



MALACAÑAN PALACE
MANILA

16 December 2022

**THE HONORABLE SPEAKER
LADIES AND GENTLEMEN OF
THE HOUSE OF REPRESENTATIVES**

By the power vested in me by the 1987 Constitution, I hereby sign into law Republic Act (RA) No. 11936, the General Appropriations Act (GAA) for Fiscal Year (FY) 2023, entitled –

**AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF
THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM
JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND
TWENTY-THREE.**

Anchored on our Agenda for Prosperity with the Medium-Term Fiscal Framework (MTFF) and 8-Point Socioeconomic Agenda as our compass for economic growth, this National Budget shall fuel our government towards the clearly defined goals set by my Administration ultimately aimed at achieving economic transformation.

The economic objectives outlined in the MTFF are: 6.5 to 7.5 percent real gross domestic product (GDP) growth in 2022 and 6.5 to 8.0 percent real GDP growth annually between 2023 and 2028; 9 percent or single digit poverty rate by 2028; 3 percent National Government (NG) deficit-to-GDP ratio by 2028; less than 60 percent NG debt-to-GDP ratio by 2025; and the attainment of upper middle-income status.

Therefore, we must waste no time in fulfilling these objectives in order to deliver our commitments to the Filipino people. That is why I certified the enactment of House Bill No. 4488—the FY 2023 National Budget—as urgent. I thank Congress for recognizing this urgency and passing the FY 2023 GAA before year end. This is a testament to the strong partnership between the Executive and Legislative Branches with the common intention of working towards an inclusive and sustainable economy for all Filipinos.

It is by acting strictly and swiftly in accordance with the economic agenda that our country has, thus far, evaded the worst effects of the global economic slowdown caused by the lingering COVID-19 virus, the Russia-Ukraine conflict that has resulted in alarming levels of inflation, and threats to food security brought about by climate change, among other external factors.

Nevertheless, surpassing expectations, the Philippine economy grew by 7.6%—the second highest in Southeast Asia—in the third quarter of 2022, making us poised to achieve the government’s 6.5 to 7.5 percent growth target for the year. It is with this promising performance that we are hopeful and set to tirelessly continue our work in 2023.

We are off to a good start, and with the passage of the FY 2023 GAA, the first to be fully implemented under my Administration, we can now move full speed ahead towards fulfilling our Agenda for Prosperity and achieving our envisioned economic transformation resulting in better and sustained quality of life for all.

I. GENERAL COMMENTS

The PhP 5.268 Trillion National Budget for FY 2023 is the government’s comprehensive financial roadmap for sound public financial management with focus on spending on the right priorities while being guided by fiscal responsibility and accountability.

It honors the 8-Point Socioeconomic Agenda that is aligned with the MTFP and consists of the following focus areas: (1) food security, (2) improved transportation, (3) affordable and clean energy, (4) health care, (5) social services, (6) education, (7) bureaucratic efficiency, and (8) sound fiscal management. This is evident in the budget prioritization of the socioeconomic sectors of Education, Health, Social Welfare, and Agriculture, aside from the infrastructure development program “Build, Better, More” that is key to economic growth.

With this, however, I bring to the fore the importance of the efficient release and use of public funds, strict legal compliance, and shared fiscal responsibility and accountability. Guided by these principles, my Administration commits to be a progressive yet prudent steward of public funds.

Funds will be available for programs, activities, and projects aimed at improving the lives of the Filipinos, while controls will be put in place and institutionalized to ensure fiscal accountability. With focus on streamlining and digitalization, we will pursue workplace efficiency in the delivery of quality public service.

It is in this light that we will use the FY 2023 GAA to support the hard work of all Filipinos by facilitating the accomplishment of national development goals through transparent and inclusive governance.

