



PHILIPPINE DEVELOPMENT REPORT 2023



About the cover

The cover of the Philippine Development Report 2023 encapsulates the country's journey toward progress and unity. Vibrant waves in the national colors represent the dynamic economy and patriotic spirit, symbolizing growth and fluidity. The prominent bridge signifies infrastructure's pivotal role in connecting islands, fostering inclusivity, and enabling trade. Meanwhile, a city skyline hints at urban development's rise and the potential for sustainable expansion. Overall, the composition harmonizes urbanization with environmental preservation, reflecting the nation's commitment to balanced growth.

Through strategic symbolism and color, this cover embodies the government's vision of a unified, forward-moving nation. It paints a picture of strength, unity, and a resolute march towards a bright and prosperous future for the Philippines.

© 2023 by the National Economic and Development Authority

All rights reserved. Any part of this publication may be used and reproduced, provided that proper citation and/or acknowledgement is made.

Philippine Development Report 2023

Published by the **National Economic and Development Authority in collaboration with various national government agencies.**

32nd and 34th Floors, The Mega Tower, Ortigas Center
Mandaluyong City 1550
Philippines

devinfo@neda.gov.ph
facebook.com/NEDAHQ
twitter.com/NEDAHQ
neda.gov.ph



pdp.neda.gov.ph/pdr-2023



PHILIPPINE DEVELOPMENT REPORT 2023

TABLE OF CONTENTS

| | |
|---|-----|
| Foreword | vi |
| CHAPTER 1 PHILIPPINE DEVELOPMENT REPORT 2023 OVERVIEW ACCELERATING RECOVERY AND CHARTING A ROBUST DEVELOPMENT PATH | 9 |
| CHAPTER 2 PROPELLING ECONOMIC TRANSFORMATION AND GROWTH | 35 |
| 2.1. Building a Strong Economic and Fiscal Foundation | 36 |
| 2.1.1. Ensure Sound Fiscal Management and Improve the Tax Regime | 37 |
| 2.1.2. Strengthening Efforts Towards an Inclusive, Innovative, and Healthy Financial Sector | 43 |
| 2.2. Enhancing the Country's Business Climate | 50 |
| 2.2.1. Promote Trade and Investments | 51 |
| 2.2.2. Promote Competition and Improve Regulatory Efficiency | 57 |
| 2.2.3. Expand and Upgrade Infrastructure | 64 |
| 2.3. Promoting Productivity-Enhancing and Job Generating Investment | 81 |
| 2.3.1. Modernize Agriculture and Agribusiness | 82 |
| 2.3.2. Revitalize Industry | 92 |
| 2.3.3. Reinvigorate Services | 99 |
| 2.3.4. Advance Research and Development, Technology, and Innovation | 107 |
| CHAPTER 3 PROMOTING SOCIAL DEVELOPMENT AND TRANSFORMATION | 115 |
| 3.1. Advancing Universal Healthcare and Nutrition | 116 |
| 3.1.1. Boost Health | 117 |
| 3.1.2. Ensure Food Security and Proper Nutrition | 123 |
| 3.2. Improving Access to Quality Education Towards Learning Recovery | 132 |
| 3.3. Building Sustainable Settlements and Well-Planned Communities | 139 |

| | |
|--|-----|
| 3.4. Increasing Income-Earning Ability Towards Quality Employment and Livelihood | 148 |
| 3.5. Sustaining the Provision of Social Safety Nets | 156 |
| CHAPTER 4 PAVING THE WAY TOWARDS SUSTAINABLE PROGRESS THROUGH INSTITUTIONAL TRANSFORMATION AND CLIMATE ACTION | 165 |
| 4.1. Ensuring a More Responsive and Accessible Government to the Public | 166 |
| 4.2. Promoting Sustainable Natural Resources Management and Advancing Climate-Smart and Disaster-Resilient Development | 173 |
| CHAPTER 5 ADVANCING THE NATIONAL INTEREST TOWARDS PEACE AND PROSPERITY | 183 |
| 5.1. Securing and Safeguarding the Nation | 184 |
| 5.1.1. Ensure Peace and Security | 185 |
| 5.1.2. Enhance Administration and Justice | 196 |
| List of Acronyms | 203 |

Foreword

Message of the NEDA Secretary

Charting a path toward a prosperous, inclusive, and resilient society

Eighteen months into the administration of President Ferdinand R. Marcos, Jr., the country sustains its economic momentum as we implement the necessary reforms and policies to accelerate growth and inclusion. The launch last year of the six-year comprehensive development strategy, the Philippine Development Plan (PDP) 2023-2028, laid out the roadmap to full recovery and beyond. Framed by the President's 8-Point Socioeconomic Agenda, the PDP aims to propel the economy forward, emphasizing two critical objectives – energizing employment and winning the war on poverty.

The Plan carries a resolute obligation on our part to advance the country's welfare through its transformation agenda: accelerating digitalization, enhancing connectivity, enabling a dynamic innovation ecosystem, harnessing public-private partnerships, prioritizing servicification, and pursuing strong collaboration between national and local governments. The ultimate goal is social and economic transformation toward a prosperous, inclusive, and resilient society.

Navigating through storms with the PDP 2023-2028

As the Marcos Administration continued to roll out measures addressing the long-term effects of the pandemic, the country was buffeted by natural and man-made storms during the first full year of the PDP's implementation.

Numerous geopolitical conflicts rattled even the world's major economies, exerting heavy pressure on the Philippine economy. Supply chains for major agricultural commodities and production inputs were disrupted, with risks of further disruption heightened by the onset of the El Niño phenomenon. Large trading partners experienced slowdowns, induced, in part, by monetary tightening as a response to inflation. Domestic policy constraints and coordination issues challenged our macroeconomic fundamentals. In response to these storms and with the PDP as its development blueprint, the Marcos Administration pressed on and stayed the course.

Philippine Development Report 2023: Reflecting Progress, Identifying Lessons

Thus, we are pleased to provide the Filipino people with the Philippine Development Report (PDR) 2023, which provides a comprehensive overview of the progress in implementing the PDP's transformation agenda.

The PDR reports on the major programs, projects, and policies begun and implemented by various agencies in the past year. As an evidence-based report, it evaluates our country's performance concerning the outcome indicators identified in the PDP 2023-2028 and includes updates on the Marcos Administration's legislative agenda. As a forward-looking document, the PDR 2023 considers and anticipates internal and external developments and scenarios. Finally, it presents the lessons we have learned and lays down plans of action to ensure we remain on track to meet our goals by 2028.

Recognizing the changes in the local and global landscapes over the past year, we will recalibrate our strategies while remaining mindful of our destination. As we enter the second year of the PDP's implementation in 2024, we hope that the PDR 2023 serves as a valuable tool for policymakers, the private sector, and members of civil society.

May it guide us moving forward – despite the turbulent sailing ahead – in the unwavering voyage toward attaining higher development outcomes, inspiring the transformation toward a *Bagong Pilipinas*, and advancing our nation's long-term vision of a *matatag, maginhawa, at panatag na buhay* for every Filipino.


Arsenio M. Balisacan, PhD
Secretary



DEVELOPMENT PLAN

FORUM

Y

CHAPTER 1

ACCELERATING RECOVERY AND CHARTING A ROBUST DEVELOPMENT PATH

It has been a full year since the implementation of the strategies outlined in the Philippine Development Plan (PDP) 2023-2028.

President Ferdinand R. Marcos, Jr., through Executive Order No. 14, s. 2023, directed all government agencies, including local government units (LGU), state universities and colleges, and government-owned or -controlled corporations, to adopt, disseminate, and undertake efforts to implement the Plan. The PDP strategies aim to reinvigorate job creation, accelerate poverty reduction, and transform the Philippines into a prosperous, inclusive, and resilient society. With the urgent need to accelerate recovery from the deep economic contraction during the COVID-19 years, the PDP strategies are reinforced by various pillars that constitute the transformation agenda: digitalization, enhanced connectivity, a dynamic innovation ecosystem, servicification, public-private partnerships, and national-local government collaboration. These pillars, built on the foundations laid down by previous administrations, aim to improve the delivery of public goods and services and enhance government engagement with stakeholders and development partners. In other words, they define the structure and build the capacity of the country to further develop and thrive amid challenges. The strengthened capability to adapt and innovate quickly to turn challenges into opportunities is the key to enabling and empowering every Filipino to have a *matatag, maginhawa, at panatag na buhay*.

Challenges during the first year of implementing the PDP



The primary concern that required immediate attention when President Ferdinand R. Marcos, Jr. assumed the presidency was to jumpstart recovery from the effects of COVID-19 and the long-standing mobility restrictions. Beginning in July 2022, the new administration gradually lifted restrictions while intensifying booster vaccinations. Despite reopening, tourism-related sectors have not yet returned to their pre-pandemic levels. This required out-of-the-box solutions, including the adoption of holiday economics to promote domestic tourism, streamlining the travel requirements filing process, enabling online submission of travel passes, and facilitating online payment of travel taxes to minimize inconvenience in international travel.

Meanwhile, 2023 proved to be another year of compounding challenges, with external shocks affecting both the country's economic and social sectors. Many of the challenges the country faced in 2022 persisted into 2023, including the escalation of geopolitical tensions that heightened the sense of insecurity worldwide. Additionally, an uneven recovery across countries and sectors led to supply chain disruptions. Furthermore, the tight fiscal situation limited the ability to

undertake countercyclical fiscal policies. Apart from the Israel-Hamas war, the other challenges in 2023 stemmed from the unbalanced recovery in 2022. Pent-up demand in sectors that quickly rebounded led to a surge in spending, but this was not met with significant increases in supply, resulting in inflation. It began in the advanced economies, which prompted monetary tightening. Monetary authorities in other countries, including the Philippines, followed suit. The mobility restrictions imposed in response to the COVID-19 pandemic, which lasted for more than two years, have significantly limited the ability of individuals, families, and businesses to cope. As a result, the government had to provide direct and quick, albeit temporary, solutions while waiting for the more robust strategies to yield results.

During the first State of the Nation Address, the President directed the National Economic and Development Authority (NEDA) to expedite the drafting of the PDP 2023-2028. The swift formulation of the PDP immediately brought together the new set of government officials, private sector, civil society, and the rest of the civil service to extensively discuss the priorities of the new administration and identify the necessary strategies, taking off from the lessons learned, accomplishments of previous administrations, and experiences during the COVID-19 years.

The Philippine Development Report 2023

The whole-of-government has started implementing the strategies and transformation agenda of the PDP, while also addressing concerns as they arise. This report, the

Philippine Development Report (PDR) 2023, presents the progress made, and the lessons learned, in implementing the PDP.

The Report follows the chapter structure of the President's Report to the People 2022-2023, beginning with an overview of macroeconomic

fundamentals and then delving into the various transformation initiatives in the economic and social sectors, institutions, and the environment.

Implementation of the PDP strategies and transformation agenda



Propelling the country back to a high growth path

Real GDP per capita was expected to return to pre-pandemic levels in 2023. This is due to a combination of factors, especially the government's decisive action to fully reopen the economy, restore confidence in the future, and aggressively promote the country as an attractive investment destination.

Building a strong economic and fiscal foundation (Subchapter 2.1)

After enduring more than two years of economic downturn and grappling with uncertainty with respect to fiscal resources, COVID-19 scarring, and new political and institutional arrangements, the Marcos Administration faced the imperative in providing leadership and presenting a credible roadmap to recovery. The government's economic team promptly reassured consumers, producers, and prospective investors towards the government's commitment in maintaining sound macroeconomic fundamentals. The economic team issued the Medium-Term Fiscal Framework (MTFF), which outlines the medium-term fiscal targets aligned with the desired economic and social outcomes. In particular, it presented the path toward fiscal consolidation and a significant reduction in poverty incidence by the end of 2028. The MTFF was subsequently adopted by Congress through a resolution in September 2022. Following the full reopening of the economy, revenue and tax effort for

2023 remained robust, reaching 15.7 percent and 14.1 percent of GDP, respectively. This was slightly lower than the 16.1 percent and 14.6 percent recorded in 2022. These significant revenue collections reduced the deficit to 6.2 percent of GDP during the same period (down from 7.3 percent in 2022). Meanwhile, the national government (NG) debt-to-GDP ratio in 2023 remained manageable at 60.1 percent, down from 60.9 percent in 2022, due to the government's prudent debt management strategies.

The Philippine financial sector remained resilient and was able to take advantage of the growing interest in technology, digitalization, and sustainable finance (Section 2.1.2). The proportion of adults with a financial account has increased from 55.6 percent in 2021 to 70.7 percent as of Q3 2023.¹ The number of fintech companies increased from 216 in 2021 to 285 in 2023.

The institutionalization of the BSP's Regulatory Sandbox Framework has facilitated an evidence-based and results-driven assessment of new and emerging financial solutions, while minimizing risks to participants and consumers. An example is the *Paleng-QR PH Plus*, designed to encourage cashless payments among market vendors, community shopkeepers, tricycle operators, and drivers in all cities and municipalities. As of December 13, 2023, 25 LGUs have issued ordinances to adopt *Paleng-QR PH Plus*, with 18 of them have already launched the program.

¹ Refers to the proportion of adults with an account at a bank, other financial institutions, or with a mobile money service.

The BSP has also received six applications seeking to utilize blockchain or decentralized ledger technology and application programming interfaces in virtual asset services, electronic money business, and pawnshop activities.

Enhancing the country's business climate (Subchapter 2.2)

More investment is needed to reinvigorate job creation. Recognizing that businesses are attracted to countries with credible and efficient institutions, and high growth potential, the PDP addresses both objectives.

To reduce the burden of regulation, the practice of conducting Regulatory Impact Assessments (RIA) has been institutionalized in government agencies. In 2023, a total of 296 agencies have already been trained in RIA. The first regulations studied pertained to starting a business and implementing infrastructure projects.

The Implementing Rules and Regulations (IRR) for the amended Public Service Act (PSA) has been issued. Seventeen relevant regulatory agencies have undergone different stages of implementation, including the revision of their agency guidelines to align these with the amended PSA.

To further promote healthy competition in all sectors and to ensure that regulations and related policies do not pose barriers to entry and re-entry, the Competition Impact Assessment (CIA) is now incorporated into the RIA trainings of the Anti-Red Tape Authority and the Development Academy of the Philippines. In 2023, NEDA and the Philippine Competition Commission (PCC) provided technical assistance to the Department of Information and Communications Technology (DICT) and the National Telecommunications Commission (NTC) in conducting four CIAs

of key telecommunications sector policies aimed at fostering digitalization in the country (Section 2.2.2).

Expanding markets (Section 2.2.1)

The Philippines, with a population of over 110 million, is considered a medium-sized country. The benefits of this characteristic can be maximized by increasing the purchasing power of Filipinos. Another advantage of the country is its geographical location, which can serve as a strategic transshipment point between the rest of Asia and the Americas. This advantage can be maximized by actively expanding trade relations with our neighboring countries.

In February 2023, the Senate, in collaboration with the Executive Branch, ratified the Regional Comprehensive Economic Partnership (RCEP) agreement, which later came into effect in June 2023. This partnership involves nearly a third of global trade and investment and harmonizes rules related to these areas across the fifteen countries.

To further support the increased volume and frequency of international trade transactions, the Department of Finance (DOF) and Bureau of Customs (BOC) are finalizing the remaining components of their Customs Modernization Project. Furthermore, the complete implementation of the National Single Window through the TradeNet platform is currently underway, with 21 trade regulatory agencies already integrated into the platform. This promotes interoperability and enhances efficiency of trade facilitation processes.

Expanding and upgrading infrastructure (Section 2.2.3)

Addressing the huge infrastructure backlog in the country remains a priority. As the government steers the country back to

a high-growth trajectory, it must ensure that there is the capacity to accommodate growth and even allow for its acceleration.

Policies and protocols for infrastructure planning, programming, and implementation were modified as agencies recognized the urgency of addressing the country's infrastructure needs. Project approval processes have been streamlined, and progress monitoring has been improved. Executive Order No. 18 has been issued, directing all government agencies to expedite and even automate government processes to ensure timely implementation of strategic investments.

A significant policy reform is the enactment of Republic Act No. 11966 or the Public-Private Partnership (PPP) code. This unifies fragmented legal frameworks on PPP, clarifies the approval process for national and local PPP projects, establishes predictable tariff regime that safeguards public interest, and strengthens enabling institutions for PPPs.² The reform comes at a time when PPP is again being considered as a significant source of funding for infrastructure programs, particularly in light of fiscal constraints.

As reforms were being pursued, crucial infrastructure projects continued to be implemented. These projects encompass various railway developments, expressways, high-quality highways, as well as the rehabilitation and improvement of ports and airports' operations and maintenance. As of June 2023, over 4,000 kilometers of roads and 500 bridges have been constructed and upgraded across the country. Two new passenger terminal buildings have been inaugurated at Clark Airport and Port of Calapan, along with the operationalization of Cebu's Pier 88 Smart Port. The NLEX-SLEX Connector was inaugurated in 2023, and the TPLEX Extension

and the Bataan-Cavite Interlink Bridge Project were approved for implementation in June and October 2023, respectively. In addition, more than 1,000 kilometers of railway projects have been initiated since 2022. One of the major accomplishments is the North-South Commuter Railway System, with the southern leg now fully operational.

Digital connectivity is also a priority of the Marcos Administration, given its importance in building resilience and promoting innovation. PAPs and relevant studies are currently underway, including the expansion of international gateways and domestic backbone, as well as the use of satellite connectivity.

Equally important are the social infrastructure projects such as hospitals, classrooms, flood control, and similar facilities. As of December 2023, 131 regional specialty centers have been established across the country. The NEDA Board has also approved the construction of a 300-bed capacity in UP-PGH Cancer Center, as the first PPP project under this administration. As of December 2023, 2,935 classrooms were completed while 5,005 classrooms are under construction. Meanwhile, 1,730 classroom are undergoing repairs, and 1489 classrooms are under procurement as of September 2023. Out of 230 schools earmarked for site upgrading and electrification, 16 sites have been completed, 99 sites are currently undergoing upgrading, and 115 sites are in the procurement phase. The Department of Public Works and Highways (DPWH) completed 2,103 flood control projects, including the Flood Risk Management Project for the Cagayan, Tagoloan, and Imus Rivers.

2 Salient features of the Public-Private Partnership Code of the Philippines (Republic Act No. 11966) (pwc.com). Accessed on December 31, 2023.



Enhancing Productivity

Agriculture, fishery, and agro-industry (Section 2.3.1)

While the government was quick to provide temporary relief to farmers and fisherfolk to mitigate the impact of price increases in fuel and other inputs, PAPs that aim to achieve more lasting increases in productivity were also implemented, with some on a pilot scale. Through the Rice Competitiveness Enhancement Fund (RCEF), a total of 26,162 farm machinery units were distributed to rice farmer cooperatives and associations. Additionally, 235,634 farmers and fisherfolk, and 31,537 extension workers³ were trained on improved farm production and management techniques, as well as, crop and livelihood diversification. Accessible and affordable credit was also provided for use in production, post-production, and agro-enterprise. Logistics support for the sector is also being improved with the rehabilitation of six regional fish ports, expansion of another regional fish port, construction of 351.76 kilometers of farm-to-market roads, and the implementation of the Agricultural and Biosystems Engineering Management Information System (ABEMIS) and the Geographic Information System for Agricultural and Fisheries Machinery and Infrastructure to streamline the implementation of PAPs.

Control measures are currently being implemented in provinces affected by African Swine Fever (ASF) and avian influenza (AI). Updated transport and movement guidelines have been issued for swine and poultry animals and their products, and checkpoints have been established to ensure compliance.

Manufacturing and commerce (Section 2.3.2)

Following the reopening of the economy, the extensive network of Negosyo Centers and shared service facilities (SSF) have been revitalized. Negosyo Centers served as a collaboration platform for various stakeholders, such as the academe, LGUs, national government agencies, and non-government organizations. Meanwhile, the SSFs serve as fabrication and innovation hubs for industries, such as processed food, coffee, cacao, dairy, coconut, abaca, bamboo, gifts, decor, and houseware (GDH), metal, and rubber, among others, and are present in all 17 regions.

From January to September 2023, the government established 1,378 Negosyo Centers in 1,311 LGUs. These centers assisted 388,650 MSMEs and 690,345 clients. In the same period, the government established 50 SSFs in various areas across the country. These facilities supported 30,347 MSMEs and 28,063 users and generated a total of 33,600 jobs.

Tourism, creative industry, and IT-BPM (Section 2.3.3)

The tourism sector is being groomed to become a competitive player once international tourism returns to its pre-COVID-19 trajectory. As of December 2023, an estimated 5.5 million inbound visitors recorded, accounting for 66 percent of the 8.3 million arrivals in the same period before the pandemic.⁴ New tourism sites are being developed, traditional destinations are being improved, and new tourism products are being introduced. These initiatives are part of the Philippine Experience Program: Culture, Heritage and Arts Caravans, a flagship project

³ This includes specialists, trainers, and other extension intermediaries.

⁴ DOT. Accessed from: [http://www.tourism.gov.ph/files/2024/tourism_demand/03/03-08/Arrivals/2023%20-%20Visitor%20Arrivals%20by%20Country%20of%20Residence%20and%20Monthly%20Ranking%20\(revised\)%20\(2%20files%20merged\).pdf](http://www.tourism.gov.ph/files/2024/tourism_demand/03/03-08/Arrivals/2023%20-%20Visitor%20Arrivals%20by%20Country%20of%20Residence%20and%20Monthly%20Ranking%20(revised)%20(2%20files%20merged).pdf)

of the Department of Tourism (DOT). The program aims to showcase and celebrate the Filipino brand and identity in all aspects of travel and tourism experiences, while actively promoting the country's cultural resources and assets. Moreover, the Philippine Experience Program will be expanded to cover more regions, as all 16 DOT Regional Offices are currently developing their cultural tourism circuits and aiming to launch their Philippine Experience packages by July 2024.

Meanwhile, the “new normal” has brought about new work arrangements, particularly relevant to the IT-BPM sector. With the lifting of the state of public health emergency, IT-BPM enterprises registered under the Philippine Economic Zone Authority (PEZA) were required to return to regular work arrangements. However, interested Registered Business Enterprises (RBEs) can transfer their registration to the Board of Investments (BOI) to allow flexibility in work arrangements while still benefiting from tax incentives. According to PEZA, the agency has endorsed the transfer of registration for 473 RBEs (or 1,336 BPO projects) to BOI.⁵

Fostering innovation (Section 2.3.4)

The PDP acknowledges that innovation thrives within a dynamic ecosystem. The dynamism is demonstrated by the smooth flow of innovation actors and products along the continuum of basic research and development, knowledge creation and management, applied research and development, product design, product development, commercialization, marketing, adoption, and utilization.

The government continues to strengthen basic research and development (R&D) and knowledge creation by providing research grants and scholarships. New course offerings

now involve inter-program collaboration and even partnerships with industry and other academic institutions. Funds are also being provided to support the application for intellectual property (IP) registration and to facilitate pre-commercialization activities aimed at enhancing the market readiness of technologies developed.

To ensure the coherence of PAPs and its effectiveness in fostering innovation, the National Innovation Council has formulated the National Innovation Agenda and Strategy Document (NIASD) 2023-2032. This outlines the priority areas and strategies for establishing a dynamic innovation ecosystem through governance levers such as policy, infrastructure, programs, and financing.

The NIASD was launched in September 2023, under the leadership of President Ferdinand R. Marcos, Jr. Following this, the NIASD was presented in various regional roadshows to raise awareness and gather support from innovation actors, as well as subnational and LGUs for its implementation.



Promoting Social Development

The PDP strategies for promoting social development begin with improving human development in all three aspects: health, education, and income. This is further enhanced by building resilience through the establishment of effective social protection systems and the creation of livable communities.

Ensure food security (Section 3.1.2)

Food security is the assurance of Filipinos having access to affordable, safe, and nutritious food at all times. From 7.2 percent in the second half of 2022, headline inflation decelerated to

⁵ Source: Board of Investments-Infrastructure and Services Industries Service as of January 29, 2024.

4.8 percent in the second half of 2023, resulting in an average inflation rate of 6.0 percent for the full year 2023. The food policy implemented last year aims to provide immediate assistance to both producers and consumers to mitigate the impact of high fuel and agriculture input costs, while also implementing programs intended to improve agricultural productivity.

Municipalities with a high incidence of stunting have been identified as target LGUs for the Philippine Multi-sectoral Nutrition Project, which is jointly implemented by the Department of Health (DOH) and the Department of Social Welfare and Development (DSWD). The 235 target LGUs received essential input support and starter packages, including ICT equipment, primary healthcare equipment, and nutrition commodities. In addition, the LGUs received technical assistance to support the crafting and improvement of Municipal Nutrition Action Plans.

Meanwhile, recognizing that physiological wellbeing is greatly influenced by nutritional status during the formative years, the National Nutrition Council commissioned the development of a Philippine Nutrient Profile Model. The model categorizes food products based on their suitability for marketing to children aged 3-12 years. This information will then influence national policies and local ordinances regarding food labeling and selling to children.

The President also constituted the Inter-Agency Committee on Inflation and Market Outlook (IAC-IMO). Under the committee, there are the subcommittees on food inflation and non-food inflation. Each subcommittee closely monitors domestic and international developments and assesses their potential impact on both food and non-food

inflation. The IAC-IMO, through the Economic Development Group (EDG), has recommended measures to prevent possible negative impacts on consumers. The committee also served as a platform to: (a) expedite the review and rationalization of overlapping and redundant non-tariff measures; (b) implement demand-side management strategies, particularly to address non-food inflation; and (c) strategically utilize trade options and assistance programs to address anticipated demand-supply gaps.

Boosting health (Section 3.1.1)

The PDP adopts a holistic approach to healthcare, starting with promoting health literacy, encouraging a healthy lifestyle, ensuring safe and healthy environments, and providing accessible and affordable healthcare services. The DOH has launched several health campaigns, including the “Seven Healthy Habits,”⁶ utilizing multiple media platforms. The DOH has also developed the Healthy Communities Framework to improve healthy settings in communities, schools, and workplaces. This framework encompasses access to safe water, basic sanitation, and adequate solid waste management.

The implementation of the Health Facilities Enhancement Program (HFEP) has been sustained, with priority given to the construction and upgrading of health facilities in high-need areas. Currently, HFEP has 3,561 construction, rehabilitation, and repair projects for barangay health stations, rural health units, hospitals, polyclinics, DOH hospitals, and other healthcare facilities nationwide. Proposals to establish regional specialty hospitals, new colleges of medicine in selected state universities and colleges (SUC), and two specialty medical facilities to be implemented using PPP have already been approved.

⁶ Diet and physical activity, vaccination, mental health, sexual reproductive health, environmental health, substance use, and doing no harm and putting safety first.

In addition, the National Health Workforce Support System has been institutionalized. A total of 20,792 Human Resources for Health (HRH) were deployed, which improved the health worker to population ratio to 19 HRHs per 10,000 population.

The DOH and PhilHealth have commenced the implementation of the Primary Care Benefit Package, which is a part of the National Health Insurance Program. Widely known as the *Konsultasyong Sulit at Tama* (Konsulta), this benefit package aims to provide all Filipinos with access to primary healthcare services in order to promote better health-seeking behavior, from preventive to curative care. As part of its initial implementation, the program includes accrediting providers and registering members. A total of 2,161 Konsulta providers have been accredited to provide primary care services for 17 million registered unique beneficiaries.

Improving access to quality education towards learning recovery (Subchapter 3.2)

The poor performance of Filipino students in international learning assessments, such as the Southeast Asia Primary Learning Metrics (SEA-PLM), Program for International Student Assessment (PISA), and Trends in International Mathematics and Science Study (TIMSS), has highlighted the challenges within the education sector. The results of the recent PISA showed that the cancellation of in-person classes during the COVID-19 years, from 2020 to 2022, further worsened the situation.

To address learning gaps, the Department of Education (DepEd) issued Department Order No. 13, s. 2023. The order adopted the National Learning Recovery Program (NLRP) to strengthen learning recovery and continuity, improve numeracy and literacy, and accelerate the achievement of education

targets in collaboration with stakeholders from both the public and private sectors. The National Learning Camp, a subprogram of the NLRP, is designed for students in Grades 7 and 8. In addition, DepEd, together with the DSWD and other civil society partners, has piloted innovative tutoring methods. The pilot test demonstrated a 40 percent increase in children's learning outcomes among the sampled students.

The DepEd also launched the MATATAG agenda. The agenda has four objectives: (a) *MA*ke the curriculum relevant to produce job-ready, active, and responsible citizens; (b) *TA*ke steps to accelerate the delivery of basic education services and provision facilities; (c) *TA*ke good care of learners by promoting learner wellbeing, inclusive learning, and a positive learning environment; and (d) *GI*ve support for teachers to improve their teaching. As part of the agenda, the K10 curriculum, under the K12 program, has been revised and will undergo pilot testing in selected schools.

Several programs were implemented to improve the competencies of teachers. These include: career professional development programs; Higher Order Thinking Skills - Professional Learning Package; scholarship programs for masters and doctorate degrees; and other local and international short-term courses. The Department of Science and Technology (DOST) has also implemented a range of Science, Technology, Engineering, and Mathematics (STEM) education trainings, including the Science Teacher Academy for the Regions for 2,603 teachers and STEM Teach for 1,897 teachers.

Teaching approaches have been enhanced through the use of digital technologies. DepEd launched the Learning Resources Portal to facilitate access to learning, teaching, and professional development resources at the regional, division, and school cluster levels of

DepEd. DOST provided innovative teaching and learning tools through the Access to Resources and Innovations in Science Education program and Strategic Intervention Materials for Teaching with Augmented Reality. The Technical Education and Skills Development Authority (TESDA) has established seven Regional Technical and Vocational Education and Training (TVET) Innovation Centers to provide courses in robotics, mechatronics, and smart healthcare, among other offerings.⁷

Meanwhile, to address other factors that affect learning ability, the school-based feeding program (SBFP) has been resumed. Additional kitchen facilities were available. DepEd also partnered with the Food and Nutrition Research Institute, Philippine Carabao Center, and National Dairy Authority to provide nutritious food and milk.

Building sustainable settlements and well-planned communities (Subchapter 3.3)

The urban landscape is being improved with the creation of additional open and green spaces. There are also initiatives on zero waste being implemented in partnership with LGUs, businesses, and civil society. The Department of Environment and Natural Resources (DENR) has also issued the IRR of the Extended Producer Responsibility (EPR) Act, which aims to minimize and divert plastic packaging waste to prevent it from leaking into the environment. As of December 2023, private companies registered 863 EPR programs for plastic packaging.

The Department of Human Settlements and Urban Development (DHSUD) and the Department of Transportation (DOTr) are working on the implementation of transit-oriented development projects. These projects aim to steer the development of

cities, municipalities, and settlements towards environmental sustainability, climate resilience, safety, and physical, spatial, and digital connectivity. Also included are projects related to active transport and mobility.

The *Pambansang Pabahay para sa Pilipino* (4PH) Program has been identified as a flagship program of the government. This is an innovative public housing program designed to address the housing backlog. In relation to this, the DHSUD forged 130 Memoranda of Understanding (MOU) with LGUs in all regions, except the Bangsamoro Autonomous Region in Muslim Mindanao. The DHSUD also entered into an MOU with the Department of Labor and Employment (DOLE) and TESDA to increase the supply of labor required for construction and related activities. In addition, the National Housing Authority, through its Resettlement Program, has completed 11,381 housing units for informal settler families living in areas prone to danger due to infrastructure projects and in response to the Supreme Court's Mandamus to Clean Up the Manila Bay Area.

Increasing income-earning ability (Subchapter 3.4)

Skills training programs have been improved by increasing accessibility, aligning these with industry standards, and offering a pathway to a wider range of career options.

TESDA continues to enhance the TESDA Online Program (TOP) by migrating to cloud hosting and customizing its Learning Management System (LMS) architecture. In 2023, nearly 999,400 students completed a course at TOP. In partnership with the private sector, TESDA has also developed five micro-credentials and 55 competency standards. The Department of Trade and Industry (DTI) has developed

⁷ Retrieved from <https://www.tesda.gov.ph/Media/NewsDetail/20267>

sector-specific skills frameworks in five priority sectors: digital arts and animation, game development, supply chains and logistics, human capital development, and business development. Meanwhile, the Commission on Higher Education (CHED) and TESDA have institutionalized the Philippine Credit Transfer System, which is designed to facilitate a smooth transition from TVET courses to higher education degree programs.

Employment facilitation services have also been upgraded and expanded. The programs aimed at introducing prospective graduates to the world of work—JobStart, Special Program for the Employment of Students (SPES), and the Government Internship Program (GIP)—have been expanded. The number of JobStart beneficiaries (1,744) surpassed its PDP target of 1,300 beneficiaries in 2023. Similarly, the number of SPES and GIP beneficiaries reached 121,839 and 62,161, respectively. On the other hand, the number of enterprises with apprenticeship programs, which reached 51 in 2023, remains a challenge. Job seeking has also been made easier with the improvements in the PhilJobNet and the Public Employment Service Offices (PESO), as well as the implementation of the DOLE-DOT program on *Trabaho, Turismo, Asenso*. In 2023, about 2.8 million jobseekers have been placed for employment through the PESO. Furthermore, the number of jobseekers registered in PhilJobNet was recorded at 23,278 in 2023.

Sustaining the provision of social safety nets (Subchapter 3.5)

The PDP also includes strategies to strengthen the social protection system to help reduce the vulnerability of Filipinos. It promotes shared responsibility for protecting oneself against risks through financial literacy. These programs have been implemented in partnership with the private sector and have provided benefits

to college students, migrant workers and their families, as well as beneficiaries of the *Pantawid Pamilyang Pilipino* Program (4Ps). In addition, facilities for digital payments and cash transfers are being strengthened, with almost 92 percent of cash cards under the 4Ps being converted to basic deposit accounts.

For Overseas Filipino Workers (OFW), the interventions were specifically tailored to their needs at different stages of migration. It begins with ensuring safe and orderly migration, through a vigilant campaign against illegal recruitment and human trafficking. Departure protocols have also been simplified with the use of the E-Travel system. The Department of Migrant Workers (DMW) has also developed a mobile app that provides access to various services, including contract verification and application for OFW pass. The DMW also developed a comprehensive pathway for returning OFWs. As of December 31, 2023, the Recovery and Reintegration Program for Trafficked Persons provided social welfare services to 2,024 trafficked individuals, while the Inter-Agency Council Against Trafficking - *Tahanan ng Inyong Pag-Asa* served 369 women.

Finally, the Social Protection Floor (SPF) has been finalized and approved by the President. The SPF follows a lifecycle approach and outlines interventions to address the specific needs of individuals. It should be noted that many of these interventions are already being implemented; however, the scope and scale are inadequate. The SPF aims to progressively expand its scope and scale to ensure that all vulnerable individuals and those in vulnerable situations are provided for.

Ensuring a more responsive and accessible government (Subchapter 4.1)

The PDP recognizes that good governance requires greater participation of citizens, competent civil service, and improved processes.

The prompt appointments of the Chairs of Regional Development Councils (RDC) at the start of the incumbent administration expedited the convening of the RDCs and facilitated the alignment of national, regional, and local plans and priorities. Moreover, from 2022 to 2023, a total of 49 appointments were made to the Regional Tripartite Wages and Productivity Boards, leading to timely decisions on minimum wage petitions. As of December 2023, 64 out of the 68 mandated sectoral representatives currently hold positions.

Executive Order No. 31, s. 2023, institutionalized the Philippine Open Government Partnership (PH-OGP) to strengthen the collaboration between the government and non-government sectors, promoting transparent, accountable, and participatory governance. The strategies are outlined in the 6th National Action Plan, led by the Department of Budget and Management (DBM). Another platform is the Stakeholders' Chamber for the Sustainable Development Goals (SDG). At present, the Chamber has 65 non-government members who are divided into technical working groups to develop programs, plans, and activities aimed at achieving the SDGs.

The civil service has been provided with various opportunities for developing competencies and learning new management techniques. The Career Executive Service Board (CESB) has resumed face-to-face sessions for the Leadership and Management Proficiency (LAMP) Program for third-level officials. For 2023, 88 individuals have successfully

completed the LAMP Program. Local executives and managers have the opportunity to participate in the Public Management Development Program (PMDP) administered by the Development Academy of the Philippines. In 2023, 199 local executives and managers graduated from the PMDP. In addition, the Civil Service Commission (CSC) has provided various learning and development programs and has trained around 89,006 civil servants nationwide as of December 31, 2023.

