The implications on the right to health and the people of issues raised in G.R. Nos 274778, 275405, and 276233

By IBON Foundation (Sonny Africa, Executive Director)
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This submission aims to provide context relevant to the legal issues surrounding the 2024 General Appropriations Act (GAA) – on whether Special Provision No. 1(d) of the Unprogrammed Appropriations (UA) in the 2024 GAA was validly enacted, on whether Special Provision No. 1(d) is unconstitutional, and on whether Department of Finance (DOF) Circular No. 003-2024 implementing Special Provision No. 1(d) is valid.

The outcome of legal clarity on these issues has significant social and economic implications. There is reason to believe that undue Executive and Legislative discretion over the national government budget process hinders public funds from being used as effectively as possible to address the needs of the economy and the people. Notwithstanding always lofty government pronouncements of goals, policies and commitments, it is the budget's actual magnitudes and quantities that establish the government's true social and economic policy priorities.

The impact of the transfer of Php89.9 billion on PhilHealth funds is taken up as a case in point of a violation of the right to health. Beyond the legality of the action which remains to be decided, the transfer diminishes PhilHealth's resources to support the health spending of poor, low income and even middle-class Filipinos. Health is heavily privatized in the country and the profit-driven approach inevitably increases the costs of health care. Under such a system, PhilHealth support has become the main mitigating element to try and keep health care affordable, equitable and accessible – with poverty growing, this support is more needed than ever until a better health system is put in place.

The underfunding and defunding of PhilHealth is however also just a specific instance of a larger problem with the budget process. This submission also gives an overview of the larger misprioritization and misallocation of government spending.

Budget reforms are urgent and a positive decision on the invalidity and unconstitutionality of the Marcos Jr administration's actions will be a signal that the national budget should embody the government's determination to uphold its human rights obligations, particularly on economic, social and cultural rights (ESCR).

It is presumed that the reason for prevailing laws, processes and procedures is to create an organized, fair and just society that serves the people where the human rights of individuals and communities are upheld. However, the apparently cavalier approach to the national budget: 1) compromises its purpose of development and uplifting people's lives; 2) fuels deficits and debt because so much of public funds are motivated by narrow self-interest and go to unproductive purposes; and 3) distorts and erodes processes and procedures for rational fiscal behavior.

THE RIGHT TO HEALTH OF FILIPINOS

There are numerous legal bases for the right to health in the country. The Philippine government is a State Party to the International Covenant on Economic, Social and Cultural Rights (ICESCR) of 1966 and has obligations under this to progressively achieve the full realization of the **right to health**, as enshrined in Article 12(1) which states:

> "The States Parties to the present Covenant recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health."

Among the steps to achieve this identified in Article 12(2) is:

> "The creation of conditions which would assure to all medical service and medical attention in the event of sickness."

Moreover, Article 2(1) commits State Parties to:

> "[Take] steps… to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures."

The notion of **progressive realization** acknowledges that the right to health may not be attainable immediately due to resource constraints. Nonetheless, States have the obligation to continuously improve the conditions for this over time and must avoid retrogression, as clarified in CESCR General Comment No. 3 (The Nature of States Parties' Obligations):

> "[ICESCR] imposes an obligation to move as expeditiously and effectively as possible towards that goal. Moreover, *any deliberately retrogressive measures in that regard would require the most careful consideration* and would need to be fully justified by reference to the totality of the rights provided for in the Covenant and in the context of the full use of the maximum available resources." (itals supplied, Para. 9)

General Comment No. 3 also is explicit that:

> "In order for a State party to be able to attribute its failure to meet at least its minimum core obligations to a lack of available resources it must *demonstrate that every effort has been made to use all resources that are at its disposition* in an effort to satisfy, as a matter of priority, those minimum obligations." (itals supplied, Para. 10)

In addition, CESCR General Comment No. 14 (The Right to the Highest Attainable Standard of Health) cites as among the conditions to attain the right to health:

> "Economic accessibility (affordability): health facilities, goods and services must be affordable for all… *ensuring that these services, whether privately or publicly provided, are affordable for all*, including socially disadvantaged groups. Equity demands that poorer households should not be disproportionately burdened with health expenses as compared to richer households." (itals supplied, Para. 12(b))

General Comment No. 14 speaks of actions or omissions amounting to a violation of the right to health:

> "A State which is unwilling to use the maximum of its available resources for the realization of the right to health is in violation of its obligations under article 12. If resource constraints render it impossible for a State to comply fully with its Covenant obligations, it has the *burden of justifying that every effort has nevertheless been made to use all available resources at its disposal in order to satisfy, as a matter of priority, the obligations outlined above*." (itals supplied, Para. 47)

Particularly relevant is how General Comment No.14 says:

> "The adoption of any retrogressive measures incompatible with the core obligations under the right to health… constitutes a violation of the right to health. *Violations through acts of commission include the… adoption of legislation or policies which are manifestly incompatible with pre-existing domestic or international legal obligations in relation to the right to health*." (itals supplied, Para. 48)
>
> "Violations of the obligation to respect are those State actions, policies or laws that contravene the standards set out in article 12 of the Covenant and are likely to result in bodily harm, unnecessary morbidity and preventable mortality. Examples include… *the adoption of laws or policies that interfere with the enjoyment of any of the components of the right to health*." (itals supplied, Para. 50)
>
> "Violations of the obligation to fulfil occur through the failure of States parties to take all necessary steps to ensure the realization of the right to health. Examples include… *insufficient expenditure or misallocation of public resources which results in the non-enjoyment of the right to health by individuals or groups, particularly the vulnerable or marginalized*." (itals supplied, Para. 52)

The 1987 Philippine Constitution in turn states:

> "The State *shall protect and promote the right to health of the people* and instill health consciousness among them." (itals supplied, Art. II, Sec. 15)
>
> "The State shall adopt an integrated and comprehensive approach to health development which *shall endeavor to make essential goods, health and other social services available to all the people at affordable cost*. There shall be priority for the needs of the under-privileged sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers." (itals supplied, Art. XIII, Sec. 11)

In the pursuit of these objectives, several laws have been passed to expand access to health care and improve public health outcomes. Notably: i) the National Health Insurance Act (NHIA) of 1995 (RA 7875, as amended by RA 9241 and RA 10606) establishes the National Health Insurance Program (NHIP) administered by PhilHealth to provide affordable, equitable, and accessible health care services for all Filipinos; and 2) the Universal Health Care Act (UHCA) of 2018 (RA 11223) automatically enrolling all Filipinos in the NHIP while prioritizing primary care and financial risk protection.

The NHIA stresses the importance of **universality** giving all citizens access to health financing, and **equity** where access to care is a function of a person's health needs rather than the ability to pay. The UHCA's Section 2(b) provides for the adoption of: "A health care model that provides all Filipinos access to a comprehensive set of quality and cost-effective, promotive, preventive, curative, rehabilitative and palliative health services without causing financial hardship, and prioritizes the needs of the population who cannot afford such services."

UNDERFUNDING PHILHEALTH'S SERVICES

The UHCA says that: "[That] the total amount of reserves shall not exceed a ceiling equivalent to the amount actuarially estimated for two (2) years' projected Program expenditures: *Provided further*, That whenever actual reserves exceed the required ceiling at the end of the fiscal year, the excess of the

PhilHealth reserve fund *shall be used to increase the Program's benefits and to decrease the amount of members' contributions*." (Itals supplied, Sec. 11, RA 11223).