II. DIRECT VETO

In keeping with my constitutional duty to ensure faithful execution of the laws, I am constrained to directly veto the provisions introduced in this budget which do not relate to any particular appropriation and would effectively amend substantive laws. These are considered inappropriate provisions that warrant the exercise of Presidential veto. In the case of *Philippine Constitution Association, et al. v. Enriquez, et al.*, G.R. No. 113105, August 19, 1994 (PHILCONSA), it was pronounced by the Supreme Court (SC) that

“included in the category of ‘inappropriate provisions’ are unconstitutional provisions and provisions which are intended to amend other laws, because clearly these kind[s] of laws have no place in an appropriations bill. These are matters of general legislation more appropriately dealt with in separate enactments.”

In this regard, I veto **Department of Labor and Employment (DOLE)-National Labor Relations Commission (NLRC), Special Provision No. 1, “Use of Income,” Volume I-A, page 1157**. The subject income already forms part of the revenue and financing sources of the FY 2023 National Expenditure Program which I earlier submitted to Congress pursuant to the mandate under Section 22, Article VII of the 1987 Constitution that the President shall submit to the Congress, within thirty (30) days from the opening of every regular session as the basis of the general appropriations bill, a budget of expenditures and sources of financing, including receipts from existing and proposed revenue measures. Relatedly, Section 65 of Presidential Decree (PD) No. 1445 (Government Auditing Code of the Philippines), as reiterated in Section 44, Chapter 5, Book VI of Executive Order (EO) No. 292, s. 1987 (Administrative Code of 1987), provides that unless otherwise specifically provided by law, income accruing to the agencies by virtue of the provisions of law, orders, and regulations shall be deposited in the National Treasury or in any duly authorized government depository, and shall accrue to the unappropriated surplus of the General Fund of the government. Further, Section 66 of PD No. 1445 and Section 45, Chapter 5, Book VI of EO No. 292 prescribe that receipts shall be recorded as income of Special, Fiduciary or Trust Funds or Funds other than the General Fund only when authorized by law.

It is noteworthy that the NLRC is not granted authority to use its income under existing laws. Further, the funding requirements for the operations of the NLRC are already fully provided under its budget under this Act.

Similarly, I am obliged to veto **Department of Education (DepEd)-Office of the Secretary (OSEC), Special Provision No. 4, “Revolving Fund of DepEd TV,” Volume I-A, page 197**, considering that there is no law which authorizes the DepEd to establish a revolving fund for the purpose. Moreover, the DepEd TV is not a business-type activity of the DepEd which may be considered within the contemplation of the General Provision on Revolving Funds in this Act which permits the constitution of a revolving fund from receipts derived from business-type activities of agencies to be utilized for the operational expenses of said business-type activities.

I likewise veto the proviso “in no case shall the appropriations be utilized to change the tourism campaign slogan” under **Department of Tourism (DOT)-OSEC, Special Provision No. 4, “Branding Campaign Program,” Volume I-B, page 313**, inasmuch as it intends to limit the exercise of the functions of the Executive Branch in implementing RA No. 9593 (The Tourism Act of 2009). Under the same law, the DOT is mandated to be the primary planning, programming, coordinating, implementing, and regulatory government agency in the development and promotion of the tourism industry, both domestic and international. It is tasked to promote tourism as an engine of socioeconomic and cultural growth in the country.

In *PHILCONSA*, the SC expounded that “a congressional veto is a means whereby the legislature can block or modify administrative action taken under a statute. It is a form of legislative control in the implementation of particular executive actions. The form may be either negative, that is requiring disapproval of the executive action, or affirmative, requiring approval of the executive action. This device represents a significant attempt by Congress to move from oversight of the executive to shared administration. A congressional veto is subject to serious questions involving the principle of separation of powers.” Hence, the SC declared that any provision blocking an administrative action in implementing a law or requiring legislative approval of executive acts must be incorporated in a separate and substantive bill.

III. **CONDITIONAL IMPLEMENTATION**

As part of this Administration’s mission to effectively and responsibly execute the provisions of this Act, I hereby subject the implementation of the following Special and General Provisions to specified conditions to ensure conformity with existing laws, policies, and rules and regulations.

