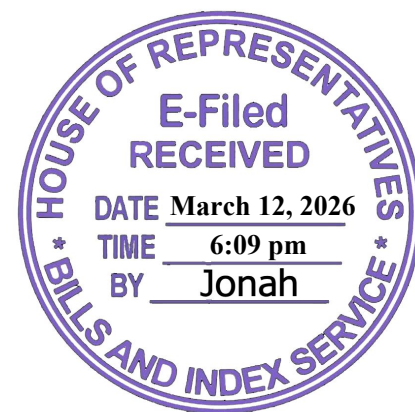


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City
Twentieth Congress
First Regular Session



House Bill No. 8495

Introduced by Honorable Representatives
JOSE MANUEL TADEO “CHEL” I. DIOKNO (Akbayan Partylist)
PERCIVAL V. CENDAÑA (Akbayan Partylist)
DADAH KIRAM ISMULA (Akbayan Partylist)
KAKA BAG-AO (Dinagat Islands)

AN ACT
APPROPRIATING THE SUM OF FIFTY-TWO BILLION EIGHT
HUNDRED MILLION PESOS (₱52,800,000,000) AS
SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2026,
FOR THE PURPOSE OF FUNDING FISCAL PROTECTIONS FOR
VULNERABLE SECTORS TO PREVENT LONG-TERM ECONOMIC
CONTRACTION DURING THE 2026 MIDDLE EAST CRISIS, AND
FOR OTHER PURPOSES

EXPLANATORY NOTE

The international armed conflict primarily involving the United States, Israel, and Iran has far-reaching consequences on the global peace and order situation, and a devastating impact on the global energy supply chain.

The armed conflict has directly resulted in the *de facto* closure of the Strait of Hormuz on March 1, 2026, severely disrupting the passage of freight carrying critical global commodities, including crude oil, aluminum, and other strategic resources.¹ Such supply shocks have historically triggered inflationary pressures and economic slowdowns in oil-importing

¹ Williams, Keven., Strait of Hormuz Closure Could Cripple Shipping, the Global Economy and Oil Markets, CNBC (Mar. 112026), <https://www.cnbc.com/2026/03/11/strait-of-hormuz-closure-shipping-economy-oil.html>

economies, including the Philippines.²

While the Philippines generally sources its products such as processed gasoline from neighboring Asian countries, refining countries such as Japan, South Korea and Singapore source their crude oil from the Middle East, which is currently at the focal point of the ongoing military action. Ninety-seven percent (97%) of liquid petroleum products and ninety-one percent (91%) of liquid petroleum gas are imported by these Asian refineries directly from the Middle East.³ Moreover, about 98% of the Philippines' crude oil imports are sourced directly from the same region, underscoring the country's significant exposure to geopolitical developments affecting Middle Eastern energy supply.⁴

Given the indispensable role of petroleum in transportation, agriculture, industry, and other essential economic activities, the risk of supply disruptions has already contributed to a sharp increase in global and domestic fuel prices. As a matter of fact, the Department of Energy already announced a price increase per liter of gasoline by P7.00 to P13.00, diesel by P17.50 to P24.25, and kerosene by P32.00 to P38.50, with projections of even higher increases should the conflict persist.⁵

These developments threaten to significantly raise the cost of transportation, food production, and basic goods, placing substantial economic pressure on Filipino households and sectors most sensitive to energy price fluctuations. Rising fuel costs are expected to severely affect

² Goldman Sachs Warns Oil May Surge Above \$100/bbl if Hormuz Flows Don't Recover, Reuters (Mar. 6, 2026), <https://www.reuters.com/business/energy/goldman-sachs-warns-oil-may-surge-above-100bbl-if-hormuz-flows-dont-recover-2026-03-06/>

³ John Lester Naguna, *How the Strait of Hormuz Closure Affects Our Oil Prices*, Philippine Information Agency (Mar. 5, 2026), <https://pia.gov.ph/news/how-the-strait-of-hormuz-closure-affects-our-oil-prices/>

⁴ Naguna, *id.*

⁵ Jon Viktor D. Cabuenas, *Double-digit Pump Price Hike Set Tuesday, March 10, 2026*, GMA News Online (Mar. 9, 2026), <https://www.gmanetwork.com/news/money/companies/979276/oil-price-hike-march-10-2026/story/>

transport workers, farmers, and other sectors that are highly sensitive to energy prices. The Philippines' agricultural sector is particularly vulnerable, as fertilizer prices are closely tied to global energy markets.