All levels of government, both national and local, are either completing or undergoing digitalization of processes. This was a directive from the President. Two use cases have been prioritized: EO No. 32, s. 2023 has been issued to streamline the permitting process for the construction of telecommunications and internet infrastructure; and EO No. 18, s. 2023 establishes green lanes for strategic investments.

Monitoring systems that provide accurate and timely information can be a powerful management tool. The Infrastructure Flagship Projects (IFP) dashboard developed by NEDA contains factual data on the status and other pertinent details of each of the 198 IFPs. The President himself uses the dashboard to monitor the status of the IFPs. This, in turn, prompts the agency concerned to take the action needed to demonstrate progress or, if necessary, recommend measures to address the delay.

The Department of Information and Communications Technology (DICT) has recently developed the eGovPH Super App, serving as a portal to a wide range of government services accessible online. It is expected that more government agencies will soon be accessible through the app soon. As of December 31, 2023, there are 981,122 eGovPH App subscribers, of which 676,069 (68.91%)

have successfully verified their accounts. At the LGU level, DICT and DILG instituted the eLGU as a centralized hub for Filipinos to access electronic services provided by LGUs, such as local tax processing, registration, and licensing, among others.

Promoting sustainable natural resources management and advancing climate-smart and disaster-resilient development (Subchapter 4.2)

Recognizing the intersecting risks and vulnerabilities posed by climate change, the PDP advances transformative solutions towards strengthening the resilience of communities, institutions, and ecosystems, while ensuring a just transition to low-carbon development.

The Climate Change Expenditure Tagging system showed an increase in the proportion of climate-related expenditures in the GAA, from 5.77 percent in 2022 to 8.82 percent in 2023. Meanwhile, the review and approval process for the People's Survival Fund (PSF) has been streamlined. In 2023, five new adaptation projects were granted, compared to only six approved from 2016 to 2022. Moreover, the President issued EO 18, which mandated the creation of "green lanes" to expedite government transactions for ESG investments. Complementing these initiatives, the DENR and the Climate Change Commission are set to complete the National Adaptation Plan and the Nationally Determined Contribution

Implementation Plan. These plans will provide guidance for the country's science-based adaptation efforts and define sector-specific low-carbon policies and measures.

A major vulnerability of communities in the Philippines has been related to water events (heavy downpour, floods, drought) or the lack of access to safe drinking water and sanitation facilities. Compounding the problem is the fragmented governance structure of the water resource sector resulting in a lack of coherence of policies, and either under-investment or redundant investments in the sector. Recognizing this, the President issued EO No. 22, s. 2023, creating the Water Resource Management Office (WRMO) within the DENR, with the expressed mandate to integrate and harmonize government efforts and regulations to ensure the availability and sustainability of our water resources.

To date, the WRMO has completed the mapping and resource evaluation of all rivers in the country. Moreover, the office unlocked more than 70 percent of the country's river resources for multipurpose development by brokering a MOA between the National Irrigation Administration and the National Water Resources Board. The MOA offers 135 water projects for private sector investment of which 49 projects already have a letter of intent from various private companies.

Progress Towards the Desired Outcomes

Comprehensive annual data for most indicators are not yet available. For a couple of indicators, the most recent data available dates back at least two years.

Table 1.1. Headline Indicators, 2023

| INDICATOR | BASELINE (YEAR) | 2023 | | MEANS OF VERIFICATION |
|---|---|-----------------------|--|---|
| | | TARGET | ACTUAL/LATEST | |
| Gross Domestic Product (GDP) increased (growth rate, %) | 7.6 (2022) | 6.0 - 7.0 | 5.5 (2023) | National Accounts of the Philippines (NAP); Philippine Statistics Authority (PSA) |
| GNI per capita increased | USD3,640 (2021) | USD4,130- USD4,203 | USD4,230 (2023) | World Bank, International Monetary Fund (IMF) |
| National Government (NG) fiscal deficit-to-GDP ratio declined (%) | 7.3 (2022) | 6.1 | 6.2 (FY 2023) | Bureau of the Treasury (BTr) |
| Outstanding NG debt stock-to-GDP ratio reduced (%) | 60.9 (FY 2022) | 60 - 62 | 60.1 (FY 2023) | BTr |
| Food inflation rate kept stable (%) | 6.1 (2022) | 2.5 - 4.5 | 8.0 (2023) | PSA |
| Headline inflation rate kept stable (%) | 5.8 (2022) | 2.5 - 4.5 | 6.0 (2023) | PSA |
| Unemployment rate decreased (%) | 5.4 (Ave. Jan, Apr, Jul, Oct 2022) | 5.3 - 6.4 | 4.6 (Ave. Jan, Apr, Jul, Oct 2023) | Labor Force Survey (LFS), PSA |
| Percentage of wage and salary workers in private establishments to total employed increased (%) | 49.6 (Ave. Jan, Apr, Jul, Oct 2022) | 50.3 - 50.7 | 49.7 (Ave. Jan, Apr, Jul, Oct 2023) | LFS, PSA |
| Poverty incidence reduced (% of population) | 18.1 (2021) 23.7 (Sem 1, 2021) | 16.0 - 16.4 | 22.4 (Sem 1, 2023) | Family Income and Expenditure Survey (FIES), PSA |
| Global Innovation Index (GII) rank improved | 59 th out of 132 (2022) | 57 th | 56 th out of 132 (2023) | GII Report |
| Global Competitiveness Index (GCI) rank and score improved | Top 45% Score: 61.9 (2019) | Top 43% 62.1 | Not yet available | World Economic Forum (WEF), Global Competitiveness Report (GCR) |

The most recent data on the headline indicators, as presented in Table 1.1, generally meet the government's expectations, though some indicators lag behind. Fiscal targets are on track, while macroeconomic targets are slightly

below or falling below the target. There have been significant improvements in the labor statistics, but much work needs to be done in generating quality employment.

The Gross Domestic Product (GDP) grew by 5.5 percent in 2023. However, this is lower than the 6 to 7 percent target for the year. Note, however, that the Philippine economy's growth performance in 2023, although lower than targeted, remained among the best in Asia.

The 2023 targets for the NG fiscal deficit-to-GDP ratio and the NG debt stock-to-GDP ratio appear to be on track. The NG fiscal deficit-to-GDP ratio is 6.2 percent, slightly higher than the 6.1 percent target for 2023. Additionally, the NG debt stock-to-GDP ratio is 60.1 percent, which falls within the target range of 60 to 62 percent.

As expected, the country was not immune to the inflationary effects caused by the Russia-Ukraine war and various supply disruptions. The headline and food inflation from January to December 2023 increased to 6.0 percent and 8.0 percent, respectively. These figures significantly exceed the target range of 2.5 to 4.5 percent for both indicators for 2023. The trend, however, is promising, with the headline inflation for December 2023 declining to 3.9 percent and food inflation to 5.5 percent.

Labor statistics depict a robust labor market that has exceeded expectations. The unemployment rate is at 4.6 percent, much better than the 2023 target of 5.3 to 6.4 percent. However, the percentage of wage and salaried workers in private establishments, at 49.7 percent, is slightly below its 50.3 to 50.7 percent target range for the year.

Meanwhile, the poverty incidence declined to 22.4 percent of the population in the first semester of 2023, down from 23.7 percent in the first semester of 2021. The reduced poverty incidence is observed in 15 out of the 17 regions. Data for the full year will be available by late 2024. However, it is observed that the poverty incidence in the second semester is significantly lower given the seasonality of income.

Continuing its progress as an innovation achiever in the region, the country's rank in the Global Innovation Index (GII) improved from 59th out of 132 countries in 2022 to 56th in 2023.

Relevant Trends and Scenarios

The PDP strategies have been identified based on our development priorities, taking into account potential threats and opportunities, both domestically and internationally, that may arise in the medium-term. In the short term, the following trends and scenarios are considered relevant:



Health and Social Trends



Risk of new COVID-19 variants and resurgence of diseases persists despite the end of the global public health emergency

With over 13 billion vaccine doses administered worldwide, immunity has increased, leading to a substantial drop in COVID-19 cases and deaths. This led to the World Health Organization declaring the end of the global public health emergency for COVID-19 in 2023. Nevertheless, the risk of

new variants that may cause a surge remains.⁸ The disruptions in public health programs and access to health facilities induced by the pandemic may also lead to a resurgence of vaccine-preventable diseases (VPD) like measles and polio.⁹ Additionally, in the agriculture sector, there is a risk of crop diseases, such as wheat blast and potato blight, spreading globally and disrupting food supplies. In the Philippines, controlling African Swine Fever (ASF) will remain a challenge.¹⁰

Tighter labor markets as overseas and domestic demand recover

The robust rebound in migration observed in 2023 is expected to continue over the next two years, driven by high demand for healthcare and construction workers from overseas, despite geopolitical tensions. In 2023, deployments have already reached 2.5 million.¹¹ Local demand is also expected to increase due to public infrastructure and housing programs.



Economic Trends

Global economic slowdown and easing inflation

Despite showing signs of resilience earlier in 2023, the global recovery continues to be slow and uneven. The IMF estimates global growth at 3.1 percent in 2023, a decrease from the 3.5 percent in 2022. It is projected to remain at 3.1 percent in 2024, before moderately rising to 3.2 percent in 2025—rates below the historical average. Growth in emerging and developing economies is projected to remain at 4.1 percent

in 2024 and to rise to 4.2 percent in 2025.¹² This reflects a complex interplay of factors, including lingering pandemic consequences, the war in Ukraine, anticipated slower growth prospects in China, and escalating geo-economic fragmentation. In addition to these factors, there are cyclical influences, such as tightening monetary policy to curb inflation, the withdrawal of fiscal support due to high debt, and the impact of extreme weather events. Global headline inflation is projected to decrease from 8.7 percent in 2022 to 6.8 percent in 2023, and further by 5.8 percent in 2024.¹³ However, the decline is expected to be gradual, and inflationary pressures are likely to persist.

Revival of the Tourism Industry

With global tourism projected to reach 88 percent of pre-pandemic levels in 2023, the tourism industry presents a significant economic opportunity.¹⁴ This will be crucial for bolstering economies, especially in regions such as Southeast Asia, China, and India, where tourism serves as a key economic driver. In 2023, foreign tourist arrivals in the Philippines only reached 66 percent of pre-pandemic levels.¹⁵



Geopolitical Trends

Escalating geopolitical risks amid political transitions

Renewed conflict between Israel and Hamas has heightened the risk of a broader conflict in the Middle East. At the same time, the Russia-

8 WHO chief declares end to COVID-19 as a global health emergency. <https://news.un.org/en/story/2023/05/1136367/>

9 <https://www.paho.org/en/news/20-4-2023-risk-vaccine-preventable-disease-outbreaks-30-year-high-paho-director-says>

10 <https://www.economist.com/the-world-ahead/2023/11/13/the-next-pandemic-could-hit-global-crop-supplies>

11 <https://www.philstar.com/headlines/2024/01/06/2323900/return-ofw-deployment-pre-covid-level-shows-lack-quality-local-jobs>

12 World Economic Outlook Update, January 2024: Moderating Inflation and Steady Growth Open Path to Soft Landing

13 World Economic Outlook Update, January 2024: Moderating Inflation and Steady Growth Open Path to Soft Landing

14 World Tourism Organization. (2024, January 19). UN Tourism News: International Tourism to Reach Pre-Pandemic Levels in 2024

15 https://beta.tourism.gov.ph/news_and_updates/dot-chief-philippines-surpasses-year-end-target-with-5-45-million-intl-visitor-arrivals-in-2023-intl-visitor-receipts-surge-at-php482-54-billion/

Ukraine war is expected to be prolonged.¹⁶ Tensions between the US and China are also likely to persist. Intensifying geopolitical tensions pose significant risks, such as protectionist barriers or export bans, particularly from major food-exporting countries.¹⁷ Elections in several key economies, especially in the United States (US), could have significant implications for the resolution of these conflicts, as well as for key policies on the environment, international trade, and investments.

Regionally, tensions over the West Philippine Sea have escalated as China has become more assertive in its actions.¹⁸ Domestically, the opportunity to advocate for reforms may begin to diminish as the Philippine midterm elections in May 2025 approach.

Environmental and Climate Trends

Slowing energy transition amid high energy prices and growing populism

Despite a decade of progress, the global energy transition has recently plateaued.¹⁹ The current global energy crisis and geopolitical volatilities have prompted many governments to shift their focus to energy security, often at the expense of sustainable practices, due to rising energy prices. Green technology and energy still remain somewhat of a 'niche' market. Despite the increasing awareness of the threat posed by climate change, there is a growing resistance to coercive climate policies among voters in some advanced economies.

This led some political leaders to reduce their countries' commitments and targets.²⁰ Nevertheless, the business sector is beginning to adapt to changes in consumer preferences, technology, policy, and the availability of green finance.²¹

Increasing sustainable behavior, consumption, and production

There is an emerging positive trend toward sustainable living. Urban and backyard gardening is gaining popularity, reflecting a growing preference for fresh produce and a more eco-friendly lifestyle. The demand for electric vehicles (EV) is increasing, which is likely to establish China as the leading car exporter due to its dominance in battery production.²² In the Philippines, EV sales in 2023 alone reached over 10,000, which is more than six times the sales for the entire year of 2022.²³

Technology and Regulations

Increasing adoption of AI technologies amid lack of regulation

As artificial intelligence (AI) models become smaller, faster, more specialized, and more accurate,²⁴ enterprise adoption is expected to broaden and deepen.²⁵ At the same time, despite its potential, as the technology becomes more powerful and ubiquitous, governments will need to tighten regulations to guard against accidental or intentional misuse,

16 <https://www.economist.com/the-world-ahead/2023/11/06/tom-standages-ten-trends-to-watch-in-2024>

17 The Economist Newspaper. (2023, November 13). China's leaders will seek to exploit global divisions in 2024. The Economist

18 <https://dfa.gov.ph/dfa-news/statements-and-advisories/update/33666-statement-of-the-dfa-spokesperson-on-the-10-november-2023-ayungin-shoal-incident>

19 World Economic Forum. (2023). Fostering Effective Energy Transition 2023 Report

20 <https://www.economist.com/international/2023/10/11/the-global-backlash-against-climate-policies-has-begun> from The Economist.

21 Decarbonisation of industrial activities is beginning <https://www.economist.com/the-world-ahead/2023/11/13/decarbonisation-of-industrial-activities-is-beginning> from The Economist

22 <https://www.economist.com/the-world-ahead/2023/11/13/evs-are-poised-to-make-china-the-worlds-biggest-car-exporter>

23 <https://business.inquirer.net/450027/ev-sales-revving-up-hit-more-than-10000-units-in-23>

24 <https://www.economist.com/the-world-ahead/2023/11/13/ai-models-will-become-smaller-and-faster>

25 <https://www.economist.com/the-world-ahead/2023/11/13/generative-ai-will-go-mainstream-in-2024>

including misinformation or cybercrime.²⁶ For instance, the European Union (EU), US, United Kingdom (UK), and China are working on their legal frameworks for the development and use of AI.²⁷

Carbon border adjustment mechanisms

The EU passed a regulation for carbon border adjustment mechanism in 2023. After the transition period ends in 2025, a carbon tariff will be imposed on imports to ensure that imported goods and EU-made products bear a similar level of carbon pricing. The policy will initially apply to cement, iron, steel, aluminum, fertilizers, electricity, and hydrogen. The product scope will be reviewed before 2026 to assess the feasibility of including additional goods by 2030.²⁸ Other countries, including Canada, the US, and the UK, are also considering adopting a similar measure.²⁹

Harmonized ESG reporting

The International Sustainability Standards Board will introduce two global standards for environmental, social, and governance (ESG) risks. The first requirement is to disclose to investors the sustainability-related risks and opportunities that firms face in the short, medium, and long term. The second one prescribes specific climate-related disclosures, in addition to the first set.³⁰

Decision point on the Rice Competitiveness Enhancement Fund (RCEF)

The Rice Tariffication Law (RA 11203) mandates a review of the RCEF at the end of the sixth year of implementation. The results of the mandatory review, which will focus on the “increase or decrease of farmers’ incomes,” will determine whether to continue, amend, or terminate RCEF.

26 <https://www.economist.com/the-world-ahead/2023/11/13/a-global-agency-to-oversee-ai-is-a-tall-order>

27 <https://www.theguardian.com/world/2023/dec/08/eu-agrees-historic-deal-with-worlds-first-laws-to-regulate-ai>

28 https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en

29 ADB Briefs No. 276, EU Carbon Border Adjustment Mechanism: Economic Impact and Implications for Asia, November 2023.

30 <https://www.ifrs.org/news-and-events/news/2023/06/issb-issues-ifrs-s1-ifrs-s2/>

The Way Forward

As the Marcos Administration enters the second year of implementing the PDP 2023-2028, it must address this fundamental question: are the strategies identified in the PDP still relevant?



It is noteworthy that the per capita GDP has returned to pre-pandemic levels. However, the poverty incidence in the first semester of 2023, at 22.4 percent, is still higher than that in the same period in 2018, which was 21.1 percent. This could indicate that the lower income groups have not yet fully recovered to their pre-pandemic levels. Notably, the per capita income among the third decile increased by 30.6 percent from 2018 to 2023, which is lower than the increase in the per capita poverty threshold, at 31.0 percent. This suggests that the income growth of those in the third income decile was slower than the rise in prices. Therefore, the goal of reducing inflation, particularly food inflation, becomes even more critical.

We aim to return to a high GDP growth path of at least 6.5 percent beginning 2024 until 2028. The growth will be inclusive - leading to more jobs (unemployment rate within the 4.0 to 5.0%), and better quality jobs (53.0 to 55.0% of total workers are working in private establishments and receiving wages and

salaries). More importantly, by 2028, we aim to reduce poverty incidence to at most 9 percent. At the same time, we remain committed to the fiscal consolidation program outlined in the MTFF.

We maintain that the strategies outlined in the PDP remain relevant, even when considering the external trends and developments expected in the short- to medium-term. The way forward is to continue implementing these strategies, particularly those pertaining to socioeconomic transformation. Nevertheless, the prospects of achieving the PDP targets can be improved by reflecting on the lessons learned and drawing insights from the previous year, and integrating these into strategies.

Incorporating the lessons learned



Building a strong fiscal foundation. The fiscal targets for 2023 are likely to be met.

However, sustaining this achievement until 2028 would be challenging without the prompt enactment of new tax measures. The proposed tax measures, which include excise taxes on sweetened beverages, VAT on digital service providers, and a new fiscal regime for mining, are expected to generate over PHP900 billion in additional revenues from 2024 to 2028. The Executive and Legislative branches need to closely collaborate to ensure that the resulting measures do not lead to revenue shortfalls.

Other reforms need to be fast-tracked, such as improving tax administration through the vigorous implementation of the Ease of Paying Taxes Act and the expansion of digital systems in collecting agencies. Efficiency in spending

will be enhanced by releasing allotments early, conducting early procurement activities, and digitalizing disbursement processes. The government's rightsizing program will also be pursued through restructuring to address new priorities, as well as through merging or abolishing government agencies to create a more efficient bureaucracy.

Another strategy is to mandate that new or expanded public programs must be accompanied by new funding sources, or else adopt a "scrap and build" principle. Moreover, there is a need to maximize the synergy of the PAPs of different agencies, and at the very least, ensure that there are no duplicates.

These reforms, when implemented fully, are expected to ease the fiscal burden as indicated by, say, declining government deficits and overall public debt as a proportion of national income or GDP.



Expanding the economic pie.

The factors that constrained demand growth in 2023 may continue to persist in 2024, however, there are potential solutions that can be implemented to address these issues.

In 2023, the growth in household final consumption spending was limited by the prolonged period of high inflation. For 2024 and beyond, a multi-pronged solution is being proposed, recognizing that the issue has arisen due to a combination of external and domestic factors. The solution will involve a blend of strategic trade policy, targeted production subsidies, demand management, and confidence-building communication, along with productivity-enhancing strategies.

In the first semester of 2023, government spending contracted by 1.4 percent. Government agencies were then required to develop a catch-up plan, which was later

submitted to DBM and presented to the President. The result was a quick reversal of the trend, with government spending increasing by 2.4 percent year-on-year in the second semester of the year. It is important to maintain close coordination between the planning, budgeting, and operation units within each government agency, as well as between the implementing agency and the DBM.

It is important to note that this trend of low government contribution to the GDP is often observed during the early months or quarters of a new administration. This may correspond to the learning curve that the new set of agency heads is facing. To ensure a brief learning period while still complying with government rules, regulations, and standards, it may be beneficial to implement a continuous program for professionalizing the civil service. This program could involve training individuals before they enter government service, similar to the Civil Service Academy of Malaysia.

Meanwhile, a moderation in private sector capital formation over the next two years is expected due to the high interest rates. In particular, the implementation of the 4PH may be affected. There are indications, however, that monetary policy may soon return to normal. It is expected that interest rates may decrease in the near future. In the case of the 4PH program, some front-end activities may already be undertaken with national government and LGU support.



Ensuring food security.

Adopting a value-chain mindset, from farm to plate, can guide the strategies to ensure food security. Each node in the chain requires a multi-faceted approach to ensure its efficiency and competitiveness, as well as the accessibility and affordability of food, as indexed by inflation.

The first node is to ensure an adequate food supply. The solution must be to improve the productivity of the agriculture, fishery, and forestry (AFF) sector. This requires a more responsive R&D, as well as more timely and accurate information and forecasting models, and extension services.

The succeeding nodes pertain to postharvest facilities, including cold storage, which need to be adequate in number, quality, and strategically located. An alternative is to undergo additional processing to extend the shelf life of the food. Finally, the transport and logistics network also needs to be carefully mapped out to determine the strategic locations of warehouses and wholesale outlets for food.

The private sector and foreign enterprises may be encouraged to invest in the production and post-production of food, or introduce technological improvements. The policy and regulatory framework will need to be updated to reflect improved protocols and ensure predictability of provisions in order to attract private sector investments. Among the measures include facilitating the entry of foreign investments and talents, adopting global standards for product safety, quality, and business practices, and promoting partnerships between foreign and domestic investors. The commitment to ensuring a level playing field can be demonstrated by taking aggressive measures against smuggling and economic sabotage.

Consumers, by exercising arbitrage, can be very effective in preventing profiteering. To achieve this, it is imperative to provide timely, ideally real-time, and disaggregated information on commodity prices so that consumers can make well-informed decisions. Digital marketing will also facilitate this campaign.

Even so, these initiatives will need to be complemented with strategic trade policies if the output of the AFF is less than expected, such as in the case of weather shocks.



Improving access to quality education towards learning recovery.

The DepEd's plan to offer remedial classes and additional reading sessions is commendable. The challenge, however, lies in the shortage of teaching staff and facilities for the special classes. This calls for greater involvement of LGUs, civil society, and the private sector. Government personnel outside of DepEd may also be summoned to assist in conducting the special classes. Even students in higher education institutions who are enrolled in NSTP may be assigned as teaching assistants in state universities and colleges (SUC).

Equally problematic is the huge classroom shortage, reported at 159,000 for School Year 2023-2024,³¹ with only 2,935 built in 2023.³² A multi-year classroom building program will need to be developed, which can then be funded using various modalities, including PPP, and the utilization of the Special Education Fund (SEF) by the LGUs.



Building sustainable settlements and well-planned communities.

Over the short to medium term, the 4PH program is expected to significantly drive economic growth. The housing program, however, will need support from other PAPs and partners. The manufacturing and mining sectors will need to increase their production output of the needed materials for construction. Skills training programs will need to be expanded, both in scope and coverage, to ensure an adequate supply of construction and related workers. LGUs will need to immediately identify the

31 Senate Committee on Basic Education on August 23 2023. <https://www.youtube.com/live/pvWtL3wZR94?feature=shared>

32 Department of Education Budget Accountability Report No. 1, as of September 30, 2023

potential beneficiaries and the land to be utilized for the 4PH program. LGUs will also need to commit to streamlining their protocols for securing permits in order to minimize delays.



Ensuring a more responsive and accessible government.

The government has undertaken several initiatives to digitalize its internal and customer-facing processes. The eGovPH app developed by DICT already includes many of the services that can be accessed online. However, the app only functions as a portal and cannot be considered an integrated system. Moving forward, it is expected that the integration will happen and more government services will be included.

The other components of government service provision pertain to effective targeting and efficient delivery. The PhilID would be a useful tool for both. As of December 2023, around 83 million Filipinos have successfully registered to PhilSys, while the number of PhilSys Numbers (PSN) generated is 80.5 million. Close to 48.5 million PhilIDs have been dispatched for delivery, of which 45.1 million have been delivered.

The completion of the authentication system and application programming interface needs to be fast-tracked. Currently, the PhilSys Check can verify the authenticity of any PhilID. Other users, however, are uneasy about the lack of a signature on the card. This should not be an issue because the PhilID contains more data verification points, such as biometrics, which are more effective than just relying on a signature to verify a person's identity. The necessary component is the authentication system, along with the necessary tools, to utilize this reliable information based on the required level of assurance for the transaction. The PhilSys Information Education Campaigns and PhilID Advocacy Activities will be

intensified to educate the public about the uses and objectives of the PhilID and PSN, and to address concerns regarding data security.

The promotion of PhilID usage involves changing government and business procedures that currently rely on easily falsifiable wet ink signatures. The digital ID should replace the traditional analog ID, and banks' Know Your Customer (KYC) protocols should be updated with eKYC tools.

The tight fiscal space expected over the short to medium term calls for greater inter-agency coordination to maximize the synergies between and among the PAPs of the various agencies. Another objective is to minimize, if not avoid, overlaps. A useful budgeting tool, already institutionalized by the DBM, is the Program Convergence Budget (PCB), a comprehensive approach to optimizing the use of resources to achieve the same goal. The various inter-agency bodies enumerated in Table 16.1 of the PDP can serve as the forum for discussing the PCB.

In order to achieve a more responsive government, it is important to establish a system for monitoring and evaluating the progress and outcomes of government programs in each agency. This entails establishing well-equipped and skilled monitoring and evaluation (M&E) units within each agency, increasing the frequency of data collection to quarterly, and reducing the time between data collection and the release of results. This would allow ample time for response, resolution of problems, and similar actions. Additionally, each major program should have an M&E system with a dashboard similar to the IFPs dashboard, using a common template. The information from this system will then be included as an agenda item in inter-agency bodies responsible for overseeing program implementation.

Operationalizing the Transformation Agenda

A distinctive feature of the PDP is its transformation agenda. As previously discussed, while several previous programs and projects are ongoing, the entire government has been laying the groundwork for implementing the transformation agenda.

Accelerate Digital Transformation. The digitalization of government processes will significantly expedite the delivery of services and the discharge of functions, including regulation. The economic and social sectors can also benefit from the use of digital technologies.



MLGOO Josie Montes of the Municipality of Collera, Bohol, taps the online Sub-Local Governance Resource Center (LGRC) through the use of quick response (QR) code at the newly established LGRC corner. The Sub-LGRC is a centralized online repository of the municipality, to provide local officials, stakeholders, and residents with essential knowledge products and other information materials.

Photo Credit: DILG

The government will accelerate the PhilSys roll-out while ensuring the integrity and efficiency of the authentication system, and will demonstrate a variety of use cases. It is expected that the private sector will also develop their own use cases, but subject to the rules of the Data Privacy Act.

The modernization of the agriculture sector will involve the use of digital technologies, including AI, in farm management. For instance,

certain apps can include algorithms to inform farmers on when and how much fertilizer to use, integrate weather forecasts to determine the optimal timing for planting or harvesting, and so on. Remote sensing can also provide timely information on expected production, damage (in the event of disasters, disease outbreaks), and other factors. The government will support the development of these applications and provide the training on how to use them.

Production and other support processes in industry and services will also benefit from the use of digital technologies. Recognizing this, support will be given to enterprises to help them transition to Industry 4.0 by utilizing the Smart Industry Readiness Index (SIRI). A program will be implemented to create a pool of up to 400 certified SIRI assessors. The assessment results will then be used to identify the needed policies and other support required from the government.³³

During the COVID-19 pandemic, digitalization enabled the delivery of goods and services such as healthcare, and lifelong learning. Telemedicine has become more widely accepted. Going forward, this mode of health care delivery can be included as part of the PhilHealth package. On education, while online learning programs have always been available, they will be further enhanced with the integration of virtual reality, gamification, and other technologies. The government will support the development of teaching materials that use these new technologies and the training of teachers.

To support the digital transformation of the economy, the government will expand education and training programs on digital skills, competency, and cybersecurity. The Digital Workforce Competitiveness Act and the *Trabaho Para sa Bayan* Act will be utilized to achieve greater synergy between the labor market and the business enterprises.

33 The SIRI Project plan includes the need to hone local SIRI assessors to make the assessments accurate, affordable, and accessible.

Improve Connectivity. The government will continue to accelerate the implementation of the Build-Better-More program. An important objective is to enhance international and inter-provincial connections by improving the construction, operation, and maintenance of ports and airports, as well as by constructing long-span bridges to improve inter-island linkages. Consistent with the national transport policy, priority will be given to the movement of goods and people, thus emphasizing mass transportation systems.



The Metro Manila Subway Project (MMSP) is a 33-km underground railway line with 17 stations that will connect Mindanao Avenue in Valenzuela City to NAIA in Parañaque City. The project is on track for the targeted commencement of operations by 2029, aiming to serve approximately 519,000 passengers daily. Once operational, MMSP is expected to significantly reduce travel time between Mindanao Avenue and NAIA from 1 hour and 10 minutes to just 41 minutes.

Photo Credit: DOTr

The country's digital infrastructure will be expanded using various modalities. Digital connectivity will be improved in terms of accessibility and affordability. This will primarily be achieved through greater competition, making full use of the amended Public Service Act, and deliberately removing barriers to entry.

Promote Servicification. Agricultural and industrial processes and outputs can benefit from greater collaboration with the services sector. The use of digital technologies in fostering intersectoral linkages will require the expertise of IT professionals, app developers, and data scientists. Involving marketing

specialists in the design stage with the intent of improving user experience will add value to the product and even create a niche market for the product.



MARINA steers the Philippine Maritime Industry, and the Port of Matnog. It acts as an important gateway to Central Visayas and Mindanao, ensuring the smooth connections in the maritime sector.

Photo Credit: Maritime Industry Authority

To build economic resiliency, the government will also encourage various industries to locate in the country, with a particular focus on completing the production chain for strategic outputs. Four priority industry clusters have been identified: the Industrial, Manufacturing, and Transport (IMT); Technology, Media, and Telecommunications (TMT); Health and Life Sciences (HLS); and Modern Basic Needs and Resilient Economy (MBNRE). The government will continue to offer incentives to potential investors to encourage agglomeration.

Completing the value chain will also involve attracting more investors for processing facilities that use our indigenous materials as inputs, such as green metals and agricultural commodities with industrial application.

In addition to contributing to the domestic economy, local enterprises will also be encouraged to compete on the global stage. Collaborating with the creative sector can help in developing a unique market niche, possibly through research and development, branding, advertising, or after-sales services.

The Creative Industry Development Roadmap elaborates the strategies for fostering this collaboration.

Establish a Dynamic Innovation Ecosystem.

The NIASD 2023-2032 aims to create an enabling environment for establishing a dynamic innovation ecosystem. A policy reform agenda will be pursued to eliminate barriers to innovation and to implement policies that will encourage innovation. Initiatives to raise awareness about innovation and the various government programs supporting innovation will also be implemented. This will include capacity-building programs for the officials and members of inter-agency working groups in the ten priority areas identified in the NIASD.



The University of the Philippine Los Banos SARAi Team (Smarter Approaches to Reinvigorize Agriculture as an Industry in the Philippines), together with Dumangas, Iloilo LGU, demonstrates the process of gathering satellite-based crop data using remote sensing technology. This mechanism provides data to the dashboard which informs the Inter-Agency Committee on Inflation and Market Outlook (IAC-IMO) in providing anticipatory inflation policy advice.

The government will support the development of innovation infrastructure, such as innovation hubs, fabrication labs, collaboration platforms, and other similar facilities. The establishment of Knowledge, Innovation, Science and Technology (KIST) parks in state universities and colleges will also be supported.

The policy framework to encourage funding support for innovation will be established. This will include the Innovation Fund as mandated

by the Philippine Innovation Act. Other funding modalities are being studied to assess their suitability within the current regulatory framework. In order to rationalize and achieve synergy across the different PAPs on innovation, a Program Convergence Budget for innovation will be established.

Intensify Public-Private Partnerships. To effectively implement the recently enacted PPP Code, the timely completion and approval of the IRR are crucial. The government will continue to partner with the private sector, not only in terms of utilizing the PPP mode to finance infrastructure, but also in improving governance.



The DTI holds the celebration of the Philippine Creative Industries Festival to showcase the nation's vibrant fusion of innovation, creativity, and entrepreneurship.

Photo Credit: DTI

Concerning other policies and regulations, the private sector will be consulted about their experiences and user feedback before pursuing any policy or regulatory reform. The Open Government Partnership Action Plan will be implemented to further promote the practice of good governance. The government will also work with businesses and civil society to coordinate their ESG investments, ensuring that no one is left behind as we strive for faster economic growth and transformation.

Enhance the role of LGUs as partners in development. The Supreme Court has issued the Mandanas-Garcia ruling, which mandates a

larger allocation of the fiscal resources to LGUs. While this has already been implemented, it is important to assign more responsibilities to the LGUs, in accordance with the Local Governance Code. Nevertheless, the overarching objective is to improve the delivery and quality of government services. In fact, there have been several outstanding examples of LGUs driving development in their cities or municipalities. Many of these initiatives have been recognized by civil society, such as the *Galing Pook* awards, or by government (e.g., Seal of Good Local Governance).



DILG Secretary Benjamin Abalos Jr. meets with the Provincial Government of Albay Governor Edcel Greco Lagman to discuss the evacuation efforts and relief operations being conducted in the province.

Photo Credit: DILG Region 5

The devolution transition plans (DTP) and implementing guidelines will soon be completed. These plans will ensure proper phasing, and taking into account LGU capacity, among others. Upon approval, capacity-building and mentoring programs will be rolled out to ensure that the quality-of-service provision does not deteriorate.

In the meantime, there are several PAPs that will be implemented in partnership with LGUs. The massive public housing program, 4PH, requires the participation of LGUs in terms of providing donated land, a list of target beneficiaries, and plans for community development. The Philippine Multisectoral Nutrition Project (PMNP) requires target LGUs to develop their

local nutrition action plan. The Philippine Rural Development Project aims to establish a modern, value-chain-oriented, and climate-resilient agriculture and fisheries sector. It is being implemented in partnership with LGUs. Policies aimed at attracting investments, reducing regulatory burden, and addressing inflation require actions from LGUs as well.

**FOR MORE
DETAILS**



A more detailed discussion of each of the points mentioned above can be found in the subsequent chapters. The most recent data on the outcome indicators for each subchapter are provided, along with their baseline values and the target for the entire fiscal year (FY) 2023. The report also includes updates on the legislative agenda outlined in the PDP. Each subchapter concludes with suggested ways for moving forward, taking into account the performance implied by the outcome indicators and anticipated new developments, whether these are internal or external to the Philippines.



CHAPTER 2

PROPELLING ECONOMIC TRANSFORMATION AND GROWTH

To realize the goals of the Philippine Development Plan (PDP) 2023-2028 of achieving economic and social transformation for a prosperous, inclusive, and resilient society, the government focused on maintaining fiscal sustainability and enhancing the efficiency of government processes. Moreover, the government also established the groundwork for utilizing innovation and digitalization to propel economic transformation, human capital development, and sustainable growth.

The government established efficient tax and budget systems and accelerated the digitalization of financial services. Through several game-changing reforms, it also fast-tracked the approval process of various key infrastructure projects and rationalized government regulation to enhance the business climate, attracting more investors. Furthermore, the government intervened to ensure that our job-generating sectors were able to bounce-back better from the pandemic and established the foundation for transforming these sectors through digitalization and innovation to be able to generate more quality jobs and more quality products and services.

Moving forward, the government needs to ensure that innovation and digitalization become integral across all sectors and that the government continues to build the resilience of our economy to internal and external shocks.

