



THE PRESIDENT'S BUDGET MESSAGE

FISCAL YEAR
2020

*Continuing the Journey
to a More Peaceful and Progressive Philippines*

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**Message of
President Rodrigo Roa Duterte
to the Eighteenth Congress of the Philippines
on the National Budget for Fiscal Year 2020**

**Continuing the Journey
to a More Peaceful and Progressive Philippines**

August 20, 2019

Ladies and Gentlemen of the 18th Congress:

It is my great honor and pleasure to submit to you, through the President of the Senate and the Speaker of the House of Representatives, the Proposed National Budget of the Philippine Government for Fiscal Year 2020 of PhP4.100 trillion. This is 11.8 percent more than the 2019 Budget and will constitute 19.4 percent of the country's Gross Domestic Product (GDP).

A. INTRODUCTION

APPROACHING THE FUTURE

The year 2020 remains a significant number in the full roadmap of our future. It marks the beginning of the second and final half of my Administration – a point at which we should be able to say, with a degree of confidence and certainty, that our work, our

journey is taking us surely and swiftly to where we had set out to be.

This journey into the second and final half of the Duterte Administration will be fuelled by the 2020 National Budget. It is the financial program that will ensure that our nation stays the course and moves forward towards its aspired-for destination.

When we started this journey, we worked with a financial program, the 2017 National Budget, that echoed this Administration's battle cry of "change". *Change* was the basis of our six-year mandate from the people, and we made it our vision and commitment.

The 2018 Budget provided the opportunity to finally and permanently set in place our "change agenda" through the implementation of game-changing reforms that would lead to the desired transformation of the nation. Foremost among these, of course, is Republic Act (RA) No. 10963 or the Tax Reform for Acceleration and Inclusion (TRAIN) Law, which you passed in 2017, and which has enabled us to provide the much-needed resource to fund the programs crucial for the country's progress, primarily the *Build, Build, Build* Program.

With sure funding in place, the government – through the 2019 Budget – then aimed to ensure the preservation and inclusivity of the gains and fruits of the reforms by building a more enabling expenditure management environment that would translate funding into outputs which can directly benefit the people at a faster, more significant pace. A significant breakthrough in our efforts toward this was the shift to the Cash Budgeting System that would instill fiscal discipline while improving the speed of service delivery of government agencies.

THE AGENDA FOR PEACE AND PROGRESS

Moving into the second half of this Administration and its change agenda for peace and progress, all seems well and good, and we are substantially on track. However, as we underscore, "The road to a bright future is a process, a long and challenging one."

And you, honorable men and women of the 18th Congress, appreciate as well as I do the reality and weight of these words, especially in the light of landmark legislative and political milestones passed in the 17th Congress – the ratification of the Bangsamoro Organic Law, the passage of the laws on Free Tertiary Education, National ID System, Ease of Doing Business, and lately on Universal Health Care, the institutionalization of the *Pantawid Pamilyang Pilipino Program* (4Ps), and the liberalization of rice importation.

These landmark laws decidedly set the tone for the next phase of our journey. And it is definitely not the time to sit back and relax.

It is, rather, the time to review and renew our resolve to make the change sustainable, inclusive and lasting. Hence, the 2020 proposed National Budget addresses this challenge – so that what has been laid out, reformed, and transformed must not only be continued, but also strengthened, by focusing on the first year implementation of these laws recently passed.

The 2020 National Budget, therefore, will aim to build on the fruits and gains of the previous annual expenditure programs of the Administration, not only to ensure but to consolidate the gains, for the bright future of the Philippines and its people. As I vowed in my State of the Nation Address last July 22, 2019, though we cannot change the past, we will not squander the future.

B. BUDGET PHILOSOPHY

To further propel us in our journey to a more peaceful and progressive Philippines, we have prepared for submission, and with your approval, are ready to faithfully implement, a Budget for FY 2020 that maintains our focus on strengthening the processes for peace and progress, guided by the following principles:

1. SUPPORT FOR OUR GROWTH TARGETS

We have overcome and grown stronger because of the challenges that we have had to confront—particularly the Marawi siege in 2017, the spiralling of rice prices in 2018, and the delayed passage of the Budget in the first four months of 2019. We have the tools, the programs and the determination to deal with them.

We are confident in the soundness of our GDP growth and inflation targets, as well as our other socioeconomic targets. They remain realistic and achievable, and this proposed 2020 Budget will continue to provide the springboard to ensure this by focusing on building the infrastructure foundation and social services essential to the growth of our different regions.

2. ADHERENCE TO FISCAL RESPONSIBILITY

We will continue to adhere to sustainable fiscal management, especially as we aspire to be more responsive, innovative, and aggressive in addressing the challenges of financing our development plan and programs. For this reason, we remain keen on advocating for and proactively educating our people on the necessity of our comprehensive tax reform program, of staying within manageable deficit levels, of tapping the right mix of domestic and overseas sources of funds, and of active liability management and capital market development. This underlies

the proposed 2020 Budget, and will ensure that we do not hock the future of our children.

3. EFFECTIVE ALLOCATION FOR INFRASTRUCTURE AND SOCIAL SERVICES

We have not shifted our gaze from the twin pillars of development, which we know will sustain the progress we have achieved thus far and stand to gain from in the future. Social services will receive the largest chunk of the budget, with PhP1.525 trillion (or a 37.2 percent share). Following this is economic services, which will receive PhP1.184 trillion (or a 28.9 percent share). This is consistent with the development priorities of the Administration, namely infrastructure and human capital development.

As of May 21, 2019, 37 out of the 75 Flagship Projects under our Public Investment Program have been approved by the Investment Coordination Committee and confirmed by the National Economic and Development Authority Board, with an investment requirement of PhP1.56 trillion. We will see the completion of 22 of these projects by 2022.

Alongside infrastructure development, we also aim to build our people, and thus hold in even higher priority the strengthening of our human resources development and enhancement of social services. Accordingly, we fund the implementation of the social legislations passed this year — Universal Health Care, Department of Human Settlements and Urban Development, institutionalization of 4Ps, among others — as well as the replication of these programs in our conflict-affected and geographically isolated communities.

4. CONTINUED ADOPTION OF THE CASH BUDGETING SYSTEM

With the 2019 National Budget, we began the milestone shift to a Cash Budgeting System, aimed at promoting better planned, coordinated and implemented programs by government

agencies to improve the delivery of goods and services to our people. Admittedly, it is a process that is not without challenges, and, hence, I have ordered the gradual but time-bound transition to this System. But we are on the right track here, and we have witnessed the faster pace of government spending. We have finally ended years of large underspending with the phenomenal rise in infrastructure and other capital outlay spending, by 15 percent in 2017 and again by 41 percent last year, compared to the 10.3 percent average growth during the past administrations.