PhilHealth reported Php463.7 billion in a Reserve Fund account as of 2023. The DOF said that it computed the historical two years' worth of program expenditures as some Php280.6 billion from 2018-2023, and the unspent balance between the government subsidy/premium for indirect contributors and what was actually spent on benefit claims for indirect contributors as Php89.9 billion from 2021-2023.

Current concrete conditions point to how the Php89.9 billion the government wanted transferred to the National Treasury are better spent on increasing PhilHealth's benefits or decreasing members' contributions.

1) Privatization has made health care more expensive. Private health care is many times more expensive than public health care. For instance, the mean cost of confinement in a private hospital is Php70,568 which is over two-and-a-half times more expensive than the mean cost in a public facility of Php27,136. (**See Table 1**) The mean cost of outpatient care is almost three times more expensive in a private facility.

Table 1. Average Costs of Care (Php)

	Any facility[1]		Public facility		Private facility	
Type of care	Mean cost	Number	Mean cost	Number	Mean cost	Number
For those who visited a health facility in the last 30 days						
Cost of transportation	174.1	3,281	113.9	1,461	222.4	1,820
Cost of consultation, advice, and/or treatment	2,539.8	3,266	1,269.2	1,457	3,562.7	1,809
For those confined to a hospital or clinic in the last 12 months						
Cost of transport	1,346.5	2,889	606.9	1,596	2,259.4	1,293
Cost of medicines/services from outside pharmacy/lab	14,515.8	2,021	11,180.4	1,145	18,875.8	876
Paid from salary/loan/sale of property	12,597.4	2,021	9,093.6	1,145	17,177.7	876
Paid by PhilHealth	4,106.4	2,021	4,402.1	1,145	3,719.8	876
Total hospital bill	46,640.0	2,929	27,136.0	1,614	70,568.2	1,315
Paid from salary/loan/sale of property	22,599.8	2,512	8,266.1	1,241	36,591.6	1,271
Paid by PhilHealth	17,507.3	2,512	16,939.3	1,241	18,061.9	1,271

Source: National Demographic Health Survey (NDHS) 2022

The portion of costs paid by PhilHealth is however broadly similar with Php4,106 in support for medicines in any facility (Php3,720 in private facility compared to Php4,402 in public facility) and Php17,507 support for the hospital bill in any facility (Php18,062 in private facility compared to Php16,939 in public facility) – meaning that much less of expenses in a private facility are paid for by PhilHealth compared to in a public facility. It should be striking that it appears PhilHealth only pays for some 26% of the total hospital bill and 20% of medicines/services from outside pharmacy/lab in private facilities with a higher 62% and 39%, respectively, in public facilities.

As it is, there are more private hospital beds (58,927) than government hospital beds (50,966) as of 2021, according to the latest data from the Philippine Statistics Authority's (PSA) Statistical Yearbook, and more private hospitals (849) than government hospitals (440). Private beds started outstripping public beds in 2012.

The cost of confinement is however rising faster in public facilities than in private facilities, likely reflecting the increasing application of user fees even in public hospitals. Between 2013 and 2022, the mean cost of the total hospital bill in public facilities grew 214% compared to a 177% increase in private facilities, according to IBON Foundation computations on data from the National Demographic Health Survey (NDHS) 2013 and NDHS 2022. These increases are alarmingly 6-7 times more than the 32% general increase in the price level due to inflation, computed as the change in the consumer price index (CPI) over the same period.

The share of household spending going to health has also increased since around enactment of the NHIA. This was at 2.2% in 1997, rising to as much as 3.7% in 2012 and 2015, before moderating slightly to 3.3% in 2021 and then 3% in 2023, according to IBON's computations on data from the PSA's Family Income and Expenditure Surveys (FIES).

Such a trajectory of rising health care costs is alarming in today's context of worsening poverty. The number of families rating themselves as poor has grown by 5.2 million from 12.2 million (49% of families) in June 2022 to 17.4 million or nearly two-out-of-three families (63%) in December 2024, according to Social Weather Stations (SWS).

The SWS findings are supported by the Bangko Sentral ng Pilipinas' (BSP) latest Consumer Expectations Survey (CES) which found the number of Filipino households without savings of any kind growing by 1.5 million from 18.7 million (70% of households) in the second quarter of 2022 to a huge 20.1 million or nearly three-out-of-four households (74%) in the fourth quarter of 2024. This is consistent with the seven-out-of-ten Filipinos (69.5%) that another survey outfit, WR Numero, said had difficulty meeting expenses for basic needs in September 2024.

Increasingly expensive health care that's also more private than public disproportionately burdens the poor and low-income families who make up a supermajority 60-75% of the population. As an indicator of this burden, the share of the population with household spending on health more than 10% of total household spending or income – an indicator of catastrophic health spending – has grown from 3.17% in 1997 to 4.39% in 2006 to 6.31% in 2015, according to the World Health Organization (WHO) Global Health Observatory data repository.

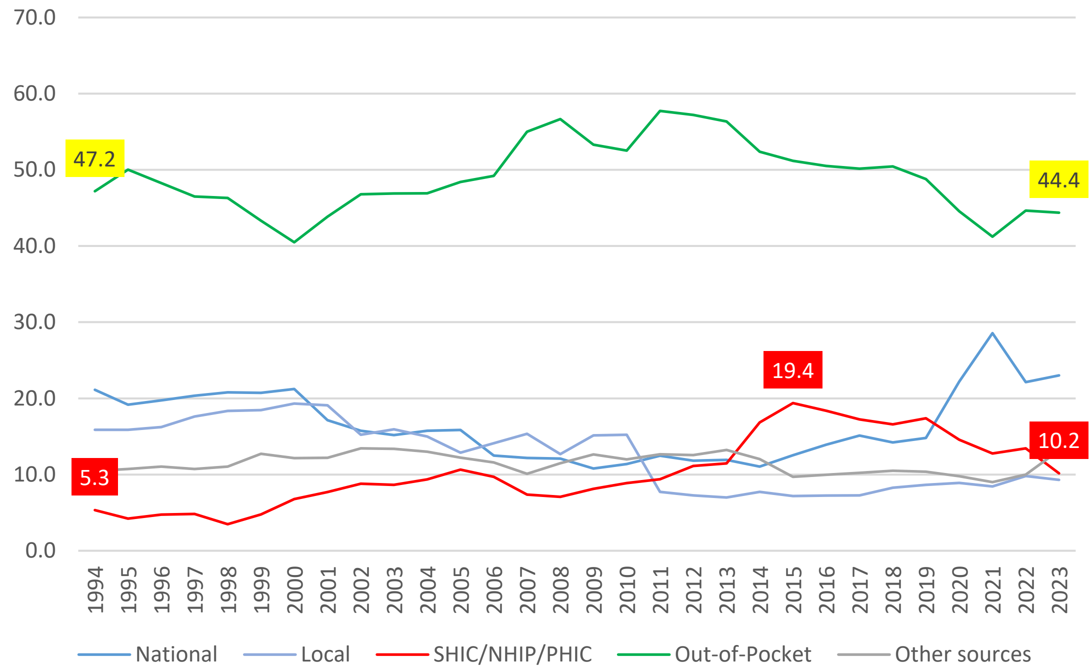
2) Reducing PhilHealth's finances only makes it more difficult to meet its already unmet targets. Any problem with the absorptive capacity of the institution needs to be addressed directly rather than be taken as a hard constraint to the services it gives which is, from a health rights-based perspective, self-defeating.