A. **STRICT COMPLIANCE WITH LAWS, POLICIES, RULES, AND REGULATIONS IN THE RELEASE AND USE OF PUBLIC FUNDS**

(1) **Provision of Allowances and Benefits**

I admire the persistent efforts of the DepEd in advancing its mandate to provide quality education to our learners through the Alternative Learning System Programs. I applaud our teachers, coordinators, and facilitators for their continuing dedication and diligence to thrive in the new learning environment. Accordingly, the grant of transportation and teaching aid allowances under **DepEd-OSEC, Special Provision No. 29, “Alternative Learning System,” Volume I-A, page 201**, shall be implemented subject to guidelines issued by the DepEd, in coordination with the Department of Budget and Management (DBM), in accordance with existing compensation laws, rules, and regulations.

Further, the implementation of **Department of the Interior and Local Government (DILG)-Philippine National Police (PNP), Special Provision No. 6, “Grant of Benefits and Privileges to the Philippine National Police Academy Cadets,” Volume I-A, page 1078**, shall be subject to the provisions of RA No. 6975 (Department of the Interior and Local Government Act of 1990), as amended.

Furthermore, to ensure the proper implementation of the grant of honoraria under **Department of Health (DOH)-OSEC, Special Provision No. 21, “Grant of Honoraria to Members of Special, Technical and Advisory Committees, Working Groups, and Councils Convened by the DOH in Support of UHC Implementation and Its Strategic Operations,” Volume I-A, page 971**, the corresponding guidelines to be issued jointly by DOH and DBM shall be in accordance with the General Provision on Honoraria in this Act.

(2) Allocation of Maintenance and Other Operating Expenses (MOOE)

The implementation of **DepEd-OSEC, Special Provision No. 29, "Alternative Learning System," Volume I-A, page 201**, particularly in the construction of community learning centers, shall be guided, as may be applicable, by the General Provision on Rules on Modification in the Allotment in this Act.

In the same manner, the implementation of **DepEd-OSEC, Special Provision No. 30, "Maintenance and Other Operating Expenses Allocation for Schools," Volume I-A, page 201**, shall comply with the rules on modification in the allotment or use of savings and augmentation, as the case may be, as contained in the relevant General Provisions in this Act, and that the DepEd shall ensure that there will be no duplication of projects and activities or overlapping of funding sources.

On another front, to further promote judicial independence and the efficient administration of justice, I trust that the SC shall continue to ensure the equitable allocation and immediate release of MOOE to its lower courts in the implementation of **The Judiciary-Supreme Court of the Philippines and the Lower Courts, Special Provision No. 7, "Maintenance and Other Operating Expenses of Lower Courts," Volume I-B, page 572**.

(3) Utilization of Engineering and Administrative Overhead (EAO) Expenses

It is to be noted that under Section 7 of RA No. 8150 (Public Works and Highways Infrastructure Program Act of 1995), the direct engineering and administrative overhead expenditures incidental thereto shall be reflected in the program of work for the project concerned and shall not exceed four per centum (4%) of the amount actually released for the project: Provided, that the said percentage shall be reduced as the total project cost increases. In this regard, it must be emphasized that the same Section 7 prescribes that appropriations for projects shall be used solely for project implementation, which includes the direct engineering and administrative overhead expenditures incidental to the project implementation.

In this regard, I am placing **DepEd-OSEC, Special Provision No. 6, "Basic Education Facilities," Volume I-A, pages 197-198; DepEd-OSEC, Special Provision No. 7, "Allocation for the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)," Volume I-A, page 198; and Department of Public Works and Highways (DPWH)-OSEC, Special Provision No. 15, "Project Related Expenses," Volume I-B, page 3**, under conditional implementation that the utilization of the EAO expenses under these Special Provisions shall be in accordance with the purposes and/or uses authorized under RA No. 8150 and relevant rules and regulations, and that the agencies concerned shall guard against duplication of projects and activities or overlapping of funding sources.