The 2020 National Budget that we are submitting for approval will support the continued adoption of the Cash Budgeting System and will showcase that through this game-changer, we will win the future for our people.

Again, allow me to reiterate, if only to underscore with even greater conviction, that our goal for the next three years remains constant and clear. A comfortable life – peaceful and progressive – for all Filipinos. We have made significant strides and accomplished significant milestones as a nation in the past three years. This momentum must continue with greater fervor in the next three years and beyond.

C. FINANCING THE 2020 BUDGET

This Administration remains steadfast in its resolve to stick to its approved revenue and spending strategy. For 2020, we will sustain the momentum of rising revenue collections by pursuing the comprehensive tax reform program; continually improve spending performance through cash budgeting; and maintain a manageable deficit of 3.2 percent of GDP to enable a declining debt burden. Regardless of changes in political situations or economic conditions, I intend to maintain this responsible behavior, as we intend to continue the upward trajectory of our



credit ratings into investment grade to secure cheaper sources of funds for both the public and private sectors.

1. FISCAL PROGRAM

Consequently, we are confident that our fiscal program will ably support our growth target for 2020 of between 6.5 to 7.5 percent. We expect our revenue collections to reach PhP3.536 trillion in 2020, 12.3 percent higher than this year's targeted level of PhP3.150 trillion. This will fund 83.9 percent of our PhP4.214 trillion programmed disbursements for 2020.

This spending level represents an impressive 19.9 percent share of our country's GDP, up from the 19.7 percent programmed for 2019.

At the heart of this spending effort is our infrastructure target for the *Build, Build, Build Program*. For 2020, this will amount to some PhP1.123 trillion or 5.3 percent of GDP. This includes the the programmed infrastructure disbursements by the national government agencies, local government units (LGUs) and Government-Owned or Controlled Corporations (GOCCs) financed by this proposed Budget.

By ensuring that we maintain the robustness of our revenue collections, we will be on track in achieving our medium-term targets of increasing disbursements to PhP4.701 trillion, or 20.2 percent of GDP, by 2021; and PhP5.240 trillion, or 20.4 percent of GDP, by 2022 — all these while maintaining the budget deficit at 3.2 percent of GDP.

Our medium-term disbursement levels are anchored on the Cash Budgeting reform we started implementing this year. I have instructed the Department of Budget and Management (DBM) to continue the gradual transition to this reform, starting this year. We have seen the good in this, and there should be no turning back.

Through the Cash Budgeting System, we are able to ensure that funding requirements for priority programs and projects are sufficient, and even more importantly, that these are delivered on time. Unlike the previous obligation-based budget where the implementation period for projects is open, this system promotes discipline among agencies as it funds only the programs and projects that can be implemented and completed within the fiscal year, and provides for a fixed implementation and payment period that must be strictly observed. This ensures the prudent use of resources, prevents wastage and corruption, and ultimately improves the quality and efficiency of public services.

2. REVENUES

During the 17th Congress, the effective collaboration between the Executive and Legislative branches of government was crucial in the passage of key fiscal reforms, like the TRAIN Law, Tax Amnesty and Tobacco Excise Tax. In fact, Package 1A of the Comprehensive Tax Reform Program (CTRP) or the TRAIN Law, which includes the income tax reform and expanded value added tax, among others, yielded revenue collections amounting to PhP68.4 billion in 2018. These were critical in funding the huge 41.3 percent jump of infrastructure and other capital disbursements in 2018. Other beneficiaries are the new social programs, like free tertiary education, the unconditional cash transfers and the *Pantawid Pasada* Program.

For 2020, these tax laws and other proposed measures are projected to produce some PhP195.5 billion, equivalent to 0.9 percent of GDP.

a. IMPROVING REVENUE EFFORT

The higher revenues for 2020 of PhP3.536 trillion reflect our determination to intensify revenue collection effort to 16.7 percent. Revenue effort is seen to further improve in 2021.

and 2022 at 17.0 percent (PhP3.954 trillion) and 17.2 percent (PhP4.416 trillion), respectively.

Alongside this, the tax effort will increase to 15.8 percent in 2020 from 15.5 percent this year. In the medium-term, this is expected to reach 16.4 percent by 2022.

b. SOURCES OF REVENUE EFFORT

Of the PhP3.536 trillion expected revenues for 2020, PhP3.332 trillion, or 94.2 percent, will come from taxes. The Bureau of Internal Revenue (BIR) is expected to collect about 77.3 percent of these taxes, amounting to PhP2.576 trillion. This represents a respectable 13.4 percent collection improvement for the BIR, compared to this year's program of PhP2.271 trillion.

The rest of the tax revenues will come from the Bureau of Customs (BoC), with PhP731.2 billion, and other offices, with PhP25.1 billion. The BoC will be provided some PhP2.7 billion to support its enhanced revenue collection efforts, such as the PhP465 million for the surveillance and prevention of smuggling; PhP1.2 billion for the Customs Revenue Enhancement Program; PhP297 million for the maintenance, improvement and upgrading of the Non-intrusive Container Inspection System; PhP196 million for the Customs Border Protection and Cargo Control and Clearance Program; and PhP50 million for the maintenance and improvement of the operations of the Super Green Lane Facility.

The rest of the tax revenues, amounting to PhP25.1 billion, will come from other offices, such as the Land Transportation Office (PhP19.2 billion), and Bureau of Fire Protection (PhP2.0 billion), among others.



Non-tax revenues, on the other hand, will amount to PhP201.9 billion, with the Bureau of the Treasury contributing PhP95.0 billion or 47.1 percent. Some PhP106.9 billion will come from other non-tax proceeds, such as the Malampaya Royalties which are expected to contribute PhP24.1 billion in 2020.

c. THE COMPREHENSIVE TAX REFORM PROGRAM (CTRP)

The CTRP is now beginning to change our view of the tax collection efforts by the government. After seeing the progress and changes in the landscape of our urban and rural areas, more and more Filipinos, particularly those that can afford, are willing to share in the tax burden, knowing that the CTRP is not just about collecting money. It is our tool to catalyze economic growth in the rural areas, and effect more rational and sustainable income redistribution by funding more welfare services for the marginalized and vulnerable.