The 1999 Health Sector Reform Agenda (HSRA) purportedly targeted to limit household out-of-pocket spending to 20-30% of total health spending, with other targets for social health insurance and government health spending. In 2023, Household out-of-pocket spending was still at a large 44.4%, PhilHealth at 10.2%, Central government at 23%, Local government at 9.3%, Non-insurance corporations at 7.3%, and Insurance corporations at 5.8%, according to the PSA's Philippine National Health Accounts (PNHA). (**See Chart 1**)

Notably, the share of PhilHealth is actually even markedly down to barely half of its peak of 19.4% in 2015. On the other hand, out-of-pocket spending is hardly changed from its 47.2% share 30 years ago in 1994 on the eve of the NHIA.

There are also indications of regressivity in the health system. The share in total health spending of the poorest three income quintiles increased from 41.5% in 2014 to nearly half (48.8%) in 2022, which is a substantial increase in the burden of health care considering the low incomes prevailing for this group, likely at around Php20,000-25,000 in monthly family income or much less. (**See Chart 2**) In contrast, the share of the highest income fifth quintile where already high family incomes have continued to grow actually fell from 40.1% in 2014 to 32.2% in 2022. The Health Care Financing Strategy (HCFS) 2023-2028 notes that while this does not exactly represent the out-of-pocket spending of these income groups, it nonetheless depicts weak financial protection being given to the poorest majority of Filipinos.

Chart 1: Current Health Expenditure by Financing Agent, 1994-2023
(% of total health expenditure)



Source: Philippine National Health Accounts (PNHA), 1994-2023 (collated as published)

The HCFS 2023-2028 also points out that the Philippine Development Plan (PDP) 2023-2028 aims to reduce the proportion of out-of-pocket spending to 28.1% by 2028 (it is still at 44.4% as of 2023). It also targets for PhilHealth to account for 27% of total health expenditure by 2028 (it is just at 10.2% as of 2023). A study by health think tank Unilab Center for Health Policy has meanwhile reported that "the targets under the HSRA were for national and local government spending to reach 40 percent of THE and for social health insurance, particularly PhilHealth, to account for 30 percent of the total spending."[1]

PhilHealth contributions greatly outpace claims paid, contributing to increasing reserves but implying weaker benefits for members and dependents. (**See Table 2**) As it, PhilHealth claims paid have even fallen from Php129.6 billion in 2022 to Php122.4 billion in 2023. If the effects of inflation are removed, the real value of claims paid in 2023 is actually worth even less than paid out six years before in 2017.

[1] https://opinion.inquirer.net/175991/a-30-year-failure, downloaded January 31, 2025.

Chart 2: Current Health Expenditure by Income Quintile, 2015-2022
(% of total health expenditure)

Source: Health Care Financing Strategy (HCFS) of the Philippines, 2023-2028

Table 2. PhilHealth Contributions and Claims Paid (Php billion)

	2017	2018	2019	2020	2021	2022	2023
Direct Contributors	82.8	74.4	77.1	85.6	67.0	136.7	158.4
Indirect Contributors	80.2	58.1	69.4	63.4	62.5	80.1	78.8
TOTAL CONTRIBUTIONS	**163.0**	**132.5**	**146.4**	**149.0**	**129.5**	**216.8**	**237.2**
Direct Contributor	51.4	55.8	45.5	47.6	48.5	71.3	62.0
Indirect Contributor	48.0	58.8	51.9	48.2	39.8	58.4	60.3
TOTAL CLAIMS PAID	**99.4**	**114.6**	**97.4**	**95.8**	**88.3**	**129.6**	**122.4**

Source: PhilHealth

These underscore the need for PhilHealth to substantially increase its benefits to relieve the health spending burden especially on the poor and low-income majority constituting the population, which requires increasing available resources rather than diminishing this. High out-of-pocket payments create prohibitive financial barriers to healthcare and entrench large inequalities in health outcomes between those who can afford healthcare and those who cannot.

Out-of-pocket expenses in the Philippines compare very unfavorably with other countries in the region and the rest of the world. (**See Charts 3 and 4**)

Chart 3: Out-of-pocket expenditure, Southeast Asia (% of current health expenditure, 2021)

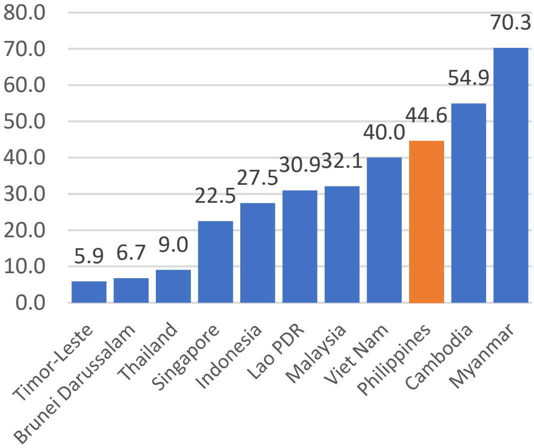
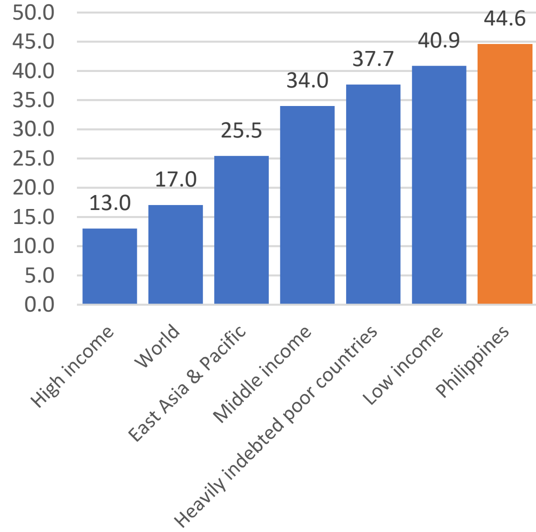


Chart 4: Out-of-pocket expenditure, Global Averages (% of current health expenditure, 2021)



Source: World Bank

3) PhilHealth resources are being depleted not just by the Php89.9 billion transfer but also by the reduced allocation of just Php61.5 billion under the 2024 GAA, which was the smallest in six years at the time, and then the outright Php74.4 billion defunding in the 2025 GAA. The original proposed subsidy in 2024 for PhilHealth was Php101.5 billion but only Php61.5 billion was given in the 2024 GAA, the smallest appropriation since its Php60.6 billion budget in 2018. Moreover, the bicameral conference committee struck out the original proposed subsidy in 2025 for PhilHealth of Php74.4 billion with no subsidy being given in the 2025 GAA.

