



AGENCY BUDGET NOTES

For FY 2026



DEPARTMENT OF TRANSPORTATION



P196.27B
TOTAL NEW APPROPRIATIONS FOR 2026

COST STRUCTURE

P15.50B (7.9%) <i>General Admin and Support</i>	P6.18B (3.1%) <i>Support to Operations</i>
Operations P174.59B (89.0%)	

ALLOCATION BY AGENCY



MARINA
P1,381.2M
(0.7%)



OTS
P1,156.9M
(0.6%)



CAB
P262.4M
(0.1%)



TRB
P78.7M
(0.04%)



OTC
P47.3M
(0.02%)

OSEC

P157,963.0M
(80.5%)



PCG
P35,383.5M
(18.0%)

BREAKDOWN OF OPERATIONS BUDGET



P124,119.4M (71.1%)
Rail Transport Program



P12,219.7M (7.0%)
Maritime Security and Law Enforcement Program



P8,505.5M (4.9%)
Maritime Infrastructure Program



P6,174.7M (3.5%)
Aviation Infrastructure Program



P5,672.6M (3.2%)
Land Public Transportation Program



P5,182.4M (3.0%)
Maritime Search and Rescue Program



P3,205.5M (1.8%)
Maritime Safety Program

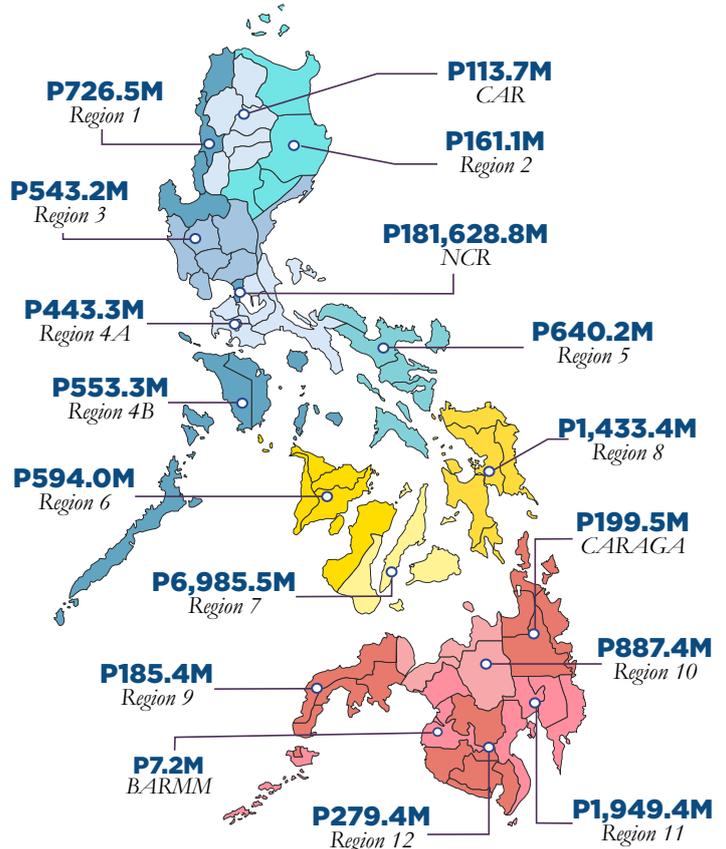


P3,036.1M (1.7%)
Marine Environmental Protection Program

Other Programs **P6,470.2M** (3.7%)

REGIONAL ALLOCATION OF THE 2026 EXPENDITURE PROGRAM (P197,331.3M)

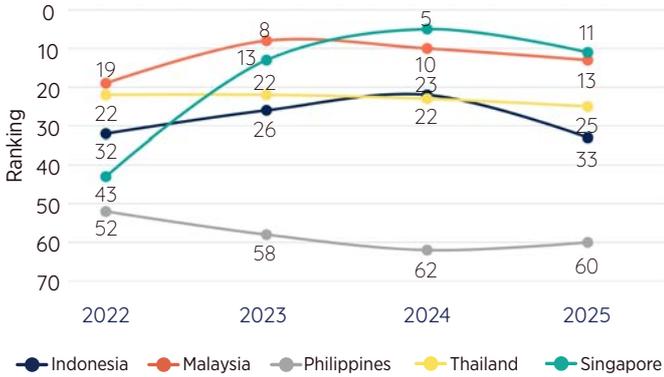
(New and Automatic Appropriations)



QUICK FACTS

Basic Infrastructure Competitiveness Ranking

2022-2025, Selected ASEAN Member-States

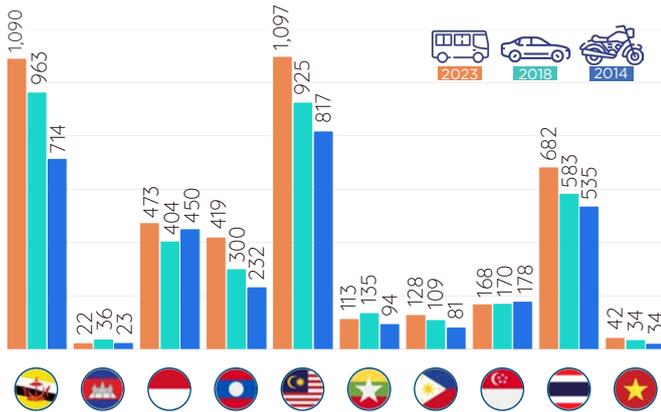


Notes: ¹ The lower the number, the higher the ranking and performance
² 69 countries were included in the 2025 World Competitiveness Report
 Source: Institute for Management and Development (IMD)(2025)

Basic infrastructure competitiveness ranking of the Philippines improved by two (2) notches in 2025 although it remains far behind regional peers.

Number of Registered Motor Vehicles

per 1,000 Population, by ASEAN Member States, 2014, 2018, 2023



Notes: ¹ The latest available data for Viet Nam is 2020
 Source: ASEAN Secretariat, ASEANstats database
 The Philippines is one of six ASEAN member states which continues its motorization trend since 2014.

In terms of absolute value, Indonesia had the largest number of registered road motor vehicles in 2023, with 131.9 million units, representing 53.5% of the ASEAN total, followed by Thailand with 44.4 million (18.5%), Malaysia with 36.6 million (15.0%), and the Philippines with 14.3 million (5.9%). The combined of these four countries contribute approximately 93.0% of the region's total registered road motor vehicles.

Competitiveness of Air, Ground and Port Infrastructure

Air Transport Infrastructure Rankings of ASEAN Member-States (out of 119 countries)

	2021	2024
Singapore	3	4
Indonesia	22	34
Malaysia	23	39
Thailand	12	22
Viet Nam	26	43
Philippines	41	56
Cambodia	70	86
Lao PDR	96	105

Source: Travel and Tourism Development Index, World Economic Forum (2024)
 Air transport infrastructure competitiveness ranking of the Philippines went down by 15 spots and is ranked at the bottom half compared to its regional peers.

Total Railway Route Length

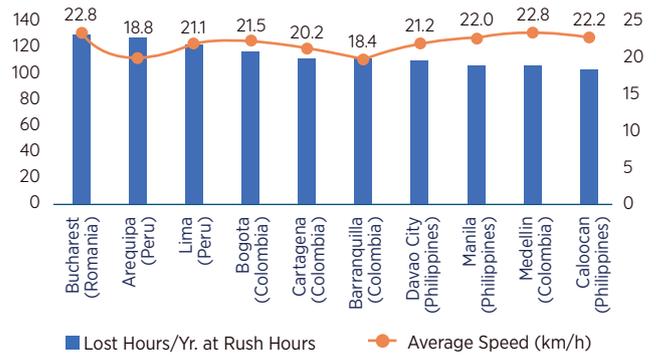
Selected ASEAN Member-States (in Kilometer)

	2021	2022	2023
Indonesia	6,466	6,642	6,879
Thailand	5,027	5,098	5,109
Myanmar	6,207	6,207	6,226
Malaysia	1,799	1,799	1,799
Cambodia	652	652	652
Lao PDR	3	424	424
Singapore	245	259	259
Philippines	153	228	332

Source: ASEANstats database
 Despite having the first metro rail line in Southeast Asia (LRT-1), total railway route length in the Philippines in terms of kilometers has not expanded significantly and is the second-lowest in the region.

Top 10 Worst Traffic Congestion Among Metro Areas

by Time Lost (hours) per Year and Average Speed (km/h) During Rush Hour, 2024



Source: tomtom.com/traffic-index
 Based on the 2024 TomTom Traffic Index, three metro areas in the Philippines namely, Davao City, Manila, and Caloocan, are in the top 10 in terms of lost hours as a result of traffic congestion.