Total revenues of PhP68.4 billion in 2018 attributed to Package 1A of the CTRP, or the TRAIN Law, exceeded the program by 8.1 percent.

The other packages of the Tax Reform Program, namely Package 2 on corporate tax system or the Tax Reform for Attracting Better and Higher-quality Opportunities (TRABAHO Bill), Package 3 on Property Valuation and Taxes, and Package 4 on Capital Income and Financial Taxes will not affect the amount of our revenue collections, as they are expected to be revenue neutral measures. Yet, these are urgent measures because, like the previous packages, they seek to make our tax system fair, efficient and globally competitive.

Therefore, I urge Congress to pass with no delay our remaining Tax Reform Packages because doing otherwise



will send the wrong signal to our investors, both domestic and foreign.

d. SOCIAL MITIGATING MEASURES

Our CTRP is also primarily financing social expenditures. Some PhP37.2 billion will come from the proceeds of recently-passed Package 2+ on sin taxes to bankroll the proper implementation of the Universal Health Care (UHC) program. While this Package is primarily a health measure because it discourages smokers from their addiction and non-smokers from taking up the vice, it will also give life to the UHC program.

And while it is the primary concern of the government to guarantee the funding capability for sustaining its programs and projects through just and fair taxes and efficient tax reforms, it is also the fundamental priority of the government to mitigate the impacts of tax on the poor.

The most prominent of these measures is the Unconditional Cash Transfer (UCT) implemented by the Department of Social Welfare and Development (DSWD) to provide a safety net for the poorest 10 million households, including the 4.4 million *Pantawid Pamilyang Pilipino* Program (4Ps) household beneficiaries, 3.0 million social pensioners and 2.6 million households registered in the National Household Targeting System for Poverty Reduction (NHTS-PR) or the *Listahanan*. For 2019 and 2020, cash grants will be increased to PhP300 per month from PhP200 per month to help augment the households' daily subsistence. In the 2020 Budget, some PhP37.2 billion of the TRAIN collections will support this UCT program for the poorest 10 million households.



3. BORROWINGS

Total gross borrowings for 2020 amount to PhP1.400 trillion. With a borrowing mix policy of 75:25 in favor of domestic sources, PhP1.047 trillion will be sourced locally while the remaining PhP353.2 billion will come from abroad, such as the offshore bond issuances and the concessional official development assistance or ODA loans from bilateral partners and multilateral lenders. The bias for domestic borrowings would minimize the government exposure to foreign exchange volatility and risks.

Of the total gross borrowings, PhP677.6 billion will finance the deficit, which is equivalent to 3.2 percent of GDP. Over the medium-term, the deficit as percent of GDP will be pegged at 3.2 percent to sustain the economy's growth momentum and fast track spending on employment generating projects, such as our *Build, Build, Build* Program.

Despite an uptick in our medium-term deficit program, the national government's total debt will be on a downward course as a share of GDP. From 41.8 percent in 2018, we expect this to improve to 41.4 percent in 2020 and 38.9 percent by 2022. At the end of my term, we will finally breach the ideal 40 percent debt-to-GDP ratio threshold for developing and emerging countries like the Philippines. This means that our debt level is sustainable and our economy has the capacity to pay off its debt comfortably.

To ensure the soundness of the country's debt portfolio, my Administration has implemented reforms aimed at managing government arrears and liabilities. Foremost of these is the Treasury Single Account (TSA). Established in 2014, some PhP727 million under the proposed budget of the Bureau of the Treasury (BTr) will fund the implementation of the TSA. The TSA, which is in the Bangko Sentral ng Pilipinas, promotes better cash management as it consolidates and monitors our cash resources

and spending in real time. It eliminates unnecessary borrowings as it manages the volatility of cash flows, allowing the BTr to maintain a reasonable cash buffer to meet unexpected fiscal uncertainties.

D. KEY BUDGET PRIORITIES

The proposed National Budget of PhP4.100 trillion for 2020 continues to support our inclusive growth expansion strategies, primarily aimed at accelerating investments in public infrastructure, improving anti-poverty programs, and intensifying employment generation.

1. ENSURING A PEACEFUL AND SAFE JOURNEY TO PROGRESS

Progress without peace is futile. And to pursue progress without seeking peace – or without the willingness to pay the price for peace – is like wanting to make an omelet without breaking eggs.

We need to put as much effort into the journey to peace as the journey to progress. And for this, we are giving our full budget support to the agencies in charge of protecting our safety and ensuring lasting peace. For 2020, the increased budgetary support for the Philippine National Police (PNP) amounts to PhP184.9 billion, while the Department of Justice (DOJ) is allocated PhP23.2 billion. Defense, meanwhile, gets PhP189.0 billion, or 4.6 percent of the budget pie.

ACHIEVING LASTING PEACE

Lasting peace can only be attained by combating criminality and terrorism in all its forms. Under the 2020 proposed Budget, we have authorized the creation of another 10,000 Police Officer I positions in the PNP, costing the government PhP3.0 billion. Moreover, I have given the DBM the go signal to approve the



PNP's PhP14.4 billion budget request for the filling up of 26,685 positions. This will bring our police-to-population ratio to the ideal ratio of 1:500. To complement this, some PhP100 million will also enable the agency to construct 16 police stations nationwide.

As for the value-for-money aspect, the statistics have it: the crime volume since I took over the Presidency in 2016 has been declining.

Of the total PhP184.9 billion budget proposal of the PNP, PhP546 million will fund the implementation of our Philippine Anti-Illegal Drug Strategy led by the Dangerous Drugs Board (DDB). Another PhP1.4 billion is lodged with the Department of Health (DOH), the Department of the Interior and Local Government (DILG) and the DDB to provide for this Strategy.

Combating criminality and terrorism means that perpetrators must be brought to justice swiftly – but fairly and squarely. For this purpose, we have increased the budget of the DOJ from this year's PhP22.9 billion to PhP23.2 billion in 2020.

We have also ensured that the Judiciary will still retain one of the biggest budgetary allocations for 2020. With a budget of PhP38.7 billion, the Judiciary will rank as the ninth biggest recipient department of the total National Budget. Its PhP1.2 billion fund under the Justice System Infrastructure Program (JUSIP) will help construct new and existing Halls of Justice across the archipelago. Some of these new Halls of Justice will be built in Lapu-Lapu City (PhP204 million); Tagbilaran, Bohol (PhP240 million); Ipil, Zamboanga Sibugay (PhP162 million); and San Jacinto, Masbate (PhP8 million). Ongoing construction projects are located in Calamba, Laguna (PhP109 million), and Cebu City (PhP75 million), among others.