(4) Utilization of Funds for Prior Years' Claim

Beginning 2011, the Conditional Cash Transfer program, now called the *Pantawid Pamilyang Pilipino Program* or the "4Ps", has been adopted by the government as a social development strategy aimed at not just providing assistance, in the form of cash grants, to poor Filipino households, but also, and more importantly, improving the status of the health, nutrition, and education of the household members, with the intention of contributing to the eventual improvement of their lives and future. In this regard, I am placing **Department of Social Welfare and Development (DSWD)-OSEC, Special Provision No. 1, "Pantawid Pamilyang Pilipino Program," Volume I-B, pages 260-261**, under conditional implementation to ensure that the release of funds for the purpose shall cover the legitimate claimants entitled to assistance under the 4Ps in the years 2017 and 2018 as validated by the Commission on Audit (COA).

In the same vein, the amounts provided under item (a) (iv) of **Pension and Gratuity Fund, Special Provision No. 1, "Pension and Gratuity Fund," Volume I-B, page 736**, shall cover the arrears for the period during which the military veterans were entitled to the total administrative disability pension only, pursuant to Section 2 of RA No. 7696 (An Act Amending Certain Sections of RA No. 6948 Otherwise Known as "An Act Standardizing and Upgrading the Benefits for Military Veterans and Their Dependents"), amending, among others, Section 5 (h) of RA No. 6948, and subject to the validation of the list of claimants by the COA.

(5) Release of Trust Receipts

In relation to the scholarship assistance to be granted to the surviving children of deceased or permanently incapacitated Military and Uniformed Personnel under the Bureau of Fire Protection (BFP), Bureau of Jail Management and Penology (BJMP), PNP, and Armed Forces of the Philippines (AFP) the following Special Provisions shall be subject to the guidelines to be issued by the DBM and the DILG:

- a. **DILG-BFP, Special Provision No. 2, "Trust Receipts from Firearms License Fees," Volume I-A, page 1047;**
- b. **DILG-BJMP, Special Provision No. 1, "Trust Receipts from Firearms License Fees," Volume I-A, page 1051;**
- c. **DILG-PNP, Special Provision No. 1, "Trust Receipts from Police Fees and Charges," Volume I-A, page 1078; and**
- d. **Department of National Defense-General Headquarters, AFP and AFP-Wide Service Support Units (AFPWSSUS), Special Provision No. 3, "Trust Receipts from Firearms License Fees" Volume I-A, page 1227.**

Further, in accordance with EO No. 338, s. 1996 (Directing the Deposit of Cash Balances to the National Treasury), as implemented by COA-DBM-Department of Finance (DOF) Joint Circular (JC) No. 1-97 dated January 2, 1997 (Guidelines for the Transfer by National Government Agencies of All Cash Balances to the National Treasury), and the General Provision on Trust Receipts in this Act, the subject fees shall continue to be deposited with the National Treasury and recorded as trust receipts.

(6) Administration of Tax Refunds

Amid our relentless efforts to institute tax reforms and promote sound fiscal policy, I task the Bureau of Customs (BOC) to ensure that all claims for duties and tax refund under the **DOF-BOC, Special Provision No. 3, "Tax Refund", Volume I-A, page 908**, shall not affect the Bureau's attainment of the target revenue program set by our government. In line with this, the BOC shall provide a validated list of all claimants of duties and tax refund payables prior to the release of funds covered by this Special Provision.

(7) Release of National Disaster Risk Reduction and Management Fund (NDRRMF)

We cannot overemphasize the need to expedite the release of funds for disaster risk reduction or mitigation, prevention, and preparedness activities, and relief, recovery, reconstruction and other works or services immediately after the occurrence of disasters, calamities, epidemics, or complex emergencies. The government is duty bound to act with dispatch to prepare for, and manage, reduce or mitigate the deleterious effects of natural or human-induced disasters, and to conduct relief, recovery, reconstruction and other works or services in order that the situation and living conditions of those affected may be normalized as quickly as possible.

