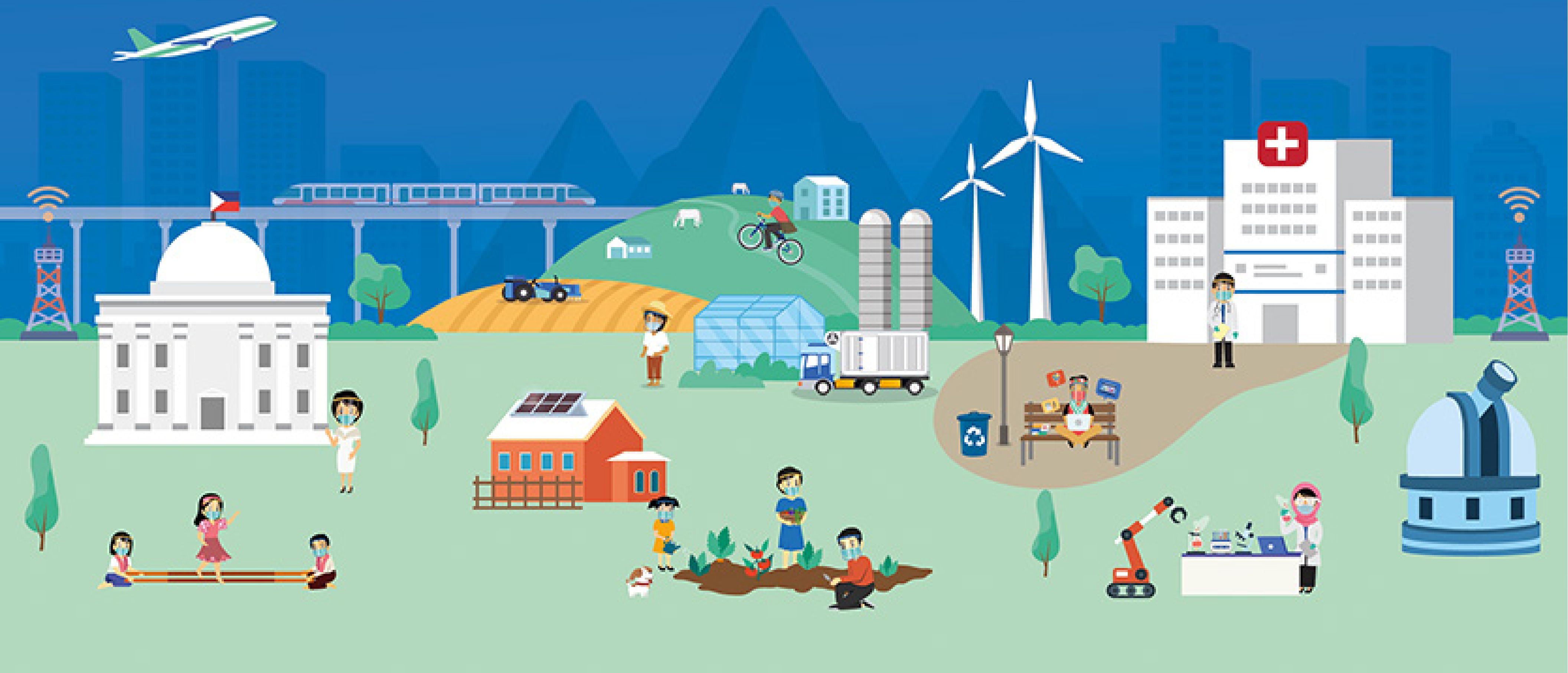
15 Ensuring Sound Macroeconomic Policy



SOUND, STABLE, AND SUPPORTIVE MACROECONOMIC ENVIRONMENT SUSTAINED

Responsive, strategic, supportive, and sustainable fiscal sector

- Realign expenditure priorities and implement expenditure management reforms
- Implement strategic revenue policy and administrative measures
- Explore optimal financing schemes including multilateral and market financing
- Recalibrate medium-term debt and contingent liability management strategy

Resilient and inclusive monetary and financial sectors

- Maintain a flexible inflation targeting framework for monetary policy formulation
- Pursue financial stability through macro-prudential measures
- Use micro-prudential measures to promote financial institution soundness and nurture consumer protection
- Foster capital market development
- Develop a more inclusive digital finance ecosystem
- Encourage efficiency and innovation in microfinance and microinsurance
- Develop the regulatory framework on Islamic banking and finance