Indeed, Mindanao is no longer the Land of Promise. It is now the Land of Fulfillment! The ratification of the Bangsamoro Organic



Law is a testament to this. The Bangsamoro plebiscite is definitely the voice of the people of Mindanao wanting real, genuine change. And we shall not fail them.

For 2020, some PhP70.6 billion will ensure the smooth transition of the Autonomous Region in Muslim Mindanao (ARMM) to the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). PhP63.6 billion of this represents the annual block grant, while PhP5.0 billion is for the Special Development Fund. We have provided within this budget, PhP17.7 billion for the infrastructure development of the region.

And to address the threats, as well as directly combat terrorism, the Department of National Defense (DND) will corner PhP189.0 billion. This budget supports the Revised AFP Modernization, amounting to PhP25 billion, and the provision for the implementation of new National Task Force to End Local Communist Armed Conflict (NTF-ELCAC). Some PhP522 million is provided for the Task Force—PhP85 million under the DILG, PhP96 million under Technical Education and Skills Development Authority (TESDA), PhP284 million under DSWD and PhP57 million in other member-agencies in an effort to provide development interventions in conflict-affected and vulnerable communities.

2. ENSURING EFFECTIVE AND EFFICIENT DELIVERY OF GOVERNMENT SERVICES

In 2020 and even in the years beyond, we will endeavor to sustain efforts and reforms that have been put in place in order to reduce red tape in the bureaucracy and expedite service delivery transactions to our most valued customers—the Filipino people.

For one, we will continue to strengthen the implementation of RA No. 11032, or the Ease of Doing Business and the Efficient Government Service Delivery Act of 2018, to streamline our

systems and procedures in government, consistent with my Administration's 0+10-Point Socioeconomic Agenda.

To ensure that the objectives of this law will be fulfilled, we have established the Anti-Red Tape Authority (ARTA) to implement and oversee the national policy on anti-red tape and regulatory reform, as well as to institutionalize and carry out reforms that will improve our competitiveness ranking. An allocation of PhP72 million is earmarked for the ARTA, wherein PhP19 million is provided for its Ease of Doing Business and Efficient Delivery of Government Services Program.

To promote the ease of doing business in micro, small, and medium enterprises (MSME) in cities and municipalities, we are allotting PhP512 million for the establishment and management of Negosyo Centers under the supervision of the Department of Trade and Industry (DTI). The Negosyo Centers are created to help MSMEs with business registration processes and facilitate their access to business services.

In this digital age, we cannot underestimate the importance of the use of information and communications technology (ICT) in governance. ICT has revolutionized the way government transacts business with citizens, making it possible for its services to reach the citizens wherever they are.

Hence, we are providing PhP5.2 billion to the Department of Information and Communications Technology (DICT) to advance our national ICT development agenda for a "One Digitized Government, One Nation". In pursuit of this, we developed the National Government Portal (NGP), also known as gov.ph, to serve as a one-stop shop of government online data, information, and services for citizens and users, and as a platform for collaboration and cooperation for government agencies and other stakeholders. From its total budget, the DICT allots PhP381 million for the implementation of the NGP.



In addition, Php295 million from the budget of the DICT is earmarked for the National Government Data Center (NGDC) infrastructure. The NGDC serves as a physical infrastructure that interconnects government agencies through centralized data centers, servers, and storage facilities. By consolidating government data centers, the NGDC will allow us to save on hardware and software procurement, operations, and maintenance, while also increasing our overall efficiency and IT security.

RIDDING THE GOVERNMENT OF CORRUPTION

In order to attain lasting peace and progress, we need to strengthen the social fabric and foster trust in the government. To do this, we promise to enhance our capacity to respond to the needs and concerns of our people, and enable them to become our partners in upholding integrity and good governance.

Among the early accomplishments of my Administration were the launching of Hotline 8888 and the establishment of the 8888 Citizens' Complaint Center in 2016. These public feedback mechanisms enabled our citizens to report inefficiencies and corruption in the government, and allowed us to take the necessary measures to resolve complaints.

We will continue to act against red tape and corruption by strengthening the institutionalization of Hotline 8888. For 2020, we will provide Php34 million under the budget of the Office of the President to procure the equipment and facilities necessary for the operations of the 8888 Citizens' Complaint Center.

To ensure that every Peso of the people's money is well spent, we are investing in a program that aims to monitor the status and speed of implementation of big-ticket government projects. Dubbed as Project D.I.M.E. (Digital Imaging for Monitoring and Evaluation), this program uses drones, Light Detection and Ranging (LIDAR), Open Roads Platform and Geostore,

Geotagging, and satellites to evaluate the status of projects in far-flung areas and determine whether or not these projects should be continued by comparing fund utilization with physical accomplishments. We are allotting PhP20 million to continue monitoring the high-value government projects through Project DIME.

3. KEEPING THE FOCUS ON INFRASTRUCTURE AS A PATH TO PROGRESS AND PEACE

We aim to continue our own success story along this path, and thus, have earmarked PhP972.5 billion for our Infrastructure Program for 2020, equivalent to 4.6 percent of GDP, and higher than the PhP816.2 billion or 4.3 percent of GDP in 2019.

This infrastructure outlay is consistent with our medium-term goal of raising the contribution of public infrastructure development in our economic output.

These investments act like an economic multiplier and will address our infrastructure constraints on productivity and competitiveness. They generate immediate economic activity by employing local labor and will spur more opportunities for private actors to invest in manufacturing and construction activities and job creation.

INFRASTRUCTURE FOR PROGRESS: ESTABLISHING CONNECTIVITY AND MOBILITY

Our flagship *Build, Build, Build* Program remains the engine for connectivity, mobility and employment, providing the impetus to move us forward to the brighter future that awaits every Filipino.

For 2020, our two major infrastructure agencies will receive hefty allocations to finance major road, air, sea, and rail transport facilities. The Department of Public Works and Highways (DPWH) will get PhP534.3 billion, representing a 15 percent increase

from this year's cash appropriation of PhP464.6 billion. The Department of Transportation (DOTr), on the other hand, will be provided PhP147 billion, or 112 percent higher compared to its 2019 budget of PhP69.4 billion.

