

# 11

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**Ensure Macroeconomic  
Stability and Expand  
Inclusive and Innovative  
Finance**

## Chapter 11: Ensure Macroeconomic Stability and Expand Inclusive and Innovative Finance

| Objectives/<br>Results   | 8-Point<br>Socioeconomic<br>Agenda                 | SDG Tier 1<br>Indicators  | Indicator  | Baseline          |       | Annual Plan Targets |        |        |        |        |        | End-of-Plan<br>Target <sup>a</sup> | Means of Verification                                      | Responsible<br>Agency <sup>c</sup> | Reporting<br>Agency <sup>c</sup> | Assumption and Risks   |
|--|--|---|--|-------------------|-------|---------------------|--------|--------|--------|--------|--------|------------------------------------|--|------------------------------------|----------------------------------|--|
|  |  |   |  | Year <sup>a</sup> | Value | 2023                | 2024   | 2025   | 2026   | 2027   | 2028   |                                    |  |                                    |                                  |  |
| Societal Goal  |  |   |  |                   |       |                     |        |        |        |        |        |                                    |  |                                    |                                  |  |
| Economic transformation for a prosperous, inclusive, and resilient society |  |   |  |                   |       |                     |        |        |        |        |        |                                    |  |                                    |                                  |  |
| Chapter Outcome 1  |  |   |  |                   |       |                     |        |        |        |        |        |                                    |  |                                    |                                  |  |
| Promote an inclusive, innovative, and healthy financial sector             |  |   |  |                   |       |                     |        |        |        |        |        |                                    |  |                                    |                                  |  |
| Subchapter Outcome 1.1   |  |   |  |                   |       |                     |        |        |        |        |        |                                    |  |                                    |                                  |  |
| Financial<br>inclusion<br>broadened<br>and deepened                        | 3<br>Ensure sound<br>macroeconomic<br>fundamentals | 8.10.2<br>Proportion of<br>adults (15<br>years and<br>older) with an<br>account at a<br>bank or other<br>financial<br>institution or<br>with a mobile-<br>money-<br>service<br>provider | Proportion of<br>adults (15 years<br>and older) with<br>an account at a<br>bank or other<br>financial<br>institutions or<br>with a mobile-<br>money-service<br>provider<br>increased (%) | 2021              | 55.6  | >=70.0              | >=70.0 | >=75.0 | >=75.0 | >=80.0 | >=90.0 | >=90.0                             | Bangko Sentral ng<br>Pilipinas (BSP)<br>Demand-side survey | BSP                                | BSP                              | Assumption: Continued<br>economic recovery;<br>More digital<br>transactions, higher<br>financial literacy rate<br>among adults,<br>implementation of the<br>Philippine Identification<br>System (PhilSys), and<br>continued growth in<br>bank and e-money<br>accounts can increase<br>account ownership.<br><br>Risks: Income and cost<br>concerns as well as<br>lack of documents as<br>barriers to account<br>ownership. |
|  |  |   | Proportion of<br>E socioeconomic<br>class with<br>accounts to<br>proportion of<br>ABC<br>socioeconomic<br>class with<br>accounts<br>increased (%)  | 2021              | 55.1  | >=60.0              | >=60.0 | >=65.0 | >=65.0 | >=70.0 | >=75.0 | >=75.0                             | BSP Demand-side<br>Survey                                  | BSP                                | BSP                              |  |
|  |  |   | Proportion of<br>adults with<br>investment<br>increased (%)  | 2021              | 35.9  | >=40.0              | >=40.0 | >=45.0 | >=45.0 | >=50.0 | >=50.0 | >=50.0                             | BSP Demand-side<br>Survey                                  | BSP                                | BSP                              | Note: including pension  |
|  |  |   | Proportion of<br>adults with<br>insurance<br>services<br>increased (%)   | 2021              | 17.5  | 17.0                | 17.0   | 17.0   | 17.0   | 17.0   | 17.0   | 17.0                               | BSP Demand-side<br>Survey                                  | Insurance<br>Commission<br>(IC)    | BSP                              | Note: excluding<br>Philippine Health<br>Insurance Corporation<br>(PhilHealth)  |

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|------------------------|------------------------------------|--------------------------|---|-------------------|-------|---------------------|--------|--------|--------|--------|--------|------------------------------------|---|---|----------------------------------|---|