Sustainable and resilient external sector

- Maintain adequate foreign exchange reserves and market-determined exchange rate
- Scale up and diversify products and markets
- Improve overall climate for export development
- Accelerate provision of targeted, focused, and comprehensive packages of support for specific products and services sectors

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
Societal Goal															
A healthy and resilient Philippines															
Intermediate Goal															
Transforming towards equity and resiliency and increasing growth potential															
Chapter Outcome 1															
Sound, Stable, and Supportive Macroeconomic Environment Sustained															
Subchapter Outcome 1.1															
Responsive, strategic, supportive, and sustainable fiscal sector achieved		Government revenue-to-Gross Domestic Product (GDP) ratio improved (%)[f]	2016	15.2	15.6	16.6	16.9	17.0	13.2	13.3	13.3	BTr Cash Operations Report (COR) and PSA National Income Accounts (NIA)	DBCC	DOF	The outturns are contingent on the following: (1) economic performance; (2) the timely passage of the remaining packages of the tax reform program (e.g., CREATE); and (3) the full implementation of tax administration measures (i.e., fuel-marking and e-receipts).
		Tax revenue to GDP ratio improved (%)[f]	2016	13.7	14.5	15.7	16.1	16.2	12.3	12.5	12.5	BTr COR and PSA NIA	DBCC	DOF	

[a] Actual data as of December 2016, or latest available before 2016, unless indicated otherwise

[b] 2020 targets are based on old plan targets for old core indicators whereas 2020 targets for new indicators (pre-COVID) are based on approved targets by the Planning Committee on Macroeconomic Policy last August 30, 2019.

[c] May either be the cumulative or incremental target value at the end of the Plan period

[d] Concerned NEDA Board Committees/Cabinet Cluster/Inter-Agency Committees responsible for delivering the outcomes and the concerned implementing agencies for delivering the outputs

[e] Lead agency responsible for reporting progress on indicator targets

[f] Plan targets for 2021-2022 are based on the macroeconomic assumptions and fiscal program approved by the DBCC on July 28, 2020 via *Ad Referendum*.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
Responsive, strategic, supportive, and sustainable fiscal sector achieved		Primary expenditure to GDP ratio maintained above baseline (%)[f]	2016	15.5	16.5	17.7	18	18.1	19.1	17.9	17.9	DBM Disbursement Report and PSA NIA	DBCC	DBM	Albeit the downward trajectory of the 2021 and 2022 projections for the ratio of primary expenditure to GDP due to higher interest environment assumption, these projections are foreseen to remain above the actual 2016 baseline value. Thus, the consequent re-statement and revision of targets of the indicator. Meanwhile, the outturns are contingent on the following: (1) economic performance; (2) the timely passage of the remaining packages of the tax reform program (e.g., CREATE); and (3) the full implementation of tax administration measures (i.e., fuel-marking and e-receipts).
		Percentage share of interest payments in the total disbursements managed (%)[f]	2016	11.9	11.3	10.1	10	9.7	11.0-14.0	12.0-15.0	12.0-15.0	DBM Disbursement Report and BTr COR	DBCC	DBM, DOF-BTr	The 2021-2022 figures are projections on the ratio of interest payments to total disbursements. This assumes a higher interest environment over the medium-term even when compared to the baseline in view of the government's effort to borrow prudently to support the country's economic recovery.

[f] Plan targets for 2021-2022 are based on the macroeconomic assumptions and fiscal program approved by the DBCC on July 28, 2020 via *Ad Referendum*.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Ratio of discretionary expenditure to total budget maintained above 30.0 percent (%)[f,g,h]	2016	42.7	43.9	47.5	48.1	48.6	40.1	32.4	32.4	Budget of Expenditures and Sources of Financing (BESF)	DBCC	DBM	The lower 2021-2022 targets relative to the rest of the annual Plan targets assume the limited fiscal space arising from the combined impact of lower revenue projections and the impact of the SC ruling on the Mandanas Case. Furthermore, the annual plan targets for 2021-2022 reflect the transition from obligation-based to cash-based budgeting system in 2019 (i.e., lower targets as compared to the actual accomplishments in 2016-2018).
		Economic service sector expenditure to GDP maintained above 5.0 percent (%)[f,h]	2016	5.7	N/A	N/A	N/A	5.7	6.5	5.7	5.7	BESF and PSA NIA	DBCC	DBM	The lower end of Plan target relative to the rest of the annual Plan target assumes limited fiscal space arising from the combined impact of lower revenue projections and the impact of the SC's ruling on the Mandanas. Meanwhile, the outturn is contingent on the economic performance.
		Social service sector expenditure to GDP maintained above 7.0 percent (%)[f,h]	2016	6.7	N/A	N/A	N/A	7.3	8.1	7.9	7.9	BESF and PSA NIA	DBCC	DBM	