As it is, the UHCA provides for:

> "*Appropriations*. - The amount necessary to implement this Act shall be sourced from the following:
>
> (a) Total incremental sin tax collections as provided for in Republic Act No. 10351, otherwise known as the "Sin Tax Reform Law": Provided, That the mandated earmarks as provided for in Republic Act Nos. 7171 and 8240 shall be retained;
>
> (b) Fifty percent (50%) of the National Government share from the income of the Philippine Amusement Gaming Corporation (PAGCOR) as provided for in Presidential Decree No. 1869, as amended: Provided, That the funds raised for this purpose shall be transferred to PhilHealth at the end of each quarter subject to the usual budgeting, accounting and auditing rules and regulations: Provided, further, That the funds shall be used by PhilHealth to improve its benefit packages;
>
> (c) Forty percent (40%) of the Charity Fund, net of Documentary Stamp Tax Payments, and mandatory contributions of the Philippine Charity Sweepstakes Office (PCSO) as provided for in Republic Act No. 1169, as amended: Provided, That the funds raised for this purpose shall be transferred to PhilHealth at the end of each quarter subject to the usual budgeting, accounting, and auditing rules and regulations: Provided, further, That the funds shall be used by PhilHealth to improve its benefit packages;

(d) Premium contributions of members;

(e) Annual appropriations of the DOH included in the GAA; and

(f) National Government subsidy to PhilHealth included in the GAA.

The amount necessary to implement the provisions of this Act shall be included in the GAA and shall be appropriated under the DOH and National Government subsidy to PhilHealth. In addition, the DOH, in coordination with PhilHealth, may request Congress to appropriate supplemental funding to meet targeted milestones of this Act." (Chapter IX, Sec. 37)

In addition, the tobacco tax law RA No. 11346 of 2018 stipulates that:

"Sec. 288-A. *Disposition of Revenues from Excise Tax on Sugar-Sweetened Beverages, Alcohol, Tobacco Products, Heated Tobacco Products, and Vapor Products.—*

"(A) *Revenues from Excise Tax on Sugar-Sweetened Beverages from Republic Act No. 10963.* -The provisions of existing laws to the contrary notwithstanding, fifty percent (50%) of the total revenues collected from the excise tax on sugar-sweetened beverages shall be allocated and used exclusively in the following manner:

"(1) Eighty percent (80%) to the Philippine Health Insurance Corporation (PhilHealth) for the implementation of Republic Act No. 11223, otherwise known as the 'Universal Health Care Act' of 2019; and

…

"(B) *Revenues from Excise Tax on Alcohol Products.* -The provisions of existing laws to the contrary notwithstanding, fifty percent (50%) of the total revenues collected from the excise tax on alcohol products shall be allocated and used exclusively in the following manner:

"(1) Eighty percent (80%) to PhilHealth for the implementation of Republic Act No. 11223, otherwise known as the 'Universal Health Care Act' of 2019; and

…

"(C) *Revenues from Excise Tax on Tobacco Products.—* The provisions of existing laws to the contrary notwithstanding, the total revenues collected from the excise tax on tobacco products shall be distributed in the following manner:

…

"(2) Fifty percent (50%) of the total excise tax collection from tobacco products shall be allocated and used exclusively in the following manner:

"(a) Eighty percent (80%) to PhilHealth for the implementation of Republic Act No. 11223, otherwise known as the 'Universal Health Care Act' of 2019; and

…

"(D) *Revenues from Excise Tax on Heated Tobacco Products and Vapor Products.*— The provisions of existing laws to the contrary notwithstanding, the total revenues collected from the excise tax on heated tobacco products and vapor products shall be allocated and used exclusively in the following manner:

"(1) Eighty percent (80%) to PhilHealth for the implementation of Republic Act No. 11223, otherwise known as the 'Universal Health Care Act' of 2019; and;

…

"*Provided, further,* That the allocation for Universal Health Care shall be based on the collection of the second fiscal year preceding the current fiscal year." (Sec. 14)

The greatly diminished budgets for PhilHealth in the GAA are arguably inconsistent with these provisions in the UHCA and tobacco tax law (which is further amended by RA No. 11467 or the New Sin Tax Reform Law of 2020). These laws earmark funds and contribute additional revenue to PhilHealth.

For instance, Php83.9 billion was allocated for the premium subsidies of indirect contributors in 2023, according to the DOH's Sin Tax Annual Report 2023. However, only Php79 billion of this was attributed in the PhilHealth budget item amounting to Php100.2 billion in the 2023 GAA. It is not clear if the Php4.9 billion variance was reverted back to the Bureau of the Treasury (BTr) or otherwise kept for future use. It does not however seem that the variance was included in the 2024 GAA when the PhilHealth subsidy was reduced to Php61.5 billion. The status of earmarked funds for a year not being attributed in the GAA bears clarification.

Depleting PhilHealth funds and the institution's capacity to expand its services is particularly unconscionable given the apparent increase in the number of poor and vulnerable families, according to the SWS, WR Numero and BSP surveys mentioned earlier.

The Department of Social Welfare and Development (DSWD) itself acknowledges the growing magnitude of poor Filipinos. In February 2024, the DSWD said more than 700,000 of the 4.4 million Pantawid Pamilyang Pilipino Program (4Ps) beneficiaries "graduated" from the program.[2] By December 2024, however, the DSWD announced that it reinstated more than 700,000 beneficiaries, bringing the registered beneficiaries up to "more than 4 million" households, aside from more than 400,000 other waitlisted households.[3]

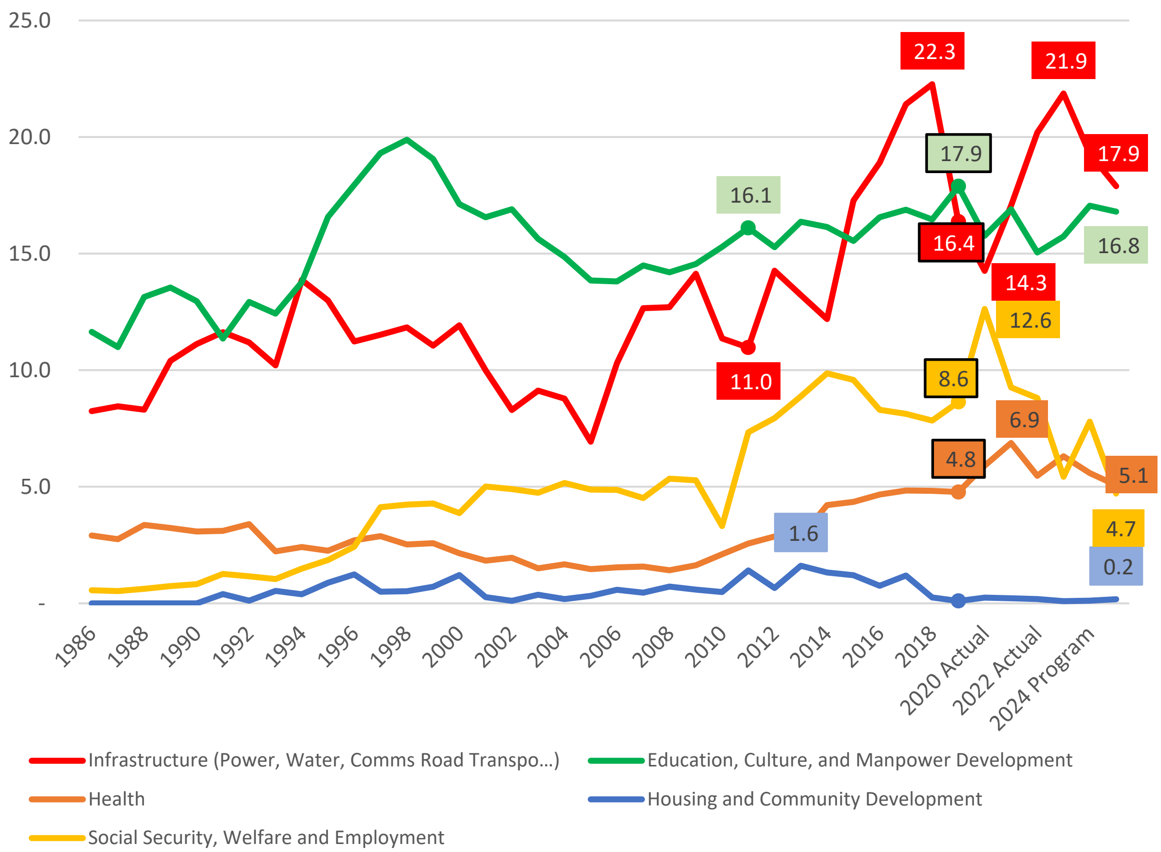
This also raises questions about PhilHealth's basis in drastically reducing the number of it beneficiary Indirect Contributors from 41.8 million (25.3 million members plus 16.5 million dependents) in 2023 to just 26.2 million (15.9 million members and 10.2 million dependents) in the first semester of 2024.[4] Indirect Contributors consist of indigents/NHTS-PR (National Household Targeting System for Poverty Reduction), senior citizens and sponsored beneficiaries.