Under the DPWH road transport program, the construction of new roads will be prioritized, with by-passes and diversion roads worth PhP40.5 billion leading the pack. This will significantly reduce traffic congestion and thus, improve road safety. The DPWH will also construct a total of 338.364 km of missing roadlinks amounting to PhP21.9 billion; and flyovers, interchanges and underpasses with a proposed budget of PhP3.4 billion. Some PhP10.5 billion is allocated for the construction and improvement of access roads leading to trade, industries and economic zones.

To expand traffic capacity, we need to add extra lanes to some of our existing road networks. For this purpose, some PhP33.5 billion will be allotted for road widening. A total of PhP6.4 billion is set aside for Off-Carriageway Improvement, while PhP3.1 billion will be spent for the paving of 83.973 km of unpaved roads.

Major appropriations under the DPWH budget are also intended to preserve our infrastructure investments. Some PhP16.9 billion is set aside for the preventive maintenance of an estimated 955.021 km of roads. Other projects include, among others, the PhP10.7 billion for the rehabilitation, reconstruction and upgrading of 321.660 km damaged paved national roads; PhP17.8 billion for the rehabilitation, reconstruction of roads with slips, slope collapse and landslide; and PhP5.7 billion for the construction, upgrading and rehabilitation of drainage along national roads.

We have also provided adequate funds for our bridge program to ensure the linkage and continuity of our road networks. For 2020, PhP1.5 billion shall be used to construct 1,790.040 lm of

new permanent bridges; PhP15.2 billion for the widening of 17,929.198 lm of permanent bridges; PhP4.5 billion to retrofit and strengthen 304 permanent bridges; PhP3.8 billion to replace 4,455.780 lm of permanent weak bridges; and PhP2.1 billion to rehabilitate and repair 183 permanent bridges.

We cannot ignore the advantages of a buoyant tourism industry that is boosted even more by efficient transportation networks. Tourist arrivals from January to April 2019 increased by 8.6 percent to 2.87 million from 2.64 million in the same period last year. We will take advantage of this growing tourists arrivals by providing the needed infrastructure support for the industry.

Under our PhP4.100 trillion budget proposal, PhP21.7 billion will be used to construct and improve 696.075 km of access roads leading to declared tourism destinations. As for air transport, PhP1.8 billion will be spent to construct and improve 51.790 km of access roads leading to airports. We have also set aside PhP346 million for the Aviation Infrastructure Program of the DOTr. Its major flagship component is the Catbalogan Airport Development Project worth PhP325 million, to provide an alternative gateway to the region. The other component is the PhP21 million for the Tuguegarao Airport to equip it with night-rating capabilities.

Likewise, a portion of the PhP19 billion budget of the DOTr for Right-of-Way acquisitions will benefit several DOTr airport projects, such as the Kalibo International Airport, Roxas Airport, and Ipil Airport. We have also infused a PhP2.3 billion funding for the construction and improvement of access roads leading to ports.

Finally, to see to it that Metro Manila's only water-based transport system delivers on its promise of providing a comfortable, predictable and reliable ferry system, PhP74 million will be set aside under the proposed budget of the



Metropolitan Manila Development Authority (MMDA) for the operation of the Pasig River Ferry Service.

Our rail transport program, on the other hand, will be given PhP106.7 billion to fund the PhP84.7 billion for the North-South Commuter Railway System; PhP9.8 billion for the Metro Manila Subway Project Phase I; PhP6.1 billion for the Subsidy for Mass Transport (MRT 3); PhP5.1 billion for the MRT Line 3 Rehabilitation Project; PhP877 million for the PNR South Long Haul Project; PhP96.1 million for the Mindanao Railway Project; and PhP74 million for the LRT Line 1 Cavite Extension Project.

To recognize and maximize the important economic contribution of our marine and coastal resources, we have also proposed PhP508 million to fund our Maritime Infrastructure Program. Major projects under this program are the PhP301 million for the Maritime Safety Capability Improvement Project, Phase 2, and the PhP205-million New Cebu International Container Port Project.

Completing our infrastructure package for progress through connectivity is our PhP5.2 billion proposed budget for the DICT. This will provide for the PhP1.1 billion for the Free Internet Wi-Fi Connectivity in Public Places, PhP295 million for the National Government Data Center Infrastructure, PhP280 million for the Free Internet Wi-Fi Connectivity in State Universities and Colleges, and PhP196 million for the National Broadband Plan.

INFRASTRUCTURE FOR PEACE: ESTABLISHING SAFE AND SECURE COMMUNITIES

Under the DPWH budget, we have set aside PhP61.6 billion for the construction and maintenance of flood mitigation structures and drainage systems. Likewise, PhP19.5 billion is intended for the construction and rehabilitation of flood mitigation facilities within major river basins and principal rivers. This amount is on

top of the PhP1.2 billion budget intended to rehabilitate disaster-related infrastructure and other facilities.

This Administration has always believed that providing a house for every Filipino family goes beyond merely giving them a roof over their heads and walls around their belongings. It includes the assurance of safety and security, which transforms every house into a sustainable and livable home for the family. With this as the underlying philosophy, I have instructed my economic managers to prioritize the operationalization of the Department of Human Settlements and Urban Development. With its first proposed budget of PhP642 million, the Department will strengthen policy making and regulation to ensure that its key housing agencies will have enough in their war chest to address shelter issues, and will maximize resources to make our communities safer and more secure.

For 2020, the Social Housing Finance Corporation will channel PhP897 million of its PhP1.4 billion budget for the Housing Program for Informal Settler Families (ISF) Residing in Danger Areas in Metro Manila, and to provide land tenure security and upgraded sites to 8,711 ISFs residing in danger areas. The PhP3.3 billion budget for the National Housing Authority, meanwhile, targets to construct 3,517 housing units on top of those pending from their existing fund balances which amounted to PhP8.1 billion on June 30, 2019. The National Home Mortgage Finance Corporation will use its PhP1.0 billion for the Socialized Housing Loan Take-Out of Receivables (SHELTER) Program to purchase housing loan receivables from socialized housing originators, improving access to secure shelter financing by low-income families.

3. FINDING NEW PATHWAYS TO GROWTH THROUGH AGRICULTURAL DEVELOPMENT

ENSURING FOOD SECURITY

We commend the Congress for the prompt response and finally putting an end to the country's rice supply problems by passing the Rice Liberalization Law.

The law liberalizes the importation of rice in the country by lifting the quantitative restrictions on rice imports and replacing them with tariffs. By shifting to rice tariffication, we expect to see an increase in the availability of the country's staple food, making it more affordable and more accessible especially to the poor among our countrymen.