Subchapter 2.1

Building a Strong Economic and Fiscal Foundation





The Development Budget Coordination Committee (DBCC) reviews the government's medium-term macroeconomic assumptions, fiscal program, and growth targets for FYs 2023 to 2028 during the 186th DBCC Meeting.

Photo Credit: Department of Budget and Management

Section 2.1.1

Ensure Sound Fiscal Management and Improve the Tax Regime

Introduction

The country's macroeconomic fundamentals remained sound, although budget deficit and debt levels have risen amid pandemic recovery efforts. To maintain fiscal sustainability, the government set out a fiscal consolidation plan, including revenue measures and digitalization of tax and customs administration. Expenditure reforms and strategic debt management are being pursued to ensure efficient management of public finances. Furthermore, the national government continues to capacitate local government units (LGU) in view of the devolution of functions following the Supreme Court's (SC) ruling on the Mandanas-Garcia Case. Moving forward, the government will intensify efforts to pursue transformative policies and programs to ensure a resilient fiscal sector supportive of growth.

Strategy Framework

To build a strong economic and fiscal foundation, the government will continue to implement strategies aimed at achieving sound fiscal management and an improved tax regime. These include (a) establishing a productive, equitable, and simple tax system and mobilizing other revenue sources; (b) implementing an efficient and inclusive budget system; (c) strengthening local government finance; and (d) ensuring sustainable management of debt.

**SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES**



SCAN ME

Major Programs, Activities, and Projects



Outcome 1: A productive, equitable, and simple tax system established, and other sources of revenues mobilized

Enhanced tax administration through digitalization and innovative solutions.

The Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) have made significant progress in digitalizing their major processes and services. The BIR's Electronic Invoicing/Receipting Sales Reporting System (EIS) started its pilot implementation in the Large Taxpayers Service in July 2022. Since the pilot implementation started, 63 pilot Large Taxpayers have issued 207.5 million invoices using the EIS. In addition, the BIR's Online Registration and Update System (ORUS)¹ made tax registration more seamless.² Meanwhile, the BOC has successfully implemented in all its port certain components of the Philippine Customs Modernization Program (PCMP).³

Pursued the implementation of priority tax reform measures. The BIR has extended the implementation of the Estate Tax Amnesty Program until June 14, 2025, with the passage of Republic Act No. 11956. For the period covering January to October 2023, a total of PHP1.63 billion has been collected from 43,739 availers of the program.



Outcome 2: An efficient and inclusive budget system implemented

Jumpstarted efforts to address procurement delays.

The Government Procurement Policy Board - Technical Support Office (GPPB-TSO) initiated a general review of the Government Procurement Reform Act (GPRA)⁴ and its revised Implementing Rules and Regulations (IRR) this year. In addition, the Department of Budget and Management (DBM) - Procurement Service (PS) is pursuing the full implementation of the Modernized Philippine Government Procurement System (mPhilGEPs)⁵ Following the pilot implementation of the eBidding feature of the mPhilGEPs in December 2021, 20 pioneer agencies were identified to be part of the initial implementation of the modernized system. As of September 2023, a total of 66,487 users from various government agencies and 285,185 merchants have already registered with the PhilGEPs.

Improved the efficiency of the bureaucracy to ensure timely completion of awards and projects.

Upon the direction of the President, all government agencies, led by NEDA, drafted the Philippine Development Plan (PDP) 2023 – 2028, which was approved by the President on December 16, 2022 and subsequently released to the public on December 31, 2022. The early release of the PDP guided the agencies in identifying programs, activities, and projects (PAPs) for their 2023 budget proposal. NEDA also streamlined its Investment Coordination Committee (ICC) process to reduce the processing time for the

¹ ORUS is a web-based system that provides an end-to-end process for registration of taxpayers and updating of their registration information.

² The key features of ORUS include: (a) TIN generation of non-business applicants, (b) TIN issuance for foreign individuals and corporations, (c) TIN verification, (d) submission of application for closure or deregistration of business, (e) TIN cancellation, and (f) online payment of annual registration fee for New Business Registrants

³ Includes Customer Care Portal System (CARES System) and Payment Application Secure (PAS6). The Overstaying Cargo Monitoring System (OSTracker) and Automated Auction (e-Auction) System have also recently been completed.

⁴ Republic Act No. 9184

⁵ Its key features include central registration, virtual store, eBidding, eMarketplace, and eReverse Auction.

evaluation and approval of projects.⁶ NEDA also launched its Infrastructure Flagship Projects (IFP) Dashboard⁷ to enhance transparency and promote accountability among implementing agencies. Furthermore, NEDA, in coordination with the Office of the President, is finalizing the draft Executive Order on Expediting the Processing of Documentary Requirements for the IFPs.⁸



Outcome 3: Local government finance strengthened

Reviewed institutional reforms that aim to strengthen revenue generation of local government units. The DBM, in coordination with the Bureau of Local Government Finance (BLGF), is studying the revision of the National Tax Allotment (NTA) formula, aimed at enhancing equity and encouraging revenue mobilization at the local level. The recently enacted Automatic Income Classification of LGUs Act (RA 11964) will also be considered in the revisions of the formula. The study is targeted to be completed by the end of this year. Meanwhile, the Bureau of the Treasury (BTr) implemented the LGU Bond Financing Initiative to promote local government bonds as an alternative source of financing for LGUs. It conducted online capacity building workshops on LGU Bond Financing with 24 LGUs from Luzon, Visayas, and Mindanao.



Outcome 4: Sustainable management of debt ensured

Mobilized alternative sources of financing and maintained prudent debt management.

The BTr continued to implement its Retail Investment Program to raise additional funds for the government. It has issued a total of USD1.26 billion for the second tranche of onshore Retail Dollar Bond as of October 11, 2023. The BTr is also currently studying the issuance of new structures such as Environmental, Social, and Governance (ESG) bonds, sukuk bonds, and local government bonds. In addition, the Monetary Board has recently approved the Department of Finance's (DOF) request for conversion from floating to fixed rate for 40 World Bank loans to mitigate the increase in interest payments due to the rise in Secured Overnight Financing Rate (SOFR). As the country approaches its upper-middle income status in the medium term, the Maharlika Investment Fund (MIF)⁹ can serve as an alternative funding source and bring in additional revenues for the government.

6 Summary Matrix on the Guidelines and Procedure on Processing PPP Proposals for NEDA Board/ICC Evaluation and Approval. Accessed from: <https://neda.gov.ph/wp-content/uploads/2022/12/Summary-Matrix-Guidelines-and-Procedures-on-Processing-PPP-Proposals-for-NEDA-Board-ICC-Evaluation-and-Approval.pdf>

7 The IFP Dashboard provides an overview of the IFPs, highlighting their status, cost requirements, distribution by sector, mode of financing, and regional location.

8 NEDA. (2023). INVESTMENT, PARTNERSHIP OPPORTUNITIES WITH BUSINESS SECTOR VITAL FOR SUSTAINABLE DEV'T – NEDA. Accessed from: <https://neda.gov.ph/investment-partnership-opportunities-with-business-sector-vital-for-sustainable-devt-neda/>

9 Republic Act No. 11954

Results Matrix

Revenue and tax effort remained high with the implementation of revenue generating measures and improvements in revenue administration. Revenue effort declined to 15.7 percent of GDP for 2023 (from 16.1% in 2022) but surpassed the full-year target (15.3%). Similarly, tax effort waned to 14.1 percent of GDP (from 14.6% in 2022), which is below the target for the year (14.6%).

Utilization of the current year's budget slightly declined but is well within the government's target. Primary expenditure contracted to 19.4 percent of GDP for 2023 (from 21.1% in 2022) as primary expenditure slowed down following the government's fiscal consolidation, impact of lower National Tax Allotment, and higher interest payments. Meanwhile, the preliminary data shows that budget utilization for 2023 slightly declined to 93.2 percent from 95.2 in 2022, however, this is expected to improve once agency submissions have been finalized.

The fiscal performance of LGUs continued to stabilize as local revenue raising efforts improved. Locally sourced income as a share of total current operating income increased to 33.0 percent (from 29% in 2022), growing by 17.0 percent (from 9% in 2022). Meanwhile, growth in social and economic service expenditures settled at 4.0 percent (from 16% in 2022) due to the winding up of LGU social assistance programs (*ayuda*) as the economy recovers from the pandemic.

National Government (NG) deficit and debt remained manageable with fiscal consolidation. Budget deficit narrowed to 6.2 percent (from 7.3% in 2022) but is slightly above the FY 2023 target. Meanwhile, debt-to-GDP ratio is within the target range for FY 2023, declining to 60.1 percent as of end-December 2023 from 60.9% in 2022. The government's sovereign credit rating standing also remained stable as targeted.

Ways Forward

Priority Strategies

Ensure close collaboration between the Executive and Legislative branches of the government to facilitate the passage of measures that will mobilize revenues and create additional fiscal space. The VAT on Digital Service Providers will be pushed for enactment by 2024. The DOF will also rationalize the mining fiscal regime and, the excise tax on pre-mixed alcoholic beverages, and sweetened beverages. Additional tax measures such as the Motor Vehicle Road User's Charge (MVUC), excise tax on single-use plastics, and anti-tax racketeering¹⁰ are also being considered to further augment revenues. Meanwhile, the government aims to simplify the tax structure for passive income, financial intermediaries, and financial transactions through the passage of Package 4 of Amendments to the Tax Code (formerly known as PIFITA).

Continue to improve tax compliance by streamlining processes and digitalizing the systems of tax collecting agencies. The BIR plans to fully implement and expand the coverage of EIS by 2024-2025. For 2024, the remaining 37 Pilot Large Taxpayers will be onboarded, while the integration of Application Support and Systems Maintenance will be deployed to ensure the system's stability. For 2025, the expansion of the target taxpayers and the use of cloud-based storage will be explored. Meanwhile, the BOC will continue to implement the other components of PCMP such as the Automated Inventory System for Empty Containers and e-Travel System in the next few years.

Fully implement the mPhilGEPs to improve procurement transparency and efficiency.

In 2024, a data center with hyper-converged infrastructure will be established to minimize cybersecurity threats, while cloud and on-premise connectivity will be used to ensure uninterrupted operations. Stakeholder awareness and readiness will be improved through training activities, campaigns, and development of an e-learning platform. Full implementation of mPhilGEPs is targeted to be completed by 2026. To complement the implementation of mPhilGEPs, the Progressive Budgeting for Better and Modernized (PBBM) Governance Bill is also being pursued to institutionalize the Cash-Based Budgeting System and other key public financial management reforms.

Continue to advocate for a leaner and more efficient bureaucracy.

The DOF will continue discussions on the substitute bill on the Military and Uniformed Personnel (MUP) pension reform in consideration of the points raised during previously-held consultations and roadshows this year. The measure is targeted to be passed into law in 2024. Meanwhile, the National Government Rightsizing Program (NGRP) is being pursued to enhance the government's institutional capacity to perform its mandate and provide better services to the people while ensuring optimal and efficient use of resources (see Subchapter 4.1).

10 House Bill No. 8144

Intensify capacity development interventions and programs for LGUs.

The BLGF will continue implementing the Local Governance Reform Project (LGRP) and propose changes in scope and loan extension until December 2026. Meanwhile, the development of three ICT systems will be extended until the end of 2026. Capacity development interventions will be intensified to better equip LGUs in implementing devolved functions and services once the directive for devolution is finalized and issued.

Further strengthen the capacity of LGUs to mobilize revenue and financing.

The BTr will continue to promote LGU Bond financing as a viable alternative to bank borrowing. The BTr also plans to conduct more workshops for LGUs capable of issuing LGU bonds and it will study the possibility of a pilot implementation.

Pursue strategic financing program and prudent debt management.

The BTr will continue to implement its Retail Treasury Bond program in line with market appetite and condition, taking into consideration the issuance of new structures. The BTr will also maintain its policy of heavily favoring domestic sources of funding to minimize cost and manage risks while proactively implementing liability management exercises. The full operationalization of the MIF is expected to provide additional financial resources for the government to cover its financing gaps.



Mayor Javier Benitez of Victorias City Negros Occidental, together with other officials, tests the newly Paleng-QR Ph Plus-ready Victorias Commercial Center.

Photo Credit: Victoria City Local Government

Section 2.1.2

Strengthening Efforts Towards an Inclusive, Innovative, and Healthy Financial Sector

Introduction

The government is steadfast in promoting an inclusive, innovative, and healthy financial sector, as evidenced by the progress made in accelerating the digitalization of financial services through enabling wider adoption of digital payments, institutionalization of regulatory and oversight frameworks to develop innovative financial solutions, and utilization of data-driven approaches to close gaps in the provision of financial services in both the private and public sectors.

Building on these developments, the government is moving towards strengthening the data, security, and risk management capabilities of regulatory bodies and private stakeholders, as well as in improving access to financial services, including digital services, among previously excluded sectors. Inter-agency coordination, private and public sector participation, and expanding access of

unserved and underserved groups to financial products and services are crucial to ensuring a vibrant and resilient financial sector.

Strategy Framework

To propel economic transformation and growth through an inclusive, innovative, and healthy financial sector, the following outcomes are being pursued: financial inclusion broadened and deepened; financial innovation accelerated and strengthened; and financial sector health ensured. These three outcomes are interconnected: a more inclusive financial system supports financial sector health and vice versa; while sustained financial innovation expands the access of underserved markets to financial services.

**SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES**



SCAN ME

Major Programs, Activities, and Projects



Outcome 1: Financial inclusion broadened and deepened

The Bangko Sentral ng Pilipinas (BSP) has paved the way for wider digital payments adoption and improving customer access to service providers. The BSP is working on an Agent Registry System (ARS) that monitors agent networks in the Philippines to improve financial supervision and support financial inclusion and consumer protection. The public will have access to a searchable service point database, enabling them to locate nearby accredited service points. Jointly developed by the BSP and the Department of the Interior and Local Government (DILG), the *Paleng-QR Ph Plus* promotes cashless payments among market vendors, community shopkeepers, tricycle operators and drivers in all cities and municipalities. Since the program's inception in June 2022, the number of accounts opened through the *Paleng-QR Ph Plus* program had already reached 131,134 in Q4 2023 from 34,387 in Q4 2022. As of December 13, 2023, 25 LGUs have issued ordinances on the adoption of *Paleng-QR Ph Plus*, 18 of which have already conducted program launch activities.



Paleng-QR Ph Program is launched at the Carmona Public Market on June 2, 2023.

Photo Credit: chelseasayo.com

The PSA conducted information drives in various localities across the country about PhilSys, particularly on the ePhilID and PhilSys Check. Launched in 2022, the PhilSys Check is an offline identity authentication tool to verify both the PhilID and ePhilID by government, private entities, and the public. Meanwhile, the BSP issued Circular No. 1170 dated March 30, 2023, which amends customer due diligence regulations and defines guidelines on electronic Know-Your-Customer (e-KYC) using a digital identity (ID) system. Circular 1170 mandates that the Philsys ID be accepted as official and sufficient proof of identity, subject to proper authentication.

The Bureau of Treasury (BTr) raised USD1 billion from its maiden *Sukuk* bond issuance in November 2023 as part of the government's agenda to promote the development of Islamic banking and finance in the country. The *Sukuk* issuance allows the Republic to diversify its global investor base and tap on Islamic-focused investors across the Middle East. It also marks the establishment of an active and liquid reference curve for other Philippine issuers to access the *Sukuk* market in the future.



Outcome 2: Financial innovation accelerated and strengthened

Progress has been made in developing safe and innovative financial solutions.

The BSP, through Circular No. 1153 dated September 5, 2022, institutionalized the Regulatory Sandbox Framework for all BSP supervised financial institutions (BSFIs).¹¹ The Framework promotes an evidence-based and results-driven assessment of new and emerging financial solutions, incentivizing innovative solutions while minimizing the risks to participants and consumers. In 2023, the BSP received eight applications seeking to use blockchain or decentralized ledger technology and application programming interfaces in virtual asset services, electronic money business, and pawnshop activities. Similarly, in September 2023, the Securities and Exchange Commission (SEC) released its draft proposal for a Regulatory Sandbox Framework for fintech companies for public comments.

Strides were undertaken towards sustainable finance in the Philippines.

The BSP, SEC, and Insurance Commission (IC) under the auspices of the Financial Sector Forum with technical support from a multilateral development partner exposed the draft Philippine Sustainable Finance Taxonomy Guidelines (SFTG) on September 16, 2023, for comments of supervised entities and other stakeholders. This will be followed by briefings and consultations. The proposed taxonomy considers the Sustainable Finance Guiding Principles, the country's Nationally Determined Contribution, and the ASEAN Sustainable Finance Taxonomy. It is expected to play an important role in facilitating further inflows of investments toward green or sustainable projects. Moreover, the SEC released various issuances to promote sustainable investments in the debt security market and to address key areas of environmental and social concerns.¹²

The BTr launched its Tokenized Treasury Bonds (TTBs), which leverages distributed ledger technology as part of the government's Securities Digitalization Roadmap, aimed at leveraging digital technology to increase financial inclusion and reduce friction costs.



Outcome 3: Financial sector health ensured

The BSP, SEC, IC and the Cooperative Development Authority (CDA) released their agency's implementing rules and regulations (IRR) of RA 11765, or the Financial Products and Services Consumer Protection Act (FCPA) to reinforce consumer protection.

The BSP issued Circular Nos. 1160 and 1169, in November 2022 and March 2023, respectively. These circulars form part of the suite of

¹¹ The BSP supervises banks, quasi-banks and non-bank financial institutions; SEC oversees securities, corporations, partnerships and associations, investment companies and financing companies, among others;

¹² For example, the SEC issued Memorandum Circular (MC) No. 3, series 2023, "Guidelines on the Issuance of Sustainability-Linked Bonds under the ASEAN Sustainability-Linked Bond Standards (SLBS) in the Philippines", to attract sustainable investments in the debt security market and address key areas of environmental and social concerns. Meanwhile,

regulations that implement various provisions of the FCPA.¹³ The BSP also expanded the functions of its Consumer Protection and Market Conduct Office to enforce Circular No. 1160 and provide initial consumer assistance; and created the Consumer Complaints Resolution Office to perform the next levels of consumer recourse of mediation and adjudication. Meanwhile, the CDA, IC and SEC have issued their IRRs on July 10, 2023, March 8, 2023, and April 25, 2023, respectively, to cover the financial service providers under their respective jurisdictions.

Cross-cutting Across Several Outcomes

The Internet Transactions Act of 2023 (RA 11967) was signed into law on December 5, 2023 by President Marcos. This act establishes the E-Commerce Bureau (ECB) under the Department of Trade and Industry (DTI), which will develop frameworks to incentivize the use of digital payments in collaboration with BSP and other government agencies. Under this act, consumers have the right to access comprehensive information about products or services, including seller details, product descriptions, and prices. The ECB shall also engage with law enforcement agencies in a formalized inter-regulator cooperation mechanism to address all cross-cutting issues and concerns that affect online consumers and the general public, as well as impose administrative fines as penalty against the violators of this Act.

The BSP is employing a data-driven approach in addressing financing gaps and delivering customer-responsive financial products. The BSP completed the construction of the Credit Risk Database (CRD) Scoring Model in March 2023 in partnership with the Japan International Cooperation Agency (JICA). The CRD utilizes a data-driven approach to boost lenders' confidence in financing SMEs, particularly those without credit history or adequate collateral. In addition, the BSP's Open Finance Roadmap aims to expedite the provision of financial products and services tailored to customer needs. The BSP has launched the PH Open Finance Pilot in June 2023, to develop technical and operational standards for an open finance ecosystem in the Philippines.

The BSP continues to improve the safety and efficiency of the National Payment System. In March 2023, the BSP, along with the central banks of Indonesia, Malaysia, Thailand and Singapore collaborated to interconnect their respective domestic instant payment systems (IPS) through the Bank for International Settlements' (BIS) Nexus Project. This will strengthen and enhance collaboration on cross-border payment connectivity, and facilitate international trade, investment, and other economic activities across the region. In addition, the BSP is currently pursuing Project Agila which is the BSP's wholesale Central Bank Digital Currency (CBDC) project. The project shall test the feasibility of employing a wholesale CBDC to facilitate 24/7 wholesale fund transfers. It also aims to orient the BSP and the participating financial institutions of the merits of CBDC technology and how the same may potentially address pain points in the large value payment system.

¹³ Circular No. 1160 became effective on December 20, 2022, with a transitory provision requiring BSP supervised institutions to conduct gap analysis and implement Board-approved action plans to address gaps within one year of the Circular's effectiveness.

Digitalizing the supervisory and regulatory processes. The BSP has implemented the Advance Suptech Engine for Risk-based Compliance (ASTERisC*) effective January 1, 2023. ASTERisC*, a cloud-based solution, supports the BSP's end-to-end process on cybersecurity supervision and oversight, including cyber-profiling, incident reporting and cybersecurity control self-assessments. With this platform, BSFIs can directly access and transmit real-time cybersecurity-related reports and information. The system likewise assists the BSP in making proactive and risk-based supervisory decisions and set policy direction on cybersecurity.

Based on available data, innovation and financial health-related indicators are expected to surpass their 2023 targets, while financial inclusion-related indicators will likely hit 2023 targets. More work needs to be done on data collection efficiency and timeliness, however.

Results Matrix

Two out of five core indicators have available data for 2023, all of which exceeded their targets. The number of fintech companies increased to 285 this year, higher than the target of 221 firms. Similarly, the ratio of the financial system's total assets to GDP reached 141.3 in 2023, exceeding the target of 129.5 percent. Meanwhile, the proportion of adults with an account at a bank or other financial institutions or with a mobile money service provider stood at 55.6 percent in 2021. Notwithstanding, using similar domestic data at the household level, 70.7 percent of Filipino households are already financially included as of Q3 2023.¹⁴

¹⁴ Starting 2023, the biannual Financial Inclusion Survey will be renamed to Consumer Finance and Inclusion Survey (CFIS) and will now be conducted annually. The 2023 CFIS is expected to be released in Q1 2025. This survey provides information to two core indicators of the Sub-chapter Outcome 2.2.1 Financial inclusion broadened and deepened, namely Proportion of adults (15 years and older) with an account at a bank or other financial institutions or with a mobile-money service provider increased (%) and the Proportion of E-income socioeconomic class with accounts to proportion of ABC income class with accounts increased (%). To provide an update on the outcome, a related indicator from the Consumer Expectations Survey (CES) was used. The data of the CES is of households, while the CFIS is of individual adults.

Ways Forward

Growth in the financial sector shall be supported by the rising global demand for sustainable goods, services, and investments. Rapid technological advancements and the government's push for digital transformation will serve as a tailwind for financial technology (fintech) companies to deliver equitable, responsive, efficient, and affordable financial services and products.

Meanwhile, global macroeconomic and financial conditions pose challenges to the sector. Slower growth prospects, geopolitical tensions, persistently high inflation, and high interest rates may dampen economic prospects and exacerbate financial vulnerabilities both domestically and internationally. The persistent digital divide, low financial literacy outcomes, structural data gaps, and slow-to-adopt technological infrastructure and regulations may undermine the growth dividends from financial sector developments. To take advantage of the opportunities and to address the potential threats to the financial sector, the following strategies will be prioritized:

Priority Strategies



To strengthen data, security, and risk management capabilities of regulatory bodies and private stakeholders

On regulatory sandbox frameworks, the BSP, SEC, IC, and other relevant agencies will work closely to ensure alignment and information sharing on regulatory sandbox outcomes and initiatives.

On climate finance data platform, the platform will be designed to complement the SFTG for clarity, transparency, and efficiency in the sustainable finance ecosystem. The centralized platform will efficiently track sustainable finance flows, which will reduce information gaps and avoid mismanagement of data and information. Sufficient sustainable finance information will facilitate the alignment of incentives, accurate measurement of results, proper valuing of assets, and effective management of risks.

On strengthening systemic risk oversight and supervision, the 2024 – 2029 BSP Strategy Plan will include the development of an integrated framework for micro and macroprudential oversight and supervision.

On CRD and open finance, the BSP and JICA are exploring the possibility of implementing Phase 2 of the CRD to facilitate the effective transition of the project from construction to operation stage. Under the proposed Phase 2, additional services will be developed to promote SME access to finance. To complement the adoption of the Open Finance Framework, the BSP is exploring the potential adoption of a marketplace banking model that will enable consumers to access a variety of select financial products and services through a one-stop-shop platform.

On PhilSys validation, the PSA will expand PhilSys Check's features to ensure its responsiveness to the needs of financial institutions.

On ASTERisC*, access will be expanded to cover all banks and supervising departments. Likewise, expansion to other risk areas is under evaluation.



To improve access to financial services, including digital services, among previously excluded sectors

On ARS and Paleng-QR Ph Plus, the full-system launch, and information campaigns about the ARS will be done in 2024. Meanwhile, free Wi-Fi access in public markets and transportation terminals for *Paleng-QR Ph Plus* among participating LGUs will be pursued.

On Islamic Finance and TTBs, the BTr will integrate Islamic finance in its various funding initiatives moving forward. The BTr will collaborate with the BSP to identify opportunities to integrate digital coins in the settlement of securities.

On offline digital payment solutions, the government is currently exploring the use of offline capabilities to address issues related to poor internet connectivity. An offline payment system could increase financial inclusion and drive electronic transactions in areas with poor or without internet connection. Collaboration between the public and private sectors is necessary to achieve this.

Subchapter 2.2

Enhancing the Country's Business Climate





The Philippine Pavilion in the Ambiente 2023, an international trade fair for consumer goods, on February 3–7, 2023 in Frankfurt, Germany.

Photo Credit: DTI-Design Center of the Philippines

Section 2.2.1

Promote Trade and Investments

Introduction

Recent global developments have strained post-pandemic recovery efforts and dampened the growth trajectory of many developed and emerging economies, including the Philippines.

Continued geopolitical tensions, monetary tightening to address inflation, reduction of fiscal support to manage high debt, and extreme weather disturbances have hindered global economic activity and hampered the flow of international trade and investments. In 2023, total exports reached USD103.6 billion on account of services exports growing by 17.4 percent (USD48.28 billion), propelled by increased travel exports receipts and higher BPO revenues. Meanwhile, a contraction of 4.1 percent was recorded for goods exports in the same period amid overall slowdown in external demand, logistics challenges resulting in delays, high trade transaction costs, and the imposition of non-tariff barriers in target markets. On the other hand, approved investments in 2023 grew by 267.6 percent,

bolstered by the significant investment pledges in electricity, gas, steam and air conditioning supply (82.4%), manufacturing (12.5%), and administrative and support activities (1.9%). Meanwhile, net foreign direct investments for 2023 exceeded the Bangko Sentral ng Pilipinas' revised projection by USD864 million at USD8.86 billion, despite the 34 percent decline in foreign equity capital investments from USD1.96 billion in 2022 to USD1.29 billion in 2023. Among the industries, 72.2 percent (USD932 million) of the total equity capital investments can be attributed to manufacturing.

To ensure the resiliency of trade and investments in the face of external challenges, the Philippine Development Plan (PDP) 2023-2028 has identified strategies to improve business climate that will strengthen the global position of the country's export sectors and attract investments to boost growth areas such as trade, upskilling, and enhanced sustainability efforts.

Strategy Framework

The Philippine government's strategies for enhancing the global position of its exports sector emphasizes supporting the survival, growth, and expansion of local firms in both the export and domestic markets. Building an environment that allows firms, especially micro, small, and medium enterprises (MSME), to bolster productive employment and increase the income of Filipino workers underscores the importance of robust and competitive local industries, which significantly contributes to economic development.

Simultaneously, the government is outlining a comprehensive strategy to boost total investments in the country, recognizing FDI as a key driver of export growth, a source of vital technology, and a critical enabler of the country's long-term climate action. The Philippines aims to benefit from the influx of capital, expertise, and technology that foreign investors bring. This not only stimulates economic growth but also enhances the competitiveness of Philippine industries on the global stage.



The Food Philippines Pavilion at the 33rd Taipei International Food Show on June 14-17, 2023. The exhibition aims to increase targeted exports to Taiwan through exhibitions, food service presentations, brand displays, and innovative culinary offerings.

Photo Credit: DTI

Supporting local firms and attracting FDI is a comprehensive dual strategy designed to create a more enabling environment through

the institutionalization of regulatory reforms, providing targeted support programs, and enhancing partnerships between national and local governments to facilitate investments. The succeeding section on priority programs and projects looks at the status of ongoing projects and highlights notable accomplishments in the first year of the PDP 2023-2028 in pursuit of the government's goal of enabling economic and social transformation.

**SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES**



SCAN ME

Major Programs, Activities, and Projects



**Global Position of
Philippine Export
Sectors Restored,
Sustained, and
Strengthened**

The government remains committed to supporting the trade sector through streamlining export processes and enabling physical and digital export marketing. Removing constraints on export growth and competitiveness includes rationalizing regulatory measures and promoting the adoption of digitalization to reduce the cost of doing business and facilitate trade. The Bureau of Customs (BOC) is continuously streamlining and digitalizing border processes under the Philippine Customs Modernization Project to ensure the smooth and secure flow of goods through Philippine borders. The BOC has

completed and is implementing its digitalization of exports customs procedures, which includes electronic lodging of export declarations, online release system, and real-time monitoring of containerized cargoes to monitor and prevent tampering of containers. To this end, the BOC is also undertaking the upgrading of its physical infrastructure to enhance connectivity and capacity to handle digital processes. The full implementation of the country's National Single Window through the TradeNet platform is ongoing with 21 Trade Regulatory Agencies (TRGA) already onboarded in the platform. This aims to automate and integrate licensing permit, clearance, and certification system to promote interoperability and efficiency of trade facilitation processes.

The Department of Trade and Industry (DTI) also continues to undertake export promotion activities through participation in local, international, and virtual trade fairs and the conduct of *Usapang Exports* sessions to inform exporters and aspiring exporters on market regulations, opportunities, and trends, to enable Philippine businesses to make informed decisions on exporting. The DTI is also pushing for businesses, especially MSMEs, to adopt digitalization through assistance in accessing and thriving in an e-commerce environment. The digital transformation of businesses is supported with projects to improve internet connectivity, especially in the countryside, such as test deployments of new technologies and satellite internet connectivity through the Philippine Space Agency's (PhilSA) INCENTIVISE¹ project.

Programs to boost exports go beyond providing physical inputs; they emphasize productivity-enhancing support. These measures focus on targeted programs and fortifying backward and forward linkages to promote servicification and encourage

stakeholders to adopt newer technologies. The Department of Agriculture (DA) leads in conducting training programs, including best practices, processing, value-adding, marketing, and trade, to empower its stakeholders in the sector to participate in downstream segments beyond production. The DA, through its attached entities, are also engaged in trade and market development programs, including the conduct of market research and the provision of postharvest and shared processing facilities, especially for high-value crops. As of December 2023, the DTI established 55 shared-service facilities (SSF) nationwide providing MSMEs with resources and access to vital technology to improve their capabilities in various stages of product development and processing.



Total Investments Increased and Targeted to Boost Trade, Skills Upgrading, and Sustainability

Ongoing promotion of the country's openness to business and investments. While landmark laws have been passed to enhance the country's appeal to FDI, the implementation of these reforms and the coordination between national and local government agencies will be strengthened. The Inter-Agency Investment Promotion Coordination Committee (IIPCC), tasked with the consolidation of all promotion and facilitation efforts to encourage foreign investments in the country, is coordinating the formulation of the medium-term five-year, and long-term 10-year Foreign Investment Promotion and Marketing Plan (FIPMP). The FIPMP will serve as a marketing tool and guide for stakeholders by providing information about investment opportunities, reforms, and incentives, among other things. Likewise, the "Make it Happen in the Philippines"

1 Introducing Non-Geostationary Satellite Constellations Test Deployments to Improve Internet Service

campaign of the DTI will be continued as the country's branding for investments. The campaign will be updated to complement and strengthen the FIPMP. The campaign will also highlight recent economic reforms to herald the country's openness for business and push the Philippines as an alternative prime investment destination. These initiatives entail greater collaboration between national and local government agencies in promoting and facilitating investments and ensuring alignment of their strategies.

Private sector collaboration to develop and promote rural investments. To leverage the role of the private sector and promote FDI in rural areas, the DA is promoting the adoption of public-private partnerships (PPP) as a viable modality in procuring and financing projects in the agriculture and fisheries sector. The DA is continuously coordinating with its officials, regional offices, and attached agencies to refine existing concept notes of proposed projects. In addition, the agency hosted a forum to further deliberate the adoption of PPPs.

Position the Philippines as a prime destination for environment, social, and governance (ESG) investments. The PDP envisions the establishment of an ESG Investments Task Force tasked to explore innovative modalities for institutional partnerships at the local level that would facilitate ESG resource mobilization. This is in line with the country's sustainable finance agenda. Initiatives related to this goal include piloting the Innovation Payment for Environmental Services and the SEC's issuance of a new set of rules on sustainable and responsible investments (SRI) funds. Relatedly, the Inter-Agency Task Force on Sustainable Finance, otherwise known as the Green Force, led by the DOF and Climate Change Commission (CCC) reconvened on May 12,

2023, to discuss the status and next steps in the implementation of the Sustainable Finance Roadmap and its guiding principles.

Results Matrix

Under the outcome to strengthen the global position of Philippine export sectors, merchandise and services exports reached USD55.32 billion and USD48.28 billion, respectively, in 2023. An improved business climate coupled with stronger efforts on both the merchandise and services exports front are needed to reach the annual targets of USD58.09 billion and USD42.85 billion for these indicators, respectively. Non-electronics exports reached USD31.62 billion in 2023. Continued efforts and additional measures are necessary to bridge the gap and meet the annual targets. This would ensure robust and sustainable trade environment and sustained growth throughout the rest of the PDP 2023-2028 implementation period.

On the investment front, the country's ratio of FDI to gross domestic product in 2023 was 2.03 percent, reaching the lower end of the annual target range from 2 to 5 percent. Meanwhile, the issuance of Green, Social, and Sustainability bonds exceeded expectations, reaching USD10.11 billion in 2023. The Philippines made strides in certain areas, particularly in sustainable financing, while facing challenges in achieving the desired FDI ratio and improving the regulatory environment. Ongoing efforts are crucial to address these challenges and sustain positive economic growth.

Ways Forward

Recognizing the critical role of international trade and investments in fostering economic growth, the government shall intensify efforts to address threats and challenges to spur growth in the sector. In response to evolving domestic and external trends, the priority strategies for 2024-2025 remain geared toward fostering opportunities for businesses and for investments to flourish.



DTI Secretary Pascual and DFA Secretary Manalo co-chairs the Philippines-Australia Ministerial Meeting with officials from Australia's Department of Foreign Affairs and Trade to discuss key issues and initiatives in bilateral cooperation, bilateral and regional trade and investment, and regional developments.

Photo Credit: DFA

Emphasizing the importance of the transformation agenda, digitalization and connectivity initiatives will be intensified to complement plans to modernize, streamline, and rationalize regulatory procedures. Embracing technology and innovation will also be underscored through the implementation of projects to upgrade export capabilities in both goods and services. In the area of investments, private sector and local government partnerships will be leveraged to promote ESG investments.

By addressing these aspects comprehensively, the next section breaks down priority strategies and required support measures through plans and programs for each outcome that aims to create an enabling environment for

trade and investments, fostering sustainable economic development in the face of dynamic global challenges.

Priority Strategies



Global Position of Philippine Export Sectors Restored, Sustained, and Strengthened

Complete the implementation of planned streamlining of regulatory procedures.

The further reduction of red tape to improve the country's business environment and cut monetary and time costs to businesses shall be realized through the completion of ongoing digitalization and regulatory reform measures. The DOF and the BOC will work towards completing the remaining components of its Customs Modernization Project and achieving live status of all TRGAs on the TradeNet platform. A regulatory clearinghouse to assess the viability and implementation of regulations on agricultural products shall be organized and piloted. This will enable the government to identify regulations on commodities, which may have become irrelevant, trade-restrictive, and burdensome and recommend appropriate action.

Expand current export development programs to focus on targeted needs, value-addition, and quality infrastructure.

A targeted and firm-based approach to providing support services is emphasized both in the PDP 2023-2028 and the Philippine Export Development Plan (PEDP). To this end, the relevant government agencies shall formulate and implement the PAPs aligned with the

strategies of both Plans. To better provide this support, the DTI shall broaden its capacity to gather the necessary data on the needs of firms. This will allow the designing of programs that will enhance the capability of firms to move up the value chain, access foreign markets, and comply with the necessary quality standards. The implementation of such programs should necessarily be accessible to stakeholders to maximize benefits and ensure prudent use of government resources.