[f] Plan targets for 2021-2022 are based on the macroeconomic assumptions and fiscal program approved by the DBCC on July 28, 2020 via *Ad Referendum.*

[g] Discretionary expenditure and total budget pertain to cash-based appropriations level.

[h] Targets are based on the emerging proposed FY 2021 budget level. Subject to further refinements based on the approved FY 2021 National Expenditure Program (NEP) and/or Budget of Expenditures and Sources of Financing (BESF).

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Ratio of Health Sector expenditure to total budget increased (%)[h]	2016[i]	4.4[i]	N/A	N/A	N/A	4.5	4.6	4.1	4.1	BESF	DBCC	DBM	The lower end of Plan target assumes the impact of the SC's ruling on the Mandanas Case. Likewise, the health sector is a devolved function.
		Utilization of current year's budget increasing[j]	2018[k]	92.6[k]	N/A	N/A	N/A	Increasing	Increasing	Increasing	Increasing	Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) report posted on the DBM website	DBM	DBM	The targets assume that Congress will no longer further extend the validity of appropriations and the transitional implementation of the cash budgeting system given the issuance of Executive Order No. 91, s. 2019 in September 2019. For FY 2020, funds must be obligated within the year, but implementation for Maintenance and Other Operating Expenses (MOOE), and infrastructure and other capital outlays is extended until the allowable extension period as indicated in the General Appropriation Act (GAA). Extending the validity of appropriations and implementation further can affect the fund utilization of agencies due to budget carryovers.

[h] Targets are based on the emerging proposed FY 2021 budget level. Subject to further refinements based on the approved FY 2021 NEP and/or BESF.

[i] Actual 2016 baseline value is in obligation-based appropriations level while medium-term targets for 2020-2022 are in cash-based appropriations level.

[j] The indicator measures how fast implementing agencies can obligate/contract out their funds budgeted for the current year. The current year's budget pertains to the cash-based appropriations level.

[k] The 2018 actual accomplishment will serve as the baseline value for the indicator to reflect the introduction of the DBM transitional reforms to a cash-based budgeting system. The updated 2020-2022 targets are at cash-based appropriations level.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Manageable National Government (NG) fiscal deficit to GDP ratio maintained (%)[f]	2016	2.4	3.0	3.0	3.0	3.0	8.5	7.2	7.2	BTr COR and PSA NIA	DBCC	DBM, DOF	The upward revision of the targets for 2021 and 2022 assumes the combined impact of lower revenue projections and higher disbursements in line with the government's response to address the socio-economic impact of COVID-19. Nonetheless, fiscal consolidation (as seen in the downward trajectory of the deficit by the end of the Plan period) will take place to ensure prudent fiscal management. Meanwhile, the outturns are contingent on the following: (1) economic performance; (2) the timely passage of the remaining packages of the tax reform program (e.g., CREATE); and (3) the extension of the validity of appropriations.
		Manageable outstanding NG debt stock to GDP ratio maintained (%)[f]	2016	42.1	41	38.9	37.4	36.8	58.0-61.0	60.0-63.0	60.0-63.0	BTr Outstanding NG debt stock report and PSA NIA	DBCC	DOF-BTr	The higher deficit assumption and borrowing requirement alongside slower growth pushes the debt ratio above the pre-pandemic trajectory. Despite this, the revised targets cluster along the 60 percent emerging economy threshold indicated in most literature.
		Manageable consolidated public sector balance as a share of GDP maintained (%)[f]	2016	-0.1	-1.1	-0.9	-0.8	-1.0	-5.8	N/A[l]	N/A[l]	BESF	DBCC	DOF	

[f] Plan targets for 2021-2022 are based on the macroeconomic assumptions and fiscal program approved by the DBCC on July 28, 2020 via *Ad Referendum*.
[l] Target for 2022 is not available as some components of the indicator could only be projected until 2021.