Number of Registered Deaths due to Land Transport Accidents

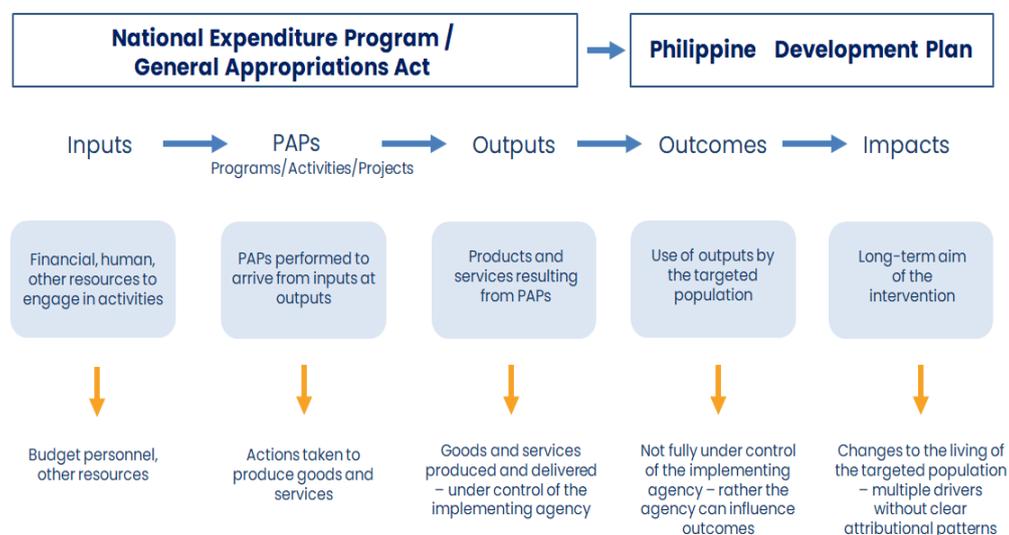
2022-2023, by Region

	2023	2024	Variance (%)	
			Value	%
TOTAL	12,240	13,125	885	7
NCR	617	623	6	1
CAR	176	173	-3	-2
I (ILOCOS REGION)	870	1,004	134	15
II (CAGAYAN VALLEY)	858	949	91	11
III (CENTRAL LUZON)	1,424	1,512	88	6
IV-A (CALABARZON)	1,250	1,363	113	9
MIMAROPA	426	442	16	4
V (BICOL REGION)	763	839	76	10
VI (WESTERN VISAYAS)	1,053	1,101	48	5
VII (CENTRAL VISAYAS)	849	926	77	9
VIII (EASTERN VISAYAS)	585	642	57	10
IX (ZAMBOANGA PENINSULA)	415	458	43	10
X (NORTHERN MINDANAO)	825	926	101	12
XI (DAVAO REGION)	929	971	42	5
XII (SOCCSKARGEN)	630	624	-6	-1
XIII (CARAGA)	470	421	-49	-10
BARMM	100	151	51	51

Source: Travel and Tourism Development Index, World Economic Forum (2024)
 The number of deaths due to land transport accidents rose to 13,125 in 2023, the highest recorded in over a decade. The Ilocos Region, recorded the highest increase in deaths among regions in terms of value.

Results Accountability: “Dapat May Kwento ang Kwenta”

- ❑ The agency budget should inform Congress not only about proposed expenditures and past budget utilization, but more importantly, about the goods and services it delivers—and how these contribute to the results outlined in the development plan.
- ❑ The alignment of the **Agency Budget** to the **Philippine Development Plan (PDP) 2023–2028** is established through performance indicators across the results chain—from inputs and programs, activities, and projects (PAPs) to outputs, outcomes, and impacts. The PDP and its Results Matrices define outcome and impact indicators that track improvements in the lives of Filipinos, consistent with the 8-Point Socioeconomic Agenda and *AmBisyon Natin 2040*. The agency budget complements this by specifying output indicators, resource allocations, and the services to be delivered.



QUESTIONS:

- What key result areas in the Philippine Development Plan does the agency contribute to?
- Which PDP performance indicators are relevant to the agency, and what is the progress toward their targets?
- How do the agency’s programs, activities, and projects support PDP outcomes and impacts?
- What are the main outputs (products and services) delivered, and how do they contribute to PDP targets?
- How are budget allocations aligned with programs that advance PDP priorities?
- What is the agency’s budget utilization rate, and how does it relate to output delivery?
- How is efficiency being measured and improved in the use of resources?
- To what extent have outputs translated into meaningful outcomes and impacts?
- What challenges are hindering progress, and what corrective measures are being taken?
- What strategies are in place to sustain or strengthen the agency’s contribution to PDP goals in the coming years?

HIGHLIGHTS

- ❑ *Expenditure Program.* The expenditure program or total available appropriations of the DoTr for 2026 amounts to P197.3 billion. Out of this amount, P196.3 billion (99.5%) are *new appropriations* and require congressional approval. On the other hand, almost P1.1 billion (0.5%) are *automatic appropriations*. The Office of the Secretary (OSec) shall continue to receive the bulk of the DoTr's expenditure program for 2026 at P158.3 billion or 80.2% of the total budget of the Department.
- ❑ *Expenditure Program by Expense Class.* More than three-fourths of the DoTr's expenditure program for 2026 will go to capital outlay (P149.6 billion). The second-biggest share is allocated for personnel services (P29.5 billion) followed by maintenance and other operating expenses (P18.2 billion).
- ❑ *New Appropriations by Cost Structure.* The Operations budget will receive the highest amount in 2026 at P174.6 billion or almost 90.0% of the DoTr's new appropriations. General administration and support allocation for 2026, meanwhile, is proposed at P15.5 billion and has the second-largest share at 7.9%. Support to operations will receive the smallest share in 2026 at P6.2 billion or 3.1% of the total new appropriations.
- ❑ *New Appropriations by Major Program.* The *Rail Transport Program (RTP)* of the OSec is set to receive the highest budget in 2026 among all the DoTr's programs at P124.2 billion. Maritime-related programs such as the *Maritime Security and Law Enforcement Program* (P12.2 billion) and the *Maritime Infrastructure Program* (P8.5 billion) will receive the second- and third-highest allocation, respectively.

Key Issues and Challenges

- ❑ *Uneven Distribution of the Regional Budget.* The National Capital Region (NCR) will continue to receive the largest share in the Department's total expenditure program for 2026 at P181.6 billion or 92.0%. On the other hand, the remaining 8.0% will be shared by the other 17 regions of the Philippines.
- ❑ *Zero Disbursements in the Budget for Right-of-Way (ROW).* For the first six months of 2025, there has been no disbursements so far for the allocation for ROW acquisition amounting to P2.8 billion (current and continuing appropriations).
- ❑ *Higher costs of domestic travel relative to travelling internationally.* Based on a report by Trinidad (2025), an economy round trip ticket during peak season from Manila to Palawan, Siargao, or Bohol costs between P20,000 to P30,000. In contrast, travelling internationally can be had for less. The DoTr, CAB, and other related agencies such as the Department of Tourism should therefore

take cognizance of these issues considering that House Resolutions have already been filed in the 20th Congress on the “alarming rise” in airfares.

- ❑ *Budget utilization.* The DoTr’s disbursement rates went down to 36.7% in 2024 from 41.1% in 2023. What is more concerning is the decline in the OSec’s disbursement rates from 36.3% in 2023 to 28.9% in 2024. With the OSec and the Department as a whole set to receive significantly higher allocations in 2026 compared to 2025, there is a concern that disbursement rates could once again drop below 30%, as they did in 2024.

Given the persistent issues of budget utilization among agencies, a reactivation of the Full-time Delivery Units (FDUs) in every department can be considered by the government.

- ❑ *Low Disbursements in Key Projects.* The following rail projects under the Rail Transport Program currently suffer from low disbursements: (i) the MRT Line 3 Rehabilitation Project, (ii) North-South Commuter Railway (NSCR) System, (iii) Metro Manila Subway Project Phase 1, (iv) LRT Line 2 East Extension Project, and (v) the LRT Line 1 Cavite Extension Project.

Poor fund utilization is also observed in other transport projects under the Land Public Transportation Program such as: (i) Active Transport Bike Share System and Safe Pathways Program in Metropolitan Areas, (ii) EDSA Busway Project, (iii) Davao Public Transport Modernization Project, and the (iv) Cebu Bus Rapid Transit Project.

- ❑ *Accumulation of Commitment Fees.* The delays in the implementation of the Malolos-Clark segment of the NSCR has already led to the accumulation of commitment fees (CF) of USD6.5 million from 2020-2024 according to data from the CY 2024 ODA Portfolio Review. The south segment of the NSCR has likewise incurred CF to the tune of USD5.2 million from 2022-2024. CF have also piled-up in the other transport projects.
- ❑ *Performance of Key Indicators.* Given that the actual performance for all output and outcome indicators under the MRT sub-program exceeded their targets in 2024, the DoTr can perhaps adjust the indicators for output and outcome targets in 2026 and succeeding years to reflect the extraordinary achievements made under this subprogram in 2024.

There continues to be a notable absence of output and outcome indicators relating to road transport safety despite the growing number of mishaps over the years. According to the Philippine Statistics Authority (2025), road traffic deaths rose significantly from only 8,004 in 2011 to over 13,000 in 2023, the highest recorded in over a decade. Non-fatal land transport mishaps also continue to occur daily, necessitating the inclusion of said indicators on road safety.

- *Major Audit Findings.* The CoA highlighted the numerous challenges confronted by the DoTr in the implementation and fund utilization (i.e. prolonged project timelines, delays, and inefficient use of resource) of its locally-funded and foreign assisted projects such as the LRT Line 1 North Extension Project/Unified Grand Central Station and the EDSA Greenways Project. Poor fund use was also found in both the Fuel Subsidy Program and the Service Contracting Program. The lack of key performance indicators in the Automatic Fare Collection System project as well as cost escalations in the Parañaque Integrated Terminal Exchange have also been observed by the CoA in its special audit.

TABLE OF CONTENTS

	Page
I. Mandates and Organizational Outcomes	1
II. Sources of Appropriations	
Table 1 Sources of Funds (Department of Transportation), 2024-2026	4
III. Expenditure Program	
Table 2 Expenditure Program by Agency, 2024-2026	4
Table 3 Expenditure Program by General Expense Class, 2024-2026	5
Table 4 Number of Authorized and Unfilled Positions by Agency, 2023-2026	6
Table 5 Regional Distribution of the (Department of Transportation) Budget, 2024-2026	7
IV. New Appropriations	
Table 6 New Appropriations by Agency and Cost Structure, 2026	8
Table 7 Summary of Programs for 2024-2026	9
V. Performance Review	
Table 8 Obligations-Appropriations Ratio and Unused Appropriations, 2022-2024	12
Table 9 Disbursement Rate by Agency, 2023-2024	13
Table 10 Budget Utilization by Major Program, 2024	14
Table 11 Performance Indicators of Major Programs, 2024-2026	15
VI. COA Findings and Recommendations	19
ANNEX Expenditure Program by Agency and by General Expense Class, 2024-2026	

DEPARTMENT OF TRANSPORTATION*

I. MANDATE AND ORGANIZATIONAL OUTCOMES

- 1.1. Transport connectivity, along with communications, are one of the nine priority sectors identified under the AmBisyon 2040 with the greatest potential to contribute to the realization of the country's long-term vision of building a "*prosperous, predominantly middle-class society where no one is poor.*"

Further emphasizing the important role of transport, the 2023-2028 Philippine Development Plan (PDP) envisions a sector in which the movement of people and goods is safely and efficiently facilitated by adequate and accessible transportation. This shall be realized through the construction and the upgrading of intermodal transport facilities, the development of active transport networks as well as mass transportation systems, the strategic construction of new airports, the improvement of existing facilities, and the development and expansion of ports, among others.