Develop and upskill the Filipino workforce to maintain the country's edge in services exports.

Maintaining the country's advantage in tradeable services requires government commitment to invest in developing a competitive digital workforce. The government will ensure the full implementation of the Philippine Digital Workforce Competitiveness Act (RA 11927) and its IRR to enhance the identification of existing capabilities and gaps for the government to develop and implement the appropriate training, upskilling, and re-skilling programs.



Total Investments Increased and Targeted to Boost Trade, Skills Upgrading, and Sustainability

Institutionalize the creation of permanent Local Economic Development and Investment Promotions Office (LEDIPO) within LGUs. Minimizing changes in key investment policies and ensuring the continuity of investment promotion activities, especially during changes in administration, will be realized with the creation of LEDIPO. This allows for a more stable outlook in the investment climate while consolidating the implementation

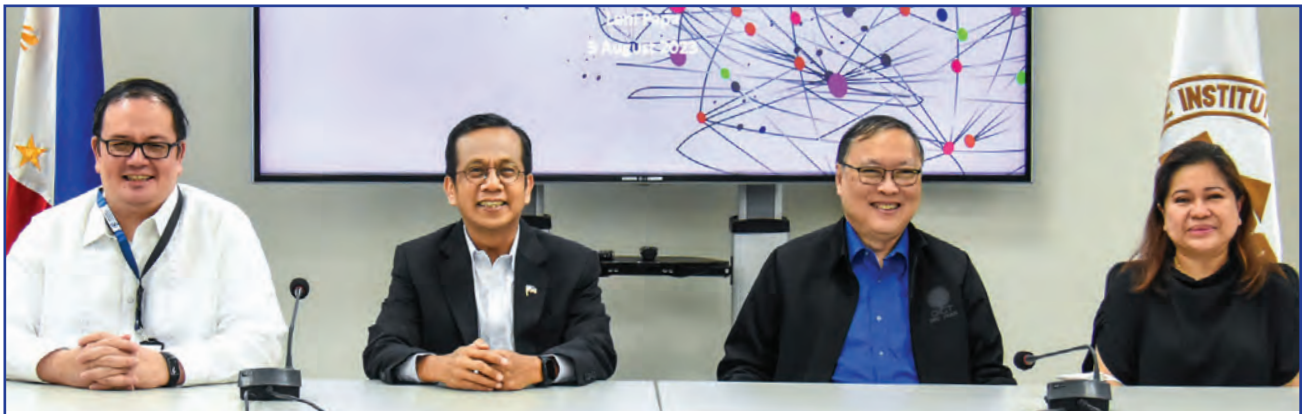
of measures related to investments at the LGU level, such as the recently promulgated Executive Order (EO) No. 18, s. 2023² and EO No. 32, s. 2023,³ to complement recent economic liberalization and tax incentives reforms. Further, the permanent LEDIPO would allow for more effective capacity building in the facilitation of investments. The LGUs will also be enjoined to develop and adopt an investor-friendly investment code that is aligned with recently enacted liberalization laws (see *Section 2.2.2*).

Intensify the promotion of ESG investments.

The growing interest in ESG investments globally presents significant opportunities for the Philippines. To take advantage on the shift to ESG investing, the Philippine Sustainable Finance Roadmap will be fully implemented (see *Subchapter 4.2*). Furthermore, a study on the development of a system designed for generating and reporting ESG investments will also be developed to strengthen the comparability of ESG rating and investing approaches, in line with international best practices, and to improve the quality of data used for investment decisions.

² Constituting Green Lanes for Strategic Investments

³ Streamlining the Permitting Process for the Construction of Telecommunications and Internet Infrastructure



PCC Chairperson Michael G. Aguinaldo, NEDA Secretary Arsenio M. Balisacan, DICT Secretary Ivan John E. Uy, and NTC Commissioner Ella Blanca B. Lopez at the high-level inter-agency meeting on the 'Fostering Digitalization through the National Competition Policy' Project held on August 3, 2023.

Section 2.2.2

Promote Competition and Improve Regulatory Efficiency

Introduction

The first year of PDP implementation yielded developments in the whole-of-government effort to adopt the National Competition Policy (NCP) and regulatory management system. These developments include economic reforms, such as the issuance of the Implementing Rules and Regulations (IRR) of the Amended Public Service Act, competition enforcement, capacity building on competition law and policy and regulatory review, collaboration between the public and private sectors, and digitalization. These emerged in response to challenges, which include the lack of awareness and understanding of competition, low regulatory quality, unnecessary regulatory burden and excessive requirements on business, and obstacles to digital transformation.

Despite these developments, several constraints to competition and regulatory efficiency remain and continue to undermine consumer welfare and market efficiency. Hence,

the government will sustain its efforts to create an enabling environment where businesses can compete on a level playing field unimpeded by unnecessary regulations.

Strategy Framework

The strategy framework recognizes the need to promote competition and improve regulatory efficiency to level the economic playing field and enhance business climate.

The strategies are geared toward: (a) adopting a whole-of-government approach to strengthen market competition; (b) promoting competition and improving regulatory efficiency in and through digital technologies; (c) diminishing anti-competitive practices; (d) reducing barriers to entry and re-entry; and (e) reducing burden of regulation.

**SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES**



SCAN ME

Major Programs, Activities, and Projects



A whole-of-government approach to strengthen market competition adopted

Capacity building is heightened. The Philippine Competition Commission (PCC) expanded the Government Staff Development Program for Competition Law and Policy under the Capacity Building to Foster Competition Project to include the Governance Commission for GOCCs (GCG) as a beneficiary. Under this project, the GCG will be further capacitated on the competitive neutrality principle, which includes the review of incentives, thereby ensuring that government-owned or -controlled corporations (GOCC) do not enjoy undue competitive advantages over private market participants.

Advocacy is expanded. The PCC sustained its efforts to increase awareness, understanding, and support for the Philippine Competition Act (PCA) and the PCC. In 2023, 337 learners from 50 national government agencies (NGA) and LGUs completed a blended learning course on competition law and policy through the PCC's online learning hub ("iCLP"). As part of the Champions of Competition Program, the PCC launched the Competition Advocacy Pledge and the Competition Local Advocacy Network (CLAN) on November 30, 2023. The Competition Advocacy Pledge is a project that engages business and trade organizations and individuals to champion competition law and policy among their peers in the business community. On the other hand, the CLAN

engages state universities and colleges (SUC) to train local stakeholders on the PCA and the NCP.



Competition promoted and regulatory efficiency improved in and through digital technologies

The Internet Transactions Act of 2023 is enacted. On December 5, 2023, the President signed the Internet Transactions Act of 2023 (RA 11967) as a measure to protect online consumers and merchants engaged in internet transactions.

Updating of the National Broadband Plan is ongoing. In 2023, the Department of Information and Communications Technology (DICT) conducted a series of roundtable discussions with the government and the private sector to update the National Broadband Plan under its National ICT Planning, Implementation and Monitoring (NIPIM) Program, to cope with the requirements of the new normal.

The government fostered competition in the telecommunications sector. NEDA, in partnership with the PCC and with technical assistance from the Asian Development Bank (ADB), spearheaded the conduct of the Fostering Digitalization through the NCP Project. The project capacitated the DICT and the National Telecommunications Commission (NTC) in undertaking competition impact assessments on the following key policies in the telecommunications sector: (a) digital terrestrial broadcast; (b) common tower; (c) cloud services; and (d) value-added services. The results of these assessments will be included in the policy formulation and/or amendment to ensure that while digitalization is accelerated, policies do not pose harm to competition.



DICT Secretary Ivan John Uy discusses next steps on reforming key telecommunications policies during the Final Workshop of the 'Fostering Digitalization through the National Competition Policy' Project held at the PCC on November 6, 2023.

Photo Credit: DICT



Anti-competition practices diminished

Enforcement of competition-related laws and issuances is intensified.

In 2023, the PCC, with the assistance of the National Bureau of Investigation (NBI), pursuant to a memorandum of agreement, conducted their first dawn raid against alleged cartel members of agricultural products. The dawn raid paved the way for the PCC to obtain crucial information necessary for a successful prosecution of the case. To further strengthen its enforcement capacity and local presence, the PCC made operational its Digital Forensics Laboratory and established two additional Investigation Stations (iStations) in Davao and Cebu. The PCC likewise upgraded its Bid Rigging Screening Tool, a software enabling a proactive approach in detecting potential bid rigging activities.

Market studies provided actionable recommendations to address competition and regulatory concerns.

In 2023, the PCC completed market studies CIAs in the following industries: (a) free TV; (b) e-commerce; (c) online advertising; (d) health maintenance organizations; (e) pharmaceuticals; (f) education; (g) mobile phone unlocking; and (h) livestock and poultry feeds. The results of the

eight market studies and CIAs will provide a basis in addressing regulatory and competition concerns in these sectors.



Barriers to entry and re-entry reduced

Rules and regulations implementing RA 11659, or the Amended Public Service Act are issued and carried out.

Following the enactment of the Amended Public Service Act, NEDA issued the IRR on March 21, 2023. The regulatory agencies identified under Section 3 of the Amended Public Service Act are in various stages of implementing said Act and its IRR. The Maritime Industry Authority, for instance, has already issued and published on their website several Memorandum Circulars, which are aligned with the provisions of the IRR. Meanwhile, seven of these regulatory agencies are in the process of reviewing and revising their respective issuances to ensure alignment with the recently issued IRR.

Regulatory Impact Assessment (RIA) and Competition Impact Assessment (CIA) are mainstreamed in policy and rulemaking.

To ensure that regulations and similar issuances do not pose barriers to entry and re-entry, the Anti-Red Tape Authority (ARTA) trained 72 government agencies on RIA. Meanwhile, the PCC worked on integrating the CIA in the RIA course offerings of ARTA and the Development Academy of the Philippines (DAP). It likewise included the CIA Checklist as a requirement in granting the performance-based bonuses, pursuant to Administrative Order No. 44, s. 2021.



Burden of regulation reduced

EO No. 32, s. 2023 and its IRR are issued and carried out. ARTA's National Effort for the Harmonization of Efficient Measures of Inter-related Agencies (NEHEMIA) Program facilitated the issuance of EO 32 and its IRR, which aims to reduce the burden of regulation for infrastructure builders in the telecommunications sector.

Protocols for starting a business are streamlined. ARTA is leading the integration of LGU and NGA processes into the Philippine Business Hub (PBH). With the current services available at the PBH (six primary agencies, one secondary agency, and 18 LGUs), the process of starting a business in the Philippines is streamlined to just six steps and three days from 13 steps and 33 days.

Private sector participation in reducing burden of regulation is broadened. ARTA has forged partnerships with businesses, such as the Aboitiz Group and MERALCO,¹ to expedite the delivery of capacity-building and the donation of hardware necessary to streamline and digitalize government processes, especially among LGUs.

Regulatory Management System is promoted at the national and local levels. To implement the National Policy on Regulatory Management System (NPRMS), ARTA conducted orientations for 74 NGAs and 29 GOCCs on the provisions of the NPRMS from May to June 2023. DAP also undertook the seventh cycle of implementation of the Modernizing Government Regulations Program (MGRP). Under the seventh cycle, it completed regulatory reviews of five industries (clinical laboratories, medical waste, socialized

housing, consumer goods, and livestock importation) in 2023. Under the capacity development component of the MGRP, DAP trained 15 LGUs on regulatory review and eight NGAs on consultation in the context of RIA.

EO No. 41, s. 2023 eliminated superfluous regulatory fees and charges. To ensure unimpeded movement of cargoes and reduce logistics cost, EO 41 was issued on September 25, 2023, prohibiting LGUs from collecting toll fees and charges from all motor vehicles transporting goods or merchandise while passing through any national roads, including other roads not constructed and funded by LGUs. Meanwhile, said issuance strongly urges LGUs to suspend or discontinue the collection of pass-through fees from all motor vehicles transporting goods or merchandise while passing through any local public roads constructed and funded by said LGUs.

Results Matrix

Due to lack of locally-generated data for outcome-level indicators, global indices such as the Global Competitiveness Index (GCI) of the World Economic Forum (WEF), the Global Innovation Index (GII) of the World Intellectual Property Organization (WIPO), and the Worldwide Governance Indicators (WGI) of the World Bank, are used to determine the performance of the country in terms of promoting competition and improving regulatory efficiency.

The WEF has not produced a new report since 2020; hence, there is no data available for six of the eight outcome indicators under the chapter, namely the GCI and its sub-indicators (Product Market Efficiency,

¹ ARTA and MERALCO formally launched their partnership on March 17, 2023, with LGU beneficiaries that are within the MERALCO franchise as the first batch of beneficiaries. The ceremonial turnover for the second batch of LGU beneficiaries located outside the MERALCO franchise was held last May 4, 2023.

Extent of Market Dominance, Market Size, Burden of Government Regulation, and Business Dynamism). Similarly, the World Bank has not produced 2023 data for the WGI, which includes Regulatory Quality as one of the six dimensions of governance. The WIPO has already released the GII for 2023. However, it no longer included the sub-indicator on New Business Density.

The government made modest progress in terms of aggregate output indicators. The PCC met its targets (100% vis-à-vis 100%) for the following: (a) percentage of merger cases resolved within the reglementary period of review; (b) percentage of adjudication proceedings resolved within reglementary period; and (c) percentage of competition-related complaints acted upon within the prescribed period. In the absence of criminal complaints referred by the PCC, the Department of Justice - Office for Competition (OFC) has not commenced any preliminary investigation.

For capacity-building on competition law and policy, both the PCC (12 vis-à-vis 6) and the OFC (455 vis-à-vis 120) exceeded their respective targets. As regards to capacity-building on regulatory review, ARTA exceeded its target for the number of agencies trained on RIA (72 vis-à-vis 55). Meanwhile, DAP met its target for the number of regulatory reviews conducted (5 vis-à-vis 5).

While the PCC met its targets for the number of policy papers, reports, or position papers produced (5 vis-à-vis 5), the GCG (2.5% vis-à-vis 10%) did not meet its target for subsidiarity analysis, due to human resource constraints.

Ways Forward

To create a level playing field and enhance business climate, NEDA and the PCC will sustain efforts to implement the NCP fully across the government, including LGUs. Recognizing digitalization as one of the PDP's transformation agenda, competition in the telecommunications sector will remain a priority. The government will likewise facilitate ease of doing business by reducing barriers to entry and re-entry to the market and the burden of regulations.

Priority Strategies



To adopt a whole-of-government approach to strengthen market competition

Further expand capacity-building and advocacy on the NCP in the government and private sector. The PCC will call on more NGAs and LGUs to participate in the blended learning course on competition law and policy offered through the iCLP. This will broaden the reach of the advocacy to build alliances of champions in the private sector, particularly in the business community. It will continue conducting roundtable discussions with prioritized trade associations to expand the Competition Advocacy Pledge network. Under PCC's CLAN initiative, the SUC training teams will commence their PCA/NCP orientation as early as the second quarter of 2024 in their respective localities.



To promote competition and improve regulatory efficiency in and through digital technologies

Issue the IRR of the Internet Transactions Act of 2023. Pursuant to the Internet Transactions Act of 2023, a committee headed by the Department of Trade and Industry

and composed of members from the DICT, National Privacy Commission, Department of Agriculture, Department of Health, and the Bangko Sentral ng Pilipinas will formulate and promulgate the IRR to implement the law.

Update the National Broadband Plan to meet the requirements of the new normal.

The DICT will issue and implement an updated National Broadband Plan, taking into consideration the context and requirements of the government and the private sector under the new normal. The DICT and NTC will likewise work together to complete a white paper, which will serve as a basis for developing and implementing an updated and comprehensive spectrum management policy.

Pursue cooperation mechanism to implement the NCP in the telecommunications sector.

The cooperation mechanism among NEDA, PCC, DICT, and NTC, to be formalized through a memorandum of agreement (MOA), will be fully implemented starting in 2024 to ensure the implementation of the NCP in the telecommunications sector.



To diminish anti-competitive practices

Sustain R&D efforts to identify and address competition and regulatory issues in priority sectors. The PCC will continue the five ongoing market studies and CIAs on the areas of water distribution, pharmaceuticals,

agriculture (vegetable and fish), energy, and tollway construction. It will pursue more market studies in sectors where competition constraints are particularly detrimental, given the value and contribution of these markets to the economy. The priority sectors for 2024-2028 are telecommunications, e-commerce, energy, water, health, food, and agriculture.

Strengthen and expand investigation, detection, and prosecution of anti-competitive conduct and agreements.

Leveraging their newly-issued guidelines on (a) non-horizontal merger reviews and (b) the *motu proprio* review of mergers and acquisitions (M&As) in digital markets, the PCC, with the assistance of relevant government agencies, will prioritize the conduct of M&A reviews that may result in substantial reduction of competition in high-impact markets.



To reduce barriers to entry and re-entry

Establish the Philippine Ease of Doing Business Reporting System. The Philippine EODB Reporting System will be piloted in 2024 to improve the quality of regulatory practices that impact the business climate and doing business in the country across the business life cycle. The reporting system will cover related processes on “starting a business for corporations” in five government agencies (Bureau of Internal Revenue, Securities and Exchange Commission, Social Security System, Philippine Health Insurance Corporation, and Pag-IBIG) and in the top five LGUs with the highest number of business registrations for corporations.

Create a permanent Local Economic Development and Investment Promotion Office (LEDIPO) within LGUs. A permanent LEDIPO will contribute to leveling the

economic playing field and enabling the entry and development of firms, including MSMEs, in the locality. It will capacitate LGUs in promoting and facilitating investments and enjoin LGUs to adopt an investment code that supports the recently enacted economic liberalization laws (see *Section 2.2.1*).



To reduce burden of regulation

Monitor and evaluate projects, activities, and programs that promote Regulatory Management System.

While the government exceeded 2023 targets on capacity-building on regulatory reviews, it will nonetheless explore, through the Philippine EODB Reporting System, the collection of necessary data to monitor the use of RIA among NGAs and LGUs.

Increase engagement of the private sector in reducing burden of regulation.

To hasten automation and streamlining of business-related regulations, the ARTA will continue to work closely with NGAs, LGUs, and the private sector to digitalize business permitting operations of secondary agencies and subsequently integrate these into the PBH.

Enforce the separation of regulatory and proprietary activities of GOCCs.

The GCG will update its 2017 review of the mandate of the Philippine Amusement and Gaming Corporation (PAGCOR) to consider possible privatization of PAGCOR-owned and -operated casinos. The result of the updated study will be submitted to the President for approval and action.



President Ferdinand R. Marcos Jr. signs the renewal agreement for the Malampaya Service Contract No. 38 on May 15, 2023 at the Malacañang Presidents Hall. The contract renewal will allow the continued production of the Malampaya gas field for another 15 years until February 22, 2039.

Photo Credit: PNA

Section 2.2.3

Expand and Upgrade Infrastructure

Introduction

The first year of the 'Build-Better-More' Infrastructure Program exhibited remarkable momentum, with infrastructure spending propelling the robust disbursement performance of the national government. Priority high-impact projects are underway, with the government closely overseeing implementation to ensure the timely completion and delivery of critical infrastructure facilities and services. In pursuit of the transformational agenda, major policy reforms have been put in place to enhance the overall business climate and address long-standing constraints to sustainable and resilient infrastructure development.



SUSTAINABLE, RESILIENT, INTEGRATED, AND MODERNIZED INFRASTRUCTURE FACILITIES AND SERVICES DELIVERED



PLANNING, PROGRAMMING, AND ASSET MANAGEMENT IN INFRASTRUCTURE ENHANCED

- ✓ Implement integrated master-planning development and coverage programs
- ✓ Embed resilient and innovative solutions in infrastructure design
- ✓ Fully implement asset management and preservation
- ✓ Undertake partnerships for financing investments



SEAMLESS AND INCLUSIVE CONNECTIVITY ACHIEVED (VIA LOCAL AND INTERNATIONAL LINKAGES)

- ✓ Move people, goods, and information through modernized and expanded transport and digital infrastructure
- ✓ Address universal mobility and connectivity needs
- ✓ Modernize the fleet and provide quality ancillary services
- ✓ Invest in advancing and expanding access to digital infrastructure, and support open access through strategic collaboration



WATER SECURITY, ECOLOGICAL INTEGRITY OF WATER SYSTEMS, AND RESILIENCY TO WATER HAZARDS ATTAINED

- ✓ Upgrade and expand water infrastructure
- ✓ Strengthen integrated water resources management (IWRM) implementation
- ✓ Invest in water infrastructure services provision
- ✓ Provide accessible financing for water supply and sanitation projects



AFFORDABLE, ACCESSIBLE, RELIABLE, AND CLEAN ENERGY PROVIDED

- ✓ Implement game-changing reforms to bring down the cost of electricity
- ✓ Enhance delivery of energy by coordinating investment in generation, transmission, and distribution
- ✓ Provide an enabling environment for the market to deliver an optimal fuel mix
- ✓ Enhance demand side management
- ✓ Invest energy innovation to respond to increasing demand and new markets for clean technology goods and services

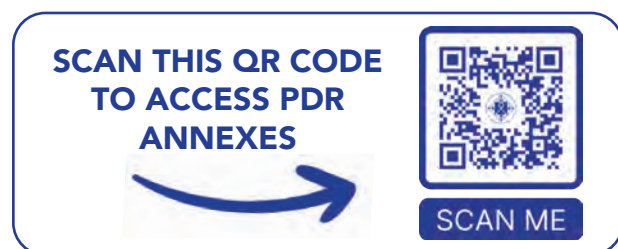


ENHANCED SUPPORT TO SOCIAL DEVELOPMENT PROVIDED

- ✓ Ensure equitable access to health and education infrastructure, in partnership with the private sector
- ✓ Improve resiliency to support health and educational outcomes
- ✓ Pursue optimal solid waste management (SWM) solutions
- ✓ Invest in or provide financing for social infrastructure

Strategy Framework

The overarching objective for the infrastructure sector over the medium-term period is to deliver sustainable, resilient, integrated, and modern infrastructure facilities and services. This entails enhancing infrastructure planning, programming and asset management; achieving seamless and inclusive connectivity; attaining water security and resiliency to water hazards; providing affordable, accessible, reliable and clean energy; and bringing enhanced support to social development.



Major Programs, Activities, and Projects



Planning, programming, and asset management in infrastructure enhanced

The government pushed for game-changing reforms and critical policies to support infrastructure development. It adopted a national policy on infrastructure sector master plans¹ to harmonize and rationalize the formulation of infrastructure sector master

plans across the government and ensure that they are coordinated, synergistic, responsive to emerging issues, and consistent with the priority development strategies of the sector.

The Philippine government also engaged with international experts to formulate an implementation roadmap aimed at mainstreaming climate resilience in infrastructure planning and investments, including mapping areas suitable for nature-based solutions (NbS).

To ensure cost-effective management of assets and to optimize government funds, the National Asset Management Plan (NAMP) 2022-2023 was formulated. It enables the implementation of a Philippine Government Asset Management Policy (PGAMP)² to operationalize an asset management system (AMS). Guidelines on the preparation, submission, processing, and review of Agency Asset Management Plans (AAMPs) were also issued in May 2023.³

Considering the tight fiscal space, the government pursued additional⁴ policy reforms fostering private sector participation and enhancing the investment climate for infrastructure development. The 2023 NEDA Joint Venture (JV) Guidelines was confirmed by the NEDA Board in March 2023, and took effect on April 25, 2023. The Guidelines amended the 2013 NEDA JV Guidelines to reduce barriers to participation, improve checks and balances, and enhance the quality and monitoring of JVs. Meanwhile, Republic Act No. 11966, otherwise known as the "Public-Private Partnership (PPP) Code of the Philippines," was signed by the President on December 5, 2023. The law consolidates and harmonizes all PPP-related issuances of the government into a singular

¹ The proposed national policy was confirmed by the NEDA Board during its meeting on July 19, 2023.

² pursuant to the Department of Finance (DOF), Department of Budget and Management (DBM), and NEDA Joint Memorandum Circular (JMC) No. 2020-1

³ through DOF-DBM-NEDA JMC No. 2023-1

⁴ The Implementing Rules and Regulations (IRR) of the Build-Operate-Transfer (BOT) Law took effect on October 12, 2022.

framework, including JVs, to foster a more competitive and enabling environment for PPPs. These policy initiatives underscore the government's commitment to promoting sustainable infrastructure development in collaboration with the private sector.

Ensuring that development plans are translated into concrete public investments, high-impact infrastructure programs and projects were reviewed and approved by the NEDA Board and its ICC, with a total of 31 projects approved in FY 2023 (as of December 5, 2023), requiring investments of about PHP1.02 trillion.



Seamless and inclusive connectivity via local and international linkages achieved

Physical Connectivity

As the Philippines returns to normal, crucial transport programs were continued. The demand for mass transit continues to rise, with total ridership reaching 270 million in September 2023. To address the demand, rehabilitation works are being implemented to improve the existing railway lines⁵ and construct new ones.⁶ The Department of Transportation (DOTr) also launched the Active Transportation Program to sustain the expansion of the bike lane networks jumpstarted during the pandemic. To support regional connectivity, road network improvement continues through convergence programs among government agencies, i.e., industry and trade corridors, tourism corridors, farm-to-mill corridors, and access roads to airports, seaports, and railways stations.



DOTr Secretary Jaime Bautista delivers his remarks during the 4th Founding Anniversary of the Philippine Railways Institute on December 14, 2023.

Photo Credit: DOTr

Expressways and high standard highways (including bridges) are also being expanded as part of the logistics corridor, with the NLEX-SLEX Connector inaugurated in 2023 and the TPLEX Extension and the Bataan-Cavite Interlink Bridge Project approved for implementation in June 2023 and October 2023, respectively.



Philippine Ports Authority opens the Passenger Terminal Building (PTB) as the country's biggest port terminal in Calapan Port, Mindoro on March 27, 2023. The PTB can accommodate 3,500 passengers, which will aid in reinvigorating tourism in Mindoro and the entire MIMAROPA Region.

Photo Credit: PNA/Office of Sen. Bong Go

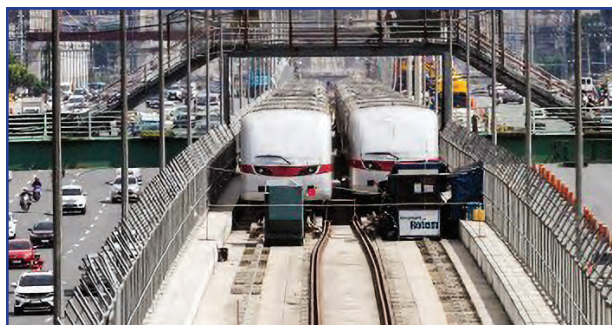
Inter-island connectivity is continually enhanced through the upgrade and expansion of the country's airport and seaport infrastructure in strategic locations. In 2023, four international airport projects, three of which are in partnership with the private sector and one through Official Development Assistance (ODA), were approved for implementation.⁷

5 a) LRT Line 2 West Extension Project; b) LRT Line 1 South Extension Project (PPP); c) MRT Line 3 Rehabilitation Project; d) LRT Line 2 Systems and Facilities Improvement, Rehabilitation and Modernization Program; and e) LRT Line 2 East Extension Project

6 a) Mass Railway Transit (MRT) 7; b) MRT 4; c) Metro Manila Subway Project (MMSp); d) North-South Commuter Railway (NSCR) Project; e) Mindanao Railway Project (MRP); etc.

7 a) Upgrade, Expansion, Operation and Maintenance of the Laguindingan International Airport; b) Upgrade, Expansion, Operation and Maintenance of the Bohol-Panglao International Airport; c) Ninoy Aquino International Airport PPP; and d) New Dumaguete International Airport Project (ODA).

The digitalization of NAIA's operations also started in 2023 to enable real-time data exchange between aircraft, ground-handling operators and airport systems. In March 2023, the largest Passenger Terminal Building (PTB) in the country, located at the Port of Calapan, was inaugurated. The PTB can accommodate a total of 3,500 passengers, which is more than double the previous capacity of 1,600 passengers.



The MRT-7 Project is a 22-km railway line comprising 14 stations that will connect Quezon City to San Jose del Monte in Bulacan. The implementation of the project is on track towards the target commencement of operations by 2025 to serve around 800,000 passengers daily. Pictured here are the train sets to be utilized for the project, which underwent a test run on November 23, 2023. MRT-7, once operational, is expected to ease traffic congestion.

Photo Credit: PNA

Digital Connectivity

The government pursued continuous build-up of the country's digital infrastructure to afford more Filipinos with access to fast, affordable, and reliable internet. Through the National Broadband Program (NBP), the government continued to roll out broadband infrastructure to address the digital divide and complement the private sector's efforts in providing fast, affordable, and reliable internet service to Filipinos. Major activities, projects, and relevant studies under the NBP are ongoing, focusing on the expansion of international gateways and domestic backbone and exploring potential satellite connectivity, among other things. Under the Free Wi-Fi for

All – Free Public Internet Access Program, the government connected 8,184 sites across the country.



Water security, ecological integrity of water systems, and resiliency to water hazards attained

Water Resources

Current efforts to address institutional fragmentation in the water sector involve the continuous pursuit of policies aligned with Integrated Water Resources Management (IWRM) principle. Pending the passage of the legislation for the Department of Water Resources (DWR) and the Water Regulatory Commission (WRC), the Water Resources Management Office (WRMO) was created under the Department of Environment and Natural Resources (DENR) through EO No. 22, s. 2023 signed on April 27, 2023. Acting as the interim "apex body" for the water resources sector, the WRMO is tasked with integrating and harmonizing all government efforts and regulatory activities to ensure availability and sustainable management of water resources.

Shortly after its creation, the DENR-WRMO, pursuant to Memorandum Circular (MC) No. 22, s. 2023,⁸ issued the guidelines for effective implementation of water conservation measures by all government offices as part of the efforts to prevent water crisis in the face of a looming El Niño phenomenon. The DENR-WRMO also issued national bulletins on water conservation for the public and private sectors. At present, the DENR-WRMO is co-handling with the Department of Public Works and Highways (DPWH) and the Department of the Interior

8 Mandating all national government agencies and instrumentalities to strictly implement water conservation measures

and Local Government (DILG) the technical management of nationally funded water supply projects amounting to PHP14.6 billion.

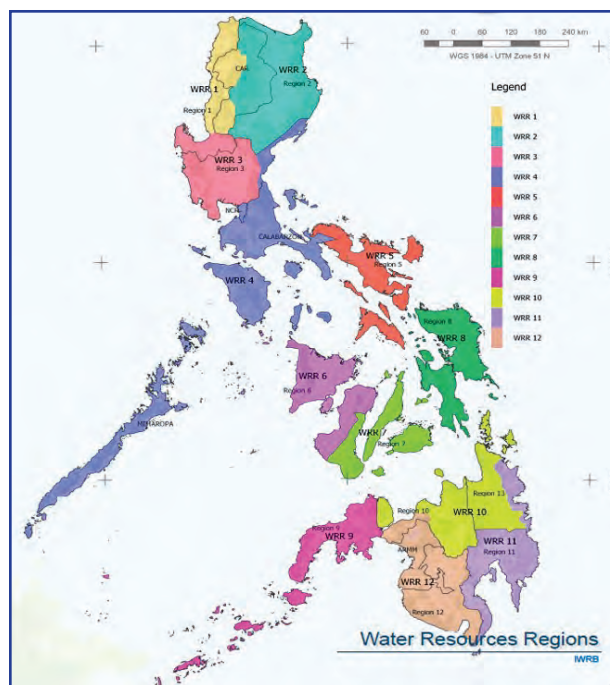
To optimize resources in areas where the National Irrigation Administration's (NIA) water rights exceed irrigation needs, a Memorandum of Agreement (MOA) was signed on October 4, 2023 by DENR-WRMO, NIA, and the National Water Resources Board (NWRB). This allows the repurposing of NIA's excess water rights for multi-purpose use, aligning with current usages, and evolving needs.



MOA signing among Department of Environment and Natural Resources - Water Resources Management Office (DENR-WRMO), National Irrigation Administration (NIA), and National Water Resources Board (NWRB) in repurposing NIA's water rights for multi-purpose use on October 4, 2023 at the Malacañang Palace.

Photo Credit: NIA

A Data Collection Survey (DCS) was completed in July 2023, which gathered necessary data on the water balance to address the insufficient water-related data. The collected data were used to formulate water resource development and management master plans for three priority areas with large water balance gaps (i.e., Water Resources Regions [WRR] V, VII and XI) and to propose effective countermeasures for the priority areas.



Cognizant of the need for evidence-based planning for water security, the preparation of the Provincial Integrated Water Security Plan (PIWSP) was piloted in Negros Occidental and Sarangani. The PIWSP integrates WSS services provision and sustainable water resource management planning, serving as a platform to cascade the Philippine Water Supply and Sanitation Master Plan (PWSSMP) and harmonize local water-related plans. Hydrologic studies were conducted to obtain data for crafting the PIWSPs.

The development and expansion of water supply systems by the Metropolitan Waterworks and Sewerage System (MWSS) concessionaires continued, including exploration and drilling of deep wells, with a 90 percent accomplishment for the programmed drilling for 2023. Water treatment plants and standby deep wells were operationalized in Cavite and Metro Manila. Outside of Metro Manila, 145 water supply projects are in various stages of implementation, while sanitation projects covered by the Manila Bay Mandamus for water districts (WD) are also ongoing. The Local Water Utilities

Administration (LWUA) approved new loans amounting to PHP38 million for the expansion of water supply systems in three water districts, while requests for financial assistance to WDs worth PHP480 million are for review/approval.

The NIA relies heavily on national government subsidies to fulfill its mandates on irrigation development. To maximize the use of NIA's existing assets and augment its corporate funds, NIA and the PPP Center signed a MOA on March 29, 2023 to facilitate the utilization of PPP modalities for irrigation projects, and the engagement of NIA in revenue-generating activities to optimize its resources. NIA has identified 135 dams for potential PPP projects for the purpose, including hydropower, solar power, aquaculture, wind energy, bulk water supply, and water treatment.

Efforts are continuously being undertaken to complete ongoing irrigation projects. In 2023, restructuring requests for two of NIA's big-ticket projects, the Jalaur River Multipurpose Project (JRMP) Stage II and the Malitubog-Maridagao Irrigation Project (MMIP) Stage II, were both confirmed by the NEDA Board. The MMIP-II was also completed in December 2023 and contributed to an additional 9,528 hectares of irrigated land in Mindanao.

The government actively implements flood-control projects to enhance climate resilience in flood-prone areas. From July 2022 to May 2023, the DPWH completed 2,103 flood control projects. The Flood Risk Management Project for the Cagayan, Tagoloan, and Imus Rivers was completed in 2023. In addition, the restructuring of the Flood Risk Management Project for Cagayan de Oro River (FRIMP-CDOR) and the implementation of the Integrated Flood Resilience and Adaptation Project – Phase I were approved by the NEDA Board in the same year.



DPWH Secretary Manuel Bonoan inaugurates key components of Cagayan de Oro River Flood Risk Management Project on May 26, 2023.

Photo Credit: DPWH

The FRIMP-CDOR will be completed by December 2023 and will protect 614 hectares of land, 21,700 structures, and 60,900 people from a 50-year flood level. The Pasig-Marikina River Channel Project Phase V is also targeted to be completed in 2023.



12 Water Resource Regions in the Philippines

Photo Credit: PWSSMP



**Affordable,
accessible, reliable,
and clean energy
provided**

Energy

Initiatives to bolster the supply of indigenous natural gas are being undertaken. In May 2023, the government signed the Renewal Agreement of Service Contract (SC) 38 with the Malampaya Consortium, extending the contract until February 2039. The extension of the exploration contract for the Malampaya gas field raises hope for a potential increase in gas reserves and production. The government also prioritized the development of LNG Import Terminal projects to meet growing domestic requirements.

Increased competition is leveraged to lower the cost of electricity. The commercial operations of the Wholesale Electricity Spot Market (WESM) in Mindanao began on January 26, 2023, while the Mindanao-Visayas Interconnection Project (MVIP) commenced its full operations in December 2023. Both initiatives contribute to increased competition among generators by linking all three major Philippine islands to create one grid and enabling the sharing of energy sources across the network.