|                        |                                    |                          |   | Year <sup>a</sup> | Value | 2023                | 2024   | 2025   | 2026   | 2027   | 2028   |                                    |   |   |                                  |   |
|                        |                                    |                          | Proportion of adults who received international remittances with an account increased (%) | 2021              | 67.5  | >=70.0              | >=70.0 | >=75.0 | >=75.0 | >=80.0 | >=90.0 | >=90.0                             | BSP Demand-side Survey  | BSP   | BSP                              | Assumption: Continued economic recovery; More digital transactions, higher financial literacy rate among adults, implementation of the PhilSys, and introduction of basic depositaccounts can increase account ownership. Risks: Income and cost concerns as well as lack of documents as barriers to account ownership |
|                        |                                    |                          | Annual value of microfinance loans increased (PHP billion)                                | 2021              | 95.8  | 106.8               | 112.9  | 124.1  | 130.9  | 143.4  | 151.5  | 151.5                              |   |   |                                  |   |
|                        |                                    |                          | a) by banks   | 2021              | 27.7  | >=30.0              | >=30.0 | >=35.0 | >=35.0 | >=40.0 | >=40.0 | >=40.0                             | Financial Inclusion Dashboard   | BSP   | BSP                              | Assumption: Continued economic recovery; digital transformation of rural financial institutions.<br><br>Risks: Spillover effects from supply-side risks (e.g., rising prices)   |
|                        |                                    |                          | b) by accredited microfinance non-government organizations (NGO) <sup>b</sup>             | 2021              | 61.6  | 69.9                | 75.5   | 81.5   | 88.0   | 95.1   | 102.7  | 102.7                              | Scorecards/ report cards submitted by the accredited microfinance non-government organizations (NGOs) | Securities and Exchange Commission - Microfinance NGO Regulatory Council [SEC-MNRC] | SEC-MNRC                         |   |
|                        |                                    |                          | c) by cooperatives (less cooperative banks)   | 2021              | 6.5   | 6.9                 | 7.2    | 7.6    | 7.9    | 8.3    | 8.8    | 8.8                                | Reports by Cooperatives   | Cooperative Development Authority [CDA]   | CDA                              |   |
|                        |                                    |                          | Increased number of credit surety fund cooperatives (CSFC)                                | Dec 2022          | 33    | 42                  | 50     | 58     | 65     | 73     | 81     | 81                                 | Reports submitted by CSFC   | CDA   | CDA                              | Assumption: Continued support of LGUs and GFIs in the organization of CSFC; expansion of membership of CSF cooperatives; participation of additional lending banks in the program; enabling/reinforcing environment and other government support to the program<br><br>Risk: rising interest rates                      |

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|---|--|---|---|-------------------|-------|---------------------|-------------|-------------|-------------|-------------|-----------|------------------------------------|---|------------------------------------|----------------------------------|---|
|   |  |   |   | Year <sup>a</sup> | Value | 2023                | 2024        | 2025        | 2026        | 2027        | 2028      |                                    |   |                                    |                                  |   |
|   |  | 8.10.1: (a) Number of commercial bank branches per 100,000 adults and (b) number of automated teller machines (ATMs) per 100,000 adults | Number of access points per 10,000 adults increased (cumulative) <sup>f</sup>   | 2021              | 28.7  | >=30.0              | >=30.0      | >=35.0      | >=35.0      | >=40.0      | >=40.0    | >=40.0                             | Financial Inclusion Dashboard   | BSP                                | BSP                              | Assumption: Continued economic recovery.<br><br>Risks: With digitalization and emergence of new business models (e.g., digital banks without branches), the number of commercial bank branches and ATMs may no longer provide a holistic picture of financial access. |
|   |  |   | Proportion of adults with microinsurance increased (%) <sup>g</sup>   | 2021              | 6.2   | 7.0                 | 7.0         | 7.5         | 7.5         | 8.0         | 8.0       | 8.0                                | BSP Demand side Survey  | IC                                 | BSP                              | IC assumes that BSP FIS will continue to include questions regarding microinsurance coverage.   |