Under the law, the National Food Authority (NFA) will focus its efforts on maintaining a rice buffer stock, to be bought exclusively from local farmers, as a reserve supply in times of crises and disasters. Importers no longer have to secure approval from the NFA, and instead will need to obtain a Sanitary and Phytosanitary Import Clearance (SPIC) from the Bureau of Plant Industry. Hence, government intervention in the rice market will be reduced, as the NFA will no longer monopolize rice importation.

Of course, we are not turning a blind eye to the possible impact that this new policy will have on our local food providers. To protect poor farmers from the influx of imported rice in the market, the Rice Liberalization Law provides for the establishment of the Rice Competitiveness Enhancement Fund (RCEF), which will allocate PhP10.0 billion annually for the rice sector for six years starting 2019.

Pursuant to the law, PhP10.0 billion has been earmarked for the RCEF in 2020. The Fund will invest in programs and projects

aimed at improving the competitiveness and productivity of the rice sector, to be distributed as follows:

- 50% will be released to the Philippine Center for Postharvest Development and Mechanization (PHILMECH) for the procurement and distribution of rice farm machinery and equipment;
- 30% will be released to the Philippine Rice Research Institute (PHILRICE) for the development, propagation, and promotion of inbred rice seeds;
- 10% for the expansion of rice credit services; and
- 10% for the provision of extension services to teach farmers skills on rice crop production, modern rice farming techniques, seed production, farm mechanization, and knowledge and technology transfer.

Overall, this policy shift aims to benefit not only consumers, but also small farm producers and the entire rice industry, through lower rice prices and increased productivity interventions from the government.

To further support our journey towards a peaceful and progressive nation, we are investing in development efforts to expand growth in the agriculture and fisheries sector. Some PhP56.8 billion will be used for programs and projects under the Agriculture and Fisheries Modernization Program of the Department of Agriculture (DA), to be supplemented by the PhP36.0 billion-worth of specific appropriations in the budgets of the various implementing agencies of the Program, such as the National Irrigation Administration (NIA) for its irrigation projects, PhP19.0 billion; NFA for its Buffer Stocking Program, PhP7.0 billion; Philippine Crop Insurance Corporation (PCIC) for the full insurance premiums of subsistence farmers and fisherfolk, PhP3.5 billion; Department of Agrarian Reform (DAR)

for its Land Acquisition and Distribution Program, PhP1.9 billion; Philippine Fisheries Development Authority for its Fisheries Infrastructure Development Program, PhP1.4 billion; Philippine Coconut Authority for the development and growth of the coconut and palm oil industry, PhP959 million; and Philippine Rice Research Institute for its Rice Research and Development Program, PhP651 million, among others.

To boost crop production, we are providing the DA with PhP11.3 billion for its national programs on rice (PhP7.0 billion), corn (PhP1.5 billion), high value commercial crops (PhP1.4 billion), livestock (PhP941 million), and organic agricultural development (PhP502 million). Priority will be given to those farmers and fisherfolk in provinces producing the crops; farmers and fisherfolk listed in the Registry System for Basic Sectors in Agriculture; and food providers in areas or regions with high poverty incidence.

An additional PhP2.5 billion is allotted for the expansion of easy access credit for farmers, fisherfolk, and agriculture and fisheries stakeholders, particularly those in the countryside, through the Agricultural Credit Policy Council. This is on top of the PhP1.0 billion expanded rice credit assistance under the RCEF.

To stimulate agricultural growth in poor regions, PhP10.0 billion is earmarked for the construction, rehabilitation, and repair of farm-to-market roads (FMRs). These FMRs will facilitate easier, cheaper, and faster transportation of goods and services to and from production areas, markets or trading posts, fishing ports, post-harvest facilities, and processing zones.

We are also providing the NIA with a budget of PhP36.3 billion for the implementation of various national and communal irrigation systems projects nationwide. These include, among others, the implementation of small irrigation projects (PhP2.2 billion); construction of national irrigation systems, such as the

Jalaur River Multipurpose Project Stage II in Iloilo (PhP919 million), Balog-Balog Multipurpose Project in Isabelita (PhP890 million), Lower Agno River Irrigation System Extension Project in Pangasinan (PhP800 million), and the Malitubog-Maridagao Irrigation Project Phase II in North Cotabato (PhP500 million); and special irrigation systems, such as the Balikatan Sagip Patubig Program (PhP58 million).

For next year, our national irrigation projects are expected to irrigate 1.36 million hectares (ha) of farmlands in all cropping seasons, while communal irrigation projects will irrigate 890,914 ha.

In addition to the irrigation projects under the NIA, PhP343 million will be used to provide 48 units of solar powered irrigation systems to cover 685 ha under the DA's National Rice Program, while PhP33 million will be for the provision of 45 units of solar powered irrigation systems to cover 132 ha under the High Value Crops Development Program.

Given the significant contribution of the fishing sector to our country's overall agricultural output, we have provided funds in the budget for research and development (R&D) activities to improve fisheries and aquaculture production and sustain the livelihood of Filipino fishermen. An allocation of PhP1.4 billion is given to the Fisheries Development Program of the Bureau of Fisheries and Aquatic Resources (BFAR), while PhP957 million is for the National R&D Program of the Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development (PCAARRD). Another PhP289 million is provided for the Fisheries R&D Program of the National Fisheries Research and Development Institute (NFRDI) which is now an attached agency of the DA.

In addition to these, PhP1.4 billion, through the PFDA, will be used for the construction, rehabilitation, and improvement of the country's fish ports in Navotas (PhP997 million), Lucena

(PhP247 million); Davao (PhP110 million), and Iloilo (PhP73 million).

4. MOVING “FORWARD AND UP” IN CHANGING THE LIVES AND LIVING CONDITIONS OF THE FILIPINO PEOPLE

SUSTAINING HUMAN CAPITAL DEVELOPMENT

The wave of globalization over the past decades has opened many countries to new markets, products, technology, and information. Nevertheless, open markets have also led to increased vulnerability of developing economies to external factors, such as volatile prices of goods and changes in trade policies. This has resulted in the widening of disparities among the regions of the country, consequently heightening the unequal distribution of income among different social classes.

To continue moving forward and up in our journey, we aim to constantly attain macroeconomic stability by minimizing vulnerability and fostering inclusivity. This can only be achieved through impactful investments and the mindful development of the greatest resource of the country – our people.