[2] https://pco.gov.ph/news_releases/65-of-4ps-graduates-are-already-self-sufficient-says-dswd/, downloaded January 31, 2025.
[3] https://www.dswd.gov.ph/dswd-validated-400k-waitlisted-households-eligible-for-4ps/, downloaded January 31, 2025.
[4] https://www.philhealth.gov.ph/about_us/statsncharts/, downloaded January 31, 2025.

4) The drastic budget cuts for PhilHealth and depletion of its reserve funds is part of a trend of decreasing budgetary priority for health services and of social services in general in the GAA. The budget for health in the GAA peaked at 6.9% of the budget in 2021 but has since basically declined to 5.6% in 2024 and further to 5.1% in 2025. (**See Chart 5**)

This appears to be part of a larger trend since the pandemic and especially since the Marcos Jr administration's so-called fiscal consolidation efforts where social services are deprioritized to create fiscal space for increased prioritization of infrastructure projects and debt service. Health is down from its recent peak of 6.9% of the budget in 2021 to 5.1% in 2025; Social Security, Welfare and Employment is down from 12.6% in 2020 to 4.7% in 2025; Education, Culture and Manpower Development is down from 17.9% in 2019 to 16.8% in 2025; the budget for Housing and Community Development has been negligible for some time at an average of just 0.2% since 2018. With the population continuously increasing and inflation, this deprioritization in the national budget also means that the real value of spending per capita is falling for health, housing and social welfare (while marginally increasing for education).

Chart 5: Sectoral Allocation of Selected National Government Expenditures, 1986-2025e (% of total)



Source: IBON computations on data from DBM

On the other hand, if the sectoral allocations for Power and Energy, Water Resources Development and Flood Control, Communications, Roads and Other Transportation are taken as a proxy for infrastructure spending this has grown from 14.3% in 2020 to 17.9% in 2025, including a large spike to 21.9% in 2023. This is over three-and-a-half times spending on health, and actually even larger than on education which breaches the Constitutional provision for education to be given the highest priority in the national budget. Infrastructure spending outside of these sectors has been negligible with school buildings, hospitals and health centers, and housing and community facilities apparently cumulatively not even reaching 5% of total public infrastructure pending in recent years. Interest payments on debt are not shown in the chart but has markedly increased from 8.8% of the national budget in 2020 to 13.3% in 2025.

This deprioritization of social services – including outright budget cuts including, but not only, for PhilHealth – are disproportionately borne by the poorest, most marginalized and most vulnerable Filipino families whose incomes are so low that they are more dependent on publicly-provided social services, emergency ayuda, and subsidized food. Diverting scarce government resources away from socially critical spending to infrastructure projects is unconscionable especially amid many quarters now of surveys indicating growing poverty and hunger.

Infrastructure spending is inequitable. The administration's flagship infrastructure projects are over-concentrated in the most better-off regions of the National Capital Region (NCR), Central Luzon (CL) and Southern Tagalog (ST) which together account for nearly two-thirds (64%) of the projects by value, instead of being dispersed to the country's poorest and neediest regions. Moreover, in 2025 for instance, at least two-thirds (63%) of public infrastructure will go to transport and flood control projects versus meagre investments on school buildings (2.5%) or hospitals and health centers (1%). This is a glaring misprioritization of infrastructure to benefit big foreign and domestic corporations in NCR, CL and ST while underfunding education, health and poorer regions.

This worsening regressiveness in the pattern of national government expenditures is matched by a worsening regressive in revenue generation. There is a counterproductive approach to revenue generation where taxes are cut on large corporations and wealthy families which is then offset with increasing reliance on indirect consumption taxes. This is a long-standing problem that worsened under the previous Duterte administration and is continuing today.

The tax structure is such that revenue collection is increasingly lagging behind the growing economy's potential to generate more revenue, apart from concerns about collection efficiency. These squeeze spending on social services given the fiscal priority given to infrastructure and debt service, aside from also increasing pressure to further increase debt.

The series of tax cuts especially benefiting large foreign and domestic firms has resulted in corporate contributions to government coffers now being less than contributions by individual Filipinos. In 2021, corporate taxes fell to 2.4% of GDP which was less than individual taxes at 2.6% of GDP –this was the first time that individuals contributed more to government revenues than corporations. This trend has continued to worsen and by 2023 corporate taxes were 2.3% of GDP and individual taxes, mostly withholding on wages, were 2.9% of GDP. Corporate taxes peaked at 3.6% of GDP in 2017 and has fallen ever since especially after passage of the CREATE Law in 2020. The CREATE More of the Marcos Jr administration will erode this even more.

The BIR tax effort measured as a share of GDP has been falling from its peak of 11.2% in 2019 to 10.4% in 2023 which is the smallest in eight years, or since 2016. This is while the number of registered corporate taxpayers including of foreign firms is rising.

The most sustainable source of funding is on the entities benefiting the most from the economy, which is to say large firms and the super-rich. The government would have Php325 billion more in revenues if corporate taxes were maintained at its peak 3.6% of GDP. There is also a very strong case for a billionaire wealth tax given constantly increasing billionaire wealth amid growing hunger and poverty (by a more reasonable standard of poverty than the government's low poverty threshold). A billionaire wealth tax raising at least Php500 billion annually or equivalent to 2.1% of GDP generates substantial resources for expanding public provision of minimum basic needs including and beyond health.