In view thereof, compliance with **NDRRMF, Special Provision No. 1, "National Disaster Risk Reduction and Management Program," Volume I-B, page 733**, insofar as it requires that the releases from the NDRRMF by the DBM shall be made within fifteen (15) days upon the approval of the President of the Philippines, shall necessarily be subject to the conditions of: (i) submission of complete documentary requirements by the requesting implementing agencies to the DBM; and (ii) availability of funds under the NDRRMF.

(8) Subsidy Releases to Government -Owned or -Controlled Corporations (GOCCs)

In relation to the adoption of Cash Budgeting System, the implementation of the authority of National Electrification Administration (NEA) and National Power Corporation (NPC) to use subsidies released for programs and projects in prior years under **Budgetary Support to Government Corporations (BSGC)-Department of Energy (DOE)-NEA, Special Provision No. 3, "Prior Years' Subsidy Releases from the National Government," Volume I-B, page 659;**

BSGC-DOE-NPC, Special Provision No. 3, "Prior Years' Subsidy Releases from the National Government", Volume I-B, page 661; and Budgets of DOE Attached Corporations-NEA, Special Provision No. 7, "Augmentation Beyond the Approved Corporate Operating Budget," Volume I-B, page 752, should be consistent with the rules on reversion of funds pursuant to Section 28, Chapter 4, Book VI of EO No. 292, and Section 2 of EO No. 91, s. 2019 (Adopting the Cash Budgeting System Beginning Fiscal Year 2019, and for Other Purposes), and other pertinent laws, rules, and regulations.

Likewise, the release of subsidy to cover the payment of salaries to Intercontinental Broadcasting Corporation (IBC) personnel and unpaid retirement benefits of its retirees under **BSGC-Office of the Press Secretary (formerly Presidential Communications Operations Office)-IBC, Special Provision No. 1, "Subsidy to the Intercontinental Broadcasting Corporation," Volume I-B, page 690,** for the period covering FYs 2009 to 2023 shall be subject to the submission by the Corporation of the necessary requirements for the payment thereof to the Governance Commission for GOCCs for review and evaluation considering applicable laws, rules, and regulations.

(9) Procurement-related Provisions

I recognize the importance of the expeditious procurement of drugs and vaccines, especially in view of our unprecedented experience with the COVID-19 pandemic. Among the top priorities of our government is to take all necessary measures in immediately addressing health concerns to protect the lives of all Filipinos. Nevertheless, prudence dictates that **DOH-OSEC, Special Provision No. 11, "Advance Payment for Drugs and Vaccines," Volume I-A, page 970,** should be implemented in accordance with existing rules under RA No. 9184 (Government Procurement Reform Act) and its 2016 Revised Implementing Rules and Regulations (IRR), as well as the provisions of PD No. 1445 in the case of advance payment.

Likewise, while the government is consistent in strongly supporting local products and services, subject to open and competitive bidding, the implementation of **Section 19, General Provisions, "Strict Adherence to Procurement Laws, Rules and Regulations," Volume I-B, page 765,** insofar as it gives preference to materials and supplies made and manufactured in the Philippines in the procurement of goods, services, and infrastructure by the government, shall be in accordance with existing procurement laws, rules, and regulations, including the guidelines issued by the Government Procurement Policy Board (GPPB).

Moreover, I fully understand that in line with the desired objectives of transparency and accountability in government procurement, Congress introduced **Section 21, General Provisions, "Engagement of a Procurement Agent," Volume I-B, pages 765-766.** Nevertheless, to ensure effectiveness and consistency in implementation, the engagement of government procurement

agents shall be undertaken in accordance with the provisions of the 2016 Revised IRR of RA No. 9184, and such other guidelines issued by the GPPB.

Furthermore, it is acknowledged that Information and Communications Technology (ICT) equipment for highly technical or specialized use by select agencies for specific purposes to carry out their mandated functions are not for common use by all agencies. Nevertheless, in the implementation of **Section 26, General Provisions, "Use and Procurement of Information Technology Equipment," Volume I-B, page 767**, particularly that which requires the ICT equipment for highly technical or specialized use to be procured separately by the agency, it should be reiterated that the same shall be subject to compliance with RA No. 9184 and its 2016 Revised IRR, and other ICT-related laws, rules, and regulations.