- 1.2. *Mandate.* The primary government agency tasked to ensure the achievement of the country's transport sector outcomes is the Department of Transportation (DoTr). Prior to the creation of the present DoTr, the main agency responsible for the sector was the Ministry of Transportation and Communications (MoTC). Co-created together with the Ministry of Public Works, Executive Order (EO) No. 546 (Series of 1979) mandated the MoTC as the "primary policy, planning, programming, coordinating, implementing, regulating and administrative entity of the executive branch of the government in the promotion, development, and regulation of a dependable and coordinated network of transportation and communication systems."

Subsequent reorganizations occurred, the most important of which happened in 2016 with the enactment of RA No. 10844 or the Department of Information and Communications Technology Act. Under the law, functions pertaining to communications and related technologies of the then Department of Transportation and Communications were transferred to the newly-created Department of Information and Communications Technology.

- 1.3. The DoTr is composed of **sectoral offices** (Land Transportation Office, Land Transportation Franchising and Regulatory Board, Philippine Coast Guard, and Philippine Railways Institute) and **attached agencies** (Office for Transport Security, Civil Aviation Authority of the Philippines, Manila International Airport Authority, Clark International Airport Corporation, Civil Aeronautics Board, Mactan-Cebu International Airport Authority, Toll Regulatory Board, Office of Transport

* This document was prepared by Ephraim D. Valenzuela as input to the deliberations of the House Committee on Appropriations on the FY 2026 proposed National Budget. The report benefitted from the inputs of SERB Executive-Director Manuel P. Aquino and EPRS Director Elsie C. Gutierrez. The editing of Mr. Byron Bicenio and the layout/design of the infographics and the quick facts, and the editorial assistance of the CPBRD Publications team are also acknowledged. The views, perspectives, and interpretations in this ABN do not necessarily reflect the positions of the House of Representatives as an institution or its individual Members. A copy of this publication is available at the CPBRD's website: cpbrd.congress.gov.ph.

Cooperatives, Philippine National Railways, Light Rail Transit Authority, Philippine Ports Authority, Maritime Industry Authority, Cebu Ports Authority, and Philippine Merchant Marine Academy).

For budget presentation purposes, only the Office of the Secretary (OSec) and the following sectoral and attached agencies will be looked into: Civil Aeronautics Board (CAB), Maritime Industry Authority (MARINA), Office of Transport Cooperatives (OTC), Office for Transport Security (OTS), Philippine Coast Guard (PCG), and Toll Regulatory Board (TRB). Transport-related government-owned and controlled corporations (GOCCs) will not be covered in this report.

1.4. *Organizational Outcome.* The Department of Budget and Management (DBM) defines organizational outcomes (OOs) as “a short to medium-term result produced by an agency that contributes to the achievement of its legislated mandate and is achieved through the delivery of its programs.” Below are the OOs of the DoTr-Osec and the attached agencies covered in the report:

- **Office of the Secretary (Osec):** (a) Rail transport services improved; (b) Air and water transport facilities and services improved; and (c) Road transport services improved.
- **Civil Aeronautics Board (CAB):** Improved services by adopting policies and encouraging growth through progressive liberalization, fair competition and promotion of users’ welfare.
- **Maritime Industry Authority (MARINA):** (a) Global competitiveness of maritime industry enhanced; and (b) Accessibility, safety and efficiency of maritime transport services improved.
- **Office of Transportation Cooperatives (OTC):** Transportation cooperatives developed.
- **Philippine Coast Guard (PCG):** Maritime violations, incidents, and marine pollution reduced.
- **Toll Regulatory Board (TRB):** Tollway regulatory services improved.

1.5. The DoTr is instrumental in contributing to the PDP’s overarching goal of “*economic transformation for a prosperous, inclusive, and resilient society*” by ensuring that related outcomes aiming to expand and upgrade country’s infrastructure are achieved at the end of the plan period. Based on the PDP Results Matrices, key performance indicators relevant to the DoTr for the delivery of a sustainable, resilient, integrated, and modernized infrastructure facilities and services are shown in the table on the next page.

Chapter Outcome: Sustainable, resilient, integrated, and modernized infrastructure facilities and services delivered

Subchapter Outcome 2 indicators: Seamless and inclusive connectivity achieved (via local and international exchanges)

- Percentage of cycling households (HHs) in the Philippines increased (as a ratio to total HHs)
- Passenger trips via rail in Metro Manila increased
- Passenger trips via rail in Metro Manila increased
- Passengers transported via air and sea increased
- Cargo transported via air and sea increased
- Road traffic accident (crash) rate reduced
- Toll road traffic accident rate reduced
- Reduced median one-way commute time via public transportation
- Increased public transport availability
- No. of barangays within 250 meters of a fixed-route public transportation service stop
- Increased safety of road infrastructure
- Increase in coastal municipalities with ports
- Reduced flight delays
- Reduced average passenger processing time – from entry to boarding area
- Increase in public transport connectivity of seaports and airports
- Increase in corridor capacity
- Decreased transport spending among bottom 30% income earning households
- Reduced average age of transport fleet
- Reduced private transport trips (ratio of public and active transport to private transport trips on the road)
- Reduced private vehicle density
- Increase in transport services with night-time navigation
- Increase in public transport services incorporating facilities for persons with limited mobility (PLMs)
- Decrease in service delays (air, rail, maritime)
- Length of bicycle lanes increased

Source: PDP 2023-2028 Results Matrices (Chapter 12)

II. SOURCES OF APPROPRIATIONS

- 2.1. For fiscal year (FY) 2026, the total available appropriations of the DoTr will amount to P197.3 billion (Table 1). Out of this amount, a little over P1 billion are automatically appropriated or those amounts that are with one-time legislative authorization to provide funds for a specified purpose, for which the amount may or may not be fixed by law and is made available, subject to budgeting, accounting, and auditing laws, rules, and regulations (DBM, 2025). On the other hand, almost P196.3 billion are new appropriations requiring congressional approval and can be subject to augmentation or reduction.

TABLE I
SOURCES OF FUNDS, 2024-2026
DEPARTMENT OF TRANSPORTATION

Particulars	Amounts (In Million Pesos)			Share to Total Appropriations (%)		
	2024	2025	2026	2024	2025	2026
New Appropriations	73,330.7	87,244.5	196,272.8	31.4	67.0	99.5
Supplemental Appropriations	-	-	-	-	-	-
Automatic Appropriations	8,455.1	753.6	1,058.5	3.6	0.6	0.5
Continuing Appropriations	78,301.2	42,182.4	-	33.6	32.4	-
Budgetary Adjustments	73,282.2	-	-	31.4	-	-
Total Available Appropriations	233,369.1	130,180.5	197,331.3	100.0	100.0	100.0
LESS: Unused Appropriations	47,628.204	42,182.359	-	20.4	32.4	-
Total Obligations	185,740.9	87,998.1	197,331.3	79.6	67.6	100.0

Source of basic data: NEP 2026

III. EXPENDITURE PROGRAM

- 3.1. *Expenditure Program by Agency.* The Office of the Secretary (OSec) shall continue to receive the bulk of the DoTr's expenditure program for 2026 at P158.3 billion or 80.2% of the total budget of the Department (Table 2). The second-highest budget goes to the PCG (P35.4 billion), followed by the (OTS P1.8 billion), MARINA (P1.5 billion), CAB (P270.2 billion), TRB (P81.2 million), and the OTC (P50.0 million).

TABLE 2
EXPENDITURE PROGRAM BY AGENCY, 2024-2026

Particulars	Amounts (In Million Pesos)			Share to Total (%)		
	2024	2025	2026	2024	2025	2026
	Actual	Program	Proposed	Actual	Program	Proposed
Office of the Secretary (OSec)	152,161.8	50,948.4	158,294.0	81.9	57.9	80.2
Civil Aviation Board (CAB)	241.3	256.2	270.2	0.1	0.3	0.1
Maritime Industry Authority (MARINA)	1,327.8	1,379.2	1,454.6	0.7	1.6	0.7
Office of Transport Cooperative (OTC)	47.6	39.5	50.0	0.0	0.0	0.0
Office of Transport Security (OTS)	1,790.8	2,046.7	1,784.4	1.0	2.3	0.9
Philippine Coast Guard (PCG)	29,912.0	33,263.9	35,396.8	16.1	37.8	17.9
Toll Regulatory Board (TRB)	259.6	64.2	81.2	0.1	0.1	0.0
TOTAL DoTr	185,740.9	87,998.1	197,331.3	100.0	100.0	100.0

Source of basic data: BESF 2026

It is important to note that the expenditure levels by agency for 2026 is strikingly similar to that of 2024 and perhaps reflects a trend of which agency under the DoTr receives the lion's share of the budget. However, this pattern was not observed in 2025 due to the substantial reduction in the OSec's expenditure program vis-à-vis its original proposal under the NEP.

- 3.2. *Expenditure Program by Expense Class.* Apart from agency shares, one can also look into how the expenditure program is allocated according to expense classes such as *personnel services* (PS), *maintenance and other operating expenses* (MOOE), *capital outlay* (CO), and *financial expenses* (Fin Ex). The levels of funding for each class usually reflects a particular agency's mandate along its priority programs and projects.