5) Congress using fund balances of Government-Owned or -Controlled Corporations (GOCCs) is a very recent measure that was made astride also only very recent and increasingly large increases by Congress of Unprogrammed Appropriations (UAs) during the budget process – with adverse effects on the budget and on budget processes. The provision to add fund balances of GOCCs as a means to avail of unprogrammed appropriations – in addition to the accustomed three sources of excess revenue collections, new revenue collections and approved loans for foreign-assisted projects – appears to have been first used in the 2024 GAA as Special Provision No. 1(d). Special Provision No. 1 was also expanded ostensibly to make prioritization of fund use explicit but, instead, to make its discretionary use legal by introducing vague conditions where "the order of priority may be modified."

There has for decades been a basic continuity in the triggers for availment of the unprogrammed appropriations – basically excess revenues and foreign loans. (**See Table 3**) The use of fund balances was only introduced in 2024, then subsequently withdrawn the following year.

Table 3. Availment of the Unprogrammed Appropriations

1990	The amounts herein-above appropriated may be released when the corresponding funding or receipts for the purpose have been realized.		XXX	XXX
1991	The amounts herein-above appropriated shall be released only when the revenue collections exceed revenue targets submitted by the President of the Philippines to Congress pursuant to Sec. 22, Article VII of the Constitution or when the corresponding funding or receipts for the purpose have been realized		PROVIDED, That in cases of foreign assisted projects, the existence of a perfected loan or grant agreement shall be sufficient compliance for the issuance of an advice of allotment	PROVIDED, FURTHER, That no amount of the unprogrammed fund shall be funded out of the savings generated from programmed items in this Act
1992-98	…		…	…
1999	Shall be released only when the revenue collections exceed the original revenue targets submitted by the President of the Philippines to Congress pursuant to Section 22, Article VII of the Constitution or when the corresponding funding or receipts for the purpose have been realized except in the special cases covered by specific procedures in Special Provision Nos. 2, 3, 4, 6, and 14 herein		PROVIDED, That in cases of foreign-assisted projects, the existence of a perfected loan agreement shall be sufficient compliance for the issuance of a Special Allotment Release Order covering the loan proceeds	PROVIDED, FURTHER, That no amount of the Unprogrammed Fund shall be funded out of the savings generated from programmed items in this Act
2000-16	???	???	???	???
2016-17	Excess revenue collections in any one of the identified non-tax revenue sources from its corresponding revenue collection target, as reflected in Tables C.1 and C.4 of the BESF	New revenue collections or those arising from new tax or non-tax sources which are not part of, nor included in, the original revenue sources reflected in Tables C.3 and C.4 of the BESF	Newly approved loans for foreign-assisted projects	XXX
2018-21	Excess revenue collections in any one of the identified non-tax revenue sources from its corresponding revenue collection target, as reflected in Tables C.1 and C.4 of the BESF	New revenue collections or those arising from new tax or non-tax sources which are not part of, nor included in, the original revenue sources reflected in Tables C.3 and C.4 of the BESF	~~Newly~~ Approved loans for foreign-assisted projects	XXX
2022-23	Excess revenue collections in any one of the identified non-tax revenue sources from its corresponding revenue collection target, as reflected in ~~Tables C.1 and C.4 of~~ the BESF	New revenue collections or those arising from new tax or non-tax sources which are not part of, nor included in, the original revenue sources reflected in ~~Tables C.3 and C.4 of~~ the BESF	Approved loans for foreign-assisted projects	XXX
2024	Excess revenue collections in the total tax revenues or any one of the identified non-tax revenue sources from its corresponding revenue collection target, as reflected in the 2024 BESF submitted by the President	New revenue collections or those arising from new tax or non-tax sources which are not part of, nor included in, the original revenue sources reflected in the BESF	Approved loans for foreign-assisted projects	Fund balance of the GOCCs from any remainder resulting from the review and reduction of their reserve funds to reasonable levels taking into account the disbursements from prior years
2025	Excess revenue collections in the total tax revenues or any one of the identified non-tax revenue sources from its corresponding revenue collection target, as reflected in the 2024 BESF submitted by the President	New revenue collections or those arising from new tax or non-tax sources which are not part of, nor included in, the original revenue sources reflected in the BESF	Approved loans for foreign-assisted projects	XXX

Source: Compiled by IBON from GAAs (various years)

At least in the last decade, Congress meanwhile seems to have been increasing the unprogrammed appropriations only since the 2022 national budget which was prepared in 2021. The GAAs from 2016 to 2021 had the same amounts for unprogrammed appropriations as submitted to Congress through the NEPs. (**See Table 4**) However, Congress increased unprogrammed appropriations by Php100 billion in 2022, Php219 billion in 2023 and then Php449.5 billion in 2024. Compared to 2021, unprogrammed appropriations increased by four- to five-fold to Php807.2 billion in 2023 and Php731.4 billion in 2024.

Table 4. Unprogrammed Appropriations (Php '000)

Fiscal year	NEP	GAA	Difference	Total Available Appropriations – Unprogrammed Fund	Allotment Releases	
					Unprogrammed Appropriations	Of w/c FAP & Govt Counterpart
2016	67,500,000	67,500,000	0	25,341,094	25,341,093	*nda*
2017	67,500,000	67,500,000	0	14,331,476	14,331,476	*nda*
2018	75,340,000	75,340,000	0	30,276,390	30,276,390	9,065,680
2019	197,135,780	197,135,780	0	71,211,869	64,571,221	*nda*
2020	216,303,492	216,303,492	0	192,970,172	192,970,172	17,823,942
2021	176,315,584	176,315,584	0	122,076,813	122,076,814	80,199,536
2022	151,639,197	251,639,197	100,000,000	183,841,619	183,841,619	100,474,335
2023	588,162,480	807,162,480	219,000,000	332,826,176	332,826,176	200,614,439
2024	281,908,056	731,448,566	449,540,510	251,726,801*	438,132,654**	167,478,894**

** Q1-Q3 2024*
*** Jan-Nov 2024*
Source: DBM

This has raised reasonable suspicion that budget items are being moved from Programmed Appropriations (PA) to Unprogrammed Appropriations to create fiscal space (in the Programmed Appropriations) for projects identified by legislators during the budget process and in whose implementation they may be directly or indirectly involved.

The unprogrammed appropriations in the NEP and GAA as well as the target and actual revenues, national government deficits, gross borrowings and national government outstanding debt stock for 2016-2023 and partially for 2024 are presented in Table 5.

At the aggregate level, there is as yet no indication that Unprogrammed Appropriations increasing through the years are driving deficits, borrowings and debt. (**See Table 6**) For instance:

- In 2018, the UA in the GAA increased 11.6% from the year before accompanied by a 59.2% increase in the deficit, 0.5% decrease in gross borrowings, and 9.6% increase in debt; however, in 2019, the UA in the GAA increased 161.7% from the year before but the deficit increased by a smaller 18.3%, gross borrowings grew by 13.2%, and NG debt grew by a smaller 6%.
- The years 2020, 2021 and even 2022 are aberrations because of the pandemic. In 2022, the UA increased by 42.7% from the year before but the deficit actually shrank 3.4%, gross borrowings contracted by 16.1%, and NG debt grew by 14.4%. In 2023, the UA increased by a huge 220.8% from the year before but the deficit actually shrank 6.3%, gross borrowing grew by a relatively moderate 1.4% and NG debt grew by 8.9% which is similar to the annual increases in 2017-2019 when the UA's year-to-year growth was much smaller.

