace and progress. For 2022, the National Government will provide the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) with a budget of PhP74.8 billion. Additionally, a portion of the PhP850 million lodged under the Office of the Presidential Adviser on the Peace Process will fund the second phase of the Normalization Program in the BARMM. This

Program provides development efforts and livelihood assistance for the combatants, non-combatants, their families, and vulnerable families living in this region.

## **Sustaining the Country's Development**

**Pursuing Strategic Infrastructure Development to Support Economic Recovery and Revival.** Even with the limited fiscal space as a consequence of the pandemic, the government continuously strives to stimulate the economy and help restore its momentum through various measures and policies, such as the development of the country's infrastructure.

Infrastructure development continues to be one of the major drivers of our economic recovery efforts, cornering a total budget of PhP1.180 trillion or 5.3 percent of GDP for 2022.

From this total, our lead infrastructure agencies, the DPWH and DOTr, will receive PhP686.1 billion and PhP151.3 billion, respectively. These allocations will be used to continue the implementation of strategic infrastructure development programs that aim to support economic recovery and revival.

Of the proposed budget of the DPWH, PhP378.6 billion will be used to finance the implementation of its major programs, mainly, the Asset Preservation Program, Network Development Program, Bridge Program, and Flood Management.

For the Asset Preservation Program, PhP63.3 billion will be allocated to ensure the safety and reliability of our national road systems, which are vital for the seamless movement of essential goods and services. This will cover the preventive maintenance of 1,073.833 km of roads; repair, reconstruction, and upgrading of 228.576 km of damaged paved roads; rehabilitation and reconstruction of roads with slips, slope

collapse, and landslide; and construction, upgrading, and rehabilitation of drainage along national roads.

The Network Development Program will receive PhP148.9 billion to improve connectivity and mobility across the country. Some of the major projects under this program are the Davao City Bypass Construction Project (South and Center Sections), the Arterial Road Bypass, and the Samar Pacific Coastal Road.

Additionally, the Bridge Program will be provided with PhP35.4 billion for the construction, maintenance, retrofit, repair, rehabilitation, and widening of bridges all over the country. Of this amount, PhP2.6 billion will be provided for the seismic improvement project of various major bridges in Metro Manila, while PhP9.7 billion will be used for the construction of new bridges such as the Panguil Bay Construction Project and the Pasig River, Marikina River and Manggahan Floodway Bridges Construction Project, to name a few.

The perennial problem of flooding in the Philippines not only poses a hazard to individuals and families, but also to infrastructure and economic activities of the country. To help develop long-term flood management solutions, PhP131.1 billion will be provided for the Flood Management Program of the DPWH. Of this amount, PhP74.6 billion will be allocated for the construction and maintenance of flood mitigating structures and drainage systems, while PhP56.5 billion will be allotted for the flood mitigating facilities along major and principal rivers.

The pandemic has highlighted the importance of having an efficient public transport system that can help ease the problems faced by the commuting public. For 2022, the Rail Transport Program will have the lion's share in the DOTr's proposed budget, totaling PhP110.9 billion, which will fund the strengthening and modernization of the country's railroad system. Of this amount, PhP58.6 billion will be for the North-South Commuter Railway System, PhP34.6 billion for Phase 1

of the Metro Manila Subway Project, PhP7.1 billion as Subsidy for Mass Transport, PhP3.4 billion for the LRT Line 1 Cavite Extension Project, PhP3.1 billion for the MRT 3 Rehabilitation Project, PhP3.0 billion for the Philippine National Railways South Long Haul Project, and PhP1.0 billion for the Subic-Clark Railway Project.

To ease the traffic of goods from Luzon to Visayas and Mindanao, some PhP550 million will be provided under the Department of Transportation for the Ro-Ro ramp and expansion project at the Sta. Magdalena Port in Sorsogon.

The airline industry has taken a major blow due to the travel restrictions imposed during the pandemic. But as travel restrictions are gradually eased and eventually lifted, we will continue improving our aviation infrastructure to meet international standards. Some PhP1.7 billion is proposed for the Aviation Infrastructure Program, which will cover the construction and rehabilitation expenses for several of our airports, namely, Ormoc Airport, Catbalogan Airport, Tandag Airport, and Itbayat Airport.

**Providing Greater Opportunities through Quality Education.** Among the achievements of my Administration, the accomplishments in our education system are the most fulfilling. Regardless of the challenges that we had encountered – from natural calamities to an unprecedented and continuing pandemic – we have always prioritized the education of our children. We have lived by, and always sought to prove that “*Ang kabataan ang pag-asa ng bayan,*” by showing our support for the Filipino youth and providing them quality education.

As the top priority of my Administration, the education sector will receive a total budget of PhP803.0 billion from the 2022 National Budget. Of this amount, PhP630.8 billion will be allocated to the Department of Education (DepEd), PhP75.4 billion to the country's State Universities and Colleges (SUCs),

PhP52.6 billion to the Commission on Higher Education (CHED), and PhP14.7 billion to the Technical Education and Skills Development Authority (TESDA).

For 2022, the Universal Access to Quality Tertiary Education (UAQTE) will be provided with PhP49.7 billion. Of this amount, PhP46.8 billion will come from the budget of the CHED to support 1,337,171 students under the Free Higher Education Program and 832,918 students (including 379,062 grantees of the *Tulong Dunong* Program) under the Tertiary Education Subsidy. The remaining PhP2.9 billion of the UAQTE will be lodged under the budget of TESDA to finance the free technical-vocational education and training of 21,223 beneficiaries.