Objectives/ Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Investment grade credit rating sustained/improved	2016	Stable/ Positive[m]	At least Stable/ Positive	At least Stable/ Positive	At least Stable/ Positive	At least Stable/ Positive	Sustained investm-ent grade credit rating	Sustained investm-ent grade credit rating	Sustained investment grade credit rating	Credit Rating Agency reports	DBCC	BTr	The outturns are contingent on the following factors: (1) macroeconomic fundamentals (e.g., inflation, GDP growth, fiscal balance, external position, interest rates) remain sound; (2) political stability is maintained; (3) governance improvement efforts are strengthened; and (4) legislated measures are passed.
		Ratio of locally-sourced Local Government Unit (LGU) income to total current operating income maintained at or above 15.0 percent (%)	2016	33.0	35.4	34.4	35.2	36.2	21.0	15.0	15.0	BLGF Statement of Receipts and Expenditure	DBCC	BLGF	The onward revision of the target for 2021 assumes slower economic activity (versus the original target and the rest of the annual Plan targets), complemented with higher Internal Revenue Allotment (IRA) for 2021 resulting from the implementation of TRAIN in 2018; while the lower target for 2022 relative to the rest of the annual Plan targets reflects the impact of the SC's ruling on the Manadanas case, which will significantly increase IRA. Additionally, it is assumed that the LGUs have the political will to adopt legislated measures, and all newly-appointed municipality/provincial treasurers and assessors are trained.

[m] Moody's Investor Service - Baa2/Stable (as of October 2016 report; rating affirmed on December 14, 2015); Standard and Poors - BBB/A2/Stable (rating affirmed on September 21, 2016); and Fitch Ratings - BBB-/Positive (as of May 2016 press release; rating affirmed on April 8, 2016).

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Locally-sourced LGU income increased (in PHP billion)	2016	179.8	N/A	N/A	N/A	256.5	144.9	159.4	159.4	BLGF Statement of Receipts and Expenditure	DBCC	BLGF	It is assumed/estimated that LGUs would miss around 30 percent to 50 percent of their original targets for 2020-2022 due to the financial hardship and economic impact brought about by the COVID-19 pandemic. Additionally, it is assumed that the LGUs have the political will to adopt legislated measures, and all newly-appointed municipality/provincial treasurers and assessors are trained.
		Utilization of local development fund improved (%)[n]	2016	80.0	N/A	N/A	N/A	100.0	100.0	100.0	100.0	BLGF Statement of Receipts and Expenditure	BLGF/DBM/ DILG	BLGF	It is assumed that for 2020-2022, the LGUs would be able to fully utilize 100 percent of their Local Development Fund (LDF), which is 20 percent of their IRA, considering the additional guidelines issued by the DILG and DBM on the utilization of LDF for development projects in view of the COVID-19 situation or JMC No. 1 dated March 27, 2020. Moreover, for FY 2022, although there is an expected increase in IRA due to the implementation of SC decision on Mandanas and Garcia cases, it is expected that LGUs would be able to fully provide for the delivery of the devolved services or the "re-devolution" of the functions from the NG to LGUs.

[n] Figures are based on BLGF's projections.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
Aggregate Outputs															
		Incremental revenue of BIR with the implementation of tax administration and tax policy reform realized (% of GDP)[f]	None	None	N/A	0.34643	0.3873	0.2	(0.24)	(0.16)	(0.16)	BIR Reports	DOF-BIR	DOF-BIR	The targets for 2021-2022 assume the implementation of CREATE (i.e., negative figures). Meanwhile, the outturns are contingent on the timely passage of the remaining packages of the tax reform program (e.g., Package 2+: Mining Taxes, CREATE) and full implementation of tax administration measures (i.e., fuel-marking and e-receipts).
		Incremental revenue of BOC with the implementation of tax administration and tax policy reform realized (% of GDP)[f]	None	None	N/A	0.76174	0.83194	0.8	0.54	0.52	0.52	BOC Reports	DOF-BOC	DOF-BOC	The outturns are contingent on the full implementation of tax administration measures (i.e., fuel-marking).
		Incremental revenue of LTO with the implementation of tax administration and tax policy reform realized (% of GDP)[f]	None	None	N/A	0.0725	0.07022	0.1	0.00	0.00	0.00	BTr Cash Operations Report	LTO	LTO	The DOF dropped its estimates on the incremental revenue from the Motor Vehicle Users Charge (MVUC) Package 1C for its computation of the revenue and tax revenue program due to the uncertainty in the legislation of the said bill. The incremental revenue from MVUC is the only basis of the indicator; thus, the targets are set at 0.0 percent.
		Value-added-tax (VAT) Revenues from Digital Economy increased (in PHP billion)	2019	0.5	N/A	N/A	N/A	10.0	10.0	10.0	10.0	BIR Reports	DBCC	DOF	The figures are based on DOF's projections. This assumes PHP10 billion as potential collection should the VAT coverage extend to more digital transactions.