TABLE 3
EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2024-2026
(AMOUNTS IN MILLION PESOS)

Particulars	Amounts (In Million Pesos)			Share to Total (%)		
	2024	2025	2026	2024	2025	2026
	Actual	Program	Proposed	Actual	Program	Proposed
PS	27,928.9	27,398.4	29,467.0	15.0	31.1	14.9
MOOE	32,187.4	19,050.9	18,217.9	17.3	21.6	9.2
CO	125,616.8	41,541.8	149,639.3	67.6	47.2	75.8
Fin Ex	7.8	7.1	7.1	0.0	0.0	0.0
TOTAL DoTr	185,740.9	87,998.1	197,331.3	100.0	100.0	100.0

Source of basic data: BESF 2026

More than three-fourths of the DoTr's expenditure program for 2026 will go to **CO** (Table 3) which is defined by the DBM "*as an expenditure category/expense class for the purchase of goods and services, the benefits of which extend beyond the fiscal year, and add to the assets of the government, including investments in the capital stock of GOCCs and their subsidiaries.*" This means that for every P1 to be spent by the DoTr in 2026, P0.75 will go to CO which is perhaps an ideal share given its role as one of the major infrastructure arms of the government. Out of all the expenditure sub-items under CO, the budget for *infrastructure outlay* will register the biggest jump from only P34.9 billion in 2025 to P139.7 billion in 2026, or an increase of 300.3%. *Transportation equipment* sub-item shall likewise increase from only P2.1 billion in 2025 to almost P6.0 billion in 2026.

Highlighting the point made earlier on the appreciable decline in the DoTr's total expenditure program in 2025, it can be traced that the biggest cut was recorded under the CO expense class, which is 67% less than the 2024 level. It is therefore perhaps more prudent for Congress to adopt the amount proposed by the DoTr for CO under the 2026 NEP or even propose increases to the same considering the growth-enhancing impact of this type of spending by the government to the Philippine economy.

The second-biggest share in the total expenditure program by expense class for 2026 is allocated for **PS**, which grew by P2.1 billion when compared to 2025. Both the PS sub-expense *base pay* and the *creation of new positions* related to military/uniformed personnel will also increase in 2026 by P1.6 billion. Beefing up the country’s maritime personnel capacity is certainly a welcome development as this would greatly help in the effective enforcement of landmark maritime laws enacted in 2024, namely, RA No. 12064 or the Philippine Maritime Zones Act and RA No. 12065 or the Philippine Archipelagic Sea Lanes Act.

In so far as **MOOE** is concerned, the budget for this expense class will decrease from P19.1 billion in 2025 to P18.2 billion in 2026 due to lower funding for major sub-items such as professional services, repairs and maintenance, financial assistance/subsidy, and other maintenance and operating expenses.

TABLE 4
NUMBER OF AUTHORIZED AND UNFILLED POSITIONS BY AGENCY, 2023-2026

Agency	Authorized Positions				Unfilled Positions			
	2023	2024	2025	2026	2023	2024	2025	2026
OSEC	5,962	6,031	6,077	6,077	1,261	1,046	1,055	1,055
CAB	126	126	126	126	23	27	17	17
MARINA	815	815	815	815	151	152	143	143
OTC	43	43	43	43	5	9	3	3
OTS	226	246	246	246	47	53	52	52
PCG	30,999	34,999	30,999	34,999	293	279	305	293
TRB	29	44	44	44	2	16	10	10
TOTAL	38,200	42,304	38,350	42,350	1,782	1,582	1,585	1,573

Source: Staffing Summary 2025-2026

3.3. *Staffing Summary.* The number of authorized positions in the DoTr rose to 38,200 in 2023 to 42,304 in 2024 or an increase of 4,104 (Table 4). This is due to a marked increase in the number of authorized positions under the PCG by almost the same number. Note that the PCG has the highest number of authorized positions among all the attached agencies of the Department owing to the number of uniformed personnel in service. However, it is worth inquiring why the number of authorized positions in the PCG reverted back to its 2023 levels in 2025 before again increasing in 2026.

For the OSec, the additional 69 authorized positions increased its total from 5,962 in 2023 to 6,031 in 2024. Notwithstanding, its number of unfilled positions went down even more in 2024, which might be an indication that it is slowly reinforcing its personnel count. Another welcome development as it pertains to the DoTr’s staffing efforts is the increase in the number of technical positions in 2024 to 1,768 from 1,746 in 2023. In the 2025 ABN of the DoTr, the CPBRD encouraged the DoTr to further beef up the non-administrative related positions in the OSec to further help enable the Department to be more effective in the development and regulation of a highly technical field such as the transport sector.

3.4. *Regional Allocation.* The regional distribution of the DoTr budget will not undergo a major change as the National Capital Region (NCR) will continue to receive the largest share in the Department’s total expenditure program (Table 5). For 2026, the budget for the NCR amounts to P181.6 billion or 92.0% of the total expenditure program. On the other hand, the remaining 8.0% will be shared by the other 17 regions of the Philippines. The country’s poorest regions such as BARMM, Region V, Region IX, and Region VIII, will also continue to have a measly share in the DoTr’s budget.

Apart from enhancing the economic opportunities of the poorest regions through improved transportation infrastructure, the CPBRD also reiterates its suggestion in the 2025 ABN of the DoTr of increasing the allocations for Regions III and IV-A or those other areas that JICA (2019) referred to as the Greater Capital Region (GCR) together with the NCR. Collectively, the GCR accounted for 56.1% of the country’s economic output in real terms in 2024 based on data from the Philippine Statistics Authority.

TABLE 5
REGIONAL DISTRIBUTION OF THE (DEPT) BUDGET, 2024-2026
(AMOUNTS IN MILLION PESOS)

Region	2024 Actual		2025 Program		2026 Proposed	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Nationwide	-	-	-	-	-	-
Central Office	-	-	4,160.0	4.7	-	-
NCR	171,362.0	92.3	67,848.1	77.1	181,628.8	92.0
CAR	102.5	0.1	98.4	0.1	113.7	0.1
Region I	1,817.8	1.0	1,204.4	1.4	726.5	0.4
Region II	308.2	0.2	147.3	0.2	161.1	0.1
Region III	518.5	0.3	531.7	0.6	543.2	0.3
Region IV-A	463.6	0.2	397.0	0.5	443.3	0.2
Region IV-B	1,188.5	0.6	4,153.9	4.7	553.3	0.3
Region V	603.2	0.3	2,741.6	3.1	640.2	0.3
Region VI	968.4	0.5	1,103.4	1.3	594.0	0.3
Negros Is. Region	-	-	-	-	-	-
Region VII	4,070.1	2.2	1,141.0	1.3	6,985.5	3.5
Region VIII	1,314.7	0.7	2,689.1	3.1	1,433.4	0.7
Region IX	611.4	0.3	292.7	0.3	185.4	0.1
Region X	527.1	0.3	412.0	0.5	887.4	0.4
Region XI	916.1	0.5	684.3	0.8	1,949.4	1.0
Region XII	584.4	0.3	260.3	0.3	279.4	0.1
CARAGA	359.4	0.2	125.9	0.1	199.5	0.1
BARMM	25.0	0.0	7.0	0.0	7.2	0.0
TOTAL	185,740.9	100.0	87,998.1	100.0	197,331.3	100.0

Source of basic data: BESF 2026

Increasing the allocations for Regions III and IV-A from its negligible total of 0.5% of the DoTr’s proposed expenditure program in 2026 will not only help ease the strain on NCR, which is often cited as one of the most congested metropolises in the world, but may also prove instrumental in unlocking greater economic opportunities from adjacent and lagging regions.

IV. NEW APPROPRIATIONS

- 4.1. *New Appropriations.* As discussed earlier, new appropriations are those amounts that are subject to annual approval by Congress. For 2026, the DoTr is proposing to Congress an appropriations budget amounting to P196.3 billion (Table 6). Out of this amount, the OSec and the PCG will again corner the lion’s share of the DoTr’s new appropriations in 2026 totaling P193.3 billion or a share of 98.5%.

TABLE 6
NEW APPROPRIATIONS BY AGENCY AND COST STRUCTURE, FY 2026

Agency	Amounts (In Million Pesos)				Share to Total Agency (%)			
	GAS	STO	Operations	Total Agency	GAS	STO	Operations	Total Agency
OSEC	5,724.5	4,138.6	148,099.8	157,963.0	3.6	2.6	93.8	100.0
CAB	71.0	-	191.3	262.4	27.1	0.0	72.9	100.0
MARINA	245.5	170.6	965.0	1,381.2	17.8	12.4	69.9	100.0
OTC	27.7	-	19.6	47.3	58.7	0.0	41.3	100.0
OTS	744.3	-	412.5	1,156.9	64.3	0.0	35.7	100.0
PCG	8,644.5	1,870.6	24,868.4	35,383.5	24.4	5.3	70.3	100.0
TRB	48.9	-	29.7	78.7	62.2	0.0	37.8	100.0
TOTAL	15,506.6	6,179.8	174,586.4	196,272.8	7.9	3.1	89.0	100.0

Source of basic data: NEP 2026

- 4.2. A department’s new appropriations can be analyzed by looking at its cost structure, which is composed of *general administration and support* (GAS), *support to operations* (STO), and *operations*. The operations budget will receive the biggest amount in 2026 at P174.6 billion or almost 90.0% of the DoTr’s new appropriations (Table 6). The budget for operations is also higher in 2026 by P112.3 billion or 180.0% than in 2025. According to the DBM, operations cost “consists of programs and corresponding expenditures that relate to the main purpose for which an agency has been created.” This cost structure also involves direct production of goods or the delivery of services or direct engagement in regulations and where a department’s programs and projects can be found (to be discussed in detail under Section 4.3).