At the same time, the escalation of hostilities in the Middle East may necessitate the repatriation and reintegration of large numbers of Overseas Filipino Workers (OFWs), which will require substantial emergency government support. According to the Department of Migrant Workers (DMW), there are more than 1.113 million land-based Overseas Filipino Workers (OFWs) deployed across the Middle East. These workers face both direct and indirect risks to their safety, livelihood, and well-being amid escalating regional tensions.⁶ As a matter of fact, on March 5, 2026, reports indicated that around 300 Filipinos were affected by the ongoing tensions in the Middle East due to the United States-Iran conflict arrived in the Philippines underscoring the vulnerability of OFWs to sudden displacement.⁷

Despite the seriousness of the situation, existing government resources are insufficient to meet the scale of the crisis. Current available funding for transport fuel subsidies is limited to roughly ₱2.5 billion in continuing funds, an amount that is inadequate to cover the projected cost of a full transport subsidy program should oil prices continue to rise.⁸

Similarly, available emergency resources for other affected sectors—including agriculture and OFW repatriation and reintegration—are far

⁶ Peña, K. D. (2026, March 2). Over 1 million OFWs at risk as Middle East conflict escalates. INQUIRER.net. Retrieved from <https://globalnation.inquirer.net/311781/over-1-million-ofws-at-risk-as-conflict-escalates-in-middle-east>

⁷ Rita, J. (2026, March 5). Nearly 300 Filipinos from Dubai arrive in PH amid US-Iran conflict. GMA News Online. Retrieved from <https://www.gmanetwork.com/news/pinoyabroad/dispatch/978825/nearly-300-filipinos-from-dubai-arrive-in-ph-amid-middle-east-tensions/story/>

⁸ Christine Boton, Government Ready to Roll Out P2.5 Billion Fuel Subsidy, The Philippine Star (June 29, 2025), <https://www.philstar.com/headlines/2025/06/29/2454131/government-ready-roll-out-p25-billion-fuel-subsidy>.

below the levels required to respond effectively should the crisis escalate further. The Department of Agriculture (DA) only has ₱150 million in available subsidy funding,⁹ while the rising fertilizer costs expose the sector to an additional cost of around ₱2.8 billion.

Moreover, if the situation worsens in the Middle East, the Department of Migrant Workers (DMW) would need around ₱38 billion to repatriate and support returning OFWs through reintegration programs. This is a far cry from the available ₱1.76 billion emergency funds of the DMW.¹⁰

In view of these urgent circumstances, this measure seeks to appropriate Fifty-Two Billion Eight Hundred Million Pesos (₱52,800,000,000.00) as supplemental appropriations for Fiscal Year 2026. The proposed emergency funding will provide targeted fiscal protection to the sectors most vulnerable to the economic shock caused by the Middle East crisis. The proposed allocation includes:

- a. ₱12 billion for transport fuel subsidies to assist public utility vehicle drivers and other transport workers affected by rising fuel prices;
- b. ₱2.8 billion for agricultural subsidies to cushion farmers against rising fertilizer and production costs; and
- c. ₱38 billion for emergency repatriation, assistance, and reintegration programs for OFWs who may be displaced by the conflict.

These measures aim to prevent a cascading economic contraction by

⁹ Vonn Andrei E. Villamiel, *Extra P50 Million Sought for Farmer, Fisherfolk Fuel Subsidy*, BusinessWorld (Mar. 10, 2026), <https://www.bworldonline.com/economy/2026/03/10/735395/extra-p50-million-sought-for-farmer-fisherfolk-fuel-subsidy/>

¹⁰ Keith Clores, *Hontiveros Eyes P52.8B Emergency Budget Amid Oil Supply Disruption*, Philippine Daily Inquirer (Mar. 9, 2026), <https://newsinfo.inquirer.net/2192634/hontiveros-eyes-p52-8b-emergency-budget-amid-oil-supply-disruption>

stabilizing key sectors that sustain domestic consumption, food security, and employment. Funding for this supplemental appropriation may be sourced from available fiscal space, including savings from discontinued infrastructure projects, rationalization of discretionary expenditures, and the phased obligation of certain large-scale government infrastructure programs, consistent with sound fiscal management and the government's authority to realign available resources in times of national economic risk.