| <b>Subchapter Outcome 1.2</b>                     |  |   |   |                   |       |                     |             |             |             |             |           |                                    |   |                                    |                                  |   |
| Financial innovation accelerated and strengthened | 3<br>Ensure sound macroeconomic fundamentals |   | Volume of digital payments over total retail payment transactions in the country increased <sup>h</sup> (%)                   | 2021              | 30.3  | 50.0                | 52.0 - 54.0 | 54.0 - 58.0 | 56.0 - 62.0 | 58.0 - 66.0 | 60.0-70.0 | 60.0-70.0                          | PCMS Payments Dashboard   | BSP                                | BSP                              |   |
|   |  |   | Number of financial technologies (fintech) companies increased  | 2021              | 216   | 221                 | 226         | 231         | 240         | 250         | 260       | 260                                | Fintech Alliance  | SEC                                | SEC                              |   |
|   |  |   | Number of small and midsize enterprises (SMEs) listed in Philippine Stock Exchange (PSE) or any organized market (cumulative) | Oct. 2022         | 9     | 14                  | 19          | 27          | 35          | 45          | 55        | 55                                 | SEC/ PSE Report   | SEC                                | SEC                              |   |
|   |  | 10.c. Remittance costs as a proportion of the amount remitted   | International remittance costs as a proportion of the amount remitted <sup>f</sup> reduced (%)                                | 2021              | 4.1   | <=4.0               | <=4.0       | <=4.0       | <=3.5       | <=3.5       | <=3.0     | <=3.0 (SDG 2030)                   | World Bank Remittance Prices World Wide ( <a href="http://remittanceprices.worldbank.org/">http://remittanceprices.worldbank.org/</a> ) | BSP                                | BSP                              | Assumption: Continued economic global recovery; adoption of digital financial services for remittance transfers.<br><br>Risk: Spillover effects from cross-border risks (e.g., rising prices, ongoing conflicts).   |
|   |  |   | SME and total stock market capitalization relative to GDP increased (%)   |                   |       |                     |             |             |             |             |           |                                    |   |                                    |                                  |   |
|   |  |   | a) SME market capitalization relative to GDP (%)  | 2021              | 0.15  | 0.20                | 0.26        | 0.35        | 0.43        | 0.51        | 0.59      | 0.59                               | BSP Report  | SEC                                | BSP                              |   |

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|---------------------------------|--|--|---|-------------------|-------|---------------------|--------|--------|--------|--------|--------|------------------------------------|--|--|----------------------------------|--|
|                                 |  |  |   | Year <sup>a</sup> | Value | 2023                | 2024   | 2025   | 2026   | 2027   | 2028   |                                    |  |  |                                  |  |
|                                 |  |  | b) Total market capitalization relative to GDP (%)  | 2021              | 93.20 | 92.20               | 96.80  | 102.92 | 109.05 | 116.71 | 124.37 | 124.37                             | OECD Report, Intellectual Monetary Fund (IMF), World Federation of Exchanges, PSE Reports, PSA | SEC  | SEC                              |  |
|                                 |  |  | Size of local currency bond market increased (as % of GDP)                                | Q3 2022           | 51.87 | 54.70               | 60.65  | 66.60  | 74.92  | 83.25  | 95.14  | 95.14                              | Asian Bonds Online   | SEC  | SEC                              |  |
| Subchapter Outcome 1.3          |  |  |   |                   |       |                     |        |        |        |        |        |                                    |  |  |                                  |  |
| Financial sector health ensured | 3<br>Ensure sound macroeconomic fundamentals |  | Ratio of financial system's total assets to GDP (at current prices) increased (%)         | 2021              | 149.5 | 129.5               | 129.5  | 129.5  | 129.5  | 129.5  | 129.5  | 129.5                              |  |  |                                  |  |
|                                 |  |  | a) Banks and non-banks <sup>j</sup>   | 2021              | 135.1 | >116.0              | >116.0 | >116.0 | >116.0 | >116.0 | >116.0 | >116.0                             | Report on Total Resources of the Philippine Financial System, National Income Accounts         | BSP, GSIS, SSS, and other Government Non-Bank Financial Institutions (e.g., Philippine Guarantee Corporation and Small Business Corporation) | BSP                              | Assumption: Ratio to return to pre-pandemic (i.e., 2016 to 2019) average ratio.<br><br>Risk: Above target inflation rate, depreciating peso, rising interest rates, and lower than expected global and domestic output growth. |