The total education assistance and subsidies will reach PhP30.1 billion. This will cover the PhP28.4 billion for Education Service Contracting for Junior High School and the Senior High School Voucher Programs, PhP1.5 billion for Student Financial Assistance Programs, and PhP200 million for Private Education Student Financial Assistance.

With the changes in the learning landscape, schools need to adopt various measures and policies to continue to ensure quality education for their students. To assure the successful implementation of such measures and policies in 2022, PhP99.2 billion will be allocated for the Basic Education-Learning Continuity Plan.

Supplementing this support to ensure continued provision of quality education in the face of challenges posed by the health crisis, we aim to provide public schools with appropriate technologies and equipment that would boost efficiency in the students' learning. For this, the DepEd Computerization Program will receive PhP11.6 billion, while PhP107 million will be allotted for the Flexible Learning Options.

In preparation for the gradual resumption of face-to-face learning, under the PhP5.4 billion budget of DepEd's Basic Education Facilities Program, PhP2.9 billion will be allocated for the construction of 1,168 classrooms, PhP1.1 billion for the procurement of 9,536 sets of school furniture, and PhP1.0 billion for the repair and rehabilitation of existing school facilities,.

As the country shifts to the post-pandemic life, our workforce needs to be retrained, reskilled, and retooled to help them adapt. TESDA's Training for Work Scholarship Program will receive PhP3.8 billion, while the Special Training for Employment Program and *Tulong Trabaho* Scholarship Program will receive PhP2.1 billion and PhP1.0 billion, respectively.

Furthermore, to further enhance the quality of its services and to provide an accessible quality training facility, TESDA will be allocating PhP500 million for the establishment of the TESDA Learning Center 4.0 Ready and PhP200 million for the construction of Innovation Centers.

**Developing Competitive and Productive Industries.** The restrictions imposed by the pandemic have taken a significant toll on the business sector. Aside from the big players in the industry, the most affected by the restrictions are the MSMEs, which comprise a large percentage of businesses in the country, and thus play a very significant role in our economic development.

To focus on responding to the needs of MSMEs, the DTI, as the primary agency mandated to foster competitive and innovative industries, will receive PhP23.0 billion.

PhP728 million will be allocated to help MSMEs recover from the effects of the pandemic. Of this amount, PhP558 million will be made available for the maintenance of 1,266 *Negosyo* Centers. The One-Town, One-Product Philippines (OTOP) will



receive PhP92 million. Furthermore, PhP78 million will be provided for the Shared Services Facilities (SSFs). With these, the *Negosyo Centers*, *OTOP*, and *SSF* will be able to assist 10,586 MSMEs.

In our effort to increase the number of entrepreneurs and generate more jobs in the country, PhP203 million will be provided for the *Livelihood Seeding Program-Negosyo Serbisyo sa Barangay*, which is expected to generate more than four (4) million jobs until 2022, and thus lower our unemployment rate. Additionally, the *Rural Agro-Enterprise Partnership for Inclusive Development (RAPID) Growth* and the *Pangkabuhayan sa Pagbangon at Ginhawa* Program will receive PhP825 million and PhP1.0 billion, respectively.

Lastly, PhP1.5 billion will be allocated for the *Pondo sa Pagbabago at Pag-Asenso (P3) Program* under the Small Business Corporation. This initiative will provide financial assistance to micro business owners around the country, to help them address cash flow constraints, difficulties in covering overhead cost, and the disruptions in the supply chain.

**Improving Risk Resiliency through Climate Change Mitigation and Adaptation.** Given its geographical location, our country is no stranger to natural disasters such as typhoons, floods, and earthquakes. While such events always resulted in problems and setbacks, they have also provided us with opportunities to learn and create better systems, policies, and practices to recover, bounce back, and prepare for possible disasters in the future.

We will allocate PhP20.0 billion for the *National Disaster Risk Reduction and Management Fund* to ensure that there will be available resources to address and support disaster risk reduction and management activities.

While it is crucial to prepare for possible disasters in the future, we should also focus on the protection and preservation of our environment, in order to ensure the sustainability of our natural resources. These resources are vital for livelihood support and improvement of the country's economy.

In our effort to provide effective management of our natural resources, a total of PhP26.3 billion will be allotted to the Department of Environment and Natural Resources. This includes the PhP3.7 billion fund for the National Greening Program; PhP1.8 billion for the Manila Bay Rehabilitation Program; and PhP1.4 billion for the Environmental Regulations and Pollution Control Program.

#### **CONCLUSION: THE ROAD TO FULL RECOVERY**

The story of the Filipino people – the narrative of our history as a nation – has always conveyed a message of hope. Such hope thrives in faith, resilience, creativity, fortitude and industry. These past five years of my Administration have been a testament to the hope that is always alive in every Filipino.

We hope for a better life, a better future, and a better world for ourselves and for our children. We hope, at the end of each grueling experience, for the worst to be over. We hope for an end to COVID-19, that we survive the pandemic and triumph over its impact. We hope to rise from every fall and failure, and to recover from every setback.

Honorable men and women of the House of Representatives and of the Senate, I am confident that you will agree with me when I say that never before than at this point in our history have we needed so much hope to get through a crisis, and to rise up and move forward. Our National Budget will provide a strong foundation for our people, on which to anchor their hope amidst life's uncertainties during this pandemic.



We need to give back to our people the dreams that they have almost abandoned, as they struggled to survive the pandemic. We need to get on the road to recovery and resume our journey to peace and progress.

We have not completely lost the gains from our efforts of reform and transformation over these past five years. Real change has begun. With your approval of our 2022 Proposed National Budget, we will be able to pass on the fruits of real change as our legacy to our people, and thereby ensure a free, healthy, comfortable and secure life for all.

*Maraming salamat po.*

  
RODRIGO ROA DUTERTE