Similarly at the aggregate level, there is no indication that unprogrammed appropriations increasing between the amounts in the NEP submitted to Congress and as finally approved in the GAA are driving deficits, borrowings and debt in any given year. (**See Table 6 and 7**)

- Unprogrammed appropriations were not being added to during Congress budget deliberations in the pre-pandemic years 2016-2017 – actual deficits ranged from being 26.7% smaller than targeted to as much as 14.5% more than targeted, gross borrowings from being 24.9% smaller than targeted to as much as 42.8% more than targeted, and NG debt from being 5.2% smaller than targeted to as much as 4.3% more than targeted.
- In 2022, the UA in the GAA was Php100 billion or 65.9% larger than in the NEP but the eventual deficit was 3.1% smaller than targeted, gross borrowings were 12.5% smaller than targeted, and NG debt was a negligible 0.006% larger than targeted.
- In 2023, the UA in the GAA was Php219 billion or 37.2% larger than in the NEP and while the eventual deficit was 4.1% larger than targeted, gross borrowings were 0.6% smaller than targeted, and NG debt was 0.1% smaller than targeted.

However, the absence of a clear pattern between the unprogrammed appropriations per se and deficits, borrowing and debt in the aggregate may only be from the data set limited to just a few years. It can nonetheless still be presumed that the additional budget items inserted by Congress into the programmed appropriations – for which space was made by transferring budget items from programmed appropriations to unprogrammed appropriations – are ipso facto additional pressure for deficits, borrowings and debt because they are additional claims being made on fixed targeted revenues for the upcoming fiscal year.

In 2024, this additional pressure was as much as Php449.5 billion corresponding to the increase in unprogrammed appropriations from the 2024 NEP to the 2024 GAA. It is to support this additional spending inserted by Congress that measures like the Php89.9 billion transfer of PhilHealth funds were taken. In terms of debt, the government already has gross borrowings of Php2.49 trillion in 2024 with the national government debt stock rising to Php16.09 trillion.

The additional pressure for deficits, borrowings and debt comes from: 1) any new items added by Congress to the programmed appropriations; and 2) any new items added/inserted by Congress to the unprogrammed appropriations above and beyond what was transferred from the programmed appropriations to make space for the new items added/inserted by Congress. Such additions/insertions also tend to crowd out rational social spending given the established tendency for austerity to be disproportionately be borne by cuts in social services rather than, for instance, infrastructure or debt service. Scarce fiscal resources will tend to be diverted from the most meaningful initiatives that are urgent, high-impact and with more lasting benefits for the general population.

It also bears pointing out that politically-motivated projects risk: 1) being inconsistent with actual priorities or needs according to a larger development plan; 2) disrupting fiscal stability because of the pressure put on finite revenue sources which may just compel greater government borrowing and debt with the attendant long-term adverse consequences; and 3) eroding the integrity of budget processes where narrow parochial interests are given precedence over technical, rational and efficient planning. The integrity of budget processes is aggravated further to the extent that projects bypass proper evaluation and oversight – which just weakens institutions meant to ensure transparency and accountability, reduce corruption, and improve public trust in governance.

Table 5. Unprogrammed Appropriations, Revenues, Deficits, Gross Borrowings and Debt

Fiscal year	Unprogrammed Appropriations (Php '000)			Revenues (Php B)		NG Deficit (Php B)		Gross Borrowings (Php B)		NG Debt (Php B)	
	NEP	GAA	Difference	Target	Actual	Target	Actual	Target	Actual	Target	Actual
2016	67,500,000	67,500,000	0	2,696.8	2,195.9	(308.7)	(353.4)	674.8	507.0	6,422.7	6,090.3
2017	67,500,000	67,500,000	0	2,481.5	2,473.1	(478.1)	(350.6)	631.3	901.7	6,526.1	6,652.4
2018	75,340,000	75,340,000	0	2,840.5	2,850.2	(523.6)	(558.3)	888.2	897.6	6,994.7	7,292.5
2019	197,135,780	197,135,780	0	3,208.2	3,137.5	(624.4)	(660.2)	1,188.9	1,015.8	8,115.9	7,731.3
2020	216,303,492	216,303,492	0	3,536.2	2,856.0	(677.6)	(1,371.4)	1,400.1	2,741.1	8,767.9	9,795.0
2021	176,315,584	176,315,584	0	2,717.4	3,005.5	(1,749.6)	(1,670.1)	3,025.2	2,579.2	11,982.2	11,728.5
2022	151,639,197	251,639,197	100,000,000	3,289.5	3,545.5	(1,665.1)	(1,614.1)	2,472.8	2,163.5	13,418.1	13,418.9
2023	588,162,480	807,162,480	219,000,000	3,632.9	3,824.1	(1,452.9)	(1,512.1)	2,207.0	2,193.3	14,631.8	14,616.3
2024	281,908,056	731,448,566	449,540,510	4,272.6	4,104.3*	(1,356.8)	(1,176.9)*	2,460.0	2,494.7*	15,841.8	16,091.0*

** As of Nov 2024*
Source: DBM

Table 6. Year-to-year Change in Unprogrammed Appropriations, Revenues, Deficits and Debt (%)

	UA in GAA	Revenues	Deficit	Gross Borrowings	NG Debt
2017	0.0	12.6	(0.8)	77.9	9.2
2018	11.6	15.2	59.2	(0.5)	9.6
2019	161.7	10.1	18.3	13.2	6.0
2020	9.7	(9.0)	107.7	169.8	26.7
2021	(18.5)	5.2	21.8	(5.9)	19.7
2022	42.7	18.0	(3.4)	(16.1)	14.4
2023	220.8	7.9	(6.3)	1.4	8.9
2024	(9.4)	*n/a*	*n/a*	*n/a*	*n/a*

Source: IBON computations on data from DBM

Table 7. Difference of NEP-UA from GAA-UA, Differences of Actual from Target Revenues, Deficits, Gross Borrowings and Debt (Php B, %)

Fiscal year	Unprogrammed Appropriations (Php B)		Difference of Actual from Target							
	Difference of GAA from NEP		Revenues		NG Deficit		Gross Borrowings		NG Debt	
	(Php B)	(%)	(Php B)	(%)	(Php B)	(%)	(Php B)	(%)	(Php B)	(%)
2016	0	0.0	(500.9)	(18.6)	(44.7)	14.5	(167.8)	(24.9)	(332.4)	(5.2)
2017	0	0.0	(8.4)	(0.3)	127.5	(26.7)	270.4	42.8	126.3	1.9
2018	0	0.0	9.7	0.3	(34.7)	6.6	9.4	1.1	297.8	4.3
2019	0	0.0	(70.7)	(2.2)	(35.8)	5.7	(173.1)	(14.6)	(384.6)	(4.7)
2020	0	0.0	(680.2)	(19.2)	(693.8)	102.4	1,341.0	95.8	1,027.1	11.7
2021	0	0.0	288.1	10.6	79.5	(4.5)	(446.0)	(14.7)	(253.7)	(2.1)
2022	100.0	65.9	256.0	7.8	51.0	(3.1)	(309.3)	(12.5)	0.8	0.006
2023	219.0	37.2	191.2	5.3	(59.2)	4.1	(13.7)	(0.6)	(15.5)	(0.1)
2024	449.5	159.5	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*