|                                 |  |  | b) IC supervised  | 2021              | 11.7* | 11.0                | 11.0   | 11.0   | 11.0   | 11.0   | 11.0   | 11.0                               | IC Annual Reports, National Income Accounts  | IC   | IC                               |  |
|                                 |  |  | c) CDA supervised cooperatives <sup>k</sup>   | 2021              | 2.7   | 2.5                 | 2.5    | 2.5    | 2.5    | 2.5    | 2.5    | 2.5                                |  | CDA  | CDA                              |  |
|                                 |  | 10.5.1.1<br>Financial Soundness Indicators | Capital Adequacy: Regulatory Tier 1 capital to risk-weighted assets "above the threshold" | 2021              | 15.51 | >=7.5               | >=7.5  | >=7.5  | >=7.5  | >=7.5  | >=7.5  | >=7.5                              | IMF Data on Financial Soundness Indicators   | BSP  | BSP                              | Assumption: Target is based on the regulatory minimum for the Tier 1 capital ratio.<br><br>Risk: Above target inflation rate, lower than expected global and domestic output growth and financial market volatility            |

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|------------------------|------------------------------------|--|--|-------------------|-------|---------------------|--------|--------|--------|--------|--------|------------------------------------|--|------------------------------------|----------------------------------|---|
|                        |                                    |  |  | Year <sup>a</sup> | Value | 2023                | 2024   | 2025   | 2026   | 2027   | 2028   |                                    |  |                                    |                                  |   |
|                        |                                    | 10.5.1.3<br>Financial<br>Soundness<br>Indicators | Profitability:<br>Return on Assets<br>maintained at<br>reasonable levels                             | 2021              | 1.44  | >=1.0               | >=1.0  | >=1.0  | >=1.0  | >=1.0  | >=1.0  | >=1.0                              | IMF Data on Financial<br>Soundness Indicators            | BSP                                | BSP                              | Assumption: Target<br>assumes return of<br>profitability indicator to<br>pre-pandemic levels.<br>Pre pandemic average<br>amounted to 1.09<br>percent based on IMF<br>FSI historical dataset.<br>Risks: Above target<br>inflation rate,<br>depreciating peso,<br>rising interest rates,<br>lower than expected<br>global and domestic<br>output growth and<br>financial market<br>volatility.  |
|                        |                                    | 10.5.1.4<br>Financial<br>Soundness<br>Indicators | Liquidity:<br>Liquid assets to<br>short-term<br>liabilities<br>returned to<br>pre-pandemic<br>levels | 2021              | 47.66 | >=45.0              | >=45.0 | >=45.0 | >=45.0 | >=45.0 | >=45.0 | >=45.0                             | IMF Data on Financial<br>Soundness Indicators            | BSP                                | BSP                              | Assumption: Target<br>assumes return of<br>indicator to pre-<br>pandemic level. Lowest<br>recorded ratio for the<br>comparable indicator –<br>liquid assets to<br>deposits ratio – was in<br>September 2018 at 45.7<br>percent. Based on IMF<br>FSI historical dataset,<br>pre pandemic average<br>ratio amounted to 51.5<br>percent.<br><br>Risk: Above target<br>inflation rate, rising<br>interest rates, lower<br>than expected global<br>and domestic output<br>growth and financial<br>market volatility. |
|                        |                                    |  | Number of<br>publicly listed<br>companies<br>increased<br>(cumulative)                               | Oct. 2022         | 286   | 301                 | 316    | 336    | 356    | 381    | 406    | 406                                | SEC/PSE Report   | SEC                                | SEC                              |   |
|                        |                                    |  | Number of<br>corporate bonds<br>issued and<br>traded in an<br>organized<br>exchange                  | Oct. 2022         | 41    | 46                  | 51     | 56     | 63     | 70     | 80     | 80                                 | Philippine Dealing and<br>Exchange Corporation<br>(PDEX) | SEC                                | SEC                              |   |

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|--|--|--|--|---------------------|-------|---------------------|-------|-------|-------|-------|------|------------------------------------|--|---|---|--|
|  |  |  |  | Year <sup>a</sup>   | Value | 2023                | 2024  | 2025  | 2026  | 2027  | 2028 |                                    |  |   |   |  |