[f] Plan targets for 2021-2022 are based on the macroeconomic assumptions and fiscal program approved by the DBCC on July 28, 2020 via *Ad Referendum*.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Utilization of Special Education Fund (SEF) improved (%)[n]	2019	72.0	N/A	N/A	N/A	100.0	100.0	100.0	100.0	BLGF Statement of Receipts and Expenditure	BLGF/ DILG/DBM/ DepEd	BLGF	For 2020-2022, it is assumed that LGUs would be able to utilize 100 percent of their SEF as augmentation for the additional resources needed to implement the new blended learning scheme amid the COVID-19 pandemic.
		Public Financial Management (PFM) practitioners engaged in the foundation track and at least one specialty course (% of total PFM population, cumulative)[o]	2019	2.3	N/A	N/A	N/A	N/A	4.0	15.3	15.3	Accomplishment report prepared by DBM-BITS	DBM	DBM	As a result of the suspension of face-to-face Public Financial Management Competency Program (PFMCP) classes due to the COVID-19 pandemic, the previous target of engaging at least 25 percent of the total PFM practitioners by the end of 2022 was lowered to 15 percent (equivalent to around 2,400 PFM practitioners). For 2021, the PFMCP is expected to engage 300 participants (i.e., 120 participants through the Digital PFMCP and 180 participants through face-to-face classes). These targets are in line with the DBM-Budget Information and Training Service-Capacity Development Division's (BITS-CDD) catch-up plan, which includes the digitalization of the foundation track and specialty courses by 2021. All efforts are still dependent on various factors such as improvement of the health situation across the country, resumption of face-to-face or onsite trainings, completion of the development of the digital PFMCP materials, readiness and commitment of the partner SUCs to implement digital PFMCP, adjustments in the school calendar and activities in 2021, among others.
		Number of new partner-State Universities and Colleges (SUCs) which can commit to deliver the Public Financial Management Competency Program (PFMCP) increased (cumulative)	2020[p]	0[p]	N/A	N/A	N/A	N/A	2	4	4	Accomplishment report prepared by DBM-BITS	DBM	DBM	Moving forward, the PFMCP shall continue to broaden its scope by forging another series of twinning arrangements with at least two SUCs by 2021 and 2022, respectively. Preliminary coordination has been made among targeted universities in the National Capital Region and Mindanao for 2021.

[n] Figures are based on BLGF's projections.

[o] The PFMCP consists of one (1) foundation track and five (5) specialty tracks, specifically Budgeting and Performance, Internal Audit, Cash Management, Procurement, and Accounting. Practitioners are required to attend the foundation track as a prerequisite to the specialty tracks. However, not all practitioners are expected to complete all the specialty tracks since this will depend on the practitioners' specific functions/responsibilities. There are an estimated 17,000 PFM practitioners in the government based on DBM-Government Manpower Information System. Said total includes PFM population in National Government Agencies (NGA), Other Executive Offices (OEOs), SUCs, and other partner stakeholders.

[p] Latest actual baseline value available. For 2020, the expansion of the twinning arrangement was put on hold due to the COVID-19 pandemic (i.e., no new partner SUCs). All efforts were focused on the development of the digitized PFMCP.

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			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Number of training activities conducted on Government Procurement Reform Act (RA 9184) and its revised implementing rules and regulations (IRR) increased	2016	100.0	110	121	133	146	200-300	500-550	500-550	GPPB-TSO Accomplishment Report, Online Registration and Roll-out Report	GPPB-TSO	GPPB-TSO	The 2021-2022 targets are adjusted to reflect the impact of the pandemic which hampered the conduct of physical training activities. The outturns are contingent on the following factors: (1) GAA funding, (2) readiness of partner agencies/SUCs/trainers to implement trainings, and (3) poor or lack of internet connectivity (in case physical trainings may still be discouraged and trainings shall be shifted to online).
		Municipalities trained on RA 9184 and its revised IRR increased (% of total number of municipalities, cumulative)	2019[q]	23.9[q]	N/A	N/A	N/A	40.0	51.0	100.0	100.0	Accomplishment report prepared by DBM GPPB-TSO	GPPB-TSO	GPPB-TSO	The 2021-2022 targets are adjusted to reflect the impact of the pandemic which hampered the implementation of the program/activities. It is also noted that the end of Plan target includes the target number of municipalities for 2018 (i.e., 75 municipalities). The outturns are contingent on the following factors: (1) GAA funding; (2) difficulty in reaching out/establishing communication with municipalities; and (3) poor or lack of internet connectivity (in case physical trainings may still be discouraged and trainings shall be shifted to online)