The GAS allocation for 2026, meanwhile, is proposed at P15.5 billion and has the second-largest share at 7.9%. Similar to STO, the funding for GAS in 2026 is also lower than its budget in 2025 of P16.4 billion. The DBM defines GAS as “a cost component of the agency budget which consists of the activities and projects dealing with the provision of overall administrative management and operational support to the entire agency operations.”

STO will receive the smallest share in 2026 at P6.2 billion or 3.1% of the total new appropriations of the DoTr. Similar to GAS, STO allocations of the DoTr for 2026 are also lower by P2.4 billion or 28.0% less than in 2025. According to the DBM, STO consists of “activities and projects which provide staff, technical, and/or substantial support to operations, but do not produce goods or deliver services directed at a target population or client group external to the agency.”

While STO funding is relatively small compared to other cost structures, close attention is warranted on the allocations for this type of expense for the OSec as this is where payments for right-of-way (ROW) acquisition are lodged, a persistent issue of major transport projects. Note that the amount proposed for ROW in 2026 stands at P2.8 billion, the same as in 2025. It is therefore worth clarifying why the budget for ROW remains unchanged for FY 2026 and whether the amount merely represents a carry-over from the 2025 allocation, especially since no amount out of the P2.8 billion ROW budget for 2025 (current and continuing appropriations) has been disbursed based on the DoTr's Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (as at the quarter ending June 2025).

It is also worth inquiring whether this is a result of the issue that was brought up during the 2024 Committee on Appropriations budget hearing on whether ROW funds can only be released by the DBM sans a loan agreement secured by the DOTr.

- 4.3. *Summary of DoTr Programs.* The Rail Transport Program (RTP) of the OSec is set to receive the highest budget in 2026 among all the DoTr's programs (Table 7). From only P20.7 billion in 2025, the allocation for the RTP will increase dramatically to P124.1 billion in 2026 or a growth of almost 500%. Flagship rail projects slated for higher funding under this program include the following: (i) LRT Line 1 Extension Project (P799.6 million), (ii) Metro Manila Subway Project Phase 1 (P45.4 billion), and (iii) the North-South Commuter Railway System (P76.1 billion).

TABLE 7
SUMMARY OF PROGRAMS FOR 2024-2026
DEPARTMENT OF TRANSPORTATION

Program (Implementing Agency)	Amount (In Million Pesos)			% Share to Total Program			Growth Rates '25-'26 (%)
	2024	2025	2026	2024	2025	2026	
Rail Transport Program (OSEC)	11,787.9	20,673.3	124,119.4	22.9	33.6	71.1	500.4
Maritime Security & Law Enforcement Prog. (PCG)	10,019.3	9,014.7	12,219.7	19.5	14.6	7.0	35.6
Maritime Infrastructure Prog. (OSEC)	2,478.0	5,773.3	8,505.6	4.8	9.4	4.9	47.3
Aviation Infrastructure Prog. (OSEC)	7,503.8	7,703.1	6,174.8	14.6	12.5	3.5	-19.8
Land Public Transportation Prog. (OSEC)	9,459.2	5,662.9	5,672.7	18.4	9.2	3.2	0.2
Maritime Search & Rescue Prog. (PCG)	2,580.0	4,145.5	5,182.5	5.0	6.7	3.0	25.0
Maritime Safety Prog. (PCG)	1,605.3	2,308.7	3,205.5	3.1	3.7	1.8	38.8
Marine Environmental Protection Prog. (PCG)	1,754.2	1,924.9	3,036.1	3.4	3.1	1.7	57.7
Motor Vehicle Regulatory Prog. (OSEC)	2,331.7	2,281.2	2,699.7	4.5	3.7	1.5	18.3
Maritime Industry Regulatory & Supervision Prog. (MARINA)	867.4	782.2	932.3	1.7	1.3	0.5	19.2
Transportation Security Prog. (OTS)	776.7	1,083.2	412.5	1.5	1.8	0.2	-61.9
Air Passenger Bill of Rights Program (CAB)	127.6	127.7	145.4	0.2	0.2	0.1	13.9
Air Transport Development & Regulatory Prog. (CAB)	38.6	38.2	45.9	0.1	0.1	0.0	20.2
Maritime Industry Promotion & Development Prog. (MARINA)	15.7	31.9	32.8	0.0	0.1	0.0	2.8
Tollway Regulatory Prog. (TRB)	28.5	25.0	29.7	0.1	0.0	0.0	18.8
Transportation Cooperative Development Prog. (OTC)	33.9	18.5	19.6	0.1	0.0	0.0	5.9
Sub-Total	51,407.6	61,594.0	172,434.0	100.0	100.0	98.8	180.0
ADD: Other Projects							
Foreign-Assisted Projects (OSec)	-	-	927.6	-	-	0.5	-
Locally-Funded Projects (PCG)	-	-	1,224.6	-	-	0.7	-
GRAND TOTAL	51,407.6	61,594.0	174,586.2	100.0	100.0	100.0	183.4

Source: GAA 2024-2025 and NEP 2026

The *Maritime Security and Law Enforcement Program* of the PCG will receive the second-highest budget allocated for the DoTr's programs. Its allocation will grow to P12.2 billion in 2026 from P9.0 billion in 2025 or an increase of 35.6% (Table 7 on the previous page). This is attributed to the increased budget for "sea-based operations" which will grow to P10.1 billion in 2026 from P6.7 billion in 2025.

The push for maritime initiatives in 2026 continues with the OSec's *Maritime Infrastructure Program*, which will receive the third-highest allocation among the DoTr's programs at P8.5 billion. Contained herein are major port projects such as the: (i) Sultan Naga Dimaporo International Port (P534.9 million), (ii) New Cebu International Container Port Project (P3.7 billion), and the (iii) Maritime Safety Capability Improvement Project Phase III (MSCIP) (P4.2 billion). Notably absent from the 2026 NEP of the DoTr are local port projects, some of which instead appear under the 2026 NEP of the Department of Public Works and Highways, specifically in its Basic Infrastructure Program under the item *Local Ports and Boat Landing*. Given that budget items related to local ports are not present under the 2025 NEP nor the 2025 GAA of DPWH, there is a need to clarify whether it will handle the construction of local port projects moving forward.

The *Aviation Infrastructure Program*, under the OSec, accounts for the fourth-highest budget in 2026 at P6.2 billion. This amount is 19.5% lower than the 2025 allocation of P7.7 billion. Proposed airport projects for 2026 are the following: (i) Laoag International Airport (P507.3 million), (ii) Tacloban Airport (P741.8 million), (iii) Antique Airport (P99.5 million), (iv) Ormoc Airport (P433.0 million), (v) Catbalogan Airport (P50.0 million), (vi) Busuanga Airport (P415.0 million), (vii) Central Mindanao (M'Lang) Airport (P100.0 million), (viii) Bukidnon Airport (P150.0 million), (ix) New Manila International Airport (P200.0 million), (x) Kalibo International Airport (P195.5 million), and (xi) New Naga Airport (P444.7 million). Meanwhile, foreign-funded airport initiatives for 2026 include the New Dumaguete Airport Development Project (P2.5 billion).

While the development of airports certainly bodes well for boosting domestic tourism, the DoTr, CAB, and other related agencies such as the Department of Tourism should also take cognizance of the other issues currently plaguing the sector, one of which are the higher costs of domestic travel relative to travelling internationally. In an article Faustino (2025), it was observed that the Philippines is quickly losing its status as a preferred tourism destination due to soaring hotel rates and high airfare costs.

As Trinidad (2025) pointed out, an economy round trip ticket during peak season from Manila to Palawan, Siargao, or Bohol costs between P20,000 to P30,000. In contrast, travelling from Manila to Singapore, Hong Kong, Malaysia, or Taiwan can be had for less. Several House Members have also filed resolutions in the 20th Congress on the "alarming rise" in airfares, which was considered by Representative Matugas (as cited in Barro, 2025) as a barrier to the growth of local tourism.

The *Land Public Transportation Program* (LPTP) rounds-out the top five DoTr programs with the biggest allocations for 2026. Major initiatives under this program include the following: (i) Service Contracting of Public Utility Vehicle Program (P1.3 billion), (ii) EDSA Busway Project (P88.7 million), (iii) Active Transport Bike Share System and Safe Pathways Program (P69.4 million), (iv) Public Transport Modernization Program (P1.2 billion), (v) Cebu Bus Rapid Transit Project (P433.3 million), and (vi) the Davao Public Transport Modernization Project (P1.7 billion).

Given that the RTP and the LPTP have two of the biggest program budgets for 2026, the DoTr should outline how these initiatives will be linked together in order to provide a seamless experience for commuters. Improving the accessibility for persons with disabilities (PWDs) should likewise continue given that gaps still remain. It is therefore important to probe into the progress of addressing some of the issues that were raised during an email conversation on June 2024 with a representative from the Move As One Coalition, particularly as it pertains to accessibility gaps in the LRT-1 Line. These include: (i) institutionalization of disability awareness and sensitivity trainings in the DoTr; (ii) accessible interlinks and connectivity between MRT and LRT stations; (iii) accessible connectivity between rail and public utility vehicle terminals; and (iv) institutionalization of regular accessibility audits in road transport platforms and infrastructure.

It is likewise important to adopt a more holistic mindset towards transport planning for PWDs and one framework that can be considered is the “step-free” access. According to the Transport for London (TfL) (n.d.), a local government body responsible for most of the transport network in London, step-free access basically involves lifts, ramps and level surfaces, in lieu of stairs or escalators, which thereby avoids step and gap onto various public transport modes. Note that step-free access does not only benefit PWDs but is also advantageous to senior citizens, pregnant women, parents with strollers, as well as temporarily injured persons (Lamentillo, 2024).

Transport planners within the DoTr should therefore consider this model given that transport modes in the Philippines such as jeepneys have a high step elevation relative to other modes such as tricycles and carousel-plying buses. Slightly elevated steps when boarding and alighting train coaches are likewise observed in the LRT Line 1, which poses a challenge to the individuals with limited mobility. This is less pronounced in the LRT Line-2 and the MRT-3, which have almost surface level access between trains and platforms.