Access to energy is continuously expanded. The Department of Energy (DOE) published the National Total Electrification Roadmap (NTER) 2023-2032 on October 27, 2023. Relatedly, in November 2023, the DOE began the holding of a Competitive Selection Process (CSP) for Microgrid Service Provider (MGSP) for the electrification of 98 initially identified unserved and underserved areas in the country. The National Grid Corporation of the Philippines (NGCP) initially energized its Hermosa-San

Jose 500 kV Transmission Line Project on May 27, 2023, to improve the transmission system infrastructure and provide a corridor for the bulk power generation in the Bataan and Zambales areas.

Renewable technologies were promoted.

The DOE conducted a demonstration for government agencies where various solar photo-voltaic (PV) systems were installed in identified regions, including Ilocos Sur, Iloilo, and Cebu. Incentives and policies have been put in place to encourage private investment in renewable energy (RE) projects, including foreign capital infusion in RE generation. As a result, three offshore wind contracts with a combined capacity of two gigawatts were awarded to foreign companies, further increasing the country's RE portfolio.



**Enhanced support to
social development
provided**

Social Infrastructure

Efforts/interventions to support access to social services were continued. As of September 30, 2023, 1,450 health facilities under the Health Facilities Enhancement Program (HFEP) were constructed and repaired. One health infrastructure PPP project, namely the Dialysis Center PPP Project for the Renal Center Facility of the Baguio General Hospital and Medical Center (BGHMC), was also approved by the NEDA Board on October 13, 2023.

Local Investment Plans for Health (LIPH) were formulated to facilitate financing and programming for health care services and goods. Out of 120 provinces, highly urbanized cities (HUC) and independent component cities (ICC), 116 have approved 2023-2025 LIPH.

To ensure equitable access to educational infrastructure, construction of 2,114 classrooms is ongoing. On the other hand, 16 schools were upgraded with electrical connections/energized and upgrading/electrification in 99 more sites is ongoing. Meanwhile, the procurement of 17,019 ICT packages for the computerization program is ongoing.

To improve resiliency of school buildings, a vulnerability study of the various types of existing school buildings and finalization of the updated calamity resilient school building designs are ongoing. A total of 7,755 classrooms are being repaired, while another 1,489 are under procurement.

In the pursuit of optimal solid waste management (SWM) solutions, the DENR – Environmental Management Bureau (EMB) continuously provides technical assistance to LGUs, particularly in the establishment and operations of material recovery facilities (MRFs) and site assessment, clustering and conceptual design of SWM facilities.

Results Matrix

Over the medium term, the government has committed to massively invest in infrastructure development, aiming to sustain annual public spending on infrastructure of at least five percent of the gross domestic product (GDP). The overall infrastructure disbursement as of September 2023 already reached 5.9 percent of the GDP, in line with the full year target for FY 2023.⁹ Further, the National Government (NG) expenditures continued to grow as of the

end of September 2023, with infrastructure spending among the main drivers, reaching PHP1.021 trillion¹⁰ (8.7 percent increase year-on-year comparison) or about 79 percent of the spending target for FY 2023.

Physical Connectivity

Through continued efforts in alleviating congestion in urban areas, travel time (in terms of total hours spent in major corridors)¹¹ in Metro Manila slightly decreased with 3.277 hours in October 2023 compared to pre-pandemic data of 3.285 hours in 2019.

With the lifting of travel restrictions imposed during the pandemic and the revitalization of tourism activities, passenger travel demand could potentially reach and even surpass pre-pandemic levels. As of September 2023, passenger travel via air and sea reached 81.80 million, surpassing the total annual passengers in 2022 at 67.87 million.

While cargo through air and sea have been encumbered with reports from stakeholders regarding a shortage of skilled workers and manual and lengthy processes, among other issues, the industry is on track to reach or surpass the previous year's data with 203.04 million metric tons as of September 2023 vis-à-vis 274.92 million metric tons for the entirety of 2022.

Digital Connectivity

The Philippines made significant progress in providing internet services. Between December 2022 and December 2023, the country's fixed broadband speed increased from 75.18 Megabits per second (Mbps)

9 Computed using Q1-Q3 data on nominal GDP and DBM September 2023 infrastructure disbursements: September_2023_Disbursements_Table_in_billions.pdf (dbm.gov.ph)

10 In terms of infrastructure disbursements (includes estimated NG infrastructure disbursements, and infrastructure components of subsidy and equity to GOCCs and transfers to LGUs): September_2023_Disbursements_Table_in_billions.pdf (dbm.gov.ph)

11 Major Corridors: a) Quezon Avenue; b) Commonwealth Avenue; c) R-10; d) Marcos Highway; e) C-5; f) EDSA; g) Roxas Boulevard

to 92.92 Mbps.¹² In terms of affordability, the domestic fixed and mobile broadband prices were reduced in 2022, with costs of 11.26 percent and 1.98 percent of Gross National Income (GNI) per capita, down from 11.56 percent and 2.04 percent in 2021, respectively. Households with internet access also increased from 17.70 percent in 2019 to 77 percent in 2022.

Water Resources

Families with access to safe drinking water increased from 96.7 percent in 2020 to 97.6 percent in 2022. Considering other water uses, the number of households with access to safe water supply by the WDs stood at 5.6 million as of September 2023, slightly below the 2023 target of 5.8 million households. Meanwhile, 53,080 households were provided access to improved sanitation by the WDs in the same period, exceeding the 2023 target of 41,986 households. The proportion of families with access to handwashing facility with soap and water rose from 92.1 percent in 2020 to 93.2 percent in 2022. At the *barangay* level, 32.32 percent of 42,034 *barangay* were certified as zero open defecation (ZOD) areas in 2022, an increase from 24.04 percent in 2021.

The programs and projects identified in the integrated river basin master plans (IRBMP) are already being implemented in three river basins as of September 2023. Meanwhile, the IRBMPs for two additional river basins were updated in September 2023, bringing the total number of river basins with IRBMPs to 17 percent of the 18 major river basins from six percent (i.e., one river basin) in 2022.

Energy

The government's 2023 revised target for the proportion of households with access to electricity (93.09%) is progressing. As of June 2023, 91.15 percent of households already benefit from access to electricity.

Social Infrastructure

The 2023 targets for the percentage of provinces with adequate bed-to-population ratios and with adequate primary care facilities (PCF), at 35 percent and 25 percent, respectively, will not be attained. Additionally, only 67.28 percent of *barangays* are covered by an RHU and/or BHS, as opposed to the Department of Health's (DOH) target of 80 percent.

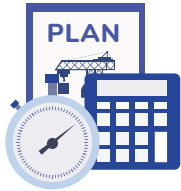
As of 2022, the classroom-to-pupil ratios for primary and junior high school levels, at 1:33 and 1:44, respectively, remain above, albeit close to, the target for 2023, while the target ratio for senior high school level was surpassed with a ratio of 1:40. With regard to basic facilities, the targets for water and sanitation facilities-to-pupil ratio for all levels have been achieved or exceeded, but the target for public access to electricity and internet will not be met.

The proportion of *barangays* with access to MRFs improved from 41 percent to 47 percent, with an additional 2,822 *barangays* attaining access, hence bringing the total to 18,450 out of 39,435 *barangays* nationwide (excluding BARMM) as of June 2023. Likewise, the percentage of cities/municipalities with access to sanitary landfills (SLF) also increased from 485 (32%) to 675 (45%), surpassing the 2023 target of 35 percent.

12 Ookla Speedtest Global Index (as of December 2023). Retrieved from Speedtest website on March 21, 2024.

Ways Forward

Planning, programming, and asset management in infrastructure enhanced



Implement integrated master-planning development and convergence programs

With the expected issuance of EO adopting the national policy on infrastructure sector master plans, the government will facilitate the formulation of the implementing guidelines, entailing comprehensive consultations and discussions among key actors and stakeholders where the details and procedures to implement the EO will be carefully studied and crafted. With the national policy in place, the government will formulate the implementing guidelines towards a more coordinated and standardized approach to the formulation and approval of master plans and ensure the plans' relevance and responsiveness to the evolving sectoral priorities and needs.



Embed resilient and innovative solutions in infrastructure design

The government will continue to collaborate with development partners and key stakeholders to adopt innovative solutions and technologies in infrastructure design, including nature-based solutions (NbS), smart and green infrastructure, among others, towards building climate-resilient and sustainable infrastructures.



Fully implement asset management and preservation

To ensure cost-effective management of assets and optimization of public funds, the government will undertake the following: (a) establish the PGAMP portal and a web-based National Asset Registry System (NARS) to guide the management of government's resources better; and, (b) continue to undertake capacity-building activities focused on asset management for government agencies and ensure that they will formulate their respective Agency Asset Management Plans (AAMPs). Through these strategic initiatives, the government aims to target scarce resources to the most critical asset needs, promoting efficient asset management and responsible allocation of public funds.



Undertake strategic partnerships for financing investments

With the implementation of critical policies boosting investments for infrastructure development, the government will leverage the resources of the private sector, thereby freeing up fiscal space and ensuring efficient allocation of resources for other more pressing needs while guaranteeing successful implementation and completion of critical infrastructure projects. The IRR of the PPP Code is expected to be issued within the first semester of 2024. It will outline and clarify the procedures for approval of PPP projects, the processing of unsolicited proposals, evaluation of bid proposals, and framework for supervision and monitoring of PPP projects, among others. Furthermore,

the government will continue to tap external support for the delivery of infrastructure projects while capitalizing on their comparative advantages and benefiting from knowledge and technology transfers.



Seamless and inclusive connectivity via local and international linkages achieved

Move people, goods and information through modernized and expanded transport and digital infrastructure, with active participation of the private sector.

Physical Connectivity

Formulate a nationwide connectivity and mobility roadmap. The country's transportation sector lacks a central reference document that unifies the results of various transport-related plans formulated for the respective transport sub-sectors, i.e., roads and bridges, railways, civil aviation, maritime and urban transport, by entities from the national and local levels of government. With the increasing demand for transport services, it is imperative that the government ensure that transport projects are strategically built and operated to complement each other within an interconnected network of multimodal systems. In 2024 to 2025, the government will formulate the Philippine Transportation Systems Master Plan (PTSMP) through a detailed assessment of the existing national transport network and comprehensive analysis of the gaps in the sector.

Expand investment portfolio for transport infrastructure projects and tap private sector expertise. Transport infrastructure projects entail intensive investment requirements. Thus, the government will continue to pursue PPP contracts for the implementation, operation

and maintenance (O&M) of its big-ticket railway, airport, maritime, and other transport projects. The private sector's expertise in streamlining construction and O&M activities would also prove valuable in the realization of these projects.



The modernization of the Ninoy Aquino International Airport (NAIA) is underway after its NEDA Board approval on July 19, 2023. By tapping the private sector expertise through a 15-year PPP concession agreement (extendable up to 10 years), the project will increase the capacity of the airport to accommodate 62 million annual passengers. It will also improve the NAIA complex as well as ensure seamless connection to other transport infrastructure to and from the airport.

Photo Credit: DOTr

Ensure engineering design and safety standards in the expansion of physical connectivity to minimize mobility interruptions. The DPWH Department Order No. 263, s. 2022, or the Updated Guidelines and Standard Design Drawings for Bicycle Facilities along National Roads will continue the integration and promotion of the use of active transport. The DOTr, in coordination with concerned sub-national level government entities, will expand the bike lane network to 2,400 km by 2028 through its Active Transport Program.

Improvements in road network safety shall be achieved by ensuring that newly completed road projects meet the International Roughness Index (IRI) standard, critical intersections along national roads are provided with engineering

solutions, and that the national road network meet the three-star rating standard or better, for road safety performance.

Existing airports will be improved to meet aerodrome design safety standards set by international and local airport authorities. Other airport development works will be continued in Clark International Airport (CRK), Bicol International Airport (BIA), Mactan-Cebu International Airport, Zamboanga International Airport, General Santos International Airport, Virac Airport, Puerto Princesa Airport, Ormoc and Calbayog Airports, Catarman Airport, Butuan, and Camiguin Airports, to meet design safety standards and improve services.

Address stakeholder concerns prior to implementing sectoral reforms. The Philippine Ports Authority (PPA) will revisit its proposed policy reforms for the ports under its jurisdiction in coordination with the ARTA, among others, to ensure that the issues raised by truckers, shippers, port operators, etc., are addressed. For the land-based public transport sector, the DOTr and the Land Transportation Franchising and Regulatory Board (LTFRB) are likewise refining the public utility vehicle (PUV) modernization and franchising guidelines in response to the difficulties conveyed by PUV operators, such as in acquiring modern units within the initially prescribed period. In coordination with the Department of Information and Communication Technology (DICT), the ULP is planned to be included into the eGovPH Super App, which is a mobile application that serves as a one-stop hub for various government services in the country.

Digital Connectivity

Accelerate digitalization initiatives to further improve overall broadband connectivity. With the increasing demand for digital connectivity and to enable digital transformation, the government will accelerate the implementation of the Broadband ng Masa program to modernize and expand the country's digital infrastructure for faster, more reliable, and equitable broadband connectivity across remote and unserved areas to address the digital divide. The digitalization initiatives of the government will also necessitate prioritizing critical policies and regulations to establish a conducive environment promoting competition, investments and inclusive digital access and studying various business models and mechanisms suitable for the deployment of broadband infrastructure in less profitable areas.



Address universal mobility and connectivity needs

Enhance transportation network systems to cater to mobility-disadvantaged groups.

Transport agencies will ensure that the designs of transit infrastructures, i.e., passenger terminals and transport stations/stops, including PUVs and pedestrian pathways, adhere to the provisions of existing laws and conventions¹³ regarding the right to accessible mobility across groups. Civil works for the EDSA Greenways Project of the DOTr, which aims to provide for an enabling environment for pedestrians along major stations in EDSA, shall commence between 2024-2025. In the same period, the metropolitan areas of Metro Cebu and Metro Davao are also expected to implement major projects aimed to modernize the PUVs in their major thoroughfares, i.e., the Cebu Bus Rapid Transit (BRT) Project and

13 a) Accessibility Law and its IRR; b) Magna Carta for Disabled Persons and its IRR, and c) United Nations Convention on the Rights of Persons with Disabilities.

Davao Public Transport Modernization Project (DPTMP), respectively. The Cebu BRT also includes enhancement of pedestrian pathways along the project's corridors.

Water security, ecological integrity of water systems, and resiliency to water hazards attained

The water sector faces perennial challenges, such as the increasing demand for water supply and irrigation driven by population and economic growth, insufficient water resources-related data, and uneven distribution of water resources across regions. Climate change and environmental degradation amplify risks of drought, severe flooding, and water pollution. Despite the necessity of an IWRM approach to address these issues and challenges, water resource management remains disjointed. The lack of indicators and data for flood management hinders an objective sectoral assessment and puts uncertainty on the appropriateness of government interventions. Moreover, extreme weather patterns such as typhoons and heavy monsoon rains resulting in flooding continued to affect many places in the country in 2023. Furthermore, emerging pressure to manage storm water as a potential resource of water adds complexity to flood management efforts.

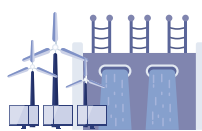


Upgrade and expand water infrastructure

Enhance water infrastructure through extensive upgrades and expansions. The MWSS concessionaires will implement more projects, including expansion of distribution lines and construction of additional rainwater harvesting facilities, to ensure security of water supply in Metro Manila. Target areas for deep well drilling will include an initial geo-resistivity

survey to confirm a viable source of water. Around 104 water supply projects are to be implemented nationwide.

Daily water savings will be achieved through pipe replacement, internal conservation measures, and leak management in government agencies. In addition, the development of additional water sources from approved water permits granted to MWSS will be fast-tracked.



Strengthen implementation of integrated water resource management

Champion the passage of the law creating the apex body for water resources. Information and advocacy campaigns will be conducted to garner support and buy-in from legislators, stakeholders, and the general public on the passage of the Bill on the DWR and WRC. In the interim, the newly created DENR-WRMO shall, in coordination with key water agencies, continue to harmonize and integrate the government's efforts and regulatory activities toward the achievement of the country's water security agenda. The WRMO will be the repository for accurate and timely data for WSS and water resources.

Pending legislation in the interim, achieve water security through strong implementation of IWRM supported by data-driven and evidence-based planning. The short-term priority strategic actions espoused in the IWMP for operationalizing the IWRM will be carried out while ensuring complementation of strategies with the continuing implementation of the National Water Security Roadmap, Philippine Water Supply and Sanitation Master Plan (PWSSMP), National Irrigation Master Plan (NIMP) and the various flood master plans and promotion of PIWSPs.

Similar data collection surveys for other WRRs will be undertaken to gather necessary information and data for nationwide water balance analysis and formulation of water resource development and management master plans. The data collected in the DCS will be integrated and harmonized with other existing water-related data into a single management information system (MIS).

Continue pursuing areas of convergence in the utilization of water resources and in the development of multi-purpose water infrastructure.

The determination of the appropriate use and allocation of all NIA's active water permits considered for multi-purpose use shall be consistent with the principles of optimum utilization, conservation, and protection without compromising the irrigation requirements of existing farmlands. To maximize the utilization of other potential water sources as guided by IWRM principles, flood control projects will incorporate water management strategies, including water impoundment for irrigation, drinking water, aquaculture, and hydropower, alongside flood control measures.

Ensure the effectiveness of flood control interventions.

The DPWH will adopt an IWRM approach in prioritizing flood control projects. New indicators for flood management with available baseline data and annual targets proposed by the DPWH will be considered in the next updating of the RM. The DPWH will fast-track updating of the flood control and drainage master plans, feasibility studies, and detailed engineering designs for the major river basins and other critical principal rivers in anticipation of more severe weather conditions due to climate change. Moreover, storm/rainwater harvesting facilities will be integrated and mainstreamed in flood control interventions.



Invest in water infrastructure services provision and provide accessible financing for water supply and sanitation projects

Enable access to financing for the advancement of water supply and sanitation projects.

Investments in WSS infrastructure from the national government remain inadequate, with an average of only 0.18 percent of the total General Appropriations Act (GAA) allotted to WSS from 2019 to 2023. To ensure adequate resources are allocated for WSS-related PAPs despite the resource constraint, the establishment of the Program Convergence Budgeting (PCB) for Water Resources will be pursued to facilitate collaboration among WSS-related agencies and ensure rational determination and provision of assistance for identified PAPs based on a set of prioritization and allocation criteria. The DENR, as the mother agency of the WRMO, will continue coordinating with concerned agencies regarding targets and activities to facilitate execution of the proposed PCB for Water Resources. The LWUA will endeavor to secure local and international funding support for the development of WSS projects in provincial areas. Furthermore, PPPs will continue to be encouraged to enhance and strengthen investments in managing and developing water infrastructures and services.

Affordable, accessible, reliable, and clean energy provided



Implement game-changing reforms to bring down the cost of electricity

Promote competition among retail electricity suppliers to lower energy prices.

High energy costs remain a challenge for the sector. To address this, the Energy Regulatory Commission (ERC) is currently studying further lowering the Retail Competition and Open Access (RCOA) threshold and will release the Omnibus Retail Competition and Open Access Rules.



Enhance the delivery of energy by coordinating investment in generation, transmission, and distribution

Pursue the development of modern transmission infrastructure to support the integration of more RE capacity into the grid.

The DOE, in collaboration with the National Transmission Corporation (TransCo), will complete, finalize and implement the Smart and Green Grid Plan (SGGP). This aims to ensure the timely implementation of transmission projects and the efficient operation of the transmission system. In addition, a policy will be formulated to supplement and strengthen the implementation of the existing National Smart Grid policy for the country's distribution network.

Privatize remaining government-owned power generating assets.

The Power Sector Assets and Liabilities Management Corporation (PSALM) has committed to privatize the Caliraya-Botocan-Kalayaan (CBK) Hydroelectric Power Plants by 2025 and the Mindanao Coal-Fired Thermal Power Plant by 2026. In addition, the rehabilitation of the Agus-Pulangi Hydroelectric Power Plants through concession is targeted to commence by 2025.



Provide an enabling environment for the market to deliver an optimal fuel mix

Endeavour to diversify energy sources and reduce reliance on fossil fuels.

To address the concerns on air quality and greenhouse gas emissions due to the country's heavy reliance on conventional fuels (i.e., 67.4 percent of the 2022 total primary energy supply), efforts to diversify the energy mix will be intensified. This includes the development of natural gas power plants, development of RE sources (e.g., offshore wind, etc.), development of hydrogen and nuclear energy, and exploration of new potential natural gas resources within the country.



Enhance the demand side management

Reduce energy consumption and promote sustainable practices in both the public and private sectors.

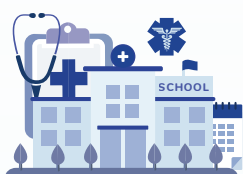
For the utilities and end-use sector, a demand-side management (DSM) policy will be developed to encourage end-users to manage their loads in an efficient manner. Sector-specific strategic actions (i.e., government, commercial, residential, industry, transport, and utilities and end-use) will be implemented by the DOE in the short (2023-2024) and medium (2025-2028) terms.



Invest in energy innovation to response to increasing demand and new markets for clean technology goods and services

Reduce the environmental impact of the energy sector. The use of alternative fuels and electric vehicles (EV) will be mainstreamed, and stricter emissions standards on power plants will be imposed. To begin the trend of gradually converting the government's fleet of vehicles to electric variants, the DOE shall procure and install EV charging stations with solar photo-voltaic systems.

Enhanced support to social development provided



Ensure equitable access to health and educational infrastructure, in partnership with the private sector

Implement the Philippine Health Facilities Development Plan (PHFDP) 2020-2040.

With the adoption of the PHFDP 2020-2040¹⁴ through the Office of the President MC No. 26, s. 2023, massive investments from the public and private sectors are expected to meet the projected need for various health facilities (i.e., BHS', PCFs, hospitals). In this regard, the National Allocation Framework will be adopted for the equitable provision of national government support to LGUs in the required investment based on the LGUs' gap in health facilities and their respective capacities. Based on the framework, gaps in PCF will be

shouldered by the public sector, while gaps in hospital beds will be shouldered by both public and private sectors.

Establish modern spaces conducive to learning.

The Department of Education (DepEd) reported a backlog of 159,000 classrooms from previous years due to the slow delivery of classrooms under the Basic Education Facilities Fund (BEFF). To attain quality education for all (see *Chapter 2.2 of the PDP 2023-2028*), the backlog of classrooms will be addressed. In this regard, alternate building designs (i.e., high- and mid-rise buildings) will be explored to maximize the use of available land. With regard to the implementation of projects under the BEFF, coordination with DPWH will be strengthened while implementation bottlenecks will be dealt with to minimize delays in the delivery of classroom/school buildings.



Improve resiliency to support health and educational outcomes

Adopt climate-resilient and environmentally sustainable designs for school and health facilities.

To better withstand risks associated with natural or environmental hazards, existing structures will be repaired/rehabilitated/retrofitted. For health facilities, the PHFDP recommends appropriate interventions to ensure the integrity health infrastructure, sufficiency of energy supply, availability of water, sanitation and chemical and health care waste services/facilities to guarantee that the healthcare system remains operational and functional despite external shocks and disasters.

14 The PHFDP envisions the establishment of a comprehensive and integrated health care provider network in every province or highly urbanized city



Pursue optimal solid waste management solutions

Adopt alternative technologies/solutions/financing options. A significant portion of the country remains unserved by SWM facilities despite the enactment of RA 9003, or the Ecological Solid Waste Management Act, more than 20 years ago as solid waste generation continues to increase. Thus, clustering LGUs remains a plausible solution to mitigate the high capital costs associated with SWM facilities. In this regard, DENR will continue to find measures to guide and encourage LGUs. To keep up with the increasing waste being generated amid the lack of suitable land for SLF, appropriate technologies (e.g., waste-to-energy technologies) will be considered for the disposal of waste. Likewise, alternative financing options may also be pursued to curtail LGU reliance on NG support.

Continue to support lagging LGUs and barangays. Technical assistance, capacity development and training programs for LGUs and barangays, as necessary, will be continued and strengthened. This is to ensure the efficient and effective operations of SWM facilities despite changes in local personnel and priorities. Likewise, technical assistance shall be provided in conducting of site assessment, establishment and operations of MRFs and SLFs, development of the conceptual design of SWM facilities, and clustering of LGUs, among others. Finally, for lagging LGUs, funding support from NG may be considered through the Solid Waste Management Fund, which was created by the Ecological Solid Waste Management Act (RA 9003).

Subchapter 2.3

Promoting Productivity-Enhancing and Job Generating Investment

An abstract graphic at the bottom of the page consisting of overlapping, semi-transparent blue squares and rectangles of various shades, creating a dynamic, geometric pattern that resembles a stylized architectural or digital design.



PhilRice continues to develop and promote rice mechanization technologies for various stages in the rice production and postharvest, such as the precision seeder.

Photo Credit: PhilRice

Section 2.3.1

Modernize Agriculture and Agribusiness

Introduction

We have made positive strides to modernize the agriculture, forestry, and fisheries (AFF) sector with productivity-enhancing and market-linking interventions. These interventions include the provision of improved seed varieties, the distribution of modern machinery and equipment, the establishment of resilient infrastructure, and the promotion of digital marketing platforms. However, these advancements have yet to deliver significant improvements in productivity and income, given the sector's vulnerability to multidimensional shocks. In addition, due to spikes in prices, primary producers had restricted access to production inputs like fertilizers, fuel, and animal feed. Moreover, efforts to converge and coordinate across value chain segments have yet to be harmonized.

By implementing the National Agriculture and Fisheries Modernization and Industrialization Plan 2021-2030, we will address the persistent challenges facing the sector

through transformative actions that raise the profitability of primary producers, promote consumer health and nutrition, enhance environmental sustainability and climate resilience, and operationalize sector-wide and commodity-specific development plans. Additionally, the development and adoption of new, improved, and innovative technologies to strengthen each segment of the value chain will be prioritized. This focus will help address the challenges related to high food inflation, food insecurity, supply chain disruptions, and low productivity. A robust monitoring and evaluation system will also be pivotal in assessing the impact and implementing more effective assistance programs for primary producers.

Strategy Framework

We remain steadfast in advancing and broadening initiatives to modernize agriculture and agribusiness by, (a) enhancing the efficiency of AFF production, (b) expanding access to markets and AFF-based enterprises, and (c) improving the resilience of AFF value

chains. Achieving efficient and sustainable production will involve innovative and nature-based solutions. Expanding opportunities across the agri-food value chain will fortify the linkage of AFF to the industry and services sector. Also, a conducive business environment will attract private investments, recognizing the pivotal role of the private sector in creating more viable AFF jobs and enterprises. Cross-cutting strategies will be adopted to improve the resilience of the agri-food system against global threats such as pandemics, climate change-induced disasters, and geopolitical and technological disruptions. It includes strengthening agricultural institutions to facilitate a whole-of-government approach in delivering support services and fostering stronger collaborations among the national government, local government units (LGU), academia, and the private sector.

**SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES**



SCAN ME

Major Programs, Activities, and Projects



Enhancing the efficiency of agriculture, forestry, and fisheries (AFF) production

Productivity-enhancing interventions continue to assist primary producers.

The banner programs¹ of the Department of Agriculture (DA) delivered interventions and assistance to eligible farmers and fisherfolk. Under the Rice Competitiveness Enhancement Fund (RCEF), a total of 26,162 farm machinery units have been distributed to farmer cooperatives and associations. From 2019 to 2023, the fund also distributed 14.61 million seed bags covering 7.38 million hectares and granted PHP4.63 billion in loans to 14,884 farmers and 309 farmer cooperatives and associations. RCEF also funded the capacity-building programs for 235,634 rice farmers, 911 specialists, 25,235 trainers, and 5,391 other extension intermediaries. In the fisheries sub-sector, the Bureau of Fisheries and Aquatic Resources (BFAR) operationalized 12 Fisheries Management Areas (FMA) nationwide. As of December 2023, the FMA Management Boards have adopted six FMA plans and five sets of reference points and harvest control rules for key species and stocks. A total of 1,786 small-scale irrigation projects (SSIPs) have been installed, constructed, distributed, and rehabilitated, while 24,583.5 linear meters of irrigation canals have been constructed and rehabilitated.

¹ National Rice Program, National Corn Program, High-Value Development Program, National Livestock Program, National Fisheries Program, National Urban and Peri-Urban Agriculture Program, National Organic Agriculture Program, and Comprehensive National Fisheries Industry Development Plan.

Diversification has opened avenues for alternative income sources.

The Development of Salt Industry Project² supported 651 individuals and 21 salt producer groups with 641 units of postharvest equipment/materials, upgraded 62 units of salt storage/warehouses, and conducted 79 training activities to enhance the volume and quality of salt production. The Seaweed Livelihood Program³ has given fisherfolk an alternative income source during closed fishing seasons, by providing fisherfolk with grow-out units and solar dryers. Through the Coconut Farmers and Industry Development Plan, coconut farmers were assisted in registering their farmers cooperatives and organizations. They were also encouraged to diversify by intercropping their farms with coffee and cacao.

Farm consolidation/clustering boosted economies of scale and private sector engagement.

The Farm and Fisheries Clustering and Consolidation Program has facilitated successful partnerships between various clusters and institutional buyers.⁴ As of December 2023, the program validated a total of 1,267 clusters, with 507,539 members covering an aggregate production area of 764,881 hectares. On the other hand, the Sugarcane Block Farm Program has provided farm machinery and financial capital for nursery establishment of high-yielding varieties, techno-demo farms, and procurement of agricultural inputs.

Innovative financial products and services have been pivotal in offering access to capital.

Innovative credit programs, such as the Kapital Access for Young Agripreneurs, Agri-Negosyo Loan, Regular Survival and Recovery, were provided affordable and

accessible loans to primary producers to finance income-generating activities and support immediate rehabilitation of agricultural livelihoods. Under the various Agricultural Credit Policy Council (ACPC) credit programs, a total of PHP3.22 billion in loans was granted to 31,900 primary producer borrowers, as well as 155 micro and small-scale enterprise borrowers from January to December 2023.



Expanding access to markets and AFF-based enterprises

Primary producers and potential markets have been linked through various platforms and modalities.

In 2023, the government organized several investment promotion and market matching activities that enabled linkages between primary producers and buyers. AFF enterprises and businesses that participated in international and local trade fairs generated PHP33.41 billion in sales. Investment promotion activities such as the Agribusiness Investment Forum, Micro Agri-Kabuhayan Para Sa Balikbayan Program, and webinars (e.g., *Usapang Agribiz*, *Biyaheng Agribiz*) have collectively benefitted 2,707 individuals and 38 group participants. Likewise, the Department of Science and Technology - Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (DOST-PCAARRD), through its Agri-Aqua Business Hub, had established partnerships with 71 institutions (e.g., state universities and colleges, international organizations, government sector, and private sector groups) to date.

2 The DSIP is a joint project of National Fisheries Research and Development Institute and BFAR. This initiative aims to support salt industry stakeholders by providing research-based interventions for production, postharvest, and policy matters. Launched in 2022, the project was initially implemented in Ilocos Region, Western Visayas, and Zamboanga Peninsula. This year, DSIP was also rolled out in Central Luzon, CALABARZON, MIMAROPA, and Central Visayas

3 This is implemented in three main areas with varying closure dates (a) Northern Palawan, (b) Visayan Sea, and (c) Zamboanga Peninsula.

4 These include Jollibee Foods Corporation, NutriAsia, Dole Philippines, Inc., Kennemer Foods, and San Miguel Food Corporation, among others.

Infrastructure investments facilitated the movement of agri-fishery products.

The Philippine Fisheries Development Authority, through the Fisheries Infrastructure Development Program, oversees the operation of nine Regional Fish Ports (RFP) and has issued Permits to Conduct Business to 42,369 clients. Currently, seven RFPs are undergoing rehabilitation and improvement. Under the Farm-to-Market Road (FMR) Development Program, investments in FMR were harmonized, completing 471 FMR projects spanning 351.76 kilometers from January to December 2023. In line with the implementation of the National FMR Network Plan (FMRNP) 2023-2028, a unified map was developed to visualize information on various infrastructure projects across multiple departments⁵ utilizing the Agricultural and Biosystems Engineering Management Information System (ABEMIS) and the Geographic Information System for Agricultural and Fisheries Machinery and Infrastructure.

More opportunities for primary producers to engage in value-adding.

In 2023, the Philippine Rural Development Project (PRDP) - Enterprise Development Component completed 42 rural enterprise subprojects worth PHP453.97 million and benefited 52 proponent groups and 10,571 individuals. Cumulatively, PRDP has already completed 634 rural enterprise subprojects nationwide amounting to PHP2.54 billion and benefiting 919 proponent groups and 141,198 individuals as of December 2023. Moreover, the Village Level Farm-focused Enterprise Development Project reached 3,261 agrarian reform beneficiaries (ARBs), enabling the establishment of rural enterprises producing processed food and non-food products.



Improving the resilience of AFF value chains

Climate-resilient agriculture technologies and practices helped build resilient livelihoods and enterprises.

The Adaptation and Mitigation Initiative in Agriculture (AMIA) Program provided integrated support services and promoted climate-resilient agriculture technologies (i.e., intercropping, diversified farming systems, drip irrigation and water harvesting, and stress-tolerant crop varieties). As of December 2023, it has benefited over 27,243 primary producers through the maintenance of 181 AMIA villages across 59 provinces. The AMIA villages employed strategies including decision support platforms like (a) color-coded agricultural guide maps; (b) early warning mechanisms that generate and issue timely farm weather outlook and advisories; and (c) provision of climate-resilient infrastructure. The DOST-PCAARRD has also started institutionalizing the Crop Monitoring and Forecasting (ICMF) Program which develops bulletins that provide site-specific information on weather conditions, climate patterns, and crop availability.

Strengthened surveillance of livestock and poultry diseases ensured healthy stocks.

Control measures are currently being implemented in provinces affected by African Swine Fever (ASF) and Avian Influenza (AI). Updated transport and movement guidelines for swine and poultry animals and their products have been issued and checkpoints have been established for compliance. Additionally, the DOST-PCAARRD is currently funding projects under the Virology and Vaccine Institute of the Philippines Program for ASF vaccine development and ASF virus detection. Moreover, it has invested in developing

⁵ Departments of Agriculture (DA), Public Works and Highways (DPWH), Interior and Local Government (DILG), Trade and Industry (DTI), and Tourism (DOT).

intervention strategies to predict, prevent, and control disease outbreaks caused by emerging strains of Newcastle Disease Viruses and AI.

Innovative insurance schemes are being developed to safeguard primary producers from potential losses.

A nationwide survey was conducted to assess the viability of an Area-Based Yield (ARBY) Index Insurance, which relies on the historical average yield of a specific geographical area rather than individual farmer's yields. The Philippine Crop Insurance Corporation (PCIC), in collaboration with the International Rice Research Institute and the Philippine Rice Research Institute, is currently simulating two ARBY models in Isabela, Camarines Sur, and Capiz. Additionally, the PCIC and BFAR are developing a parametric insurance mechanism for small-scale fisheries.

Sustainable practices for the conservation of natural capital.

Soil conservation initiatives aimed at combatting soil degradation and drought impacts have been implemented through the Adaptive Balanced Fertilization Strategy. In 2023, the Bureau of Soils and Water Management and Fertilizer and Pesticide Authority trained 8,196 participants on the use of organic-inorganic fertilizer combinations to improve soil health, boost crop production, and lessen reliance on imported fertilizer.

Strengthening local food system initiatives are underway.

Native species of swine, cattle, chicken, and duck have been produced, distributed, and maintained through the Philippine Native Animal Development Program. Under the DA-National Livestock Program, the Protein-Enriched Copra Meal Commercialization Project will be established in two pilot areas to improve the local production of animal feed.



Strengthening the agricultural institutions

Scholarship and internship programs have amplified the support for agricultural education and improved the alignment of job skills.

The DA-Agricultural Training Institute continues to strengthen the competitiveness and capacities of agri-fisheries human resources through scholarships and internships. The Educational Grant for Agricultural Extension Workers Program has enrolled 114 scholars for 2023, while the Educational Assistance for the Youth in Agriculture Program supported 661 scholars, offering opportunities for children of small-scale farmers and fisherfolk to pursue agriculture-related careers. Internship programs for young farmer-leaders and out-of-school youth are also in place. The Young Filipino Farm Leaders Training Program in Japan sent 23 young farmers who are attending school for an 11-month internship, and the Filipino Young Farmers Internship Program in Taiwan currently hosts 49 interns, focusing on modern agricultural techniques, marketing strategies, and cooperative management.