(10) Creation of New Office

It is notable that there has been a fast-growing demand for energy in our country, and the establishment of the Philippine Energy Research and Policy Institute by virtue of RA No. 11572 (Philippine Energy Research and Policy Institute Act) was intended to enhance our capability for energy research and policy development. It is to be emphasized, however, that the organization of the Institute under **State Universities and Colleges (SUCs)-University of the Philippines System, Special Provision No. 3, "Philippine Energy Research and Policy Institute," Volume I-A, page 394**, entails the creation of a new office and new positions. Hence, the same shall be subject to the General Provision on Organizational Structure and Staffing Pattern Changes in this Act.

(11) Requirements of Foreign Service Posts

In the implementation of **Department of Foreign Affairs (DFA)-OSEC, Special Provision No. 12, "Provision for Agency Attachés or Representatives and Cost Sharing Agreement," Volume I-A, page 947**, the DFA, as in the past year, shall ensure that the use of contributions from the agencies concerned shall be limited to payment of authorized operating expenses, and only in case of deficiency of appropriated funds for the purpose, subject to existing laws, rules, and regulations. Otherwise, the DFA shall comply with Section 44, Chapter 5, Book VI of EO No. 292, which requires that all income shall be deposited in the National Treasury or in the duly authorized government depository and shall accrue to the unappropriated surplus of the General Fund of the government.

(12) Implementation of National Programs and Projects

The problem of undernourishment among Filipino children is a health concern that always takes precedence. In this regard, **DSWD-OSEC, Special Provision No. 9, "Supplemental Feeding Program," Volume I-B, page 261**, shall be covered by the guidelines to be issued by the DSWD, consistent with the

provisions of RA No. 11037 (*Masustansyang Pagkain para sa Batang Pilipino Act*) on the target beneficiaries of the program, as well as incorporation of fresh milk and fresh milk-based products in the fortified meals and cycle menu.

Moreover, as the economy is reopening, our government has remained steadfast in its commitment to help every Filipino recover from the loss of employment or livelihood by extending assistance through the implementation of employment programs. Hence, I am subjecting **DOLE-OSEC, Special Provision No. 1, "Tulong Panghanapbuhay sa Ating Disadvantaged or Displaced Workers Program (TUPAD) and Government Internship Program (GIP)," Volume I-A, page 1138**, to guidelines issued by the DOLE in operationalizing the convergence program to effectively assist and support the intended beneficiaries.

As part of the government's continuing efforts to pursue the decentralization of the delivery of public service, the implementation of infrastructure projects under **DPWH-OSEC, Special Provision No. 6, "Basic Infrastructure Program," Volume I-B, page 2**, including the maintenance and repair thereof, shall be in accordance with RA No. 7160 (Local Government Code of 1991), and other pertinent laws, rules, regulations, and guidelines.

(13) Funding for Foreign-Assisted Projects

Similar to previous years, Congress identified specific foreign-assisted projects (FAPs) chargeable against Purpose No. 4 under **Unprogrammed Appropriations (UA), Special Provision No. 5, "Support to Foreign-Assisted Projects," Volume I-B, pages 742-743**. Accordingly, pursuant to the authority vested in me under Section 20, Article VII of the 1987 Constitution and in view of the character of the UA as a standby authority to incur additional obligations for priority programs, projects, or activities, such identification of the specific FAPs shall not limit the President in negotiating other foreign loan agreements.

Hence, the release of funds chargeable against Purpose No. 4 of the UA shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of EO No. 292, together with the physical and financial plan, project profile, and a copy of the perfected loan agreement, as approved in accordance with pertinent laws, rules, regulations, and guidelines issued thereon. Moreover, any change in the project title, scope, or amount of the FAPs shall further be subject to the appropriate approval in accordance with existing guidelines.