|  |  | 10.5.1.2<br>Financial<br>Soundness<br>Indicators                                   | Philippine<br>Banking System<br>(PBS) non-<br>performing loan<br>(NPL) ratio<br>improved                     | end of Jun.<br>2022 | 3.5   | <4.0                | <3.5  | <3.5  | <3.0  | <3.0  | <3.0 | <3.0                               | IMF Data on Financial<br>Soundness Indicators  | BSP   | BSP   | Assumption: Targets<br>are based on BSP-<br>internal projections<br>where the average NPL<br>ratio for 2021-2025 will<br>settle to a low of 3.3<br>percent with the full<br>implementation of the<br>FIST Law under low<br>scenario and may only<br>return to pre-pandemic<br>ratio of 2.2 percent<br>after 2028.<br><br>Risk: Above target<br>inflation rate, high<br>unemployment and<br>poverty rates that will<br>affect income and<br>paying capacity of<br>borrowers, lower than<br>expected global and<br>domestic output<br>growth and financial<br>market volatility. |
| Chapter Outcome 2  |  |  |  |                     |       |                     |       |       |       |       |      |                                    |  |   |   |  |
| Ensure Sound Fiscal Management and Improve the Tax Regime  |  |  |  |                     |       |                     |       |       |       |       |      |                                    |  |   |   |  |
| Subchapter Outcome 2.1   |  |  |  |                     |       |                     |       |       |       |       |      |                                    |  |   |   |  |
| A productive,<br>equitable, and<br>simple tax<br>system<br>established<br>and other<br>sources of<br>revenues<br>mobilized | 3<br>Ensure sound<br>macroeconomic<br>fundamentals | 17.1.1<br>Total<br>government<br>revenue as a<br>proportion of<br>GDP              | Revenue-to-GDP<br>ratio improved<br>(%) <sup>m</sup>   | Q1-Q3 2022          | 17.1  | 15.3                | 15.6  | 16.0  | 16.5  | 17.0  | 17.6 | 17.6                               | Bureau of Treasury<br>(BTr) Cash Operations<br>Report and PSA<br>National Income<br>Accounts | Department<br>of Finance<br>(DOF)           | DOF   | The outturns are<br>contingent on the<br>following:<br><br>1. Economic<br>performance<br>2. Implementation of<br>new tax and tax<br>administration<br>measures   |
|  |  | 17.13.1.15<br>Tax revenue<br>as a<br>proportion of<br>gross<br>domestic<br>product | Tax revenue-to-<br>GDP ratio<br>improved (%) <sup>m</sup>  | Q1-Q3 2022          | 15.3  | 14.6                | 14.9  | 15.4  | 15.9  | 16.4  | 17.1 | 17.1                               | BTr Cash Operations<br>Report and PSA<br>National Income<br>Accounts                         | DOF   | DOF   |  |
| Aggregate Outputs  |  |  |  |                     |       |                     |       |       |       |       |      |                                    |  |   |   |  |
|  |  |  | Value-added-tax<br>(VAT) revenues<br>from digital<br>economy <sup>i</sup><br>increased<br>(in PHP billion)   | N/A                 | N/A   | 13.39               | 14.45 | 15.45 | 16.36 | 17.42 | TBD  | TBD                                | TBD  | DOF, Bureau<br>of Internal<br>Revenue (BIR) | DOF, BIR  | -  |
|  |  |  | Tax revenues<br>from extractive<br>industries <sup>n</sup> and<br>pollution<br>generated (in<br>PHP billion) | N/A                 | N/A   | 7.9                 | 8.2   | 8.5   | 8.8   | 9.1   | 9.5  | 9.5                                | TBD  | DOF, BIR                                    | DOF, BIR, and<br>Mines and<br>Geosciences<br>Bureau (MGB) | Outturns are<br>contingent on the<br>timely passage of tax<br>measures related to<br>extractive industries<br>and pollution.   |

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|--|------------------------------------|--------------------------|---|-------------------|-------|---------------------|------------|------------|------------|---------------------------|------|------------------------------------|--|--|----------------------------------|--|
|  |                                    |                          |   | Year <sup>a</sup> | Value | 2023                | 2024       | 2025       | 2026       | 2027                      | 2028 |                                    |  |  |                                  |  |
|  |                                    |                          | Percentage increase in the number of registered business tax payers maintained at 3.0 percent (in percent) <sup>b</sup> | 2021              | 4.9   | 3.0                 | 3.0        | 3.0        | 3.0        | 3.0                       | 3.0  | 3.0                                | BIR Report (Quarterly Physical Report of Operation)  | BIR  | BIR                              | -  |
|  |                                    |                          | Percentage of Bureau of Customs (BOC) processes digitized increased (in percent)  | 2022              | 91.2  | Increasing          | Increasing | Increasing | Increasing | 100 (Full Implementation) | N/A  | N/A                                | BOC Report   | BOC  | BOC                              | Outturns are contingent on the RTC order preventing BOC from conducting enhancement and procurement of local or foreign funded customs processing system. The said order was referred to the Office of the Solicitor General on how the BOC shall proceed with the modernization project.                |