Results Matrix

In 2023, the AFF gross value added (GVA) posted a modest growth of 1.2 percent, mostly driven by crops, livestock, and poultry subsectors. Crop GVA grew by 1.1 percent due to increased production of major crops such as palay, corn, and coconut, with marginal growth observed in high-value commercial crops. Remarkably, the livestock and poultry subsectors surpassed the targets, growing by 2.98 percent and 3.99 percent, respectively. Amid the challenges posed by ASF, we directed our efforts toward the recovery of the hog industry through the full implementation of the hog repopulation program, coupled with

stringent prevention and control measures. Similar initiatives were undertaken to manage the spread of AI in the poultry industry. On the other hand, the performance of the fisheries and forestry sub-sectors declined due to the occurrence of weather disturbances and elevated costs of production inputs, suggesting weak resilience to such threats. The government's allocation for AFF research and development (R&D) as a percentage of total AFF GVA has reached 0.79 percent, exceeding the 0.6 percent target for the year. The continuous operationalization of AFF programs and projects under the Harmonized National Research and Development Agenda (HNRDA) 2022-2028 through the Industry Strategic Science and Technology Programs contributed to the attainment of the target.

The target of achieving 95 percent coverage for ARBs with emancipation patent or certificate of land ownership award (CLOA) was not reached, with accomplishment staying at 94 percent as of June 2023. This was due to the late release

of funds for landowners' compensation, which affected land acquisition timelines. Additionally, the share of individual ARBs with registered e-titles to total ARB population of collective CLOAs for subdivision, was at 4 percent in the first half of 2023, below the 12 percent target. On a positive note, the growth in the total value of approved investments in agribusiness significantly exceeded the year's target, growing by 148.57 percent. However, the growth in the value of A&F exports contracted to 19.0 percent in 2023, due to the decline in exports of coconut oil, processed pineapple products, tobacco, abaca, and rubber.

The proportion of primary producers covered by agricultural insurance to total number of primary producers registered in the Registry System for Basic Sector in Agriculture attained only 30.42 percent which is below the target of 37.6 percent.

Ways Forward

We will leverage various notable interventions to improve the productivity of the primary producers, coupled with expanding access to markets and increasing the resilience of AFF value chains to compound the gains of the sector. This can be pursued by improving the assessment and monitoring of the impacts of the PAPs, scaling up profitable enterprises, expanding convergence among relevant agencies, broadening private sector investments, and addressing the digital divide among primary producers. The following section describes the priority strategies under each outcome.

Priority Strategies



To enhance the efficiency of AFF production

Accelerate the development and distribution of ASF vaccine, along with improving biosecurity of infected areas, and repopulation programs. The government will ramp up its efforts in the R&D of vaccines and real-time polymerase chain reaction test kits to curb the re-spread of ASF. In addition, the concerned government agencies shall work closely to facilitate the regulatory requirements for the procurement and distribution of ASF vaccines (e.g., Certificate of Product Registration). Subsequently, efforts to improve biosecurity measures (e.g., transboundary control) shall be put in place to control the possible spread of pests and diseases. For example, the Batangas Animal Movement Reporting Approach to Control Diseases will be utilized to address biosecurity concerns by regulating the movement of livestock and poultry, and transport carriers in the province.

Improve access to innovative financial products and services. The passage of Republic Act No. 11901 is envisioned to increase formal financing in the sector by expanding the eligible portfolio that can be financed by banking institutions to comply with the mandated agricultural credit quota.⁶ Banks and other financial service providers will be capacitated in developing and offering new and innovative financial products and services that are accessible to AFF borrowers at flexible and affordable terms while maintaining their financial sustainability.

Expedite the completion of the generation and issuance of individual titles. The subdivision of collective CLOA and generation of individual titles will be fast-tracked to improve land tenure security and stabilize the property rights of ARBs in their awarded lands. Individual titles provide ARBs with viable collateral for availing credit. It also minimizes perceived risks due to unstable ownership rights that dampen private sector investments.

⁶ The Agriculture, Fisheries and Rural Development Financing Enhancement Act of 2022 - An Act Strengthening the Financing System, including Capacity-Building and Organization, for Agriculture, Fisheries, and Rural Development in the Philippines, Repealing for the Purpose Republic Act No. 10000 or "The Agri-agra Reform Credit act of 2009." It mandates all banking institutions except newly established ones to allot 25 percent of their total loanable funds for agricultural and fisheries financing.



DAR Secretary Conrado M. Estrella III leads the turnover of farm machinery and equipment to Kalinga Agrarian Reform Beneficiaries Organizations.

Photo Credit: DAR



DAR Secretary Conrado M. Estrella III spearheads the distribution of Certificate of Land Ownership and Awards (CLOA) to Kalinga farmers.

Photo Credit: DAR

Intensify R&D efforts to enhance the resistance of crops and livestock to pests and diseases. Priority projects outlined in the HNRDA 2022-2028 will be undertaken, with a particular focus on new breeding techniques and advanced reproductive biotechnologies to improve plant varieties and livestock breeds, respectively. Streamlining R&D investments will also aid the harmonization of the initiatives of various research and development institutions (RDI) (see Section 2.3.4).

Bolster the delivery of efficient and effective extension services. The government will improve its approach in providing extension services to primary producers by utilizing various platforms and media. This aims to encourage the adoption of innovative and appropriate

technologies and processes, which is expected to translate to increased productivity and resilience of the sector to multidimensional shocks. This will be achieved by increasing investments in research, development, and extension; and strengthening the Province-led Agriculture and Fisheries Extension System.



To expand access to markets and AFF-based enterprises

Institutional collaboration to promote value-adding, branding, and marketing of products with high market potential.

Government agencies, such as the DA, DTI, and DOST who have expertise in various segments of the value chain will work harmoniously to improve the value of agri-fishery products, encompassing production, processing, branding, and marketing.

Increase strategic physical and digital connectivity. Rationalize and prioritize the construction of physical infrastructures, consistent with the National FMRNP 2023-2028, focusing on the linking of production areas to markets, warehouses, processing facilities, and ports. It is expected to implement at least 25,276 kilometers of FMR in 2024 to 2025. On the other hand, the digital divide can be addressed by ensuring the availability and internet access of primary producers through the deployment of broadband infrastructure in rural areas (see Section 2.2.3), including proper equipment, and technical know-how.

Expand the development of the blue economy. The government will formulate a framework or roadmap to streamline initiatives aimed at developing the various sectors of the blue economy, including all economic activities directly related to the ocean, and coastal and marine resources, as well as marine education and research.

Leverage emerging digital technologies to effectively address challenges across the AFF value chain.

The DA shall harness emerging technological innovations and solutions to provide timely data and information that are tailored to the needs of stakeholders, especially primary producers. Digitalization equips stakeholders and decision-makers with the tools and information to help improve productivity, cost-efficiency, and timely delivery of services. Existing management information systems⁷ shall be integrated or interlinked to provide reliable and meaningful insights about primary producers, production areas, sources of raw materials, logistics facilities, and markets. The Farmers and Fisherfolk Enterprise Development Information System will continue to be utilized as an online data warehousing and reporting system that profiles and maps the location of registered agri-fishery enterprises, including producers and processors.

Boost exports through partnerships between foreign and domestic investors.

The government will pursue trade agreements and attract foreign investors in various agri-food products. Ongoing negotiations with potential trading partners are expected to open new markets for Philippine products. Likewise, local investments in vital infrastructures such as warehouses, cold chain facilities, and fish ports can be pursued through public-private partnerships.



To improve resilience of AFF value chains

Maximize the utilization of various remote-sensing and smart technologies.

Existing remote-sensing technologies will be maximized by developing a framework/roadmap that will harmonize data collected by various institutions and outline

the strategies and targets for implementing such technologies, especially in the AFF. These technologies have potential applications in forecasting the supply volume of commodities and monitoring supply chain disruptions, pests and disease outbreaks, including damage and loss assessment in the aftermath of disasters. The Philippine Rice Information System, Project Smarter Approaches to Reinvigorate Agriculture as an Industry in the Philippines, Water Balance-Assisted Irrigation Scheduler System, and other commodity-specific remote-sensing technologies, can be used to monitor area planted, forecast yield, identify pests and diseases for targeted management, flood and drought risks, among others. Coverage of these technologies can also be expanded to high-value crops, such as coffee, cacao, and rubber. Sustainable and resilient agricultural production technologies can be expanded through the establishment of smart greenhouses with controlled environment, and rainwater harvesting to store excess water during the rainy season.

Empower communities to attain climate resilience.

The government will expand the implementation of AMIA Village Approach by replicating the successful pilot communities. The DA has identified suitable areas for the establishment of AMIA Climate-Resilient Agri-Fishery Technology-based Enterprises (CREATE) in nine regions to enable the implementation of proof-of-concept projects on diversified cropping, rice-based and corn-based integrated farming, bamboo production, and cacao production. This aims to transform these villages into market-oriented enterprises while scaling up existing efforts to ensure the resilience of agri-fishery communities.

⁷ Such as the Registry System for Basic Sectors in Agriculture, the National Coconut Farmers Registry System, the Municipal Fisherfolk Registration System, including databases of the DA's banner programs and attached bureaus and agencies

Encourage private sector participation in local production of AFF inputs.

Private sector investments in local manufacturing of biofertilizers for crops, and animal feed for the livestock and fisheries industries will be encouraged to lessen dependence on international trade. For example, the Protein-Enriched Copra Meal Commercialization Project will be expanded to Region 3 and Region 6 in 2024. Likewise, the DOST and RDIs will involve the local manufacturers in designing and prototyping machinery to encourage their uptake in its commercialization.



Cross-cutting strategy: Strengthen the agricultural institutions

Improve the convergence of government agencies by streamlining efforts for a targeted and result-driven intervention.

The Department of Budget and Management will implement Program Convergence Budgeting⁸ to rationalize the government's resources toward working on the same objectives. The government will initiate a comprehensive assessment of the current National Convergence Initiative for Sustainable Rural Development efforts, particularly on measuring the impacts on rural development, poverty reduction, and sustainability. This will serve as a guide in crafting needed policies to improve convergence efforts of institutions with mandates related to rural development.

Capacitate the LGUs to perform devolved functions.

Provide capacity and competency-enhancing assistance to local agriculture workers, including collaborative training arrangements with other stakeholders (e.g., private sector and academe) given the ongoing transition towards devolving function of the AFF to the LGUs. This can be realized by ensuring horizontal and vertical coordination among stakeholders.

⁸ The Program Convergence Budgeting is an approach that aims to focus government resources on key programs and projects which shall be coordinated in a holistic approach across Departments/Agencies working towards the same goals



A Pangasinan State University (PSU) student uses a digital printer for clothing and garment designs at the Shared Service Facility (SSF) Project-Fabrication Laboratory Advanced Digital Manufacturing Technology and Innovation Center (ADMATIC) and the Coworking Space Innovation Laboratory in PSU, Urdaneta City.

Photo Credit: The Technoscope/PSU

Section 2.3.2

Revitalize Industry

Introduction

The industry sector showed a notable recovery in the post-pandemic period. This was underpinned by improved domestic demand, strong labor market conditions, and an increase in construction activities. Moreover, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act encouraged the entry of investments in the priority sectors such as the manufacturing and energy sectors under the Strategic Investment Priority Plan (SIPP). Notwithstanding business sentiment staying upbeat in the latest Bangko Sentral ng Pilipinas (BSP) Business Expectations Survey, the current elevated inflation and the associated high interest rate environment continue to be among the concerns of businesses as these dampen

domestic demand for products and services and increase the cost of raw materials.¹ Moreover, the current weakness of the global economy resulted in the lackluster performance of the country's external trade, particularly in electronics and semiconductors,² resulting in lower output for the country's merchandise exports. Within the manufacturing sector, the competitive gap between firms with digital capabilities and data-driven processes and those without is widening³ due in part to the low technology utilization and talent shortage among Philippine manufacturing firms.

Moving forward, the government is pursuing an industrialization strategy known as mindfacturing, which is driven by science, technology, and innovation (STI) through

1 Bangko Sentral ng Pilipinas: Q3 2023 Business Expectation Survey

2 Asian Development Outlook September 2023

3 Oracle: Rethink Manufacturing: Six Priorities to Deliver on Now

six strategic actions, namely: (a) Embrace Industry 4.0; (b) Develop Innovative Micro, Small, and Medium Enterprises (MSMEs) and Startups; (c) Integrate Industry Development, Trade, and Investments; (d) Promote Regional Development by Strengthening Regional Innovation and Entrepreneurship Ecosystem; (e) Upskill and Reskill the Workforce; and (f) Create an Enabling Economic Environment. These strategies aim to develop globally competitive and innovative industries that support inclusive growth and improve environmental sustainability and the quality of life for all Filipinos. Furthermore, the STI-driven industrialization strategy identifies four priority industry clusters as hubs for transformational change and key drivers of growth. They are the Industrial, Manufacturing, and Transport (IMT); Technology, Media, and Telecommunications (TMT); Health and Life Sciences (HLS); and Modern Basic Needs and Resilient Economy (MBNRE).

Strategy Framework

To generate more quality jobs and competitive products, the industry sector will be revitalized through the expansion of the domestic market and supplier base, moving up the value chain, and enhancing linkages across sectors. Moving up the value chain can be achieved by improving the competitiveness of industries and by creating a dynamic industry ecosystem. A dynamic industry ecosystem (e.g., bolstered science-based industries linked to global value chains) will enable better access of firms, particularly MSMEs by leveraging increased utilization of science technology, and innovation, which are key drivers of industrialization.

SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES



SCAN ME

Major Programs, Activities, and Projects



Domestic Market
Production and
Supplier Base
Expanded

The Negosyo Center program continues to expand its physical and digital operations.

As of December 31, 2023, a total of 1,378 Negosyo Centers were established, covering 1,311 local government units (LGUs). This is equivalent to 80.23 percent of 1,634 total number of LGUs nationwide. These centers have assisted 500,508 MSMEs and 904,033 clients. Also worth noting is that a total of 50,079 *Barangay* Micro Business Enterprises (BMBEs) nationwide were registered through BMBE Online.⁴

These Negosyo Centers also served as platforms for collaboration among different stakeholders, such as the academe, LGUs, national government agencies (NGA), and non-government organizations (NGO).

⁴ The implementation of BMBE-Online is transformative for the business registration function of the Negosyo Centers. It is a web-based mechanism, launched on October 8, 2022, that allows remote application and automated processing for BMBEs. The portal aims to make BMBE registration and renewal processes available online 24/7, providing a more convenient application process and ensuring faster processing. In alignment with the agency's commitment to digitalization, DTI has ordered the full implementation of Online Business Name Registration (BNR) effective August 1, 2023. This directive is gradually encouraging clients to utilize BNRS in registering their Business Name. As part of this initiative, Negosyo Centers play a pivotal role in assisting individuals who may encounter challenges with the online registration process. The transition to online registration (BN and BMBE) signifies a significant step forward in embracing technological advancements and improving overall efficiency.

Programs that support the development of local MSMEs were institutionalized.

On August 24, 2023, RA 11960, or the One Town, One Product (OTOP) Philippines Act was enacted into law. The OTOP program is a priority stimulus program for local MSMEs that aim to develop the competitiveness of local products. Its IRR became effective on December 03, 2023, and the Department of Trade and Industry's Regional Operations Group (DTI-ROG) began coordinating with the Department of Budget and Management (DBM) to establish OTOP-Project Management Offices (PMO). A draft memorandum of agreement was also crafted to formalize the collaboration between the DTI and DILG for the establishment of the One Town One Product Local Program Office (OTOP-LPO) and OTOP Hubs in each LGU. The DTI, in partnership with SOMAGO Online Shopping, Inc., also launched the OTOP PH powered by SOMAGO Application. The platform aims to assist in promoting Filipino MSME products in the e-commerce market. Initiatives to tap into international markets were also carried out early this year.

More Shared Services Facilities (SSF) were established. As of December 2023, the government disbursed PHP70.31 million in SSF funds and established 55 SSFs throughout the country. These facilities have assisted 32,682 MSMEs and 29,387 users. These facilities also generated 40,620 jobs. Present in all 17 regions, these SSFs served industries such as processed food, coffee, cacao, dairy, coconut, abaca, bamboo, gifts, decor, houseware (GDH), metal, and rubber.



Moving up the value chain achieved

The Regional Inclusive Innovation Centers (RIIC) were utilized as platforms to increase collaboration among innovation stakeholders.

These also supported projects and activities geared toward assisting and promoting startups. One RIIC branded as Weave Philippines was launched in Region VI while three regions (Regions I, VIII, and XIII) are in the early stage of establishing RIICs.

Eleven startups were also assisted and linked to Dynamico Space for the Dynamico Space Pitch Night Sessions. Mentors of the feedback sessions provided the startups with advice on how to develop their pitch decks, presentation skills, and other insights on how to obtain venture capital funding. Dynamico Space also helped startups in expanding their presence in the North American market. Through the RIICs ecosystem, 12 government innovation champions were trained in design thinking.

The Smart Industry Readiness Index (SIRI) Assessment for Philippine enterprises helped local industry practitioners prepare for digitalization.⁵

Latest data showed that the DTI had already completed 20 SIRI assessments in 2023. A memorandum of Understanding (MOU) between the DTI and the International Centre for Industrial Transformation (INCIT) to cooperate and collaborate in promoting innovation and digital transformation in the country enabled the DTI to draft the 2023 SIRI Project Plan. The plan intends to spread awareness about SIRI, create a pool of local SIRI assessors, and conduct more SIRI assessments. These assessments will equip local industry practitioners with the necessary industry knowledge and skills in critically assessing and providing relevant advice for digitalization.

⁵ SIRI gained global recognition as a framework offering robust concepts and tools for Industry 4.0 transformation, serving as a solid foundation for targeted future actions. It is also recognized by the World Economic Forum. There are fees for each step of adopting SIRI in the Philippines. Fortunately, with the support of the ADB and INCIT, the initial financial requirements for activities such as the training of local Certified SIRI Assessors (CSAs) will be covered.

Launched plans to establish Center for Artificial Intelligence Research (CAIR) and an Industry 4.0 Pilot Factory (I4PF) to promote innovation, digital transformation, and accelerate industrial transformation. Once

established, the CAIR intends to make the Philippines a regional Center of Excellence in AI Research and Development (R&D). It will be a hub for data scientists to perform collaborative AI R&D and technology application, offer consultancy services and AI tech products, conduct programs to upskill and reskill the workforce, and partner with leading firms on AI R&D collaboration. As a complement, the I4PF will host pilot, demonstration, and learning laboratories for robotics, intelligent, and cyber-physical systems. It will serve as a technology platform for various stakeholders and a training and research hub where industries can have hands-on experience on Industry 4.0 applications.



Inter-sectoral linkages enhanced

The development of priority clusters is being pursued to deepen the country's participation in global value chains and help attain higher levels of innovation. These

priority clusters are Industrial, Manufacturing, and Transport (IMT); Technology, Media, and Telecommunications (TMT); Health and Life Sciences (HLS); and Modern Basic Needs and Resilient Economy (MBNRE). Numerous laws designed to help in promoting investments in the clusters were also passed to boost foreign direct investments (FDI) attractiveness in key sectors. They include the Foreign Investments Act, the Retail Trade Liberalization Act, Public Service Act, and CREATE Law. Furthermore, agricultural commodity industry roadmaps for abaca, coffee, cacao, banana, coconut, shellfish, shrimp, seaweeds, tilapia, dairy, milk, and corn were put in place. These roadmaps

outline the strategies for these commodities such as integration to global value chains, strengthening supply chains, upgrading processing, increasing production, and other targeted interventions.

Results Matrix

The industry sector grew by 3.6 percent in 2023. However, this is way lower than the target of 8.0 to 9.5 percent for 2023. In the same period, the manufacturing sub-sector expanded by an average of 1.3 percent, which is far below the target of 8.0 to 9.5 percent. Likewise, the construction sub-sector rose to 8.8 percent in 2023. This is also smaller than 16.0 to 17.0 percent target in the said year.

In terms of employment generation, contractions were recorded in the industry (-147,000), manufacturing (-43,000), and construction (-137,000). These outturns were also below the targets of 500,000-600,000 for industry, 300,000-360,000 for manufacturing, and 185,000-198,000 for construction.

As of September 2023, activities for the establishment of one knowledge, innovation, science and technology (KIST) park is underway. This brings the country closer to meeting the target of one KIST park established in 2023.

Ways Forward

Given the challenges and below-target performance of the industry sector, it is imperative to implement the following:

Priority Strategies



To expand domestic market production and supplier base

Expand the reach of Negosyo Centers by establishing a presence in municipalities without centers. The government will strive to establish Negosyo Centers in the 323 municipalities that have no Negosyo Centers yet. In preparation for the devolution of the functions of the executive branch to LGUs, the DTI will continuously coordinate with LGUs to gather feedback and identify their needs on funding and capacity development, among others. Furthermore, the Negosyo Centers will continue to improve the technical and customer service skills of its business counsellors by conducting a Small Business Counsellor Course (SBCC). The Negosyo Centers will also enhance its entrepreneurial trainings/seminars/workshops for MSMEs by collaborating with public and private partners (e.g., BSP on financial education and Mansmith and Fielders Inc., on business models).

Implement the One Town One Product Act (RA 11960). The DTI will continue to work with the DBM on the establishment of the OTOP-PMO and the required plantilla positions at the national and local levels. Enhanced coordination with DILG will also be formalized in 2024 for policy issuance relative to the establishment the OTOP-LPO and OTOP Hubs in each LGU. The OTOP Management Committee is expected to be instituted next year to guide the OTOP's

implementation and formulate a comprehensive assistance package to beneficiaries (e.g., product development, capacity-building, market access support, access to capital). It will also utilize the government's existing Free Trade Agreements to facilitate a seamless entry of program beneficiaries to international market and expand beneficiaries' presence in e-commerce platforms. The OTOP National Strategic Plan will also be formulated to identify the priority OTOP products and services characterized by high added value that have the potential to contribute to the goals of the OTOP Act.

Scale-up the establishment of Shared Services Facilities (SSF) and further increase its beneficiaries. The government will establish more SSFs in localities throughout the country taking into account the requirements of various areas as identified by the DTI-Regional/Provincial offices and relevant stakeholders. Moreover, the government will strive to increase its beneficiaries by establishing SSFs in locations that are accessible to large number of MSMEs, including those in rural and underserved areas. It will also diversify facility offerings (e.g., design and prototyping requirements) and partner with educational institutions (e.g., state universities and colleges, technical/vocational training centers, and private schools) to integrate the SSF Project into educational programs, creating a pipeline of skilled workers who are familiar with and will benefit from the facilities. It will likewise collaborate with private sector entities and establish industry connections to make the facilities more appealing and accessible to a larger number of businesses.



To move up the value chain

Strengthen the Regional Inclusive Innovation Centers.

The number of RIICs will be further expanded through the following: (a) Regional Innovation Stakeholders consultations and Innovation Roadshows across RIIC regions; (b) funding from private and development partners; (c) the establishment of PMOs that will oversee the coordination among the RIICs; and (d) The renewal of the partnership with USAID to strengthen the services being offered by RIICs and provide further assistance to the regions that are still in the planning phase to early stages in the establishment of RIIC. Meanwhile, the government will continue the mapping of regional stakeholders and conduct business matching activities to further expand the number of RIIC beneficiaries. Startup programs and Industry 4.0 capacity-building activities will also be implemented across the regions. A robust monitoring and evaluation framework for RIICs will also be established to assess the maturity level of RIICs and recommend the needed strategies.

Intensify the holding of SIRI assessments for Philippine enterprises.

The support of the Asian Development Bank and other possible funding partners will be sought to fund the training of qualified SIRI assessors. Having a pool of certified SIRI assessors will scale the implementation of the SIRI will enable DTI to conduct 100 SIRI assessments in 2024 to 2025. As an overall and cohesive output, data to be gathered in the assessments will be collated and processed to identify the most common pain points in the Philippine manufacturing industry relative to the adoption of Industry 4.0 technologies. The data to be gathered will serve as a basis for industry-specific and

targeted policy interventions to support Philippine industrial digital transformation. Workshops will also be conducted to increase awareness on SIRI and how it will benefit enterprises.⁶

Build and Operationalize the Center for AI Research (CAIR) and Industry 4.0 Pilot Factory (I4PF).

The primary focus for 2024 is to construct and operationalize the CAIR and I4PF. In addition, the DTI will kickstart pilot cases that would integrate cutting-edge technologies – like AI, machine learning, robotics, and cyber-physical systems in the facilities. The establishment of these facilities will profoundly impact industries by catalyzing innovation, fostering technological adoption, and driving efficiency. A National Innovation Gateway will also be built to house these facilities together with a startup hub providing incubation and acceleration services.

6 The SIRI Project plan includes the need to hone local SIRI assessors to make the assessments accurate, affordable, and accessible.



To enhance inter-sectoral linkages

Develop industries around priority clusters.

Developing the clusters of Industrial, Manufacturing, and Transport (IMT); Technology, Media, and Telecommunications (TMT); Health and Life Sciences (HLS); and Modern Basic Needs and Resilient Economy (MBNRE) is a long-term pursuit. The government will collaborate with industries, the academe, and other stakeholders in addressing the structural, systemic, and sector-specific growth constraints in the following sectors: electronics and semiconductors, chemicals, e-vehicle, mining, footwear, textiles, automotive, petrochemicals, media and creatives arts, IT-BPM, pharmaceuticals, herbal/natural health products, medical travel and wellness tourism, and agri-related sectors. The action plans (e.g., utilization of technologies and research and development) in the commodity industry roadmaps (e.g., abaca, coffee, cacao, banana, coconut, and others) will be aggressively implemented. The government will also establish preferential trade agreements with strategic trade partners to attract FDI in key clusters.



Design Thinking Bootcamp during the Design Academy + Policy Lab Bootcamp, a designer competency building initiative by the Design Center of the Philippines.

Photo Credit: Design Center of the Philippines

Section 2.3.3

Reinvigorate Services

Introduction

The country's services sector showed its resilience as it continued to recover from the effects of the pandemic. Maintaining its status as the largest sector in the economy, the services sector expanded its share in gross domestic product by 62.3 in 2023, compared to 59.6 percent average share, three years before the pandemic. Although moderate growth was observed from its 9.2 percent growth in 2022, the sector registered a 7.1 percent increase in 2023. Relative to pre-pandemic levels (2019), the services sector was the major production sector that expanded the most in 2023 at 12 percent.

Increased utilization of digital technology played a crucial role in the recovery and growth of the services sector, particularly in wholesale and retail trade, transportation and storage, information and communication, financial services, and professional and business services. As the Philippines played catch-up with the region's digitalization efforts, the issuance of Executive Order No. 32, s. 2023 facilitated the streamlining of the permit process for the telecommunication industry to ensure the uninterrupted progress of the Philippines' digital infrastructure. The recent passage of the Internet Transactions Act of 2023 is also expected to promote consumer protection and effective regulation of e-commerce transactions.

Lastly, relevant administrative agencies are revising their rules and regulations to align with the provisions of RA 11659 or the Amendments to the Public Service Act. These policy reforms, along with the full implementation of RA 11659, are expected to provide a more conducive business environment for attracting investments.

Strategy Framework

To reinvigorate the services sector, the following outcomes are targeted to be attained in the medium-term: (a) market expansion achieved; (b) creativity and innovation in services value proposition strengthened; and (c) inter-sectoral linkages enhanced. **Under market expansion achieved**, the government and private sector will work on improving quality of Philippine tourism experience and support the development of creative industries. Meanwhile, building capabilities of the creative industries and providing support to MSMEs through better access to capital, digital technologies and startups will be the focus of the strategy on **creativity and innovation in services value proposition strengthened**. Lastly, under **inter-sectoral linkages enhanced**, the government will strive to modernize the aviation, shipping and maritime industries and logistics services and improve the country's internet speed, coverage, and network through better infrastructure.

**SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES**



SCAN ME

Major Programs, Activities, and Projects



**Market expansion
achieved**

Developing tourist destinations to support the promotion of sustainable, inclusive and resilient multidimensional tourism.

Diversifying our tourism product portfolio from nature-based to cultural and heritage tourism aims to promote various tourism experiences available in the country. The Tourism Infrastructure and Enterprise Zone Authority (TIEZA) has begun the development and improvement of its tourist enterprise zone (TEZ) in San Vicente, Palawan. These efforts also aim to encourage investment opportunities for private sector participation.

Utilized digitalization to improve tourism experience.

TIEZA has partnered with fintech companies such as MYEG Philippines, Bayad Center, GCash and PayMaya to provide more payment channels available to tourists via the Online Travel Tax Services System. The online system allows hassle-free and convenient way of paying travel taxes with real-time confirmation.



DOT Secretary Christina Garcia Frasco with various stakeholders on the second day of the Philippine Experience Program in Panabo City, Davao del Norte.

Photo Credit: DOT

Leveraged partnerships with local government to highlight Filipino brand and identity.

The Philippine Experience Program: Culture, Heritage and Arts Caravans is a flagship project of the Department of Tourism (DOT) that highlights and heralds the Filipino brand and identity in all aspects of travel and tourism experience, while actively promoting the country's cultural resources and assets. In June 2023, the DOT, together with LGUs and the local community, launched the first edition of the Philippine Experience Program in Davao to explore the region's unique tourism offerings such as the Banana Walkway and the Tagum Historical and Cultural Center Tours.



Creativity and innovation in services value proposition strengthened

Accelerating the implementation of the Philippine Creative Industries Development Act (PCIDA).

The Department of Trade and Industry launched the *Malikhaing Pinoy* Program to set the stage for the transformation of our creative industries, positioning them as catalysts for economic growth, cultural preservation, and global recognition. The DTI is implementing impactful programs that foster collaboration among regional creative communities, establish creative hubs and spaces for capacity-building, networking, and technology upgrading, create a new wave of talents through talent competitions, support the establishment of more creative cities, offer incubation and training programs for creative startups, provide masterclasses to Filipino creatives, and promote original Filipino content and intellectual property in key international markets. These programs are expected to build a more robust, dynamic, and globally-competitive Philippine creative industries, foster innovation

and entrepreneurship within the sector, and harness Filipino creativity to drive inclusive and sustainable growth and create more high quality jobs.



DTI Secretary Alfredo E. Pascual delivers his keynote speech during the 2nd Philippine Creative industries Summit.

Photo Credit: DTI

Creating a business environment conducive to the development of the IT-BPM sector.

The Fiscal Incentives Review Board (FIRB) issued Resolution No. 012-23 to help facilitate the transfer of registered business enterprises (RBE) from investment promotion agencies to the Board of Investments (BOI). This complements earlier FIRB resolution promulgated in 2022, which allowed the transfer of RBEs to the BOI to facilitate adoption of flexible work arrangements without adverse effects on tax incentives. Efforts have been undertaken to measure the contribution of emerging services in Philippine economy. The Philippine Statistics Authority (PSA) conducted an initial compilation of the Philippine Creative Economy Satellite Accounts (PCESA) from 2018 to 2022 in compliance with Section 18 (Creative Industry Data and Information Management) under RA 11904 or the Philippine Creative Industry Development Act. While the methodology and results of the PCESA are pending approval by the PSA Board, the PSA is currently working to enhance the scope and definition of the creative economy and address its data needs.

Implemented capacity-building programs to promote creative excellence.

Through the Design Competency Development Program, the Design Center of the Philippines (DCP) nurtures the skills of emerging and practicing designers and creatives to be more attuned to the expanding role of design in driving business and nation brand competitiveness. In the introductory phase of The Design Thinking Academy, the DCP partnered with the *Hasso Plattner Institut* in Germany for the implementation of a training program and masterclass on design thinking with policymakers, Regional Inclusive Innovation Centers (RIIC), and MSMEs.

Leveraged innovation in the formulation of the National Design Policy.

The DCP is currently formulating the country's first National Design Policy, which aims to shape and influence future policies to use a design-led approach where solutions and innovations are encouraged and incorporated in building better programs and infrastructure (e.g., empower communities to make better decisions in housing, climate action, disaster recovery, and community development; incorporate design for better products and reach new international markets, etc.). The results of the DCP's Design Counts project will provide the much-needed insight for the formulation of the National Design Policy, highlighting MSME competitiveness in line with national development goals.



Inter-sectoral linkages enhanced

Improved physical connectivity to facilitate movement of people and goods.

To support efforts to modernize and expand the domestic shipping industry, the Maritime Industry Authority is currently updating its Maritime Industry Development Plan (MIDP) 2018-2028. The MIDP lays down its plans and

programs to upgrade the domestic shipping industry through the modernization of vessels, improvement of ports/terminals and capacity building for deck and engine officials. On the other hand, the MIDP will identify available incentives to attract investments in maritime tourism and develop ports/terminals/facilities in targeted tourist destination areas to develop shipping services for maritime tourism. The Philippine Ports Authority also completed five infrastructure projects to expand existing ports with roll-on/roll-off ramp components in Romblon, Bataan, Occidental Mindoro, Batangas, and Marinduque.

Developed measures to reduce transport and logistics costs.

EO 41 signed on September 25, 2023, prohibits LGUs from collecting pass-through fees on all motor vehicles transporting goods passing through any national roads. The EO also encourages LGUs to discontinue or suspend the collection of fees such toll and delivery fees imposed on vehicles transporting merchandise on any public roads constructed and funded by LGUs.

Strengthened collaboration with various stakeholders to promote skills and talent development. To ensure that the IT-BPM sector remains competitive and continues to attract investors, relevant government agencies have been working with the industry association to ensure that appropriate interventions for upskilling are implemented. For instance, CHEDx 2023 is designed to strengthen collaboration between the academe and the IT and IT-BPM sector to ensure students' work readiness and skill-backed employability. On the other hand, the Technical Education and Skills Development Authority (TESDA) has partnered with industry stakeholders to develop programs and micro-credential courses focused on upskilling and new entrants and existing workforce in the IT-BPM sector. The DICT has also been supporting the sector's growth

through its IT-BPM Scaled Upskilling program, which provides advanced training in priority areas identified by private sector industry stakeholders. Lastly, TESDA identified the creative industry as one of the priority sectors in the conduct of Skills Need Anticipation: Workplace Skills Satisfaction Survey for 2023. The study aims to provide pertinent information to technical and vocational education and training (TVET) stakeholders on existing and in-demand skills and competencies in the creative industry in the next five years.

The Philippines' Creative Output score in the Global Innovation Index jumped from 20.5 in 2022 to 26.4 in 2023. In addition, total approved investments of Foreign and Filipino Nationals in Arts, Entertainment, and Recreation Industries increased from PHP404.5 million in 2022 to PHP850.1 million in 2023. The enactment of the PCIDA solidified the country's commitment in promoting creative industries. This development ushered in investment opportunities in the sector.

Results Matrix

The gross value-added growth rate in the services sector reached by 7.1 percent in 2023, well within the sector's annual target of 6.4 to 7.9 percent. However, employment generated in the services sector in 2023 was only 1.4 million, a 41.9 percent decline from the 2.4 million recorded in the previous year. Additionally, labor productivity grew by only 3.2 percent during 2023, which is below the annual target range of 5.0 to 8.5 percent.

For the tourism sector, there has been a significant increase in tourist arrivals in the country, signaling the sector's continuous recovery from the pandemic. Tourism arrivals registered 5,450,557 visitors in 2023, reaching 66 percent of 8,260,913 visitors recorded in 2019.¹ Subsequently, total inbound tourists' expenditure was recorded at PHP482.54 billion in 2023 due to the rise in arrivals.

1 DOT. Accessed from: [http://www.tourism.gov.ph/files/2024/tourism_demand/03/03-08/Arrivals/2023%20-%20Visitor%20Arrivals%20by%20Country%20of%20Residence%20and%20Monthly%20Ranking%20\(revised\)%20\(2%20files%20merged\).pdf](http://www.tourism.gov.ph/files/2024/tourism_demand/03/03-08/Arrivals/2023%20-%20Visitor%20Arrivals%20by%20Country%20of%20Residence%20and%20Monthly%20Ranking%20(revised)%20(2%20files%20merged).pdf) March 18, 2024

Ways Forward

To promote job generation and increased participation in higher value adding services, initiatives will be pursued to expand markets and improve productivity. Collaboration with the private sector will be intensified to further promote multidimensional tourism and enhance tourism experience. In addition, modernization of the country's transportation network will continue to be implemented to facilitate movement of goods and people.