Source: IBON computations on data from DBM

Politically-motivated interventions in the budget process can be seen in changes from the 2024 NEP submitted to Congress to the 2024 GAA finally approved:

- **Major Congressional additions/insertions in PA** included, among others: Php60.1 billion for Multi-Purpose Buildings; Php48.2 billion for Flood Mitigation Structures; Php47.8 billion for Access Roads and Bridges; Php38.7 billion for Construction/Maintenance of Flood Mitigation Structures and Drainage System. Many of the additions/insertions are under DPWH's "Convergence and Special Support Program" and suspected of being favorable to legislators.
    - From GAB to GAA: Php173.9 billion net increase in DPWH budget to Php996.8 billion; increase in Medical Assistance to Indigent Patients (MAIP) and new item of Php26.7 billion for Ayuda sa Kapos Ang Kita Program (AKAP)
- **Major cuts in the PA** included, among others: Php107.5 billion cut in the Pension and Gratuity Fund, Php90.2 billion cut in Upgrading of Salaries and Other Compensation Adjustment, Php59 billion in National health Insurance Program.
- **Major additions to the UA** included, among others: Php59 billion for Priority Social Programs for Health, Php59 billion for Payment of personnel Benefits Php51.5 billion for Government Counterpart of FAPs, Php40.3 for Pension and Gratuity Fund, Php10 billion for Revised AFP Modernization Program, Php8 billion for Pambansang Pabahay Para sa Pilipino (4PH) Program, Php7.1 billion for Universal Access to Quality Tertiary Education, Php6.5 billion for Support to the barangay Development Program of the NTF-ELCAC, Php6 billion for Marawi Siege Victims Compensation Program.

The secretive operations of Congress' bicameral conference committee in 2024 is a case in point. Its massive last-minute insertions and realignments were done behind closed doors, without independent or civil society observers nor even just public disclosure of minutes. Yet they were with the president's consent and passed without veto, as was within his power.

The president submitted the 2024 National Expenditure Program (NEP) to Congress on August 2, 2023. The House of Representatives (HOR) and Senate took 118 calendar days to approve their respective versions of the General Appropriations Bill (GAB). The 337 members of Congress, with 313 in the HOR and 24 in the Senate, made a total of Php713.7 billion worth of changes to the budget. These at least had public budget hearings, albeit tightly controlled.

The powerful 27-member bicameral conference committee, however, made a total of Php1.34 trillion worth of changes to the budget in just 11 calendar days behind closed doors – equivalent to almost 20% of the Php5.78 trillion budget. This included the Php449.5 billion increase in unprogrammed appropriations made to carve out space for the same amount in pork barrel projects in the programmed appropriations. These projects were funded by, among others, diverting Php89.9 billion in scarce PhilHealth funds in violation of Filipinos' right to health.

In 2022, the number of items in the UA increased from 12 (NEP) to 50 (GAA) resulting in the Php100 billion increase; in 2023, the number of items in the UA increased from 10 (NEP) to 61 (GAA) resulting in the Php219 billion increase; in 2024, the number of items in the UA increased from 8 (NEP) to 51 (GAA) resulting in the Php499.5 billion increase.

6) IBON supports the view that Unprogrammed Appropriations are part of the "budget" mentioned in Sec. 25(1) Art. VI of the 1987 Constitution whose appropriations Congress may not increase. The government's practice has for many years been to submit the BESF, NEP, Staffing Summary and President's Budget Message to Congress a month from the annual opening of its regular session. The purposes and items of the Unprogrammed Appropriations are also included in the GAA. The GAA has had a section on Unprogrammed Funds since at least FY 1989 (then Php9.71 billion).

There is also support for this view from the Sections 11-14 of Chapter 3 (Budget Preparation) and Section 24 of Chapter 4 (Budget Authorization) of the Administrative Code of 1987 (EO No. 292):

> "**Section 11.** *Submission of the Budget.* - The President shall, in accordance with Section 22 (1), article VII of the Constitution, submit within thirty (30) days from the opening of each regular session of the Congress as the basis for the preparation of the General Appropriations Act, a national government budget estimated receipts based on existing and proposed revenue measures, and of estimated expenditures.
>
> …
>
> **Section 12.** *Form and Content of the Budget.* - The budget proposal of the President shall include current operating expenditures and capital outlays. It shall comprise such funds as may be necessary for the operation of the programs, projects and activities of the various departments and agencies. The proposed General Appropriations Act and other Appropriations Acts necessary to cover the budget proposals shall be submitted to the Congress to accompany the President's budget submission.
>
> …
>
> **Section 13.** *Budget Levels.* - The ordinary income of government shall be used primarily to provide appropriations for current operations, except in case of a national emergency or serious financial stress, the existence of which has been duly proclaimed by the President.
>
> The level of aggregate revenue expenditure and debt shall be jointly recommended to the President by the Department of Budget and Management, the Department of Finance, the National Economic and Development Authority and the Central Bank of the Philippines, acting within the Development Budget Coordination Committee of the National Economic and Development Authority.
>
> No appropriations for current operations and capital outlays of the Government shall be proposed unless the amount involved is covered by the ordinary income, or unless it is supported by a proposal creating additional sources of funds or revenue, including those generated from domestic and foreign borrowings, sufficient to cover the same. Likewise, no appropriation for any expenditure, the amount of which is not covered by the estimated income from the existing sources of revenue or available current surplus, may be proposed, unless it is supported by a proposal creating an additional source of funds sufficient to cover the same.
>
> …
>
> **Section 24.** *Prohibition Against the Increase of Appropriation.* - The Congress shall in no case increase the appropriation of any project or program of any department, bureau, agency or office of the Government over the amount submitted by the President in his budget proposal. In case of any reduction in the proposed appropriation for a project or program, a corresponding reduction shall be made in the total appropriation of the department, office or agency concerned and in the total of the General Appropriations Bill."

The NEP and BESF submitted to Congress are elements of the "budget" which includes considering the government's revenue, allocations and expenditures sources in their entirety to amount to an effective exercise of fiscal responsibility, transparency and accountability. Unprogrammed appropriations are not in practice merely hypothetical and do make their way into being allotted, obligated and used. The Administrative Code of 1987 also refers to "appropriations" without distinction on whether this is programmed or unprogrammed.

RIGHTS-BASED BUDGETING

The national government budget is a vital tool for development and in particular for upholding the economic, social and cultural rights of Filipinos, especially those with the least capacity because of their persistent poverty and vulnerability. They constitute the overwhelming majority of Filipinos. Fiscal decisions are potent because of the huge resources of the government where the national government budget can be equivalent to as much as 20-25% of the country's gross domestic product (GDP), and because of the immediate positive impact of public money well spent.

There is unfortunately much reason to conclude that the budget process is flawed and needs fixing. There is a glaring misallocation and misprioritization of spending, with the problems with PhilHealth only a specific example of worsening underfunding of social services and social protection. There is however overfunding of programs and projects that disproportionately benefit those better- or best-off rather than those worst-off and most in need.

The budget process appears unable to systematically uphold the interests of the poor and low-income majority of Filipinos while, it is strongly suspected, open to abuse by narrow and self-serving interests. There is insufficient public information and generally weak oversight, accountability and transparency. Much needs to be done to institutionalize process for more human rights-based budgeting towards a budget that effectively addresses the most urgent needs of the economy and the people. #