|  |                                    |                          | Revenues from asset privatization maintained above baseline (in PHP billion) <sup>b</sup>                               | as of Oct 2022    | 0.1   | 2.8                 | 1.9        | 2.5        | 0.2        | 0.5                       | TBD  | TBD                                | BTr Cash Operations Report   | PMO  | PMO                              | Outturns, despite directive and instructions of the principal, is contingent upon the market conditions, and assets to be privatized.  |
| Subchapter Outcome 2.2                               |                                    |                          |   |                   |       |                     |            |            |            |                           |      |                                    |  |  |                                  |  |
| An efficient and inclusive budget system implemented |                                    |                          | Primary expenditure-to-GDP ratio maintained above 17 percent (%) <sup>m</sup>   | Q1-Q3 2022        | 21.0  | 19.0                | 18.2       | 17.7       | 17.6       | 17.9                      | 18.4 | 18.4                               | BTr Cash Operations Report and PSA National Income Accounts  | BTr, Department of Budget and Management (DBM) | BTr, DBM                         | The outturns are contingent on<br><br>1. Economic performance;<br>2. Revenue and disbursement performance; and<br>3. Debt stock and environment for interest rates which affect the level of interest payments   |
|  |                                    |                          | Utilization of current year's budget maintained above 90 percent (%)  | S1 2022           | 52.9  | >90                 | >90        | >90        | >90        | >90                       | >90  | >90                                | DBM Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) Report | DBM  | DBM                              | Targets assume that the cash Budgeting System issued under Executive Order No. 91, s. 2019 dated September 9, 2019 is implemented. Outturns are affected by the timely enactment of the annual budget and extension of the validity of appropriations. Computed as actual current year's obligation over |



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|--|------------------------------------|--------------------------|---|-------------------|-----------------|---------------------|-----------|-----------|-----------|-----------|-----------|------------------------------------|---|------------------------------------|----------------------------------|--|
|  |                                    |                          |   | Year <sup>a</sup> | Value           | 2023                | 2024      | 2025      | 2026      | 2027      | 2028      |                                    |   |                                    |                                  |  |
|  |                                    |                          |   |                   |                 |                     |           |           |           |           |           |                                    |   |                                    |                                  | available current year's appropriation.  |
| Subchapter Outcome 2.3                 |                                    |                          |   |                   |                 |                     |           |           |           |           |           |                                    |   |                                    |                                  |  |
| Local government finance strengthened  |                                    |                          | Ratio of locally-sourced local government unit (LGU) income to total current operating income maintained above 30 percent (%)     | S1 2022           | 31.8            | >30                 | >30       | >30       | >30       | >30       | >30       | >30                                | Bureau of Local Government Finance Statement of Receipts and Expenditures (BLGF eSRE) | BLGF                               | BLGF                             | Outturns are contingent on the following:<br><br>1. Political will of LGUs to adopt legislated measures (e.g., implement devolved functions stipulated in the Local Government Code of 1991)<br>2. All newly-appointed municipality/provincial treasurers and assessors are trained. |
|  |                                    |                          | Growth in locally-sourced LGU income improved (%)   | S1 2022           | 7.8             | >7                  | >7        | >10       | >10       | >10       | >10       | >10                                | BLGF eSRE   | BLGF                               | BLGF                             |  |