(14) Modification in the Allotment

Under Section 2 of PD No. 1445, it is the declared policy of the State that all resources of the government shall be managed, expended, or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy, and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or

head of the government agency concerned. This is consistent with EO No. 292 insofar as the COA determines if the fiscal responsibility that rests directly with the head of the government agency has been properly and effectively discharged. Further, the same law provides that the Secretary shall have supervision and control over the bureaus, offices, and agencies under him. In this regard, I subject **Section 80, General Provisions, "Rules on Modification in the Allotment," Volume I-B, page 777**, to guidelines to be prescribed by the DBM insofar as it grants authority to the official next-in-rank.

B. SHARED FISCAL RESPONSIBILITY

Consistent with Section 29 (1), Article VI of the 1987 Constitution, and Section 32, Chapter 5, Book VI of EO No. 292, appropriations shall be used solely for the specific purposes intended. In this light, I am placing **Congress of the Philippines, Special Provision No. 6, "Availability of Appropriations and Cash Allocations," Volume I-A, page 15**, under conditional implementation, to emphasize that the use and disbursements of the funds shall be for the specified purposes and within the period of availability of appropriations as prescribed under the General Provision on Cash Budgeting System in this Act.

IV. GENERAL OBSERVATION

With the end in view of ensuring efficient and effective allocation and utilization of the limited government resources, especially in our continuing journey to recovery from the impacts of the pandemic and uncertainties in the economic environment, I now signify my stand on how the following provisions will be construed and implemented.

A. ORGANIZATIONAL STRUCTURE

We have consistently underscored the need for our unflinching compliance to salary standardization and compensation laws, rules, and regulations, including the policies on the use of appropriations or available savings for the creation of new positions and the grant of retirement benefits and separation pay. The scrap and build policy in the adjustment and modification of organizational structure, and other existing organization, staffing, compensation and position classification standards of the DBM, are put in place in order to afford a stable organizational structure in all agencies, and the government as a whole. I am confident that the Congress will constantly uphold the policy set forth under Section 8, Article IX-B of the 1987 Constitution, proscribing the payment of additional compensation.

Accordingly, I put my unwavering trust in the Congress in its implementation of **Congress of the Philippines, Special Provision No. 2, "Organizational Structure of the Senate, the House of Representatives, the Senate and House of Representatives Electoral Tribunals and the Commission on Appointments," Volume I-A, page 15**.

B. HEALTH FACILITIES ENHANCEMENT PROGRAM (HFEP)

Now more than ever, we have realized the continuing need to strengthen our health care system, not just to be able to address our present needs, but to adequately prepare, mindful of the uncertainties of the future. Paramount to this is the systematic upgrading of our health facilities. We must, therefore, ensure that the budget for the purpose is prudently spent. Hence, it should be clear that the purchase of motor vehicles related to the implementation of HFEP under **DOH-OSEC, Special Provision No. 6, "Health Facilities Enhancement Program," Volume I-A, page 969**, shall pertain to medical transport vehicles.

C. MOTOR VEHICLE USER'S CHARGE (MVUC) COLLECTIONS

The disposition, allocation, and utilization of the collections of the government from the MVUC are governed by the provisions of RA No. 8794, as amended by RA No. 11239 (An Act Abolishing the Road Board and Providing for the Disposition of the Motor Vehicle User's Charge Collections, Amending for the Purpose Republic Act No. 8794, Entitled "An Act Imposing a Motor Vehicle User's Charge on Owners of All Types of Motor Vehicles and for Other Purposes"). Section 7 of the same law explicitly provides that the subject collections shall be remitted to the National Treasury under a Special Account in the General Fund to be earmarked solely for the construction, upgrading, repair, and rehabilitation of roads, bridges, and road drainage to be included in the annual GAA. Consequently, this legal prescription is applicable in this Act, especially on **DPWH-OSEC, Special Provision No. 13, "Motor Vehicle User's Charge Collections," Volume I-B, page 3**, particularly the last proviso stating that in succeeding GAAs, the projects listed under the Asset Preservation Program–MVUC shall be separate and distinct from the regular Asset Preservation Program of the DPWH. Moreover, it is to be noted that, consistent with the 1987 Constitution and other applicable laws, this GAA covers the appropriations for FY 2023 only, and does not extend to subsequent appropriations that shall undergo separate and distinct budget preparation and authorization cycles annually.