Priority Strategies



Market expansion achieved

Improve the quality of Philippine tourism through collaboration with the private sector. Initiatives will be pursued to attract private investments in selected tourist destinations. The installation of a 14-kilometer line of solar streetlights in Long Beach, San Vicente will prepare the flagship TEZ for private sector participation and further develop the area as a prime tourist destination. Investment opportunities for collaboration with the private sector are in water supply distribution and sewage system; power generation and distribution; and accommodation facilities such as hotels and beach resorts.

Continue partnership with the private sector to enhance visitor experience. TIEZA will continue to create more private sector partnerships to increase payment gateways available for the online travel tax payment system.

Expand the Philippine Experience Program.

The Philippine Experience Program: Culture, Heritage and Arts Caravans will be expanded to cover more regions. All 16 DOT Regional Offices are in the process of designing their cultural tourism circuits and are set to launch their Philippine Experience packages until July 2024.



Creativity and innovation in services value proposition strengthened

Sustaining and scaling up the implementation of the PCIDA. Building on the momentum initiated in the implementation of PCIDA, DTI will continue to intensify its efforts in implementing these transformative programs and extend their impact and accessibility across more regions, creative communities, Filipino creatives, and aspiring talents. Moving forward, DTI plans to especially focus in expanding the network of creative and innovation centers, building additional creative learning hubs, enhancing financing support to creative industries, especially MSMEs and freelancers, and implementing other programs that are tailored to meet their capital, innovation, and training requirement, fortifying their capacity to innovate and grow at the global level.

Formulate and promulgate the Implementing Rules and Regulations (IRR) of the Internet Transactions Act (ITA) of 2023.

The IRR of the ITA is expected to be formulated by the committee headed by the DTI and composed of representatives from the Department of Information and Communications Technology, the National Privacy Commission, Department of Agriculture, Department of Health, Bangko Sentral ng Pilipinas, and other relevant government agencies in the first quarter of 2024. The promulgation of the IRR is deemed crucial to ensure clear and transparent implementation of the provisions of the ITA.

Implement the 5-year National Talent Development Program for the IT-BPM Industry 2024-2028.

To continue the development of skills necessary to be more competitive globally, the government and the private sector signed the Statement of Commitment to implement a 5-year talent development program. In collaboration with the private sector, activities will be undertaken focusing on four key areas: talent development, marketing and promotion, talent hub, and policy and regulatory support. Moreover, the implementation of the Philippine Digital Workforce Act and its IRR will pave the way for more upskilling programs of the government in collaboration with the IT-BPM sector.

Institutionalize the PCESA. Within the next two years, the PSA plans to achieve regular generation of data on the creative economy by institutionalizing the compilation of the PCESA, subject to the approval of the PSA Board and provision of budgetary support. Future activities will include the holding of focus group discussions, reviewing and firming up of the classification system, and the development of survey instruments. Further,

the PSA is also planning to institutionalize the compilation of the Philippine Digital Economy Satellite Accounts that would measure the contribution of digital transactions in digital-enabling infrastructure, e-commerce and digital media/content to the economy.

Mainstream the role of creatives industries.

In the coming years, the DCP aims to conduct a nation-wide campaign on the National Design Policy towards a whole-of-nation understanding of design in identifying design-led industry transformation areas. This initiative also seeks to establish complementary roles of the public and private sectors in providing opportunities for the implementation of nationwide strategies in supporting the Philippine Design Industry.



Inter-sectoral linkages enhanced

Improve physical connectivity to provide seamless travel.

For its 2024-2025 plans, MARINA will conduct feasibility studies on other routes for coastal and inland waterways transportation system that can serve as alternative modes of transportation to decongest land traffic in highly urbanized cities in the country. MARINA will also conduct the profiling of Tourist Destination Areas (TDA) as part of the initiatives to promote inter-island cruise tourism.

Provide investment opportunities to facilitate initiatives to improve physical connectivity.

In the next two years, MARINA is expected to implement Route Rationalization of the Philippine nautical highway routes using the Maritime Route Rationalization and Information System (MARRIS). The system allows prospective investors to undertake

market studies for the opening of new shipping routes in domestic shipping. The full implementation of the amended Public Service Act is also expected to increase private sector participation in domestic shipping and shipbuilding.

Fully implement the 3-year Food Logistics Action Agenda 2023-2026.

To enhance the country's food distribution system and reduce transport and logistics costs, and ensure food supply chain efficiency, the DTI formulated the 3-year Food Logistics Action Agenda 2023-2026. The action agenda covers six strategies: (a) revolutionize the Philippines' food distribution system; (b) reduce transport and logistics costs; (c) increase investments in logistics infrastructure; (d) address other supply chain gaps; (e) heighten enforcement measures against hoarding, smuggling, and overstaying food imports; and (f) use ICT to improve logistics performance.



DOST develops smarter solutions through advance Research and Development, Technology, and Innovation for maximum economic and social benefits for the people.

Photo Credit: DOST

Section 2.3.4

Advance Research and Development, Technology, and Innovation

Introduction

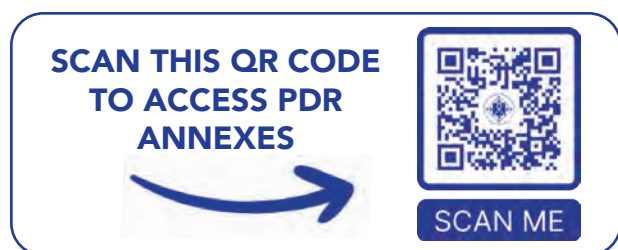
Research and development, technology adoption, and innovation are critical to transforming our productive sectors, creating competitive products, and producing quality jobs. Recognizing this, the PDP 2023-2028 articulated strategies that would provide an enabling environment for R&D, technology, and innovation to thrive in the country and strengthen collaboration among the government, industry, and the academe. The goal is to establish an ecosystem that generates research outputs that will not only contribute to expanding the body of knowledge but also produce useful technologies and innovations that have a positive impact on society.

On the third year of the implementation of the Philippine Innovation Act, the National Innovation Council (NIC) was joined by its seven executive members representing the academe, the scientific community, the business, and the MSME sectors. This representation in the NIC underscores the importance of collaborative efforts of the academe, government, and industry in advancing innovation as a vital component of the country's development.

Through the efforts of the NIC and the country's innovation champions this year, the foundation was established for a concerted effort by all sectors to encourage innovation and foster a dynamic innovation ecosystem. Continuing and expanding the work started this year will be the way forward to advance research and development, technology, and innovation in the coming years.

Strategy Framework

The strategy framework illustrates the areas of focus in the R&D, technology, and innovation generation continuum. It identifies the four desired outcomes: (a) basic R&D and knowledge creation strengthened; (b) market-driven and customer-centered R&D advanced; (c) technology adoption, utilization, and commercialization scaled up; and (d) innovation and entrepreneurship accelerated.



Major Programs, Activities, and Projects



Basic R&D and knowledge creation strengthened

Capacity-building activities in R&D institutions are being conducted to increase the quantity and develop the quality of the human capital that can produce research. As part of the government's efforts to strengthen basic R&D and knowledge creation, the Department of Science and Technology (DOST), under the Science for Change Program (S4CP), implemented the RDLead Program to strengthen the R&D capabilities of higher education institutions (HEI), research and development institutes (RDI), and national government agencies (NGA) towards undertaking more impactful research activities and projects. For FY 2023, three RDLead

projects were funded with a budget of PHP1.74 million. Currently, the National Research Council of the Philippines (NRCP) is implementing the second iteration of RDLead, called the Enhanced Research and Development Leadership to Foster an Inclusive Research Ecosystem (RDLead FIRE) under the DOST Grants-in-Aid (GIA) Program with a three-year implementation period from July 2023 to June 2026.

The DOST has also been instrumental in supporting Filipinos pursuing Doctor of Philosophy degrees with a total of 2,352 PhD graduates benefitting from its funding since 2016. For 2023, the scholarship programs under the Science Education Institute of the DOST produced a total of 262 PhD graduates.



Market-driven and customer-centered research and development advanced

Holistic approaches to curriculum are driving the shift towards market-driven R&D and generation of technology and innovations. The Batangas State University (BatStateU) launched its technopreneurship program to build entrepreneurship and innovative mindset among its students and faculty members and eventually bring university research outputs to the market. The program is being piloted by engineering, computer science, and information technology students. The program includes activities that motivate students to hone their ideas, conduct technology pitches to an external panel, showcase their minimum viable products, and build their own startups.

BatStateU's technopreneurship course is part of the memorandum of understanding (MOU) between the Commission on Higher Education (CHED) and PhilDev to integrate

technopreneurship courses in engineering programs. In support of this MOU, CHED issued Memorandum Order No. 57, s. 2016, providing the Implementing Guidelines for the Engineering Faculty Training on Technopreneurship 101 to enable and capacitate the engineering faculty to teach topics on entrepreneurship, building confidence, taking risks, and making industry connections.

Public-private collaborations facilitate the improvement of R&D outputs to be more competitive and market-ready.

The DOST through its Collaborative Research and Development to Leverage Philippine Economy (CRADLE) and Industry Level CRADLE (i-CRADLE) programs under the S4CP strengthened the partnership among the academe, RDIs, and private companies and businesses by undertaking research and development to improve the company's products, processes, and services and become more competitive in their respective industries.

Beneficiary companies were required to provide at least 20 percent counterpart funding under CRADLE – and at least 40 percent for those under i-CRADLE – and commit to adopting the technology that will be developed. For 2023, the DOST approved 24 projects under CRADLE and three projects under i-CRADLE amounting to PHP54.27 million and PHP13.60 million, respectively.



Technology extension, adoption, utilization, and commercialization scaled-up

Funding support to pre-commercialization and commercialization activities boosts the market readiness of technologies and innovations. The DOST's Technology

Innovation and Commercialization (TECHNiCOM) Program, through DOST's Technology Application and Promotion Institute (DOST-TAPI) has provided financial grants and technical assistance to eligible researchers to support pre-commercialization activities, including refining and optimizing their technologies for eventual market launch since 2013.

For CY 2023, the TECHNiCOM Program approved six projects, all of which received approval for financial grants amounting to a total of PHP24,180,987.54 becoming valued beneficiaries of a growing portfolio of innovations expected to grace the market in the years to come. The program will continue to provide technical and funding assistance to eligible beneficiaries in enhancing the Technology Readiness Levels of their research outputs towards commercialization.

Enhancing intellectual property (IP) management of RDIs and academic institutions facilitates the protection of valuable IP assets before commercial launch.

The protection of IP assets is vital to ensuring that researchers and innovators will also benefit from the commercialization of their IPs. The DOST's Knowledge and Technology Transfer Office - IP Management Program for Academic Institutions Commercializing Technologies (KTTO-IMPACT) Program provides funding support to universities to build their capacities for disclosure and protection of IPs, technology licensing, and establishment of startups and spin-offs

IPOPHL developed a network of 85 ITSOs composed of higher education and research development institutions which seeks to foster creation, protection and utilization of IP in the academe and research sectors, particularly in invention, industrial designs and utility models, to increase the national innovative output and

push the presence of Filipino inventions in the international patent system. Likewise, ITSOs were set up to strengthen and support micro, small, and medium enterprises (MSME) within its community as the ITSOs extend technical assistance to MSMEs and local inventors as regards trademark and patent searches as well as drafting of patent, utility model, and industrial design documents.

Similarly, the Philippine Science High School System (PSHSS) also implemented Developing Technology Transfer Capacity of the PSHSS Project on June 1, 2023 and will run up to May 31, 2025. This project aims to train STEM research staff and students on technology transfer management to facilitate applications, protection, and commercialization of intellectual properties generated from scholar- and teacher-generated research outputs. Through this project, the PSHSS facilitated a total of 247 IP applications as of December 31, 2023 for research outputs of its scholars and teachers.

The government leverages the products and services generated from publicly funded R&D. DOST's Food and Nutrition Research Institute (DOST-FNRI) started to forge partnerships with governments and MSMEs to commercialize food technologies, such as ready-to-eat (RTE) food packs for calamity preparedness and nutritious food products for government feeding programs. Through the commercialization of these technologies, the government aims to provide entrepreneurs with income opportunities from new product lines while contributing to efforts in addressing nutrition issues such as malnutrition and stunting among children.



Innovation and entrepreneurship accelerated



The NIC steers the country towards improved innovation governance through the formulation and approval of the National Innovation Agenda and Strategy Document (NIASD) 2023-2028.¹

Anchored on the broad strategies from the PDP 2023-2028, the NIASD presents the strategies and priority areas to support the establishment of a dynamic innovation ecosystem, through the governance levers such policy, infrastructure, programs, and financing. Following its approval, the NIC raised awareness of the NIASD through regional roadshows and gathered the commitment of stakeholders and local planners to actively support its implementation. The Regional R&D and Innovation Committees (RRDIC) of the Regional Development Councils (RDC) have also started to align their workplan, projects, and policies with the goals and strategies espoused in the NIASD.

¹ <https://neda.gov.ph/niasd-2023-2032>

Innovation-related programs, projects, and activities are being supported through the provision of the Innovation Grants.

The Fiscal Year (FY) 2023 GAA, under NEDA Special Provision No. 5, authorized PHP100 million to be used for the provision of grants for innovation-related programs, activities, and projects. The NIC-Executive Technical Board approved 25 innovation proposals from various state universities and colleges (SUC), local government units (LGU), and national and regional line agencies. Currently, fund transfer is being facilitated by the NIC Secretariat with the recipient agencies.

Results Matrix

Global Innovation Index (GII) ranking improved. The Philippines ranked 56th among the 132 economies included in the 2023 GI report. This rank is three notches higher than the previous year's ranking (59th) and one notch higher than the 2023 PDP target (57th). In the same report, the Philippines also improved its ranking in the Academe-Industry-Government R&D linkages, moving from 64th to 57th in rank and five notches higher than the PDP target for 2023.



President Ferdinand R. Marcos, Jr., as the Chair of the National Innovation Council, together with representatives from the government, diplomatic community, development organizations, private sector, MSMEs, startups, LGUs, and the academe, leads the launching of the National Innovation Agenda and Strategy Document (NIASD) 2023-2032.

Ways Forward

With the ongoing implementation of the Philippine Innovation Act and the NIC spearheading the efforts for policy coherence and coordinated efforts for innovation, the government will continue to provide an environment conducive to foster innovation, creativity, and entrepreneurship.

Moving forward, by implementing the priority strategies, the government will nurture an enabling environment for research and development and technology adoption and foster a dynamic innovation ecosystem that not only promote collaboration among the government, academe, and industry but also encourage and sustain innovation in the country.

Priority Strategies



Strengthen basic R&D and knowledge creation

Review university policies and key performance indicators for faculty to encourage more R&D activities. The SUCs through the Commission on Higher Education (CHED) should allocate at least nine hours per week of faculty time for research in order to increase research productivity and quality and engender a research culture in universities. Operationally and for efficiency, this allocation may be first accorded to faculty members who possess the skills and aptitude to conduct and manage research.

Enact reforms in education and training programs to promote a culture of innovation.

The Department of Education (DepEd) will implement a concerted and seamless effort at the basic education level to steer learners towards the STEM track and provide the environment to kindle and sustain interest in STEM. TESDA will also include upskilling and reskilling programs for STEM-related work in its TVET programs. In higher education, CHED will ensure that the TES will favor students in STEM tracks rather than spreading out the tuition subsidy for all public college students, where nearly 85 percent are in non-STEM programs.



Advance market-driven and customer-oriented R&D

Integrate industrial design, creative arts, and social sciences with science and technology.

Aside from technopreneurship, DepEd and CHED shall seamlessly integrate industrial design into basic and higher education curricula. The government and academic institutions shall support collaborations among design experts and scientific, social, and creative talents to bring out new perspectives on the use and development of user-centric and market-driven products and services.

Develop exchange programs and provide avenues for academe-industry-government collaboration.

NIC member agencies, specifically the lead agency for each priority sector identified in the NIASD, will continue to encourage partnerships between academic institutions and industries to align R&D efforts with market needs. The government shall conduct programs and R&D conferences to align the needs of the industry with the capacities and initiatives of the academe and RDIs.

Establish knowledge management and market information systems to improve the value of R&D outputs.

The NIC, in collaboration with DICT, DepEd, CHED, IPOPHL, and TESDA, shall develop platforms that will help researchers access existing knowledge products and market intelligence to refine R&D outputs into more demand- and customer-oriented products and services.



Scale-up technology adoption, utilization, and commercialization

Advocate and streamline procedures of IP protection and management.

The IPOPHL shall continue to implement programs that promote the registration of IPs, increase awareness on the value of IP, increase the number of professionals providing quality IP services, and strengthen the laws for IP enforcement. The NIC shall assess the condition of the country's IP ecosystem and identify policy recommendations for promoting IP-backed financing to enable researchers and innovators to use their IP to access financing and loan facilities.

Formulate the framework for technology transfer of publicly funded R&D outputs.

The NIC, in coordination with DOST and other public RDIs, shall formulate a framework to standardize and identify the most effective modes of technology transfer for publicly funded R&D outputs. This framework shall also include skills and competency requirements for technology transfer and business development offices, specifically on IP management and valuation.

Establish agile regulatory standards and policies for innovative products and services at the early stage of commercialization. The NIC, in collaboration with DTI, DOST, DICT, and

DOF, shall review and develop a framework and priority plan to implement regulatory sandboxes for innovative products and services. Regulatory frameworks shall also be reviewed to promote a conducive business environment that reduce barriers to entry of firms with innovative technologies and to ensure policies are responsive to the changing needs and demands of digital and emerging technologies for commercialization.



Accelerate innovation and entrepreneurship

Mainstream innovation in national and local development planning and programming.

The NIC shall strengthen its presence at the regional and local level by closely coordinating with the RRDICs and Regional Inclusive Innovation Centers (RIIC). It shall also enact policies that will institutionalize strategic foresight in planning, establish innovation units in national and regional-line agencies, and integrate innovation as an indicator in the assessment of public sector performance (e.g., Key Performance Indicators, Seal of Good Local Governance for LGUs). The NIC will also gather innovation champions from government, academe, and industry to implement strategies across priority sectors. The NIC shall also implement a Program Convergence Budget (PCB) for Innovation to harmonize innovation-focused PAPs by optimizing public spending and aligning efforts towards the goals set in the NIASD 2023-2032. To complement the implementation of PCB and NIASD, the NIC will formulate the National Innovation Monitoring and Evaluation Matrix (NIMex) that shall serve as a tool to monitor the progress and performance of the country's innovation policies and programs.

Enhance access to financing through the Revolving Fund-Innovation Fund.

In accordance with Section 21 of the Philippine Innovation Act, the NIC will continue to administer the Innovation Fund, from which grants will be issued, to strengthen entrepreneurship and enterprises engaged in developing innovative solutions benefitting the poorest of the poor.

Enact policies that will address barriers to innovation.

The government shall review and amend existing policies that delay publicly funded R&D, technology adoption, and innovation projects, including procurement procedures that prevent innovative startups and enterprises in participating in the government bidding activities. The NIC will also use the results of the scoping study on barriers as evidence in enacting policies that will streamline transactions and encourage activities in the innovation ecosystem.

Stimulate private sector and international funding support for R&D, technology, and innovation-related PAPs.

The NIC, in collaboration with concerned agencies, shall lead in mapping potential local and foreign partners for funding and investments in innovations. STI diplomacy shall be proactively promoted to encourage joint R&D and investment activities and to increase access to bilateral and/or multilateral funds to support innovation programs, projects, and activities.

Develop standards for the establishment of innovation hubs in strategic locations.

The NIC, through the DOST, DTI, and DICT, shall assess the state of existing innovation hubs in the country and formulate the corresponding standards for the establishment and management of such innovation infrastructure and equipment. These standards will provide innovation actors with more information on the accessibility and availability of information and communications technology (ICT) infrastructure and digital platforms, especially in remote and underserved areas.



CHAPTER 3

PROMOTING SOCIAL DEVELOPMENT AND TRANSFORMATION

By 2028, Filipinos are envisioned to live long and healthy lives in decent communities with plenty of opportunities for high-quality lifelong learning so they can develop into healthy, smart, and innovative people. These communities should enable Filipinos to receive guidance on making healthy decisions; have equitable and secure access to quality healthcare and nutritious food; and secure access to social protection services. Transformative lifelong learning opportunities and enhanced income-earning abilities are also instrumental in developing the capabilities of families and leading all Filipinos to achieve their full potential to keep pace with the envisioned socioeconomic transformation.

Moving forward, to mitigate the risks of demographic dividend and learning losses brought about by the COVID-19 pandemic by 2028 and to secure a *matatag, maginhawa, at panatag na buhay* for all Filipinos by 2040, the implementation of the following major PAPs will be prioritized for 2024-2025: (a) school-based feeding program; (b) Philippine Credit Transfer System; (c) industry Technical Vocational Education and Training boards; (d) school-based management policy; (e) smoke-free and vape-free communities; (f) Urban Biodiversity Program; (g) *Pambansang Pabahay Para sa Pilipino* (4PH) Program; and others.

Subchapter 3.1

Advancing Universal Healthcare and Nutrition



Deployment of human resources for health in priority areas of need through the Department of Health National Health Workforce Support System to improve access of Filipinos to quality health services.

Photo Credit: Department of Health

Section 3.1.1

Boost Health

Introduction

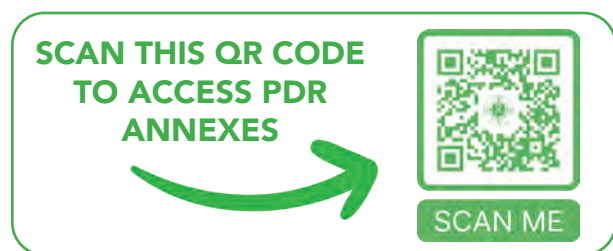
Filipinos aspire for a better health care experience, from access to efficient health services to settings that foster healthy choices. The government continues to advance the implementation of the Universal Health Care (UHC) Act, while fostering strategies to recover and rebuild the country from the COVID-19 pandemic. The collective efforts of the public and private sectors contribute to the attainment of the overall goal of ensuring that all Filipinos are healthy. Several health reforms through laws and plans were passed, such as the Regional Specialty Health Centers Act (RA 11959), Philippine Health Facilities Development Plan (PHFDP) 2020-2040, National Human Resources for Health Master Plan (NHRHMP) 2020-2040, and the Healthy Communities Framework.

However, the effective implementation of these critical reforms is faced with challenges, such as poor horizontal and vertical coordination and wide disparities in health investments at the local level.

Strategy Framework

Geared towards recovery from the effects of the COVID-19 pandemic, the government focuses its efforts to further improving health outcomes for individuals and communities. This must be done by implementing strategic actions aligned with the following outcomes: (a) social determinants of health improved; (b) healthy choices and behavior enabled; (c) access, quality and efficiency of health care improved; and (d) health systems strengthened.

The Department of Health (DOH) steers the health sector and its partners to achieve better health outcomes, stronger health systems, and access to all levels of care by emphasizing primary health care, leveraging digital health and technology, ensuring health systems, and promoting healthy settings, among other things.



Major Programs, Activities, and Projects



Improving social
determinants
of health

Facilitating improved social determinants of health. Recognizing the connection between health promotion and social determinants of health, the DOH formulated the Healthy Communities Framework to enable improvement in social determinants of health in various settings. These healthy settings are promoted in communities, schools, and workplaces, where there are 83 identified communities, 995 DepEd learning institutions, and 23 pilot workplaces. In addition, the DOH Interagency Committee on Environmental Health facilitated the drafting and approval of the National Environmental Health Action Plan 2030, which contributes to achieving improved social determinants

of health through environmental health strategies, including ensuring access to safe water and basic sanitation, and optimal solid waste management.



Enabling healthy
choices and behavior

Advocating healthy choices and behavior.

Social and behavioral change communication strategies advocating minimum public health standards and vaccination campaigns during the pandemic garnered significant public support in the overall response against COVID-19. Since then, the DOH has been advocating various health campaigns, such as Seven Healthy Habits;¹ to promote healthy behavior through information, education, and communication materials; media fora; and extensive use of social media.



Improving access,
quality, and efficiency
of health care

Providing sustainable and equitable health infrastructure through the Health Facilities Enhancement Program (HFEP). The HFEP continues to prioritize the construction and upgrading of health facilities in high-need areas. To increase support for its implementation, the Office of the President issued Memorandum Circular No. 26, "Adopting the PHFDP 2020-2040" to enjoin the national and local governments to support the implementation of the Plan. Currently, HFEP has 3,561 construction, rehabilitation, and repair projects of barangay health stations, rural health units, hospitals, polyclinics, DOH hospitals, and other health care facilities nationwide.

¹ Diet and physical activity, vaccination, mental health, sexual reproductive health, environmental health, substance use, and doing no harm and putting safety first

Maintaining the National Health Workforce Support System (NHWSS).

To secure adequate and equitable human resources for health (HRH), linkages and partnerships between the national and local governments were intensified, including the strategic deployment of competent HRH in priority areas. Through NHWSS, a total of 20,792 HRHs were deployed which contributed to attaining a ratio of 19 HRHs per 10,000 population. A total of 201 identified doctorless municipalities were given 548 rural health physicians through the Doctors to the Barrio Program.



Strengthening health systems

Leveraging digitalization and private sector participation for improved health service delivery.

With its expanded use during the COVID-19 pandemic, the Telemedicine Program provided Filipinos easier access to health services through online consultations offered in public and private health facilities. A total of 198,057 telemedicine consultations were conducted from July 2022 to June 2023 which helped address crowding in hospitals and other health facilities.

Institutionalizing the Special Health Fund (SHF) in local health systems.

The implementation of the SHF under the Local Health System Development and Assistance Program ensures that health resources intended for financing population- and individual-based health services are pooled in the local health systems to facilitate strategic purchasing of health services, commodities, and health system operating costs. To guide the local health systems in setting up SHF, several policies for the use and management of the fund were issued by national government agencies such as the DOH, the Department of Budget and Management, and the Commission on Audit.



Cross-cutting strategies

Initializing the implementation of the Primary Care Benefit Package under the National Health Insurance Program.

Widely known as the *Konsultasyong Sulit at Tama* (*Konsulta*) Package, this benefit package aims to provide all Filipinos access to primary health care (PHC) services to reinforce better health-seeking behavior from curative to preventive care. Part of its initial implementation is the accreditation of providers and registration of members, wherein a total of 2,161 *Konsulta* providers were accredited to cover primary care services for 17 million registered unique beneficiaries.



Presence of *Malasakit Center* in a hospital that serves as one-stop shop of PhilHealth, Philippine Charity Sweepstakes Office, and the Department of Social Welfare and Development to provide indigent beneficiaries medical and financial assistance.

Photo Credit: DOH

Results Matrix

The scarring effects of the COVID-19 pandemic in the health sector persists. For example, the disruption in the delivery of health services, particularly the provision of essential health services for non-communicable diseases (NCD) led to delayed diagnosis, faster disease progression, and higher excess mortality due to NCDs.²

2 [https://www.thelancet.com/journals/lanwpc/article/PIIS2666-6065\(23\)00113-X/fulltext](https://www.thelancet.com/journals/lanwpc/article/PIIS2666-6065(23)00113-X/fulltext)

Boosting Health. In the first year of implementing strategies in the PDP 2023-2028, the country's health data revealed that we are still recovering from the pandemic. For instance, the number of deaths increased with the maternal mortality ratio (per 100,000 live births), increasing from 144 in 2020 to 154 in 2023 while the premature mortality rate attributed to cardiovascular disease, cancer, diabetes, and chronic respiratory diseases (per 1,000 population) increased from 4.6 in 2020 to 5.7 in 2023. The death rate due to road traffic accidents (per 100,000 population) also increased from 8.0 in 2020 to 10.0 in 2023. This trend is observed to be regressing to the pre-pandemic level of 12.0 deaths in 2019, coinciding with increased mobility due to removal of quarantine restrictions in the country. Other data on mortality, such as neonatal, infant, and under-5 mortality rates (per 1,000 live births), are not yet available pending the conduct of the next round of the National Demographic and Health Survey.

Improving access, quality, and efficiency of health care. For health facilities, the percentages of provinces with adequate bed-to-population ratio decreased from 33.3 percent in 2021 to 28.4 percent in 2023, while health facilities with adequate primary care facilities increased slightly from 20.9 percent in 2021 to 22.2 percent in 2023.

Strengthening health systems. On the percentage of functional regional and local epidemiology and surveillance units, the actual accomplishment only captured up to the regional data at 44.12 percent.

Ways Forward

The country needs to accelerate the realization of the UHC that builds on a PHC-oriented health system. Efforts should be sustained in addressing lessons learned from the COVID-19 pandemic, such as the critical role of developed PHC, adequate health facilities, and strengthened health system resilience in large-scale health emergencies, complemented with adequate and equitable HRH to carry out services at the different levels of health care.

Priority Strategies



To improve social determinants of health

Sustain multisectoral and multistakeholder approaches to health. The government must strengthen inter-agency collaborations to address the social determinants of health. These collaborations include sustained efforts in education, nutrition, and water, sanitation, and hygiene. Considering the increasing incidence of human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) among the youth and to address early pregnancies, the DOH and the Department of Education must maintain a strong partnership in the implementation of the Comprehensive Sexuality Education in accordance with the Responsible Parenthood and Reproductive Health Law. The National Nutrition Council and the Interagency Committee on Environmental Health must likewise lead in setting the direction and ensuring the implementation of the Philippine Plan of Action for Nutrition 2023-2028 and the National Environmental Health Action Plan 2030, respectively.

The DOH must also continue engaging with the local government units (LGU) to create healthy settings in communities, schools, and workplaces, as guided by the National Health Promotion Framework Strategy. Recognizing that non-medical factors play a significant role in affecting health outcomes, healthy

communities may activate local committees in the LGUs to track their performance in improving social determinants of health, such as access to safe water, basic sanitation, and nutrition.



To enable healthy choices and behavior

Increase health promotion reach. The DOH, with its partner agencies in the Healthy Communities – Technical Working Group (HC-TWG), will continue to engage LGUs in implementing PAPs to establish healthy communities. The HC-TWG will maintain extensive health promotion activities through social media. The DOH must also leverage other technologies, such as mobile applications, short message service, and chatbots, that can provide accurate information on health. For example, the Healthy Pilipinas social media campaign promotes disease prevention measures against tuberculosis (TB), HIV/AIDS, and NCDs. The LGUs may also develop and harness these technologies for health promotion initiatives in their respective localities, such as promoting the use of open public spaces and encouraging physical activities for an active lifestyle. Moreover, LGUs will continue the implementation of strategies to increase health literacy through community activations and empowerment, such as the *Biyaheng Kalusugan* campaign.



To improve access, quality, and efficiency of health care

Accelerate the full implementation of primary health care. PHC is considered the foundation and primary pathway to the UHC. The *Konsulta* Package is still in the early stages of implementation by accrediting providers and registering beneficiaries. The DOH-Centers for Health Development (DOH-CHD) must closely coordinate with the LGUs to accelerate the implementation of PHC. This will be done by providing continuous technical assistance in establishing primary care provider networks. This network will ensure that individuals receive appropriate, continuous, and effective primary health care. Moreover, LGUs are enjoined to intensify their promotion of the *Konsulta* Package to increase the number of registered beneficiaries.

Konsulta also covers select drugs and medicines, as part of its outpatient benefit package. DOH and the Philippine Health Insurance Corporation (PhilHealth) must expand the list of covered medicines to ease out-of-pocket spending on accessing medicines. Further, PhilHealth must also roll out its complementary program to ensure access to medicines, such as Guaranteed Accessible Medications for Outpatient Treatment.

Improve the supply and deployment of adequate and equitable human resources for health. To secure sustainable and equitable distribution of human resources for health, the DOH must continue to establish strong partnerships with other national government agencies and stakeholders for HRH. For instance, the DOH and the Commission on Higher Education must promote medical scholarship programs for doctors, nurses, and other HRH, such as medical technologists, pharmacists, and midwives. Moreover,

the Human Resources for Health Network must be more responsive in implementing strategies outlined in the NHRHMP 2020-2040, particularly in establishing the National Health Workforce Registry.

Provide an integrated package of health care delivery system across life stages.

Accessibility of gender- and culture-sensitive health care services across the life stages and different levels of care, providing integrated packages of health, nutrition, immunization, family planning, TB, HIV/AIDS, and adolescent health services, will continuously be pursued. The DOH, together with the members of the Philippine National AIDS Council, must harmonize efforts under the Prevent, Treat, Protect, Strengthen, and Sustain strategic pillars while fostering actions that address the stigma and discrimination among key and vulnerable populations, including adolescents and pregnant women. To address the continuous high prevalence of TB, the National Coordinating Committee for TB must pursue a multisectoral approach in implementing the Philippine Acceleration Action Plan for TB 2023-2035.



To strengthen health systems

Establish digital health. The UHC Act directs all public, private, national, and local health entities to submit health-related data to PhilHealth. The DOH must roll out its National eHealth Strategy to guide national, local, and private partners' digital eHealth initiatives in supporting the UHC. PhilHealth's National Health Data Repository will include electronic medical records, health commodities prices, and other health-related data to integrate and harmonize existing health information systems. This repository will ensure that cybersecurity and data governance measures are employed.



President Ferdinand R. Marcos, Jr. visits the beneficiaries of the *Kadiwa ng Pangulo* program.

Photo Credit: Department of Agriculture-AMAS

Section 3.1.2

Ensure Food Security and Proper Nutrition

Introduction

The government has instituted key reforms to manage food inflation amid the current and emerging global and domestic threats to food security, including anticipatory mechanisms such as proactive monitoring of price trends and analysis of the supply-demand situation of key commodities. Strategic and timely support to farmers and fisherfolk also helped lessen the effects of economic shocks and natural hazards on local food production while reducing market layers and hastening food distribution along the supply chain. However, the current El Niño episode and extreme weather events; crop pests and animal diseases such as African Swine Fever (ASF); geopolitical tensions; and trade restricting policies of major food exporting countries continue to place upward pressure on food prices and affect the country's achievement of food security and nutritional outcomes.

The Inter-Agency Committee on Inflation and Market Outlook (IAC-IMO)¹ operationalizes a concerted and holistic approach to mitigating risks and uncertainties in food supply. This involves harnessing digital and satellite-based technologies to gather near real-time information for enhanced decision-making. Consistent with their devolved mandates under the Local Government Code, the involvement of local government units (LGU) will be critical to strengthening the implementation of food security and nutrition programs.

Strategy Framework

To ensure food security and proper nutrition, the government and private sector stakeholders will intensify their collective efforts in (a) attaining sufficient and stable supply of food commodities; (b) expanding the access of consumers to affordable, safe, and nutritious

¹ Created by Executive Order (EO) No. 28 issued on May 26, 2023, the IAC-IMO serves as an advisory body to the Economic Development Group on measures that would keep inflation within the government's target range. It closely monitors the main drivers of inflation and the supply-demand outlook for essential commodities and provides recommendations on interventions to curb price spikes.

food; and (c) improving nutrition across all ages. Targeted interventions to raise productivity in the agriculture, fisheries, and forestry (AFF) sector (see Section 2.3.1) and keep food prices within the reach of consumers will be bolstered. The government will expedite the distribution of food commodities to markets and leverage digital marketing platforms while strategically safeguarding food safety and curbing anti-competitive practices and price manipulations. Likewise, it will expand research and development (R&D), innovation, and advocacy campaigns to promote healthy lifestyles and health-seeking behaviors, alongside multisectoral nutrition services across all ages.

SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES



SCAN ME

Major Programs, Activities, and Projects



Sufficient and Stable
Supply of Food
Commodities Attained

The government remains committed to delivering productivity-enhancing interventions to boost the local supply of key commodities and engaging LGUs and private sector stakeholders to diversify food supply sources. The Department of Agriculture (DA), through its commodity banner programs,² continues to provide production support,

extension, education and training services, irrigation, and agricultural equipment and facilities to eligible farmers and fisherfolk (see Section 2.3.1). The Bureau of Fisheries and Aquatic Resources (BFAR) is likewise actively engaging relevant agencies and LGUs to fully operationalize 12 Fisheries Management Areas³ across the country. Under the National Urban and Peri-Urban Agriculture Program, the DA (a) expanded urban agriculture projects in collaboration with different organizations like SM Supermalls, SM Foundation, Inc., and Latter-day Saints Charities; (b) distributed lowland/highland vegetable seeds, planting materials, and fertilizers to various individuals/groups; and (c) established technology demonstration sites and production facilities, among others.