In times of global instability, the government must act decisively to protect the welfare of its citizens and safeguard the stability of the national economy. This proposed supplemental appropriation provides a targeted, responsible, and necessary fiscal response to mitigate the economic shock brought about by the ongoing Middle East crisis.



JOSE MANUEL TADEO
"CHEL" I. DIOKNO
Akbayan Representative



PERCIVAL V. CENDAÑA
Akbayan Representative



DADAH KIRAM ISMULA
Akbayan Representative



KAKA J. BAG-AO
Dinagat Islands Representative

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Introduced by Honorable Representatives
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ARLENE “KAKA” J. BAG-AO (Dinagat Islands)

AN ACT
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CONTRACTION DURING THE 2026 MIDDLE EAST CRISIS, AND
FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

1 Section 1. *Appropriations.* - The sum of Fifty-Two Billion Eight
2 Hundred Million Pesos (₱52,800,000,000) is hereby appropriated out of any
3 available funds in the National Treasury not otherwise appropriated, as
4 supplemental appropriations for Fiscal Year 2026.

5 The National Treasurer shall, within fifteen (15) days from the filing
6 of this Act, issue a certification of the funds actually available in the
7 National Treasury to support the appropriations herein authorized, in
8 accordance with Article VI, Section 25(4) of the Constitution. The
9 certification must specify the sources and amounts of available funds,
10 including excess revenue collections, reverted allotments, and other

unappropriated balances.

Section 2. *Assistance to Victims, Individuals, and Communities Affected by the Crisis in the Middle East.* - The amount appropriated herein will be used exclusively to augment aid, relief, repatriation, rehabilitation, reintegration, and livelihood programs and projects implemented by government agencies concerned for the Filipinos affected by the direct and indirect effects of the conflict in the Middle East. The amount shall consist of the following:

- a. Twelve Billion Pesos (₱12,000,000,000.00) for transport fuel subsidies to assist public utility vehicle drivers and other transport workers affected by rising fuel prices;
- b. Two Billion Eight Hundred Million Pesos (₱2,800,000,000.00) for agricultural subsidies to assist farmers and fisherfolk against rising fertilizer, fuel, and production costs;
- c. Eighteen Billion Pesos (₱18,000,000,000.00) for the emergency repatriation of Overseas Filipino Workers (OFWs) affected by the conflict in the Middle East; and
- d. Twenty Billion Pesos (₱20,000,000,000.00) for reintegration programs for returning and repatriated OFWs affected by the conflict in the Middle East.

The following agencies are the primary implementing entities for each program area:

- a. The Department of Transportation (DOTr), in coordination with the Land Transportation Franchising and Regulatory Board (LTFRB), for transport fuel subsidies;
- b. The Department of Agriculture (DA) for agricultural input subsidies;

1 c. The Department of Migrant Workers (DMW), in coordination with
2 the Overseas Workers Welfare Administration (OWWA), for emergency
3 repatriation; and

4 d. The Department of Migrant Workers (DMW), in coordination with
5 the Department of Labor and Employment (DOLE) and the Department of
6 Social Welfare and Development (DSWD), for reintegration programs.

7 Section 3. *Use and Release of Funds.* - The amount appropriated shall
8 be released by the Department of Budget and Management to the
9 implementing agencies with the approval of the President of the
10 Philippines, who may take into consideration the recommendation of the
11 respective government agencies. The releases may utilize digital wallets per
12 Commission on Audit Circular No. 2021-014 for the expedient release of
13 transport subsidies, agricultural subsidies, and emergency assistance to
14 repatriated Overseas Filipino Workers under Section 2 of this Act.