[q] Latest actual baseline value available. The trainings to municipalities were only rolled-out in 2018.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Foreign currency debt maintained within debt management targets (% of total outstanding debt)[f]	2016	33.7	31-33	31-33	31-33	31-33	31-33	31-33	31-33	BTR Outstanding NG debt stock report	DOF-BTr	DOF-BTr	The targets assume higher foreign exchange debt due to diversification and cost advantage of issuing external debt. Meanwhile, the outturns are contingent on the robustness of macro-assumptions and in-year funding requirements (deficit).
		Average maturity of NG debt portfolio maintained within strategic guidelines (residual maturity in years)	2016	10.1	7-10	7-10	7-10	7-10	7-10	7-10	7-10	BTR Outstanding NG debt stock report	DOF-BTr	DOF-BTr	The outturns are contingent on prevailing market conditions and investor appetite.
		LGUs assessed on revenue performance (% of total LGUs, cumulative)	2019[r]	36.0[r]	N/A	N/A	N/A	52.0	76.0	100.0	100.0	Budget Execution Documents (BEDs) and Budget Accountability Report (BAR) submitted to DBM	BLGF	BLGF	The BLGF shall cover all 1,715 LGUs in 4 years starting 2019 to 2022 and the Standardized Examination and Assessment for Local Treasury Service (SEAL) Program and the continuing professional development program. The SEAL Program is a certification program which measures different competencies in the field of local treasury. This is in line with the recommendation of the subcommittee on Fiscal Policy to come up with a 4-year cycle for targeting 100 percent of the total number of LGUs. In the previous years, the agency does not have this cycle, thus, the actual accomplishments for 2017-2018 are not cumulative. The outturns are subject to the full release of proposed budgetary allocation and staff complement.

[f] Plan targets for 2021-2022 are based on the macroeconomic assumptions and fiscal program approved by the DBCC on July 28, 2020 via *Ad Referendum*.

[r] Latest actual baseline value available. The 4-year cycle for targeting 100 percent of the total number of LGUs was only adopted by the agency in 2019. This is in line with the recommendation of the subcommittee on Fiscal Policy.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		LGUs assessed on assessment performance (% of total LGUs, cumulative)	2019[r]	33.0[r]	N/A	N/A	N/A	45.0	72.0	100.0	100.0	BEDs and BAR submitted to DBM	BLGF	BLGF	The BLGF shall cover all 1,715 LGUs in 4 years starting 2019 to 2022 and the SEAL Program and the continuing professional development program. The SEAL Program is a certification program which measures different competencies in the field of local treasury. This is in line with the recommendation of the subcommittee on Fiscal Policy to come up with a 4-year cycle for targeting 100 percent of the total number of LGUs. In the previous years, the agency does not have this cycle, thus, the actual accomplishments for 2017-2018 are not cumulative. The outturns are subject to the full release of proposed budgetary allocation and staff complement.
Subchapter Outcome 1.2															
Resilient and inclusive monetary and financial sectors achieved		Low and stable inflation rate achieved (%)	2016	1.3 (2012=100); 1.8 (2006=100)	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	PSA Inflation report	DBCC	PSA	The economic costs of the pandemic, particularly the impact of quarantine measures on demand and supply, as well as the impact of inclement weather and volatility in global oil prices will pose risks to inflation outlook.
		Ratio of Financial System's Total Assets to GDP maintained (at current prices) (%)													Outturns are contingent on macroeconomic and financial sector conditions.
		a) BSP supervised, plus GSIS and SSS	2016	113.90	N/A	N/A	120.0	120.0	110.0	115.0	115.0	Report on Total Resources of the Philippine Financial System, PSA NIA	DBCC	BSP	

