

**REPUBLIC OF THE PHILIPPINES**  
**Department of Budget and Management**  
**Malacañang, Manila**

**KEY RECIPIENTS, PROGRAMS AND PROJECTS OF THE 2008 BUDGET**

**Top 10 recipients of the budget**

- Department of Education (P140.24 B)
- Department of Public Works and Highways (P94.73 B)
- Department of the Interior and Local Government (P53.24 B)
- Department of National Defense (P50.93 B)
- Department of Agriculture with AFMA (P24.71 B)
- Department of Transportation and Communications (P20.82 B)
- Department of Health (P19.77 B)
- State Universities and Colleges (P19.64 B)
- Judiciary (P10.28 B), Department of Foreign Affairs (P10.19 B)

**Infrastructure**

- An average of 50 percent increase in the budget of DPWH (P95.01 B) and DOTC (P20.96 B); and in the capital outlays of DepEd (P12.74 B), DA (P15.2 B), and DOH (P2.453 B)

The increase will enable government to intensify infrastructure spending in the Super Regions to stimulate tourism, food sufficiency, and economic development:

- Construction/repair of various roads and road networks/links in different places in Mindanao, in Central Philippines, in the Luzon Urban Beltway, and in the North Luzon Agribusiness Quadrangle
- Continuation of rail projects like LRT Line 1 North Extension to close the commuter train loop in Metro Manila
- Remediation works on NAIA 3 to comply with FAA standards, and the construction of new airports in Mindanao, in Central Philippines, and in the North Luzon Agribusiness Quadrangle
- Construction of RORO ports and airports in North Luzon Agribusiness Quadrangle to support to rice productivity and anti-hunger efforts
- Provision for an additional P6 B (to P5.35 B) for farm-to-market roads: 2,000 kilometers each in Mindanao and North Luzon; 1,000 kilometers each in Central Philippines and in Central and Southern Luzon to ensure that agri-products are brought to the marketplace fresh and fast
- Completion of the electrification of all rural barangays through the provision of P922.4 million under the NEA budget
- Appropriation of P320 million for the establishment of the Doppler Weather Radar Network in Mindanao, Subic, and Tagaytay to enhance weather forecasting systems for the protection of

lives and crops

## **Social Services**

The P24.7 B budget for health, P4.97 B for housing, P2 B for the National Food Authority, P3.28 B for the Food for School Program, and the P13.1 B for the agrarian reform program of DAR and DENR will be used for programs and projects that will yield the most benefit for the masses.

As promised by the President in her 2008 Budget Message, this year's budget will be a social payback for Filipinos who, despite the extra (tax) burden, supported the Administration's measures to put the country's fiscal house in order:

- Setting up of more Botika ng Barangay (BnB) to widen access to half-priced medicines, targeting an increase from 10,430 to 11,000 BnBs by the first quarter of this year and 13,524 by year-end
- Increase of Tindahan Natin outlets, especially in impoverished areas, to 14,000
- Increase of Philhealth's coverage to 70 million beneficiaries
- Allocation of P4.97 B for the housing sector to provide secure tenure and housing units to 27,557 families and indirect housing support to 6,213 families through guaranties as well as sustainable housing finance through securitization
- Increased lending to entrepreneurs to some P43 million this year as DSWD's contribution to the microfinance system which, in 2007, lent P51.31 billion to 1.15 million micro, small, and medium entrepreneurs and created 635,264 new jobs
- Increased assistance to 3.5 million poor pre-school and elementary students and their families through the expanded Food for School Program
- Broadening the reach of targeted conditional cash payment to the most destitute citizens of the country under the Programang Pantawid Pamilyang Pilipino whose allocation of P2.034 billion will benefit 123,186 poor families
- Distribution of 230,000 hectares of private and public lands to 221,750 farmer-beneficiaries

## **Education**

The P176.47 billion budget allocation for 2008 in the education sector is the biggest in a long time. With this amount, the government continues to transform the public school system into a more responsive institution:

- Hiring of 10,000 new teachers, procuring 35.5 million new textbooks, establishing 920 computer laboratories, and constructing 10,472 classrooms are targeted in response to the increasing number of enrollees in both public tertiary and secondary schools.
- Government Assistance to Students and Teachers in private Education (GASTPE) and DOST

scholarships amounting to P1.02 billion (on top of the P409.5 million scholarship fund under the budget of the Commission on Higher Education) will benefit a total of 67,665 students.

- Vocational training of a greater number of students is provided P3.1 billion, including P350 million to train near hires for Business Process Outsourcings (BPOs).

- Some P1.04 billion is allocated for the upgrading of teacher competencies, particularly in math, science, and English.

### **Environment and natural resources**

The FY 2008 budget supports a four-pronged approach to creating a Green Philippines:

- Conservation – Some P5.38 billion under the DENR budget has been provided for environment operations management and conservation, i.e., to clean and beautify our villages and cities by building more urban parks and recreation areas, provide better access to potable water, and clean up unhealthy industrial eyesores.

- Energy Independence – Some P763 million is set aside for DOE's Operations and PNOC's internal cash generation budget for New and Renewable Energy sources to harness sun, wind, and geothermal power, and develop locally-produced biofuels.

- Reforestation – Some P421 million is allocated for the rehabilitation of thousands of hectares of denuded forests.

- National Parks and Wildlife Refuges – To protect our national parks and international sanctuaries for eco-tourism and scientific research, some P398 million is allotted to take care of our coral reefs and beaches, mountain vistas, tropical forests, etc.

### **Anti-Corruption and Red Tape**

- Anti-Corruption is one key area in the government's focus/initiative for reform.

- A pillar in the fight against corruption, the Office of the Ombudsman has been strengthened by doubling its budget from P481.52 M in 2002 to P953.62 M this year.

- Revenue Agencies will be strengthened through a computerization program worth P245 M collectively: Bureau of Customs – P130 M, Bureau of Internal Revenue – P115 M.

- These revenue-generating agencies will be encouraged to double their efforts to reach the target of a balanced budget this year as well as improve the current tax/GDP ratio of 14% to 17% in 2010.

- Under Executive Order No. 557 (signed August 8, 2006), the government established an Anti-Red Tape Task Force with private sector representatives to boost the competitiveness of the country

- In cutting red tape that OFWs go through, the POEA grants certain classes of professionals direct hiring privileges or exemptions from getting POEA clearances before going abroad.

- The Procurement Transparency Group formed under Executive Order No. 662-A encourages greater involvement of civil society in government's procurement activities as well as provides transparency in biddings and contracts entered into by government.