To sustain the momentum generated in the first half of this Administration, we are allocating PhP1.525 trillion or 37.2 percent of the 2020 National Budget to social services that would secure the well-being of the Filipino people. This ensures that they, too, will be able to take part in our endeavors towards a progressive Philippines.

a. BETTER QUALITY HEALTH FOR ALL

We have made universal health care a reality. With the enactment of the Universal Health Care Act, we have secured the health of every Filipino by expanding the population coverage from 98 percent to 100 percent through automatic inclusion to the National Health Insurance Program. To fuel

the momentum for this landmark law, PhP67.4 billion will be allocated to the Philippine Health Insurance Corporation (PhilHealth).

Meanwhile, the Department of Health (DOH) will be allocated a budget of PhP92.2 billion to strengthen the implementation of Universal Health Care. Of this, PhP19.1 billion will be appropriated for the purchase of drugs, medicines, and vaccines to be distributed to government health facilities; 80 percent of which shall be allocated to provinces where the incidence of diseases is highest. Likewise, PhP5.9 billion will be earmarked for the procurement of equipment for 1,967 government health facilities, with priority to those located or near large numbers of households listed under the National Household Targeting System for Poverty Reduction or the *Listahanan* through the Health Facilities Enhancement Program.

Preventive and promotive health delivery is also a priority, with a budget of PhP7.5 billion reserved for the National Immunization Program and another PhP2.6 billion earmarked for the elimination and prevention of infectious diseases, such as Malaria and Tuberculosis.

Furthermore, an additional PhP9.4 billion will be appropriated for hospitalization and assistance to indigent patients, making health services available even to low income individuals.

These provisions ensure access to a comprehensive set of health services while lessening out-of-pocket expenses to cut this down to less than 50 percent of the total health spending of Filipinos by 2022.

b. ENSURING ACCESS TO QUALITY AND RELEVANT EDUCATION

Prioritizing access to quality education remains a relevant strategy to reduce inequality, enhance capabilities, and develop competencies. With this in mind, the Education Sector will receive a total budget of PHP673.0 billion under the 2020 National Budget. PHP551.7 billion of this will be allocated to the Department of Education (DepEd), PHP68.5 billion to 114 State Universities and Colleges (SUCs), PHP40.8 billion to the Commission on Higher Education (CHED), and PHP12.0 billion to the Technical Education and Skills Development Authority (TESDA).

With a total of PHP109.3 billion we are allocating to Tertiary Education, PHP35.4 billion will go to the continued implementation of the Universal Access to Quality Tertiary Education (UAQTE) program, covering the cost of tertiary education for Filipino students of all socioeconomic classes enrolled in SUCs, Local Universities and Colleges (LUCs), and Higher Education Institutions (HEIs).

For school year 2018-2019, the number of students who have been awarded financial assistance, including grants and scholarships, saw an increase of 31.6 percentage points from 17.2 percent in 2017 to 48.8 percent in 2018.

Basic education is another bearer of good news. The DepEd's implementation of the K-to-12 program saw an increase in basic education enrolment rates, and in the number of school leavers re-entering formal education.

To ensure the continuity of our progress, a provision of PHP36.0 billion will be allocated to DepEd's Basic Educational Facilities Program. More than fifty percent (55.6%) of this amount or PHP20.0 billion will be used to construct 8,000 classrooms, PHP4.8 billion to procure 42,251 school seats, PHP6.5 billion to repair and rehabilitate



classrooms, and PhP2.0 billion for the electrification of on-grid schools and energization of off-grid schools in 1,047 sites nationwide.

To help schools in Geographically Isolated, Disadvantaged and Conflict-Affected, or GIDCA, areas and their counterparts in urban centers, we are providing PhP1.5 billion funding for the DepEd's Last Mile Schools Program. These schools have multi-grade classes, with less than five teachers, and a student population of less than 100 learners, more than 75 percent of whom are usually indigenous people. The proposed budget aims to address issues besetting these schools such as lack of complete sets of school furniture, no computers, and limited textbooks, among others.

Add to this a budget of PhP12.6 billion for learning resources that will facilitate the development of students into a formidable human resource. Of this total fund, PhP9.0 billion will be channelled to the Computerization Program providing public schools with appropriate ICT equipment that would enhance the teaching and learning process and bridge the gap of skills vis-a-vis emerging job requirements and new employment opportunities in the market. Meanwhile, PhP2.1 billion will be used to fund science and mathematics equipment; PhP963 million will be allocated for textbooks and instructional materials; and PhP595 million will be earmarked for technical vocational livelihood` equipment.

FUNDING SOCIAL WELFARE

a. REDISTRIBUTING INCOME (PROVIDING BENEFITS TO TARGETED INDIVIDUALS AND HOUSEHOLDS)

Our preparation for the future also recognizes the challenges in social welfare strategies, including the various forms of emerging job competencies which may threaten or imperil

the productivity of our people, thus, widening inequality and the intergenerational cycle of poverty.

In response to this, this Administration is presenting to the Filipino people, RA No. 11310 or the Institutionalization of the 4Ps, the government's national poverty reduction strategy.

The 4Ps uses a standardized targeting system to identify eligible beneficiaries such as famers, fisherfolk, indigenous peoples, displaced families and households in geographically isolated and disadvantaged areas (GIDAs). To make sure that this will be efficiently and effectively implemented, a budget of PhP108.8 billion has been allocated for the DSWD.

Under R,A, No. 11310, eligible household beneficiaries will receive an increased education cash grant of PhP300 per month per child enrolled in day care and elementary, PhP500 per month per child in junior high school, and PhP700 per month in senior high school – a significant adjustment from the previous 4Ps where education cash grants were pegged at PhP500 per month, regardless of whether the child is enrolled in junior or senior high school.

Also, qualified household beneficiaries will receive an increased health grant of PhP750 per month per household from the previous allotment of PhP500 to promote healthy practices and encourage the use of health services. They will also receive a rice subsidy to augment their nourishment needs. Moreover, the law mandates the automatic inclusion of all household beneficiaries under the National Health Insurance Program. This further safeguards the household's well-being, health, and nourishment.

To help them transition from poverty, qualified beneficiaries will be given priority in the availment of DSWD's Sustainable Livelihood Program, for which we have allotted PhP3.0

billion. This is a capability-building program aiming to improve the socioeconomic conditions of vulnerable families and individuals by giving them the necessary skills for employment or the establishment of their own micro-enterprises.