[r] Latest actual baseline value available. The 4-year cycle for targeting 100 percent of the total number of LGUs was only adopted by the agency in 2019. This is in line with the recommendation of the subcommittee on Fiscal Policy.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		b) IC supervised	2016	9.50	N/A	N/A	10	10	10	10	10	IC Annual Reports, National Income Accounts	DBCC	IC	
		Annual value of microfinance loans increased (in PHP billion):													Increasing programs and project conduits on microfinance delivery of public and private agencies, implementation of Personal Property Security Act.
		a) by banks	2016	13.70	>10	>10	>10	>10	>35	>40	>40	Financial Inclusion Dashboard	DBCC	BSP	
		b) by Microfinance Non-government organizations (NGOs)[s]	2017	39.00	N/A	N/A	50.8	55	60	65	65	Scorecards/ report cards submitted by the accredited microfinance NGOs	DBCC	SEC	a) Many corporations will lay off personnel and people will move to the provinces who will require microfinance loans because they will resort to small trade and agricultural businesses. b) There will be less restrictions in the movement of people, trade, and businesses. c) Infusion of concessional wholesale loans with microfinance institutions, e.g., microfinance NGOs.
		Number of access points per 10,000 adults increased (cumulative)[t]	2016	10.10	>10	>10	>10	>10	>13	>14	>14	Financial Inclusion dashboard	DBCC	BSP	Increased preference for digital payments increases the demand for both bank and non-bank transactions.
	8.10.2 (Proportion of adults [15 years and older] with an account at a bank or other financial institution or with a mobile-money-service provider)	Proportion of adults (15 years and older) with an account at a bank or other financial institutions or with a mobile-money-service provider	2015	22.00	>22	>22	>22	Not a survey year	>40	Not a survey year	>40	Financial Inclusion survey	DBCC	BSP	More digital transactions amid social distancing measures, higher financial literacy rate among adults, implementation of the Philippine Identification System (PhilSys), and introduction of basic deposit accounts can increase formal accounts.

[s] Data with the SEC is only based on the Microfinance NGOs accredited by the MicroFinance NGO Regulatory Council.

[t] Access points are the regulated entities where both cash-in and cash-out transactions can be performed. These include banks, non-stock savings and loan associations, cooperatives with financial services, microfinance NGOs, pawnshops, money service businesses, e-money agents, cash agents, and other non-bank financial institutions.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Volume of retail e-payments in the country (% over total payments)[u]	2018	10.00	N/A	N/A	N/A	N/A	N/A	40	40	PSOD Payments Dashboard	DBCC	BSP	Increased preference for digital transactions and awareness of digital financial services will increase the availment of electronic transfers/payments.
		Microinsurance penetration (as % of total population)[v]	2016	27.20	31.0	32.0	33.0	34.0	40.8	44.8	44.8	Internal IC data	DBCC	IC	Improvement in adult financial literacy rate and availability of more microinsurance products can help increase microinsurance penetration in the country. However, possible increase in interest rate due to the pandemic may pose a downside risk.
		Equity market capitalization relative to GDP (%)	2016	95.40	N/A	N/A	N/A	107.0	73.3	78.5	78.5	OECD report, IMF, World Federation of Exchanges, PSE Reports, PSA	DBCC	SEC	Takes into account movements of the PSE index and the country's GDP growth and outlook.
		Size of local currency bond market in % of GDP	2016	32.20	N/A	N/A	N/A	45.0	39.2	43.6	43.6	Asian Bonds Online	DBCC	SEC	Takes into account maturing securities and the country's GDP growth and outlook.
Aggregate Outputs															
		Volume of InstaPay transfers (in millions)	2019	34.10	N/A	N/A	N/A	N/A	N/A	160	160	PSOD Payments Dashboard	BSP	BSP	Increased preference for digital transactions and awareness of digital financial services will increase the availment of electronic transfers/payments.

[u] Refers to the share of retail e-payments in the total retail payments. A payment is considered electronic when it is an account-to-account fund transfer. It is considered a retail e-payment if any one of the following is met: (a) The payment is not directly related to a financial market transaction; (b) the settlement is not time-critical; (c) the payer, the payee, or both are individuals or non-financial organization; or (d) either the payer, the payee, or both are not direct participants in the payment system that is processing the payment.