|  |                                    |                          | Year-on-year growth in social and economic service expenditures of LGUs maintained at 10 percent (%)                              | S1 2022           | 28.8            | 10.0                | 10.0      | 10.0      | 10.0      | 10.0      | 10.0      | 10.0                               | BLGF eSRE   | BLGF                               | BLGF                             |  |
| Aggregate Outputs                      |                                    |                          |   |                   |                 |                     |           |           |           |           |           |                                    |   |                                    |                                  |  |
|  |                                    |                          | Percentage of LGUs assessed on revenue and assessment performance maintained at or above 60 percent (% of total LGUs, cumulative) | Q1-Q3 2022        | 45 <sup>e</sup> | > or = 60           | > or = 60 | > or = 60 | > or = 60 | > or = 60 | > or = 60 | > or = 60                          | BLGF eSRE <sup>1</sup>  | BLGF                               | BLGF                             | Outturns are from the 1,715 treasury offices and another 1,715 assessment offices in the country; monitored by the local treasury operations division (LTOD) and the local assessment operations division (LAOD)   |
| Subchapter Outcome 2.4                 |                                    |                          |   |                   |                 |                     |           |           |           |           |           |                                    |   |                                    |                                  |  |
| Sustainable management of debt ensured |                                    |                          | National government (NG) fiscal deficit to GDP ratio declined (%) <sup>h</sup>  | Q1-Q3 2022        | 6.5             | 6.1                 | 5.1       | 4.1       | 3.5       | 3.2       | 3.0       | 3.0                                | BTr Cash Operations Report and PSA National Income Accounts                           | DOF, DBM, BTr                      | BTr                              | Outturns are contingent on economic, revenue, and disbursement performance.  |
|  |                                    |                          | Outstanding NG debt stock to GDP ratio reduced (%) <sup>h</sup>   | as of Sept 2022   | 63.7            | 60-62               | 57-61     | 56-59     | 54-58     | 50-55     | 48-53     | 48-53                              | BTr and PSA National Income Accounts  | BTr                                | BTr                              | Outturns are contingent on the following:<br><br>1. Economic performance<br>2. Deficit outturn<br>4. Domestic and foreign interest rate environment<br>5. External environment such as developments in foreign exchange rate   |

## Chapter 11: Ensure Macroeconomic Stability and Expand Inclusive and Innovative Finance

| Objectives/<br>Results  | 8-Point<br>Socioeconomic<br>Agenda | SDG Tier 1<br>Indicators | Indicator  | Baseline          |  | Annual Plan Targets    |                        |                        |                        |                        |                        | End-of-Plan<br>Target <sup>a</sup> | Means of Verification        | Responsible<br>Agency <sup>c</sup> | Reporting<br>Agency <sup>c</sup> | Assumption and Risks   |
|---|------------------------------------|--------------------------|--|-------------------|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------------------|------------------------------|------------------------------------|----------------------------------|--|
|   |                                    |                          |  | Year <sup>a</sup> | Value                                      | 2023                   | 2024                   | 2025                   | 2026                   | 2027                   | 2028                   |                                    |                              |                                    |                                  |  |
|   |                                    |                          | Sovereign credit rating standing maintained or improved                        | 2022              | BBB-(S&P)<br>BBB (Fitch)<br>Baa2 (Moody's) | Maintained or Improved | Maintained or Improved | Maintained or Improved | Maintained or Improved | Maintained or Improved | Maintained or Improved | Maintained or Improved             | Credit Rating Agency Reports | BTr                                | BTr                              | The outturns are contingent on the following factors:<br><br>1. Macroeconomic fundamentals (e.g., inflation, GDP growth, fiscal balance, external position, interest rates, government debt) remain sound;<br>2. Political stability is maintained;<br>3. Governance improvement efforts are strengthened; and,<br>4. Legislative measures are passed. |