15 Any amount appropriated under this Act that remains unobligated as
16 of December 31, 2026 shall revert to the General Fund.

17 Section 4. *Sources of Funding.* - To ensure the availability of funds
18 under this Act, the following measures are hereby authorized:

19 a. The Department of Budget and Management (DBM) is hereby
20 directed to review all outstanding Special Allotment Release Orders
21 (SAROs) for infrastructure programs under the FY 2025 General
22 Appropriations Act, including but not limited to flood control projects, whose
23 implementing contracts have not been perfected as of the effectivity of this
24 Act. The DBM shall cancel such SAROs and revert the corresponding
25 allotments to the unappropriated surplus of the General Fund.

26 b. Excess revenue collections arising from higher-than-assumed
27 petroleum product prices under the FY 2026 revenue program are hereby

1 earmarked for the appropriations under this Act, subject to certification by
2 the National Treasurer.

3 c. The DBM, in coordination with the relevant departments and
4 regional development councils, is authorized to rationalize discretionary
5 allocations under the FY 2026 GAA, including event hosting, travel, and
6 promotional budgets, to generate additional fiscal space for the purposes of
7 this Act.

8 Section 5. *Applicability of General and Special Provisions in the Fiscal*
9 *Year 2026 General Appropriations Act.* - The amounts herein appropriated
10 will be used for the purposes indicated in this Act and subject to the
11 applicable special and general provisions under Republic Act No. 12314 or
12 the Fiscal Year 2026 General Appropriations Act.

13 Section 6. *Availability of Appropriations.* - The provisions of Republic
14 Act No. 12314 or the Fiscal Year 2026 General Appropriations Act to the
15 contrary notwithstanding, the appropriations authorized in this Act shall
16 be available for release and obligation for the purposes specified from the
17 date of the effectivity of this Act until December 31, 2026.

18 Section 7. *Transparency and Oversight Provisions.*

19 a. The implementing agencies shall submit monthly reports to the
20 Committees on Appropriations of both the Senate and the House of
21 Representatives detailing:

22 (1) the total amount released and obligated per program area;

23 (2) the number of beneficiaries reached, disaggregated by region,
24 sector, and gender; and

25 (3) the disbursement channels used and associated
26 administrative costs.

1 b. The Commission on Audit shall conduct a special audit of all funds
2 released under this Act and shall submit its report to Congress within six
3 (6) months from the expiration of the fund availability period.

4 c. Implementing agencies shall ensure that detailed program
5 information, including beneficiary lists, disbursement records, and
6 procurement transactions, is posted on their official websites and on the
7 DBM's Transparency Portal within thirty (30) days of each disbursement
8 cycle.

9 d. The foregoing reports and records shall be considered public
10 documents and shall be made available upon request under the provisions
11 of Executive Order No. 02, s. 2016.

12 Section 8. *Implementing Guidelines.* - The Department of Budget and
13 Management, in coordination with the implementing agencies designated
14 in Section 2 of this Act, shall issue a Joint Circular containing the guidelines
15 for the implementation of this Act not more than ten (10) days from its
16 effectivity. The Joint Circular shall cover, at minimum:

17 a. the operational criteria for the identification and validation of
18 beneficiaries;

19 b. the schedule and mechanics of fund releases; and

20 c. the procedures for SARO cancellation and fund reversion under
21 Section 4.

22 The absence of the Joint Circular shall not prevent the release of
23 funds for emergency repatriation under Section 2, which shall be released
24 immediately upon the effectivity of this Act.

25 Section 9. *Separability Clause.* - If, for any reason, any part or
26 provision of this Act is declared unconstitutional or invalid, other parts or

1 provisions thereof not affected thereby will continue to be in full force and
2 effect.

3 Section 10. *Repealing Clause.* - All laws, decrees, executive orders,
4 proclamations, rules and regulations, and other issuances or part or parts
5 thereof contrary to or inconsistent with this Act are hereby repealed or
6 modified accordingly.

7 Section 11. *Effectivity.* - This Act takes effect immediately after its
8 publication in the Official Gazette or in a newspaper of general circulation.

9 Approved,
10
11