V. PERFORMANCE REVIEW

- 5.1. *Obligations-Appropriations Ratio and Unused Appropriations.* Beyond the usual enumeration of budget levels and shares, it is also important to ascertain agency fund utilization to determine whether funds allocated by Congress are utilized fully and

efficiently. This can be done by examining a department’s obligations to appropriations ratio and its unused appropriations.

As defined by the DBM, appropriations are “authorizations made by law or other legislative enactment, directing payment out of government funds under specified conditions or for specified purposes.” On the other hand, obligations are commitments by a government agency leading to the eventual payment of a sum of money.

Under ideal circumstances, annual appropriations made to agencies should be fully obligated at the end of every fiscal year, and failure to do so will result in unused appropriations. Note that the presence of unused appropriations does not necessarily denote wastage of public funds but represents foregone opportunity for the government to channel resources toward equally important programs and projects in other departments.

TABLE 8
OBLIGATIONS-APPROPRIATIONS RATIO
AND UNUSED APPROPRIATIONS, 2022-2024

Particulars	Obligation-Appropriations Ratio (%)			Unused Appropriations (In Million Pesos)		
	2022	2023	2024	2022	2023	2024
OSEC	89.5	69.5	78.6	16,641.1	77,630.1	41,537.7
CAB	82.5	94.9	95.3	50.2	13.8	11.8
MARINA	99.1	98.0	99.7	9.6	21.1	4.5
OTC	99.4	100.0	84.7	0.2	0.0	8.6
OTS	96.0	99.8	81.9	43.5	2.6	396.6
PCG	85.2	85.6	84.1	3,380.7	4,164.8	5,652.2
TRB	99.6	94.9	93.9	0.1	1.8	16.7
TOTAL DoTr	89.0	71.4	88.3	20,125.4	81,834.3	47,628.2

Sources of basic data: NEP 2024-2026

As shown in Table 8, the obligations-appropriations ratio (OAR) of the DoTr improved to 88.3% in 2024 from 71.4% in 2023. The improvement in the OAR subsequently decreased the unused appropriations of the DoTr to P47.6 billion in 2024 from P81.8 billion in 2023. It is important to emphasize, however, that the bulk of these unused appropriations in 2024 can be traced to the OSec at P41.5 billion. The steady increase in the PCG’s unused appropriations since 2022 is also worth noting considering all of its programs for 2026 will have higher appropriations. The OSec and the PCG should therefore exert more effort to further raise its OAR in order to bring down its unused appropriations.

The DBM can perhaps consider the reactivation of the Full-time Delivery Units (FDUs) in every department to help facilitate the timely implementation of programs and projects. This was already initiated in 2015 through the issuance of Department Circular No. 2015-8 mandating the creation of an FDU in every department to address persistent concerns on the budget utilization of agencies.

5.2. *Disbursement Rates.* Apart from the OAR, the efficiency of the use of funds can also be examined by measuring disbursements as a ratio to total available appropriations. As opposed to obligations which are mere agency “commitments,” disbursements involve the actual settlement, liquidation, or payment of these commitments. Thus, disbursements made by government agencies are more beneficial to the real economy than the amounts that are obligated.

As shown in Table 9, the DoTr’s disbursement rates went down to 36.7% in 2024 from 41.1% in 2023. What is more concerning is the decline in the OSec’s disbursement rates from 36.3% in 2023 to 28.9% in 2024. With the OSec and the Department as a whole set to receive significantly higher allocations in 2026 compared to 2025, there is a concern that disbursement rates could once again drop below 30%, as they did in 2024.

**TABLE 9
DISBURSEMENT RATE BY AGENCY, 2023-2024
(AMOUNTS IN MILLION PESOS)**

Particulars	2023			2024		
	Appropriations	Disbursements	Disbursement Rate (%)	Appropriations	Disbursements	Disbursement Rate (%) ^{a/}
OSEC	254,197.4	92,215.1	36.3	193,699.5	55,945.4	28.9
CAB	268.6	248.9	92.7	253.1	229.7	90.8
MARINA	1,035.6	950.8	91.8	1,332.2	1,241.1	93.2
OTC	37.7	37.3	98.9	56.3	47.6	84.6
OTS	1,238.7	1,179.8	95.3	2,187.4	1,308.1	59.8
PCG	28,920.5	22,709.6	78.5	35,564.2	26,710.0	75.1
TRB	34.9	32.2	92.3	276.4	54.3	19.7
Total Dept	285,733.4	117,373.7	41.1	233,369.1	85,536.1	36.7

a/ Disbursement rate – ratio of disbursements to appropriations
Source: SAAODB 2023-2024, DBM

It is important to note, however, that high disbursement may implicitly imply that documentation, monitoring, and evaluation have not been rigorous, which may unintentionally result into the proliferation of ghost projects.

5.3. *Budget Utilization by Major Program (DoTr-Osec).* To determine the factors for the OSec’s low obligation and disbursement rates, one can review the budget utilization of major programs as contained in the Department’s Financial Accountability Report. For *current appropriations*, the obligation rates for the **RTP** in 2024 reached 78.6% (Table 10 on the next page). This means that out of the P61.4 billion appropriated for the program in 2024, the OSec was able to obligate a total of P48.3 billion. However, it was only able to disburse a total of P8.0 billion for the RTP in the same year. This led to a disbursement rate of 13.0%, which is the lowest out of all the OSec’s major programs.

Key rail projects under *current appropriations* with low disbursement rates in 2024 include: (i) the MRT Line 3 Rehabilitation Project, (ii) North-South Commuter

Railway (NSCR) System, (iii) Metro Manila Subway Project Phase 1, (iv) LRT Line 2 East Extension Project, and (v) the LRT Line 1 Cavite Extension Project.

The same trend of disbursement rates being lower than obligation rates is observed under *continuing appropriations* for the RTP in 2024 (Table 10 on the next page). Rail initiatives with low disbursement rates under continuing appropriations include the same rail initiatives enumerated above.

Low disbursement in these landmark rail projects does not only deprive commuters of their beneficial use but also costs taxpayers money in the form of commitment fees from loan agreements. For instance, the delays in the implementation of the Malolos-Clark segment of the NSCR has already led to the accumulation of commitment fees (CF) of USD6.5 million from 2020-2024 according to data from the CY 2024 ODA Portfolio Review. The south segment of the NSCR has likewise incurred CF to the tune of USD5.2 million from 2022-2024.

CF have also piled-up in the following transport projects: (i) Capacity Enhancement of Mass Transit Systems in Metro Manila (USD3.3 million), (ii) Davao Public Transport Modernization Project (USD2.1 million), (iii) Project Management Consultancy of the PNR South Long-Haul Project (USD 1.6 million), (iv) Cebu Bus Rapid Transit Project (USD1.2 million), and the (v) EDSA Greenways Project (USD0.7 million).

TABLE 10
BUDGET UTILIZATION BY MAJOR PROGRAM UNDER THE DoTr OSEC, 2024
(AMOUNTS IN MILLION PESOS)

Program	Appropriations	Obligations	Disbursements	Obligation Rate (%) ^{a/}	Disbursement Rate (%) ^{b/}
Rail Transport Program (RTP)					
Current	61,403.8	48,255.4	7,987.2	78.6	13.0
Continuing	56,116.9	56,115.9	16,376.1	100.0	29.2
Aviation Infrastructure Program (AIP)					
Current	8,224.7	7,064.1	1,867.3	85.9	22.7
Continuing	677.0	554.7	2.2	81.9	0.3
Maritime Infrastructure Program (MIP)					
Current	4,167.5	4,066.9	1,001.4	97.6	24.0
Continuing	603.1	167.2	68.0	27.7	11.3
Land Public Transportation Program (LPTP)					
Current	21,183.9	6,875.5	5,344.7	32.5	25.2
Continuing	2,959.2	1,926.6	259.5	65.1	8.8

a/ Obligation rate – ratio of obligations to appropriations

b/ Disbursement rate – ratio of disbursements to appropriations

Source: SAAODB 2024 (FAR No. 1 in Transparency Seal)

The **LPTP** likewise suffered from low fund utilization in 2024. For *current appropriations*, the OSec was only able to obligate P6.9 billion out of the P21.2 billion appropriated for the program or an obligation rate 32.5% (Table 10). Disbursement rates are even lower at 25.2%.

Low disbursements are observed in LPTP projects such as: (i) Active Transport Bike Share System and Safe Pathways Program in Metropolitan Areas, (ii) EDSA Busway Project, (iii) Davao Public Transport Modernization Project, and the (iv) Cebu Bus Rapid Transit Project.

In so far as the *current appropriations* for the **AIP** is concerned, the same trend of higher obligation rates and lower disbursement ratios have been observed. Improvements in fund utilization in terms of disbursements is warranted moving forward in airport projects such as the Ninoy Aquino International Airport, Maasin Airport, Laoag International Airport, Puerto Princesa Airport, New Zamboanga Airport, among others.

5.4. *Performance by Organizational Outcomes.* Agency performance is not solely measured in terms of fund use but is also determined through the attainment of measurable targets vis-à-vis their respective goals and in relation to their organizational outcomes (OOs). The DoTr has three OOs: (i) rail transport services improved; (ii) air and water transport facilities improved; and (iii) road and transport services improved. As defined by the DBM, OOs are a “short to medium-term result produced by an agency that contributes to the achievement of its legislated mandate and is achieved through the delivery of its programs.”