| Aggregate Outputs   |                                    |                          |  |                   |  |                        |                        |                        |                        |                        |                        |                                    |                              |                                    |                                  |  |
|   |                                    |                          | Share of domestic borrowing to total borrowing maintained above 70 percent (%) | Q1-Q3 2022        | 81.0                                       | >70                    | >70                    | >70                    | >70                    | >70                    | >70                    | >70                                | BTR Cash Operations Report   | BTr                                | BTr                              | Outturns are contingent on the following:<br><br>1. Well managed inflation<br>2. Stable domestic capital market  |
| <p>Notes:</p> <p><sup>a</sup> Actual data as of December 2021, or most recent available data.</p> <p><sup>b</sup> May either be the cumulative or incremental target value at the end of the plan period.</p> <p><sup>c</sup> NEDA Board Committees/Cabinet Cluster/IACs responsible for the outcomes, and the implementing agencies responsible for delivering the outputs.</p> <p><sup>d</sup> Lead/responsible agency for reporting progress on indicator targets.</p> <p><sup>e</sup> Data is limited to the voluntary information submitted by Microfinance NGO Regulatory Council (MNRC)-accredited microfinance NGOs. Q1 2022 data is based on 32 MNRC-accredited Microfinance NGOs. Please note that as of Q2 of 2022, the number of accredited MF-NGOs has decreased to 28.</p> <p><sup>f</sup> 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</p> <p><sup>g</sup> Number of adult Filipinos with private insurance services (any of the following: life insurance (whole life, term, VUL, health and accident), non-life insurance (motor car, property, health and accident), and microinsurance).</p> <p><sup>h</sup> Refers to the percentage of digital payments volume over total retail payments volume. Digital payment refers to a payment transaction between two parties where both the payer and payee utilized digital payment instrument/channel in making the transaction. Retail payment refers to payments that meet at least one of the following: (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.</p> <p><sup>i</sup> The indicator uses the cost of sending USD 200 from the US to the Philippines as a proxy for the average cost of remittance.</p> <p><sup>j</sup> Non-banks comprised of BSP-supervised Investment Houses, Financing Companies, Investment Companies, Securities Dealers/Brokers, Pawnshops, Lending Investors, Non-Stock Savings and Loan Associations (NSSLAs), Credit Card Companies, Government Non-bank Financial Institutions (i.e., Philippine Guarantee Corporation and Small Business Corporation), and Authorized Agent Banks (AAB) Forex Corporations, wherein assets are reported gross of allowance for probable losses and net of depreciation. Data on non-banks are based on Consolidated Statement of Condition (CSOC), except for NSSLAs which is based on Financial Reporting Package (FRP). Non-bank institutions also include Social Security System (SSS), Government Service Insurance System (GSIS), and private insurance companies (i.e., life insurance companies, non-life insurance companies, and professional reinsurers), wherein assets are reported net of allowance for probable losses and depreciation.</p> <p><sup>k</sup> Data sourced from unaudited financial statements submitted by IC-regulated entities for Q4 2021.</p> <p><sup>l</sup> CDA supervised cooperatives do not include cooperative banks and insurance cooperatives.</p> <p><sup>m</sup> Targets are based on the July 8, 2022 DBCC-approved Medium-term Fiscal Program and the Concurrent Resolution No. 04 approved by Congress on September 19, 2022.</p> <p><sup>n</sup> Estimated incremental VAT revenues on digital media and advertising on non-resident and resident Digital Service Providers for 2023-2027.</p> <p><sup>o</sup> Projected royalty and additional National Government share from mining industry.</p> <p><sup>p</sup> The target of three percent increase was in consideration of the COVID-19 situation and restrictions where many business establishments were affected and the limited physical contact by the revenue officers with taxpayers.</p> <p><sup>q</sup> Proceeds are estimated based on fair market value (FMV), as approved by the Privatization Council (PrC). Disposition of assets are based on FMV approved by PrC, and proceeds are net of sales less privatization expenses approved by PrC.</p> |                                    |                          |  |                   |  |                        |                        |                        |                        |                        |                        |                                    |                              |                                    |                                  |  |