D. LEGISLATED HATCHERIES

The objective to strengthen the aquaculture industry through the establishment of hatcheries and other aquaculture facilities is acknowledged. Yet, a prudent implementation of this policy should be ensured in order that public funds are efficiently utilized for the purpose of addressing critical farming issues, such as limited species variety, high fry cost, and erratic supply.

In this regard, I would like to highlight, in relation to **Department of Agriculture (DA)-Bureau of Fisheries and Aquatic Resources (BFAR), Special Provision No. 4, "Legislated Hatcheries," Volume I-A, pages 141-142**, that responsible fiscal management is crucial in the creation, management, and operation of legislated hatcheries. We note that LGUs are

tasked under RA No. 7160 to be primarily responsible for the delivery of basic services and facilities, which include agriculture and fishery services. Therefore, the standards and guidelines of the DA-BFAR should be given utmost consideration in the creation, management, and operation of legislated hatcheries.

E. POSTING OF AGENCY SAVINGS

As in the past year, it should be clarified that the departments, bureaus, offices, and instrumentalities of the National Government shall be responsible in the posting of its savings as required under **Section 76, General Provisions, "Authority to Use Savings," Volume I-B, page 776**. On the other hand, the DBM periodically posts in its website the information on appropriations *vis-à-vis* releases. Further, it is understood that the posting of the information on savings by the DBM is limited to that provided by the departments, bureaus, offices, and instrumentalities of the National Government.

F. AUTOMATIC APPROPRIATIONS

It is fully recognized that the power of the purse belongs to the Congress. However, it must be clarified that automatic appropriations, including the Special Account in the General Fund, are already covered and authorized under separate laws. Hence, while the Congress increased the amounts pertaining to the Special Accounts in the General Fund under **DOH-OSEC Special Provision No. 4, "Fees, Fines, Royalties, and Other Charges of the Food and Drug Administration", Volume I-A, page 969**; and **BSGC-DA-Philippine Coconut Authority, Special Provision No. 2, "Subsidy to the Philippine Coconut Authority", Volume I-B, page 653**, it is understood that the Executive Branch is not precluded from exercising judicious programming of funds based on actual collections and utilization.

V. NEW BUDGETARY ITEMS

In the exercise of the budget execution function vested upon the Executive Branch, it is understood that the new budgetary items introduced by Congress in this Budget shall be subject to the National Government's cash programming, observance of prudent fiscal management, applicable budget execution rules and procedures, and approval by the President based on the programmed priorities of the government.

Therefore, considering that such new items will have corresponding effects in the outputs and outcomes of the agencies concerned, the DBM shall inform said agencies of the changes in their respective appropriations and require the submission of their revised performance targets.

VI. CLOSING STATEMENT

With my firm belief in the power of unity, the timely passage of this FY 2023 National Budget which embodies the economic agenda of prosperity is a positive proof

that the collaborative synergy of the bureaucracy is thriving.

I sincerely express my gratitude to the Congress for adopting the MTF and 8-Point Socioeconomic Agenda on which the National Budget is anchored. It is only with your continued support that we will be able to realize the clear objectives defined by our economic managers.

As my Administration's first full-year budget, the FY 2023 GAA mirrors my vision of a Philippine Government which is not limited by challenges, but is energized by opportunities to further promote responsive public service, efficient e-governance, and prudent public financial management.

I believe that as long as our vision is clear, our determination is strong, and our service is sincere, we will fulfill our mandate to serve the Filipino people and achieve our Agenda for Prosperity.

Marami pong salamat at mabuhay tayong lahat!

Very truly yours,



Copy furnished:

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