[v] Number of people with microinsurance coverage consists of insured principal members and dependents.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
Subchapter Outcome 1.3															
Sustainable and Resilient External Sector		Exports of goods increased (in USD billion)[f]	2016	42.7	45.1-45.6	47.8-48.8	51.2-52.7	54.8-56.9	46.1-47.1	47.9-49.4	47.9-49.4	Exports Data (BPM6-based)	EDC[w]	BSP	
		Exports of services increased (in USD billion)[f]	2016	31.2	34.5-34.9	38.3-39.0	42.6-43.7	47.2-49.0	37.0-37.8	40.0-41.2	40.0-41.2	Exports Data (BPM6-based)	EDC[w]	BSP	
		Sustainable current account balance to GDP ratio achieved[x]	2016	-0.4	0.2	0.02	0.01	0.01	0.8	N/A	N/A	BSP report	DBCC	BSP	Overall, while the emerging forecasts are grounded in a narrative of gradual recovery in the near term, uncertainty over the duration, direction, and extent of the impact of the pandemic continue to cloud both the national and international economic prospects. Apart from COVID-19 resurgence, other key risks to the near-term prospects emanate from a range of issues such as re-escalation of trade tensions between the US and China, as well as between the US and the European Union; results of the US elections and impact of possible policy changes; geopolitical tensions as well as social unrest in some countries, increase in policy uncertainty, and heightened risk aversion leading to capital outflows. Projections for 2022 are not yet available thus the end of Plan target was set at N/A.
Aggregate Outputs															
		Increase in number of assisted micro, small, and medium enterprises (MSMEs)/exporters (cumulative)	2019	3,632	N/A	N/A	N/A	N/A	3,862	3,874	3,874	DTI-EDC	18 agencies as cited in the Malacañang Circular (MC) 27	DTI	MC 27 directing agencies to report on number of exporters assisted (whether trade facilitation, market access, standards, among others, so long as business is assisted by the agency).

[f] Plan targets for 2021-2022 are based on the macroeconomic assumptions and fiscal program approved by the DBCC on July 28, 2020 via *Ad Referendum*.
[w] Economic Development Cluster as reporting body for 18 agencies identified under MC 27 to implement the Philippine Export Development Plan.
[x] Figures are BSP projections approved by the Monetary Board on October 8, 2020.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Increase number of mission-driven trade promotions programs and projects either through traditional, digital, or hybrid platforms (cumulative)	2019	71	N/A	N/A	N/A	N/A	101	131	131	DTI/DA	EDC/DTI	EDC/DTI	Assumes improved participation of exporters in outbound and inbound missions of the DTI/DA; DTI/DA actively engages in proposing and implementing mission-driven trade promotion programs and projects; funding availability for programs and projects. Risks of drop in the hosting of trade missions; global slowdown and trade tension negatively affect demand for Philippine products.
		Total value exports with free trade agreement (FTA) partners increased.	2019	USD 35.20 B	N/A	N/A	N/A	N/A	TBD	TBD	TBD	PSA data	PSA	PSA	Assumes that exporters have a high level of awareness of products and services demanded by FTA partners and are encouraged to take advantage of preferential tariffs; High absorption rate and/or adaptive capacity of exporters on FTA opportunities; High absorption rate of exporters for technological advancements. Risks of inability to meet product standards and sanitary and phytosanitary requirements of importing countries; lower demand for Philippine products due to global slowdown or trade tension affecting FTA partners.

Objectives/Results	SDG Tier 1 Indicators	Indicator	Baseline[a]		Annual Plan Targets						End of Plan Target[c]	Means of Verification	Responsible Agency[d]	Reporting Entity[e]	Assumptions and Risks
			Year	Value	2017	2018	2019	2020[b]	2021	2022					
		Increase in total sales generated from international trade fairs and business matching missions either through traditional, digital, or hybrid platforms (cumulative)	2019	USD 638.63 M	N/A	N/A	N/A	N/A	USD 672.63 M	USD 708.63 M	USD708.63 M	DTI/DA	EDC/DTI	DTI/DA	Assumes improved participation and sales (booked and negotiated) of private sector in international trade fairs and missions; increased invitations for Philippine companies in international trade fairs and missions; increased global demand for Philippine products; improved quality of Philippine goods and services; funding availability for participation and staging international trade fairs and business matching missions. Risks of lack of funding to participate in international trade fairs and business matching missions; lack of diversity in product offering in Philippine exports in trade fairs; difficulties in sourcing raw materials and meeting product standards, unable to meet volume demand; low productivity in producing exportable products; decrease in demand for Philippine export products.