TABLE II
PERFORMANCE INDICATORS OF MAJOR PROGRAMS OF THE DOTr-OSEC, 2024-2026

Program	Actual vs (Target)			Target	
	2022	2023	2024	2025	2026
Sectoral Goal/Outcome: Infrastructure development accelerated and operations sustained					
RAIL TRANSPORT PROGRAM (RTP): Rail transport services improved					
A. Metro Rail Transit (MRT) sub-program					
<i>Outcome Indicators</i>					
% reduction in transfer time from platform to loading	89.9 (20%)	56.89% (30%)	59.59% (30%)	30%	30%
% decrease in load factor	60% (13%)	32.90% (15%)	26.78% (18%)	18%	18%
<i>Output Indicators</i>					
Compliance with approved timetable (90% efficiency)	99% (90%)	99.48% (90%)	99.65% (90%)	90%	90%
Compliance with the peak-hour train availability requirements	101% (90%)	99.86% (90%)	100.02% (90%)	90%	90%
Increase in average travel speed (kph)	36 (56)	38.54 (35)	42.51 (40)	40	40
B. Railway construction, rehabilitation and improvement sub-program					
<i>Outcome Indicators</i>					
% increase in number of weekday passengers	3.37% (2%)	-15.82% (5%)	-13.30% (5%)	5%	2.5%
Increase in average weekday peak-hour headway (minutes)	3.74 (5)	1.17 (-0.5)	0.17 (-0.5)	-0.5	-1.0
<i>Output Indicators</i>					
% completion of new railway system projects	31.41% (32%)	37.05% (38.87%)	50.74% (66.41%)	62.49%	64.06%
% completion of expansion of existing railway system projects	3.9% (3%)	4.57% (5.35%)	4.40% (5%)	5.09%	82.60%

In terms of **OO 1** (rail transport services improved), the actual performance for all output and outcome indicators under the *MRT sub-program* exceeded their targets in 2024 (Table 11). With actual performance breaching their set goals, the DoTr can perhaps adjust the indicators for output and outcome targets in 2026 and succeeding years to reflect the extraordinary achievements made under this subprogram in 2024.

The opposite is observed in the performance of the output indicators of the *railway construction, rehabilitation, and improvement* sub-program of the RTP. As shown in table 11, output indicators pertaining to the completion of new railways and expansion of existing ones both missed their respective targets. This is perhaps indicative of the challenges faced by the OSec in disbursing funds for the RTP as discussed earlier.

For **OO 2** (air and water transport facilities and services improved) under the AIP, there is a noticeable omission of the targets under the output indicator “average decrease in passenger travel time and flight delay” for 2024-2026 (Table 11). Note that this indicator was also measured in 2022 and 2023 although no actual accomplishments were recorded. There is also a need to clarify what is actually measured by the outcome indicator “increase in airport facilities capacity” as the actual performance in 2022 and 2023 considerably overshoot their targets.

TABLE II
PERFORMANCE INDICATORS OF MAJOR PROGRAMS OF THE DOTr-OSEC, 2024-2026 CONT'D...

Program	Actual vs (Target)			Target	
	2022	2023	2024	2025	2026
AVIATION INFRASTRUCTURE PROGRAM: Air transport facilities and services improved					
<i>Outcome Indicators</i>					
% increase in airport facilities capacity	201.71% (69%)	258.05% (112%)	5% (5%)	5%	5%
Average decrease in passenger travel time and flight delay	0 (5%)	0 (5%)	N/A	N/A	N/A
<i>Output Indicators</i>					
% increase in passenger traffic	1.57% (5%)	-19.29% (6%)	-3.97% (5%)	5%	10%
% increase in cargo traffic (tons)	0.96% (2%)	-34.91% (6%)	-17.03% (5%)	5%	10%
MARITIME INFRASTRUCTURE PROGRAM: Water transport facilities and services improved					
<i>Outcome Indicators</i>					
% increase in passenger traffic	6.40% (5%)	16.23% (7%)	10.94% (5%)	5%	5%
% increase in vessel traffic	2.44% (2%)	25.46% (6%)	8.53% (5%)	5%	5%
% decrease in passenger waiting time	50% (50%)	50% (50%)	N/A	N/A	N/A
% increase in tourist arrivals	5.10% (5%)	15.41% (6%)	N/A	N/A	N/A
<i>Output Indicators</i>					
No. of social port projects successfully bid out and obligated	2 (1)	0 (N/A)	12 (7)	2	2
No. of tourism port projects successfully bid out and obligated	N/A	N/A	N/A	N/A	N/A

Still under **OO 2** (air and water transport facilities and services improved), the OSec may want to consider revising the performance goals of traffic-related outcome

indicators under the MIP for 2026 and beyond considering the favorable performance that was already recorded in 2022-2024. The MIP should likewise consider establishing output indicators related to roll-on/roll-off ports considering its importance in boosting trade and tourism.

For **OO 3** (road transport services improved) (Table 11 on the next page), there continues to be a notable absence of output and outcome indicators relating to road transport safety despite the growing number of mishaps over the years. It is important to bear in mind that metrics for road traffic accidents are one of the indicators measured under the 2023-2028 PDP. According to the Philippine Statistics Authority (2025), road traffic deaths rose significantly from only 8,004 in 2011 to over 13,000 in 2023, the highest recorded in over a decade. Non-fatal land transport mishaps also continue to occur daily, necessitating the inclusion of said indicators on road safety.

With all the issues hounding the Public Utility Vehicle Modernization Program (PUVMP), it would seem that no beneficiaries were reached by the “Tsuper Iskolar Program” and the “EnTSUPERneur Program” in 2024 despite being marketed as an assistance to drivers and operators who have failed to consolidate under the PUVMP (Table 11 on the next page).

The accomplishments on the establishment of bike lanes also leave a lot to be desired as only 887 kilometers of bike lanes were put-up out of the target of 1,177 in 2024 (Table 11 on the next page). Moreover, the targets for 2025 and 2026 are set at just 12 kms, which appear disproportionate to the growing demand for active transport infrastructure.

Even more concerning is the removal of the protective barriers for bicycle users by the DPWH which was described by the Make It Safer Movement (MISMO) and Move as One Coalition (as cited in Cruz, 2025) as “wanton, hasty, and without any public consultation and announcement.” Close coordination between the DoTr and the DPWH should therefore be ensured to avoid turfing issues considering that active transport is one of the flagship initiatives of the former under the LPTP.

TABLE II
PERFORMANCE INDICATORS OF MAJOR PROGRAMS OF THE DOTr-OSEC, 2024-2026 CONT'D...

Program	Actual vs (Target)			Target	
	2022	2023	2024	2025	2026
LAND PUBLIC TRANSPORTATION PROGRAM: Road transport services improved					
<i>Outcome Indicators</i>					
% increase in public transport vehicles modernized (improved model year and use of environmentally-friendly fuel)	102% (50%)	149.02% (50%)	83.49% (40%)	40%	15%
% increase in ridership of public transport service	108% (35%)	109.56% (30%)	101.29% (60%)	60%	N/A
<i>Output Indicators</i>					
% of Certificate of Public Convenience / franchises applications resolved / decided upon within the reglementary period	93% (90%)	86.48% (109.56%)	86.04% (90%)	90%	90%
% of holders audited / monitored / penalized for non-compliance with the terms and conditions of the franchise	20% (5%)	7.76% (5%)	3.43% (20%)	20%	5%

No. of policies formulated, developed, implemented, updated and disseminated	205 (215)	167 (30)	203 (220)	220	220
No. of beneficiaries provided fuel subsidy	N/A (N/A)	N/A (N/A)	170,152 (1,000,000)	1,000,000	N/A
No. of onboarded / deployed units under the Service Contracting Program (SCP)	N/A (N/A)	N/A (N/A)	23,675 (24,784)	-	15,340
No. of LGU participants under the SCP	N/A (N/A)	N/A (N/A)	88 (65)	-	5
No. of routes served under the SCP	N/A (N/A)	N/A (N/A)	1,036 (450)	-	1,516
No. of corporations / cooperatives enjoined under the SCP	N/A (N/A)	N/A (N/A)	627 (360)	-	782
No. of kilometers of bike lane networks established	N/A (N/A)	N/A (N/A)	887 kms (1,177 kms)	12 kms	12 kms
% of Local Public Transport Route Plans reviewed and issued Notice of Compliance or Special Notice of Compliance by mid-year	N/A (N/A)	N/A (N/A)	36.75% (50% by 30 June 2024)	50% by 30 June 2025 30% by 31 December 2025	N/A
No. of approved Local Public Transport Route Plans	N/A (N/A)	N/A (N/A)	222 (788)	472	1,193
% of completion of the Metro Manila Urban Transportation Integration Study Update and Capacity Enhancement Project and Inter-Regional / Inter-Provincial Route Rationalization Study	N/A (N/A)	N/A (N/A)	0% (35%)	20% for MUCEP and 15% for IRIP	N/A
No. of units with released subsidies through Government Financial Institutions	N/A (N/A)	N/A (N/A)	6,370 (10,496)	2,381	17,489
No. of units with released subsidies through Private Financial Institutions	N/A (N/A)	N/A (N/A)	1,277 (1,948)	811	7,495
% of completion of Buy-Back Feasibility Study for the Vehicle Useful Life component of the PUV Modernization Program	N/A (N/A)	N/A (N/A)	10% (100%)	100%	N/A
No. of beneficiaries of Tsuper Iskolar Program	N/A (N/A)	N/A (N/A)	0 (12,062)	3,893	1,900
No. of beneficiaries of EnTSUPERneur Program	N/A (N/A)	N/A (N/A)	0 (17,250)	3,958	3,130

Program	Actual vs (Target)			Target	
	2022	2023	2024	2025	2026
MOTOR VEHICLE REGULATORY PROGRAM: Road transport services improved					
<i>Outcome Indicators</i>					
% reduction in average transaction time of:					
-Driver's license issuance	40.09% (46.67%)	55% (46.67%)	50% (50%)	50%	3%
-Motor vehicle registration	50% (50%)	52.50% (50%)	50% (50%)	50%	2%
% decrease in the number of apprehensions per major offense	2.40% (1.71%)	20.44% (N/A)	N/A (N/A)	N/A	1.71%
<i>Output Indicators</i>					
% of motor vehicle registration applications processed within the reglementary period as determined by the Department and reckoned upon the submission of complete documentary requirements	104.69% (100%)	100% (100%)	100% (100%)	100%	100%
% of driver's license and permits issued within the reglementary period as determined by the Department and reckoned upon the submission of complete documentary requirements	116.29% (100%)	100% (100%)	100% (100%)	100%	100%
No. of apprehension for which a Temporary Operator's Permit is issued and complaints acted upon	484,560 (679,130)	534,299 (536,740)	104,896 (568,531)	568,531	568,531