The full implementation of RA No. 11055 or the Philippine Identification System Act will generate a national identification card essential to a more efficient distribution of cash grants, and medicine, transportation, and rice discounts.

b. PROVIDING BUFFER AND BUILDING RESILIENCY (CREATING EMPLOYMENT AND LIVELIHOOD OPPORTUNITIES)

Our flagship infrastructure program, *Build, Build, Build*, remains in full swing; and job openings listed in the *Jobs, Jobs, Jobs* website continue to provide employment opportunities from construction companies and government agencies involved.

The Department of Labor and Employment (DOLE) will be allocated PhP14.9 billion to bolster support for Filipino workers. Included in this budget is a provision of PhP3.8 billion for the *Tulong Panghanapbuhay sa Ating Disadvantaged (TUPAD)* or Displaced Workers Program to provide assistance and emergency employment to indigent families under the *Listahanan*, informal sector families, and the other poor individuals and groups as identified by the DSWD.

To extend access to various technical and vocational courses for less privileged Filipinos, a combined PhP3.5 billion from TESDA's funds will support the Training for Work Scholarship Program (TWSP) and Special Training for Employment Program (STEP). TWSP offers courses directed towards job competencies of key industries, such as tourism and agri-

business while STEP conducts, community-based specialty trainings. Furthermore, PhP3.9 billion is also earmarked for the implementation of the UAQTE Act programs in Technical-Vocational institutions.

5. PRESERVING AND PROTECTING ECOLOGICAL INTEGRITY AND A SUSTAINABLE AND HEALTHY ENVIRONMENT

CLIMATE CHANGE AND RISK RESILIENCY PROGRAM

According to the 2019 Global Climate Risk Index, the Philippines ranks fifth among the countries most susceptible to hazards brought about by climate change. In response to this, several government programs have been primed to help address these impacts. In this 2020 Budget, PhP220.8 billion will be provided in seventeen departments and other executive agencies for Climate Change Adaptation and Mitigation (CCAM). Some PhP10.7 billion is provided to the Department of Environment and Natural Resources (DENR) to improve air and water quality management, as well as solid and hazardous waste control, among others. Furthermore, PhP1.4 billion has also been earmarked for the Manila Bay Rehabilitation Program to help clean up, rehabilitate, and preserve the coastal and marine ecosystem of the Manila Bay.

Also, a budgetary allocation of PhP174.7 billion will be set aside for the construction and rehabilitation of flood mitigation facilities within Major River Basins and Principal Rivers under the DPWH to fortify measures on flood control and prevent risks to both human lives and economic productivity.

The provinces of Masbate, Sorsogon, Negros Oriental, Samar, Sarangani, Surigao del Sur, Surigao del Norte and Dinagat Islands have been determined to be climate vulnerable due to their location, high poverty incidence rate, and high susceptibility to extreme climate events. Recognizing this reality, the Risk Resiliency Program (RRP) is being developed in said provinces to

implement the convergence of and improve coordination of CCAM interventions.

Some PhP154 million is earmarked under the Department of Energy for the Renewable Energy Program to lessen our dependence on fossil fuels and reduce the country's carbon footprint, thereby decreasing our contribution to global warming.

EFFECTIVE MANAGEMENT OF NATURAL RESOURCES

Coastal communities are in need of effective resource management, given the degradation of marine ecosystems, overfishing, coastal hazards, and population growth. Thus, the government is responding by allocating PhP26.4 billion to the DENR to facilitate natural resources resiliency policies and implement resource management strategies, including the rehabilitation of coastal areas.

PhP1.6 billion will be earmarked for the Coastal and Marine Ecosystems Rehabilitation that seeks to protect and restore Philippine marine biodiversity and coastal habitats comprised of coral reefs, seagrass beds, and mangrove forests. Meanwhile, a budget of PhP73 million will be allotted to the Environment and Natural Resources Resiliency Program to create better-adapted ecosystems in vulnerable areas in the country that include not only coastal areas but also forests, watersheds, and peri-urban areas.

As for land resources, we are allotting PhP8.4 billion for the management, development, and protection of forests and watersheds to provide sustainable habitats for our wildlife, replenish our bioproducts, and improve ecological conditions like water and air purification. The National Greening Program has been provided PhP5.2 billion to cover the forestry rehabilitation efforts of planting over 150,000 hectares of forests, producing 166.8 million seedlings, and maintaining 318,871 hectares of forests and watersheds.

E. CONCLUSION

Ladies and Gentlemen of the 18th Congress — my fellow workers in government—we were elected by the Filipino people not to be their masters but to be their public servants, aspiring for and pursuing measures to achieve a better life for every one of them.

For our country and our people, and for this Administration that serves them, an important milestone in this unfolding future is Fiscal Year 2020, which we will support with the 2020 National Budget of PhP4.100 trillion that I am submitting for your review and approval.

In summary, we are presenting for approval a proposed Budget of PhP4.100 trillion, which is 11.8 percent more than the 2019 Budget and will constitute 19.4 percent of GDP. With this financial program, we aim to achieve the government's growth targets through investments in priority programs, including infrastructure and social services, while adhering to fiscal sustainability.

FELLOW TRAVELLERS ON THE JOURNEY

The Philippines and the Filipino people have set out on a journey – indeed as every nation, every community, every family does—in the desire to move to a better place, a better situation.

They have chosen us to be fellow-travellers on this journey. They have entrusted you and me with the crucial role of ensuring that we are constantly and consistently moving forward and up, with the bright future they have drawn up clearly in sight, inspiring and strengthening us in our resolve to get there.

Our destination? Our reachable dream? A strongly-rooted, comfortable and secure life. *Matatag, maginhawa, at panatag.*

Not only in the here and now, not only for themselves, but also for their children and the generations after.

We cannot and should not delay or slacken our pace on this. For our people are looking to this to give meaning to the change they have desired, and won.

I cannot overemphasize the fact that we are now moving into the second half of our collective journey as a nation under my Administration. I intend to continue to discharge the responsibility vested in me, and remain determined to reap and keep the benefits of the change that we have worked on together.

In this important milestone of my Administration, I invite you, honorable men and women of the House of Representatives and the Senate, to join us and our people. With your diligent review and speedy approval of our proposed National Budget of PhP4.100 trillion for Fiscal Year 2020, we can together continue to give meaning to the trust that our people have vested upon us and to make good our promise to lead them to a more peaceful and progressive Philippines.

Mabuhay!


RODRIGO ROA DUTERTE