No. of motor vehicle replacement plate backlog	N/A (N/A)	N/A (N/A)	748,784 (40%) (0 by 31 Oct 2024)	0	0
No. of motorcycle plate backlog	N/A (N/A)	N/A (N/A)	4,451,097 (34%) (0 by 31 Oct 2024)	0	0
No. of license card backlog	N/A (N/A)	N/A (N/A)	3,900,000 (100%) (0 by 31 December 2024)	0	0

VI. COA FINDINGS AND RECOMMENDATIONS

- 6.1. *Key Observations from the 2023 Audit Report.* Given that the Commission on Audit has not yet publicly released the 2024 Annual Audit Report (AAR), this section will reiterate the findings and observations made by the COA on the DoTr and its agencies as contained in their respective 2023 AAR, as well as the Action Plan Monitoring Tool (APMT) and Agency Action Plan and Status of Implementation (AAPSI). The COA rendered a **qualified opinion** on the financial statements of the DoTr.

According to the COA, this remark is issued when the auditor (a) concludes that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement; or (b) is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement.

- 6.2. Notable audit findings and observations include the following:

- ❑ *Prolonged project timelines, delays, and inefficient use of resources.* The CoA highlighted the numerous challenges confronted by the DoTr in the implementation and fund utilization of its locally-funded and foreign assisted projects. The aggregated cost, totaling P8.7 billion, involves projects such as the LRT Line 1 North Extension Project/Unified Grand Central Station and the EDSA Greenways Project. It further added that the prolonged project timelines and additional delays ultimately impacted the anticipated benefits to be enjoyed by the riding public.
- ❑ *Poor budget utilization under key programs.* The Fuel Subsidy Program (FSP), aimed at cushioning the impact of higher fuel prices, was found by the CoA to have unutilized funds amounting to P1.8 billion. The CoA also found overpayments that remain uncollected to the tune of P2.9 million. The Service Contracting Program (SCP) was likewise flagged as having poor fund utilization with obligations only reaching P2.5 billion out of the total fund allocation of P18.3 billion. Similarly, there were also overpayments under the SCP amounting to P17.5 million that remain uncollected.

- ❑ *Lack of key performance indicators in the Automatic Fare Collection System (ACFS) project.* This undertaking, with a project cost of P1.72 billion, aims to streamline passenger movement by reducing the time and complexities associated with ticket purchasing in Metro Manila's three urban rail lines, namely the LRT 1, LRT 2, and the MRT 3. However, the 2024 performance audit of the CoA on the AFCS surfaced the glaring absence of predefined key performance indicators (KPIs) specifically designed to measure the project's success in reducing travel time by 50% and enhancing mass transport efficiency. The situation was compounded by the absence of various assessment mechanisms relating to project effectiveness under the concession agreement.

Given that the concession period will terminate in 2025, it is important for the DoTr to implement the recommendations by the CoA such as the formulation of an independent monitoring tool to validate the accuracy of monthly KPI reports and project implementation progress submitted by the concessionaire. The development of a transition after the concession period should likewise be considered.

- ❑ *Doubling of project cost of the Parañaque Integrated Terminal Exchange (PITX).* In another performance audit conducted by CoA, it found numerous issues relating to the project's optimal efficiency and adherence to contractual obligations. For one, the PITX experienced significant delays which almost doubled its cost to P.4.7 billion from the NEDA-approved amount of P2.5 billion. Worst, the CoA pointed out that these increased costs lacked proper justification and comprehensive documentation, raising concerns about their necessity and value, and impeding verification of cost overruns. As the government intends to push through with a similar multimodal transport hub in the North, lessons can certainly be drawn from the PITX case to avoid escalations in project costs.

References

- _____. (2019). Follow-up Survey on Roadmap for Transport Infrastructure Development for Greater Capital Region (GCR). Retrieved from: https://openjicareport.jica.go.jp/pdf/1000041638_01.pdf
- Barro, D., II. (2025). Siargao airfare: Why this flight costs more than a trip to Tokyo. Manila Bulletin online. Retrieved from: <https://mb.com.ph/2025/08/25/siargao-airfares-why-this-2-hour-flight-costs-more-than-a-trip-to-tokyo>
- Budget of Expenditures and Sources of Financing, various years.
- Commission on Audit. (2024). Annual Audit Report—Department of Transportation, 2023. <https://www.coa.gov.ph/reports/annual-audit-reports/aar-ngs/#49-5675-20221681962209>
- Dela Cruz, J.P. Bikers feel safer, commuters save time with return of NCAP. Rappler online. Retrieved from: <https://www.rappler.com/newsbreak/in-depth/bikers-commuters-reactions-ncap-2025/>
- Department of Budget and Management. (2025). Glossary of Terms (Budget of Expenditures and Sources of Financing). Retrieved from: <https://www.dbm.gov.ph/index.php/2026/budget-of-expenditures-and-sources-of-financing-fy-2026>
- Department of Budget and Management. (2025). Staffing Summary 2025. Retrieved from: <https://www.dbm.gov.ph/index.php/2025/staffing-summary-2025>
- Faustino, E. (2025). Is the Philippines Really More Expensive for Travelers than Our SEA Neighbors? Esquire online. Retrieved from: <https://www.esquiremag.ph/life/travel/philippines-more-expensive-travelers-a7940-20250709>
- General Appropriations Act, various years.
- Lamentillo, A.M. (2024). Step-free access in PH public transportation. Manila Bulletin online. Retrieved from: <https://mb.com.ph/2024/12/10/step-free-access-in-ph-public-transportation>
- National Economic and Development Authority. (2023). 2023-2028 Philippine Development Plan. <https://pdp.neda.gov.ph/devt-plans/>
- National Expenditure Program, various years.
- Philippine Statistics Authority. Database on Gross Regional Domestic Product. Retrieved from: <https://psa.gov.ph/statistics/grdp>
- Philippine Statistics Authority. (2025). Article entitled: “Land transport accidents account for 1.9 percent of deaths in the country, highest number of deaths recorded in 2023. Retrieved from: <https://psa.gov.ph/statistics/vital-statistics/node/1684076211>
- Statement of Appropriations, Allotments, Obligations, Disbursements and Balances of the Department of Transportation. Retrieved from: <https://dotr.gov.ph/transparency.html#ii-annual-financial-reports>

Transport for London. (n.d). Wheelchair access & avoiding stairs. Retrieved from: <https://tfl.gov.uk/transport-accessibility/wheelchair-access-and-avoiding-stairs>

Trinidad, A. (2025). Want More Tourists? Fix the Airfare and Infrastructure First. Cover Story online. Retrieved from: <https://coverstory.ph/want-more-tourists-fix-the-airfare-and-infrastructure-problems-first/>

ANNEX

**EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2024-2026
(AMOUNTS IN MILLION PESOS)**

Particulars	2024					2025					2026				
	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL
OSEC	3,563.1	26,482.6	122,108.4	7.8	152,161.8	3,112.9	10,516.2	37,312.3	7.1	50,948.4	3,941.1	9,096.3	145,249.5	7.1	158,294.0
CAB	184.0	47.2	10.1	-	241.3	164.7	67.5	24.0	-	256.2	197.0	70.0	3.2	-	270.2
MARINA	623.3	570.1	134.3	-	1,327.8	532.8	712.5	133.9	-	1,379.2	622.1	722.7	109.9	-	1,454.6
OTC	27.8	13.6	6.2	-	47.6	27.7	11.8	-	-	39.5	32.4	12.0	5.6	-	50.0
OTS	972.8	244.4	573.6	-	1,790.8	424.6	622.9	999.3	-	2,046.7	693.7	686.6	404.2	-	1,784.4
PCG	22,534.7	4,803.2	2,574.1	-	29,912.0	23,112.7	7,086.9	3,064.2	-	33,263.9	23,949.5	7,595.2	3,852.2	-	35,396.8
TRB	23.3	26.2	210.1	-	259.6	23.0	33.1	8.0	-	64.2	31.2	35.2	14.7	-	81.2
Total	27,928.9	32,187.4	125,616.8	7.8	185,740.9	27,398.4	19,050.9	41,541.8	7.1	87,998.1	29,467.0	18,217.9	149,639.3	7.1	197,331.3

Source: FY 2026 BESF

**EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2024-2026
(AS PERCENT TO TOTAL AGENCY)**

Particulars	2024					2025					2026				
	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL
OSEC	12.8	82.3	97.2	100.0	81.9	11.4	55.2	89.8	100.0	57.9	13.4	49.9	97.1	100.0	80.2
CAB	0.7	0.1	0.0	0.0	0.1	0.6	0.4	0.1	0.0	0.3	0.7	0.4	0.0	0.0	0.1
MARINA	2.2	1.8	0.1	0.0	0.7	1.9	3.7	0.3	0.0	1.6	2.1	4.0	0.1	0.0	0.7
OTC	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
OTS	3.5	0.8	0.5	0.0	1.0	1.5	3.3	2.4	0.0	2.3	2.4	3.8	0.3	0.0	0.9
PCG	80.7	14.9	2.0	0.0	16.1	84.4	37.2	7.4	0.0	37.8	81.3	41.7	2.6	0.0	17.9
TRB	0.1	0.1	0.2	0.0	0.1	0.1	0.2	0.0	0.0	0.1	0.1	0.2	0.0	0.0	0.0
Total	100.0														

Source: FY 2026 BESF