Rice farmers benefitting from DA-established drying facilities.

Photo Credit: Department of Agriculture-PhilMech

Market-related systems have been developed for real-time monitoring of food supply and commodity prices, including the *Bantay Presyo* Monitoring System (BPMS) and the Trading Post Commodity and Volume Watch (TPCVW) of the DA that collect data on the prevailing price of key agricultural commodities in select markets and trading posts. The BPMS already covers 261 markets across all regions. Meanwhile, satellite-based technologies, such as the Philippine Rice Information System (PRISM) and Smarter Approaches to Reinvigorate

2 National Rice Program, National Corn Program, High Value Crops Development Program, National Livestock Program, National Fisheries Program, National Organic Agriculture Program, National Urban and Peri-Urban Agriculture Program, and Halal Food Industry Development Program

3 Established by virtue of Fisheries Administrative Order (FAO) No. 263-2019.

Agriculture as an Industry in the Philippines (SARAI) of the DA and the Department of Science and Technology (DOST), respectively, are also being employed to generate more frequent production and other relevant data for key commodities, such as rice, corn, and sugar.

The IAC-IMO took decisive steps to streamline and improve trade regulatory measures and utilize existing market-related systems as part of anticipatory mechanisms against supply and price shocks. Through its Subcommittees on Food Inflation and Non-Food Inflation, the IAC-IMO developed a unified inflation monitoring dashboard for up-to-date tracking and assessment of price and supply-demand trends in the local and international markets. This dashboard will utilize the PRISM and the SARAI to collect data and better inform the production forecasts for key food commodities. The Committee also became the platform to (a) fast-track the review and rationalization of overlapping and redundant non-tariff measures; and (b) improve the efficiency of implementing critical non-tariff measures by providing sufficient investment in human resources and border examination facilities, including the Cold Examination Facility in Agriculture (CEFA).⁴



President Marcos appoints fishing tycoon Francisco Tiu Laurel Jr. as the new Agriculture Secretary on November 3, 2023.

Photo Credit: Philippine Star



Access of Consumers to Affordable, Safe and Nutritious Food Expanded

The adoption of the Three-Year Food Logistics Action Agenda paves the way for bringing food closer to consumers.

Spearheaded by the Department of Trade and Industry, the Action Agenda contains key measures to ensure food supply chain efficiency, such as (a) revolutionizing the Philippines' food distribution system by upgrading existing food terminals, and establishing additional food hubs in Metro Manila and other strategic areas; and (b) integrating food terminals to strengthen market linkage and streamline the supply chain standards and processes; and (c) heightening the monitoring of warehouses or cold storage facilities and enforcement measures against hoarding, smuggling, and overstaying food imports. Meanwhile, the Food Lane Accreditation Project of the DA provides logistical support for more efficient and unhampered delivery and distribution of food from the production areas to markets, especially in Metro Manila. Under this project, 284 trucks were accredited, benefiting 105 sole proprietors, eight farmer cooperatives and associations (FCA), and 34 companies/corporations from January to November 2023.

⁴ The CEFA is a state-of-the-art examination facility (e.g., physical inspections, laboratory diagnostics) for all imported agricultural commodities to prevent the entry of transboundary plant and animal diseases and stem the proliferation of agricultural smuggling.



Kadiwa pop-up stores, located in strategic areas across the country, provide consumers with greater access to fresh and more affordable agri-food commodities.

Photo Credit: Department of Agriculture-AMAS

Kadiwa programs remain a critical link between primary producers and consumers.

The Kadiwa Retail Selling Activities and *Kadiwa ng Pangulo* serve as platforms for farmers and fisherfolk to directly sell their goods to consumers. From January to November 2023, these programs generated a combined sales of PHP684.23 million, benefiting 537 FCAs. Moreover, the Kadiwa Financial Grant Assistance Program provided grants worth PHP322.53 million to 81 FCAs and 60 LGUs to cover their expenses in post-harvest, processing, value-adding activities, and the establishment of Kadiwa stores, among other

Key agencies have made progress in improving food safety and labeling.

Aligned with the forthcoming Food Safety Strategic Plan 2024-2028⁵ priorities, the DA has conducted five science-based studies that led to the formulation of 14 new food safety standards for corn, cassava, pineapple, fish and seafood, and various vegetable commodities.⁶ These standards were adopted and integrated into the technical regulations of Food Safety Regulatory Agencies. Meanwhile, the National Nutrition Council (NNC) commissioned the

development of a Philippine Nutrient Profile Model to categorize food products that are not suitable for marketing to children aged 3 to 12 years. The model may potentially lay the foundation for policies or legislation (e.g., taxation of junk foods) that will promote healthier diets, especially among the youth.



Nutrition Across all Ages Improved

The effective delivery of nutrition-related programs to the community hinges on active engagement with LGUs.

As part of the Philippine Multi-sectoral Nutrition Project, the Department of Health (DOH) and the Department of Social Welfare and Development (DSWD) distributed essential input support and starter packages—such as ICT equipment, primary health care equipment, and nutrition commodities—to 235 target municipalities. In addition, these agencies extended technical assistance to aid the development and enhancement of Municipal Nutrition Action Plans (MNAP) as part of the performance-based grants of the target LGUs.

The implementation of the Philippine Plan of Action for Nutrition (PPAN) 2023-2028 enables more coordinated interventions to reduce all forms of malnutrition.

The PPAN brings together government, private sector, and civil society toward influencing positive nutrition behaviors and practices and providing every Filipino with better access to nutrition and related services. The Action Plan specifically pursues (a) an inclusive life stage approach that recognizes the significance of

⁵ DA targets to finalize and adopt the Food Safety Strategic Plan 2024-2028 in 2024.

⁶ As of November 2023, the following standards were developed: (1) Beef Cattle and Buffalo – Code of Practice – Good Animal Husbandry Practice, (2) Chinese Cabbage – Product Standard – Grading and Classification, (3) Bottle Gourds – Product Standard – Grading and Classification, (4) Live, Fresh Chilled and Fresh Frozen Crabs, Product Standard, (5) Fresh Chilled and Fresh Frozen Cephalopods – Product Standard, (6) Fresh Chilled and Fresh Frozen Shrimps and Prawns – Product Standard, (7) Biodiversity-Friendly Agricultural Practices – Code of Practice, (8) Model Certificate for Fish and Fishery Products – Guidelines, (9) Cabbage – Product Standard – Maximum Residue, and Limits of Pesticides, (10) Corn – Product Standard – Maximum Residue Limits of Pesticides, (11) Performance Criteria for Methods of Analysis for the Determination of Pesticide Residues in Food and Feed – Guidelines, (12) Design, Operation, Assessment, and Accreditation of Food Import and Export Inspection and Certification Systems – Guidelines, (13) Cassava – Product Standard – Maximum Residue Limits of Pesticides, and (14) Pineapples – Product Standard – Grading and Classification.

nutrition at every stage of life; (b) behavioral change interventions, focusing on food habits, exercise routines, and lifestyle choices; and (c) local government empowerment. Aligned with the PPAN 2023-2028, Local Nutrition Action Plans (LNAPs) and Local Disaster Risk Reduction and Management in Health (LDRMM-H) pinpoint key health and nutrition policies and strategies, catering to diverse forms of malnutrition at the provincial, municipal, and city levels. Furthermore, the integration of nutrition-related indicators into the DOH-LGU Scorecard for Health and the Department of the Interior and Local Government's Seal of Good Local Governance will provide an impetus to further incentivize and strengthen local nutrition initiatives.



PhilMech conducts research on the prevention and control of pests and diseases to ensure the safety of the country's agri-food commodities.

Photo Credit: Department of Agriculture-PhilMech

Dietary supplementation programs for children and pregnant women remain essential for achieving the country's target nutritional outcomes. The *Tutok Kainan* of the NNC is among the major supplementation programs of the government, which aims to improve the (a) quality and quantity of food and nutrient intakes; and (b) utilization of early childhood care and development services among nutritionally at-risk pregnant women and

children in target program areas. In 2023, the *Tutok Kainan* benefitted 8,829 children aged 6 to 23 months in 98 target LGUs. Meanwhile, the DSWD's Supplementary Feeding Program delivered nutritious food and hot meals to 1.9 million children⁷ aged 2 to 4 years old in child development centers and supervised neighborhood playgroups.

Results Matrix

Prices of key commodities surged mainly due to external economic headwinds and the prevalence of pests and animal diseases.

For the full year 2023, the monthly average of food inflation rate reached to 8.0 percent, surpassing the higher-bound food inflation target of 4.5 percent for 2023. Among the major factors contributing to the spike in food prices are the trade-restrictive policies of major exporters (e.g., India's rice export ban) and the risks of El Niño-related supply disruptions in the international market. The continuing tensions between Russia and Ukraine, including the expiration of the Black Sea Grain Initiative (BSGI)⁸ in July 2023, further pose risks to the transportation and distribution of key agricultural inputs such as fuel and fertilizer. Meanwhile, the provinces and cities/municipalities with active ASF cases as of November 29, 2023⁹ rose by 100 and 81 percent, respectively, compared to the beginning of the year.¹⁰ The occurrence of weather disturbances (e.g., typhoons *Egay* and *Chedeng*) and pests (e.g., fall armyworm) also influenced the upticks in food prices.

⁷ As of September 20, 2023

⁸ The Black Sea Grain Deal enabled the resumption of Ukrainian exports of fertilizers and other commodities through a safe maritime humanitarian corridor from three key ports: Chornomorsk, Odesa, and Yuzhny/Pivdennyi.

⁹ Active ASF cases reached 18 provinces, covering 58 municipalities.

¹⁰ Active ASF cases were recorded in 9 provinces and 32 municipalities on January 5, 2023.

Rice stock inventory for emergency and disaster relief is lower than the optimal buffer stock level.

For 2023, the average monthly volume of rice buffer stock for emergency purposes stood at 77,000 metric tons (MT), which is substantially below the 300,000 MT of rice inventory that the National Food Authority (NFA) should maintain at any given time.¹¹ The low rice inventory may be attributed to the elevated palay farmgate price—higher than the mandated NFA buying price¹²—coupled with stiff competition from private traders.

The latest data on nutrition indicators is yet to be released pending the completion of the 2023 Enhanced National Nutrition Survey (ENNS).¹³

11 This level is based on the NFA Buffer Stocking Study, which was approved during the NFA Council meeting on November 22, 2021.

12 For instance, from January to September 2023, the average farmgate price of *palay* stood at PHP19.23 per kg vis-à-vis the mandated NFA buying price of PHP16.00 per kg for wet *palay* and PHP19.00 per kg for dry *palay* during the said period. Effective September 20, 2023, the NFA Council approved the provision of buffer stocking incentives, raising the buying price for wet and dry *palay* to a maximum of PHP19.00 per kg and PHP23.00 per kg, respectively.

13 The data collection is expected to be completed in May 2024, and the survey results are expected to be released between November and December 2024.

Ways Forward

Building on the foregoing interventions, the government will implement more strategic supply- and demand-side measures¹⁴ to overcome emerging and persisting challenges in providing sufficient, affordable, and nutritious food for every Filipino. On the supply side, the government will pursue measures to boost local production, deliver timely and calibrated interventions to diversify food sources, and reduce transport and logistics costs. In addition, it will operationalize the digital and satellite technology-enabled monitoring of supply and price trends. On the demand side, the government will implement strategic R&D and innovation to further improve health-seeking behavior, increase the nutritional content of processed food products, and reduce food waste in households and commercial establishments. LGUs will also be capacitated to ensure the effective implementation of nutrition interventions at the local level.

Priority Strategies



To attain a sufficient and stable supply of food commodities

Expedite measures to improve AFF productivity (see Section 2.3.1). This involves (a) accelerating the development and distribution of production technologies (e.g., precision seeders and transplanters) by tapping the private sector during the development stage; (b) intensifying efforts to contain the spread of pests and animal diseases, especially ASF; and (c) enhancing the delivery of innovative financial products and services to farmers and fisherfolk, among others.

Complete the construction of border examination facilities across the country (i.e., CEFA). Building on the activities conducted this year, the DA will fast-track the establishment and operationalization (with funding and staff complement) of CEFA in appropriate and strategic areas in the country.

Ensure more predictable and transparent issuance of sanitary and phytosanitary import clearance (SPSIC) for all commodities to reduce trade uncertainties. Relevant DA units and bureaus shall continuously issue and approve SPSIC applications to secure domestic food supply. Measures to further streamline administrative procedures related to SPSICs (e.g., reduce redundant documentary requirements) and improve predictability on the importation of agricultural products (e.g., defined number of days/period when SPSICs can be deemed approved) will likewise be pursued. The DA also intends to establish a Regulatory Clearinghouse System, wherein proposed policies and guidelines from relevant DA units will be reviewed to address and prevent conflicting or overlapping regulations. Meanwhile, the Department of Finance, in coordination with the Department of Information and Communications Technology, Anti-Red Tape Authority, and Tariff Commission, will fast-track the onboarding of DA units¹⁵ and other relevant agencies into the TradeNet system¹⁶ to improve the platform's interoperability, eliminate redundant requirements, and facilitate a more seamless and efficient trade transactions, including food importation process.

14 These complement the priority thrusts already embodied in the Philippine Development Plan 2023-2028.

15 The DOF conducts capacity-building activities as part of the 5-stage onboarding process for trade regulatory government agencies in the TradeNet system. Among the DA units covered by the system include the BFAR, Bureau of Agriculture and Fisheries Standards, and Bureau of Plant Industry.

16 The TradeNet is the Philippines' gateway for trade facilitation, serving as the National Single Window or a web-based platform that allows parties involved in trade and transport to store standardized information in a secure, electronic platform to fulfill import, export, and transit-related regulatory requirements. It also provides for an integrated and automated licensing, permitting, clearance, and certification system across regulatory agencies.

Intensify price surveillance activities and proactively implement measures to address shortfalls in domestic food production.

Aligned with the whole-of-nation approach, the government shall conduct rigorous price surveillance activities, including the monitoring of warehouses and cold storage facilities to simultaneously ensure food safety and prevent anti-competitive practices. In times of emergencies and cases of deficit in local food production, the government will carefully consider temporary and calibrated lowering of tariff rates along with increased investments in the domestic AFF sector. These measures form part of a comprehensive strategy to bring sufficient, affordable, and nutritious food to every Filipino while safeguarding the interest of primary producers.

Strengthen buffer stocking of rice for emergencies and disasters by improving the NFA's *palay* procurement. This would involve (a) modernizing post-harvest facilities and increasing drying capacity to increase the procurement of fresh/wet *palay*, (b) improving packaging and prepositioning of stocks, (c) adopting digital technologies to enhance existing database and management information systems, and (d) improving the access of farmers to NFA buying stations.



To expand access of consumers to affordable, safe and nutritious food

Establish dedicated food lanes and seek truck ban exemptions for the distribution of food commodities. To complement the 3-year Food Logistics Action Agenda, the government must establish designated lanes for vehicles transporting agri-food

commodities, exempting them from truck bans on major roads. Beyond reducing the time and costs associated with food distribution, these measures will help mitigate post-harvest losses during transportation. Relatedly, the national government will encourage cities and municipalities to suspend or discontinue the collection of fees imposed on vehicles transporting goods and traversing local public roads pursuant to EO No. 41, s. 2023.¹⁷

Harmonize and ensure the interoperability of existing satellite-based platforms and market-related systems.

Concerned agencies will ensure that existing satellite-based (e.g., PRISM and SARAI of PhilRice and DOST, respectively) and market-related (e.g., BPMS and TPCVW) platforms are interoperable and useful for ex-ante assessment of supply-demand situation of the key commodities, as well as other forecasting analyses needed to mitigate risks and curb price spikes.



To improve nutrition across all ages

Bolster local capacities in delivering nutrition services and programs.

Building on existing mechanisms, the national government agencies will intensify their engagement with LGUs to support and directly participate in the implementation and dissemination of the PPAN. LGUs will be further involved in the DSWD's Food Stamp Program;¹⁸ the DepEd's School-Based Feeding Program; and DOH's monitoring of nutrition interventions in population-based services. Moreover, the government will pursue the establishment of the National Nutrition Training Institute to enhance the capacity of local nutrition officers to effectively implement local nutrition programs.

¹⁷ Prohibiting the Collection of Pass-through Fees on National Roads and Urging Local Government Units to Suspend the Collection of Any Form of Fees Upon All Types of Vehicles Transporting Goods under Section 153 or 155 of RA 7160 or the Local Government Code of 1991.

¹⁸ This program seeks to benefit 3,000 households in its pilot implementation.

Collect localized data on malnutrition for better targeting and monitoring of nutrition interventions.

Data on the incidence of wasting, stunting, and other forms of malnutrition currently relies on the ENNS of the DOST Food and Nutrition Research Institute, which is conducted every 2 to 3 years on a national scale. For better targeting of beneficiaries and evaluation of the effectiveness and impacts of existing interventions, the national government will capacitate LGUs to collect and regularly update data and information on nutritionally vulnerable population.



Cross-cutting Strategies

Speed up the process of developing and commercializing technologies that prolong the shelf-life and enhance the nutritional content of food products.

These include R&D on (a) processing and packaging technologies to slow down oxidation or eliminate microorganisms causing food spoilage, and (b) fortification and genetic modification of commodities to enhance their nutritional content.

Develop a robust communications strategy to ensure coherence in the dissemination of data and information.

To manage consumer expectations and minimize market speculations, the government must maintain consistency and prudence when disclosing data and information on the supply and prevailing prices of key commodities. The government will also strengthen the communication campaigns across government channels to (a) promote practices that minimize food waste (e.g., buying smaller portions and ensuring proper storage), and (b) advocate for healthier diets and lifestyles.

Subchapter 3.2

Improving Access to Quality Education Towards Learning Recovery



The Radio-Based Instruction Program aims to ensure access to quality education for students living in remote areas and for those who have limited access to internet.

Photo Credit: DepEd

Subchapter 3.2. Improving Access to Quality Education Towards Learning Recovery

Introduction

The COVID-19 pandemic brought about challenges and innovations in the education sector. Schools were forced to close and shift to remote learning using printed self-learning modules and/or technology when possible. Post-pandemic, the government developed interventions to recover learning and develop the skills needed for the future.

The PDP 2023-2028 envisions Filipinos as smart and innovative to reach their full potential. To achieve this, the government, private sector, and other relevant stakeholders must collaborate to ensure access to education and lifelong learning opportunities and improve education governance.

Strategy Framework

The strategy framework focuses on improving access to education and lifelong learning opportunities to accelerate learning recovery by pursuing the following outcomes: (a) quality, inclusive, adaptive, resilient, and future-ready basic education for all achieved; (b) globally competitive and inclusive Technical, Vocational and Education and Training (TVET) and higher education pursued and research output for a broader knowledge economy improved; and (c) governance for human capital development improved. As these strategies are complex, the government must ensure continued collaboration and engagement with the private sector, academe, civil society organizations, and other stakeholders. The following section presents the progress made and highlights accomplishments made within the period.

SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES



SCAN ME

Major Programs, Activities, and Projects



Achieving quality, inclusive, adaptive, resilient, and future-ready basic education for all

Learning recovery programs were developed and implemented to address learning gaps.

The Department of Education (DepEd) issued Department Order No. 13, s. 2023 adopting the National Learning Recovery Program (NLRP) to strengthen learning recovery and continuity; improve numeracy and literacy; and accelerate the achievement of the education targets in collaboration with stakeholders from the public and private sectors. The National Learning Camp, a subprogram of the NLRP, was implemented for Grades 7 and 8 students, from July 24 to August 25, 2023. Additionally, DepEd together with the Innovations for Poverty Action Philippines¹ pilot-tested a phone-based tutoring program with 3,492 students and found a 40 percent increase in children's learning outcomes. DepEd and the Department of Social Welfare and Development (DSWD) also pilot-tested the *Tara, Basa!* Tutoring Program for the students in Metro Manila.

Learning resources were digitalized.

DepEd launched the Learning Resources Portal to support increased distribution and access to learning, teaching, and professional development resources at the regional, division and school cluster levels of DepEd. Meanwhile, the Department of Science and Technology (DOST) provided innovative teaching and learning tools through the Access to Resources and Innovations in Science Education program and Strategic Intervention Materials for Teaching with Augmented Reality.

Several programs were implemented to improve the competencies of teachers.

The Human Resource Development Program of DepEd provided career professional development programs; Higher Order Thinking Skills – Professional Learning Package; scholarship programs for master's and doctorate degrees; and other local and international short-term courses. Likewise, the DOST implemented various Science, Technology, Engineering, and Mathematics (STEM) education trainings, such as the Science Teacher Academy for the Regions for 2,603 teachers and STEM Teach for 1,897 teachers.

The school-based feeding program (SBFP) was strengthened through additional facilities and collaborative efforts.

In 2023, 1,871,869 learners benefitted from the SBFP's nutritious food products while 187,718 benefitted from milk feeding. DepEd also established 90 central kitchens, of which 50 are functional, which centralize procurement and food preparation for the feeding program. DepEd also collaborated with the Food and Nutrition Research Institute, Philippine Carabao Center, and National Dairy Authority to innovate food products and supply mapping of nutritious food products and milk. In addition, DepEd conducted capacity-building

¹ Building Resilient Education Systems: Cost-effective Mobile Tutoring in the Philippines and Beyond. Retrieved from <https://poverty-action.org/building-resilient-education-systems-cost-effective-mobile-tutoring-philippines-and-beyond>

for the Schools Division Office personnel on food safety preparations. The DSWD's Supplementary Feeding Program benefited 1,933,671 children in child development centers and supervised neighborhood playgroups as of August 31, 2023.



Pursuing globally competitive and inclusive TVET and higher education, and improving research output attained for a broader knowledge economy

Efforts were undertaken to offer future-ready programs. The Technical Education and Skills Development Authority (TESDA) established seven Regional TVET Innovation Centers to offer courses in robotics, mechatronics, and smart healthcare, among other offerings.² Fifty-five competency standards and one microcredential were also made available online.

Linkage between TVET and higher educational institutions is being facilitated through a credit transfer system. The Commission on Higher Education and TESDA issued Joint Memorandum Circular No. 1, s. 2023 to implement the Philippine Credit Transfer System, which facilitates the seamless movement of students and finishers from a vocational course to a college degree program. Concerned agencies conducted four Zonal Public Orientations to spread awareness in the following areas: Iloilo City (April 27, 2023); Davao City (May 8, 2023); and Indang, Cavite (June 7, 2023).

Partnerships with the private sector were instituted to ensure the responsiveness of TVET programs to industry needs. To ensure that TESDA's training programs are aligned with the needs of the industry, TESDA established 38 Industry TVET Boards across sectors and 74 TESDA Technology Institutions with advisory councils and regional and provincial TESDA Committees.



Improving governance for human capital development

Improvements in school-based management are ongoing. DepEd is currently (a) revising its policy to update the conceptual framework; (b) revitalizing operational definition of self-assessment; (c) clarifying the relationship and delineation between intrinsic and extrinsic motivation; and (d) streamlining processes for SBM self-assessment.



Students from Rizal High School participate actively during class discussions.

Photo Credit: DepEd

² Retrieved from <https://www.tesda.gov.ph/Media/NewsDetail/20267>

Results Matrix

Achieving quality, inclusive, adaptive, resilient, and future-ready basic education for all

Basic education completion rate surpassed the 2023 targets in all levels during the school year (SY) 2022-2023. At the Elementary level, almost all learners completed the level of education with 99.56 percent. In Junior High School (JHS) and Senior High School (SHS), completion rates of 93.63 percent and 83.09 percent surpassed the 2023 targets of 86.87 percent and 77.01 percent, respectively. These improvements were a result of various support programs for learners implemented in the SY, such as the SBFP, Educational Service Contracting, and SHS Voucher Program. Likewise, the dropout rate or school leavers rate decreased from 3.80 percent in 2020 to 0.07 percent for Elementary; 6.2 percent to 1.60 percent for JHS; and 6.6 percent to 2.99 percent for SHS in 2023.

The net enrollment rate (NER) increased across all levels but fell short of the targets. From SY 2020-2021 to SY 2022-2023, the NER for Elementary increased from 86.92 percent to 87.22 percent but remained below its 2023 target of 96.50 percent. Meanwhile at the JHS and SHS levels, the NER increased from 77.86 percent to 83.16 percent; and 48.45 percent to 63.85 percent, short of the 2023 targets of 89.04 percent and 68.86 percent, respectively.

There were slight improvements in students' performance in international large-scale assessment. Filipino students' performance showed slight improvements in the 2022 Programme for International Student Assessment (PISA) compared to the 2018 PISA results. The country ranked 76th out of 81 in both Reading and Mathematics, higher than its 2018 ranking of the lowest in reading, and second lowest in mathematics. For Science, the country ranked from 76th out of 77 to 79th out of 81.

Pursuing globally competitive and inclusive TVET and higher education, and improving research output attained for a broader knowledge economy

The TESDA Certification Rate slightly improved from 92 percent in 2021 to 93 percent in 2023. The licensure examination across all disciplines improved from 38.8 percent in 2019 to 49.06 percent in 2022 for overall takers, and 57 percent in 2019 to 60.69 percent in 2022 for first-time takers. Results of the licensure exam for teachers (LET) in September 2023 showed mixed results. The passing rate in elementary education fell from 52.36 percent in 2019 to 47.01 percent in 2023, while passing rate in secondary education improved from 51.13 percent to 56.27 percent.

Ways Forward

Priority Strategies



To achieve quality, inclusive, adaptive, resilient, and future-ready basic education for all

Strengthen early childhood education (ECE).

The Early Childhood Care and Development Council must review and align the National Early Learning Curriculum with the DepEd MATATAG Curriculum. The government will provide training programs to child development workers and teachers on appropriate early learning strategies and strengthen its alternative delivery modes, i.e., supervised neighborhood play, to ensure access to ECE of children residing in geographically isolated and disadvantaged areas.



Vice President and DepEd Secretary Sara Z. Duterte leads the inauguration of Kaluagan I Primary School in Asturias, Cebu during the opening of School Year 2023-2024.

Photo Credit: DepEd

Ensure access to learning resources.

DepEd must continue to develop the national education policy framework on learning resources and formulate policies for the design, development, quality assurance, production, and utilization of learning resources.

Boost SBFP to address malnutrition. DepEd, in coordination with LGUs, must establish additional central kitchens to streamline and systematize the procurement, preparation, cooking, and serving of nutritious meals to program beneficiaries. School-feeding days will be extended from 120 to 220 days to cover the whole school calendar.



To pursue globally competitive and inclusive TVET and higher education, and to improve research output attained for a broader knowledge economy

Maximize technology in delivering TVET programs.

TESDA must develop more online courses and make the TESDA Online Program accessible for areas with low to no internet connectivity through education technology solutions. TESDA will also pilot the use of extended reality technology³ for competency assessment and certification.

Bolster the involvement of the public and private sectors.

TESDA must continue to intensify the implementation of TESDA Circular No. 038, s. 2023, or "Omnibus Guidelines on the Establishment and Recognition of the Industry TVET Board," by identifying industry association for sectoral representatives, and to coordinate the development and operationalization of their work plan.

³ The XR technology is an umbrella term for technologies that combine or mirror the physical world and virtual world. It covers virtual reality, augmented reality, mixed reality and other immersive technologies.



To improve governance for human capital development

Strengthen the monitoring and evaluation of education programs and projects. The government will strengthen the monitoring and evaluation of education programs and projects to ensure responsiveness to evolving student needs and global demands; foster transparency and accountability in its implementation; and allocate resources efficiently.

Subchapter 3.3

Building Sustainable Settlements and Well-Planned Communities



Ongoing construction of the Yuhum Residences in *Barangay Vista Alegre* in Bacolod. The project is the first to deliver housing units under the 4PH Program.

Photo Credit: Department of Human Settlements and Urban Development

Subchapter 3.3. Building Sustainable Settlements and Well-Planned Communities

Introduction

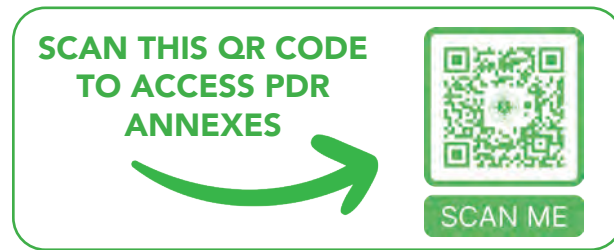
The government continues to take big steps toward providing livable communities for Filipinos. To address the housing backlog, the government is implementing the flagship *Pambansang Pabahay Para sa Pilipino* (4PH) Program by allocating resources and issuing policies to accelerate the production of affordable housing. To address low social cohesion in communities, the government is putting mechanisms in place to improve access of communities to food, health, education, social protection, and quality jobs. To broaden waste minimization initiatives, the government is strengthening its partnership with the private sector in implementing Extended Producers Responsibility (EPR) programs. For more responsive governance, various initiatives are being implemented, including the

e-Government Philippines (eGovPH), Registry of *Barangay* Inhabitants and Migrants (RBIM), and Urban Carrying Capacity Assessment (UCCA) Manual.

Strategy Framework

This chapter focuses on building livable communities anchored on the following outcomes: (a) social environment promoted; (b) environmental quality improved; and (c) built environment upgraded. Together with a responsive governance, these outcomes underscore a holistic approach toward sustainable settlements, where social harmony, environmental responsibility, and robust infrastructure converge to create a livable future for Filipinos.

This strategy framework addresses challenges such as unaffordable housing, limited accessibility and connectivity, absence of economic opportunities, lack of social cohesion, and inadequate interventions to protect the environment.



Major Programs, Activities, and Projects



Promoting social environment

Localizing the Philippine Plan of Action for Nutrition (PPAN) 2023-2028 to improve nutrition outcomes. The National Nutrition Council (NNC) works closely with local government units (LGU) to formulate local nutrition action plans that are consistent with PPAN 2023-2028.

Broadening community access to services through the Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS). The Department of Social Welfare and Development (DSWD) continues to invest in community-driven infrastructure, livelihood opportunities, and social services including roads, daycare centers, flood-river control, school buildings, and footpath, foot trail, or access trail. In 2023, a total of 11,753 of the 19,541 ongoing subprojects were expected

to be completed, while 7,788 will spill over to 2024.

Establishing drug-free communities through the Strengthening Institutional Capacities of Barangay Anti-Drug Abuse Councils (SICAP-BADAC) Training Program. The Department of Interior and Local Government (DILG) through the SICAP-BADAC Training Program provides capacity development interventions to ensure functionality and sustainability of various anti-illegal drug efforts. They conducted the *Buhay Ingatan, Droga'y Ayawan* (BIDA) Fun Runs in 14 regions, and secured partnerships with different associations and conglomerates to promote a drug-free workplace.

Localizing the DILG Memorandum Circular (MC) No. 2023-104 or the Guidelines on the Operationalization of the Barangay Violence Against Women Desks. The issuance will guide LGUs, especially the *barangay*, in performing their roles and responsibilities to protect women's rights. This will also be part of the criteria for the 2023 Seal of Good Local Governance.

Building social infrastructure through the Basic Infrastructure Program (BIP) and Sustainable Infrastructure Projects Alleviating Gaps (SIPAG). The Department of Public Works and Highways (DPWH) completed the construction of 1,181 access roads and bridges to major and strategic public facilities, connecting to 43 access roads for Indigenous People communities; 380 flood mitigation structures protecting public infrastructure/facilities; 1,901 multi-purpose buildings to support social services; and three coastal roads and causeways for environmental protection and conservation. In addition, 70 evacuation centers/quarantine facilities/public health facilities were completed, while 151 are ongoing and 17 are for completion.



DHSUD Secretary Jose Rizalino Acuzar and Bacoor City Mayor Strike Revilla leads the groundbreaking of the Strike Towers, which is under President Ferdinand R. Marcos, Jr. *Pambansang Pabahay para sa Pilipino (4PH) Program*. The Strike Towers is an ideal in-city government housing strategically located in the city center.

Photo Credit: DHSUD



Improving environmental quality

Implementing whole-of-nation zero-waste initiatives. The Department of Environment and Natural Resources (DENR) issued the Implementing Rules and Regulation of the EPR Act (DENR Administrative Order [AO] No. 2023-02), which calls for the minimization and diversion of plastic packaging waste to prevent leakage to the environment (see *Subchapter 4.2*). This policy incentivizes existing programs that collect and process clean plastic waste that serves as secondary raw material of recycled products (i.e., pallet, crates, furniture, and recycled PET bottles). The policy sustains and further encourages ongoing efforts by: (a) MSMEs to popularize zero-waste initiatives in the community through product refill models in sari-sari stores (e.g., *Wala Usik* in Bacolod, *Kuha sa Tingi* in Metro Manila, etc.); and (b) large-scale cement plants such as CEMEX, Holcim, and Republic Cement to reuse low-value plastics as alternative fuel for cement kiln co-processing. As of December 2023, 863

EPR programs were submitted. These include individual Obligated Enterprise (131), OEs under Collectives (59), and PROs (673).

Creating more open and green spaces to enhance the country's urban landscapes.

The recently adopted Joint Administrative Order (JAO) 2023-000¹ provides local governing bodies with the minimum standards for incorporating human (i.e., physical, social, and mental) and environmental health considerations in the development and maintenance of green spaces for urban communities. A landmark partnership under the Urban Biodiversity Conservation Program was also forged between the DENR, Metro Pacific Investment Corporation, and the Quezon City LGU for the establishment of a linear park, the *Gabay Kalikasan Park*, which was to be inaugurated by end of 2023.



Upgrading built environment

Facilitating the implementation of the 4PH Program to ensure its successful implementation and maximize positive outcomes. As the government's flagship program, the following were issued to strengthen its implementation: (a) MC No. 24, s. 2023 or the *Bagong Pilipinas Campaign*, 4PH as a priority program; and (b) Executive Order (EO) No. 34, s. 2023, on land inventory. The expected 2024 General Appropriations Act (GAA) will provide resources for the implementation of the 4PH. To increase private sector participation in housing production, the Joint Memorandum Circular (JMC) No. 2023-003 was issued, adjusting the price ceiling for socialized subdivision and condominium projects. In addition, the Department of Human Settlements and Urban Development (DHSUD) forged 130 memoranda of understanding

1 Joint DOH-DILG-DOT-DENR-DSHSD- DPWH-PCW-NCCA Administrative Order 2023-0001: Guidelines on the Creation, Use, and Management of Parks and Public Open Spaces for the Promotion of Physical and Mental Health and Social Well-being

(MOU) with LGUs in all regions except BARMM. The DHSUD also entered into an MOU with the Department of Labor and Employment (DOLE) and the Technical Education and Skills Development Authority (TESDA) to increase the supply of trained labor nationwide.

Relocating informal settler families (ISF) from danger areas to safer environments.

The National Housing Authority (NHA) through its resettlement program completed 11,381 housing units for ISFs living along danger areas affected by infrastructure projects and the Supreme Court's Mandamus to Clean Up the Manila Bay Area. This also covers housing units for regional resettlement, settlements upgrading, and housing program for calamity victims.

Coordinating and aligning transit-oriented development (TOD) initiatives for land use and urban transit planning.

The DHSUD and Department of Transportation (DOTr) are working on the implementation of TOD projects. These projects will guide the development of cities, municipalities, and settlements to be environmentally sustainable, climate-resilient, safe and connected physically, spatially, and digitally. Furthermore, the Department of Health (DOH) developed the Health Promotion Playbook on Active Transport to help LGUs establish spaces that enable active transport and mobility.



Advancing responsive governance

Simplifying government services with the launch of the eGov PH platform.

The Department of Information and Communications Technology (DICT) is implementing the eGov PH, which is a mobile application that simplifies transactions between the government and citizens. Currently, the eGovPH Super App

is linked with the following: eNGA, eLGU, eGovPay, eKYC, eTravel, eReport, eGovCloud, eJobs, and eVisa.

Developing the Urban Carrying Capacity Assessment (UCCA) Manual to foster sustainable growth in cities.

The National Economic and Development Authority (NEDA) spearheaded the development of the UCCA manual and its accompanying Excel-based tool capable of quantifying the capacity of the environment and natural resources to support urban growth and development. The tool was rolled out to NEDA Regional Offices and selected national government agencies (e.g., DENR, DHSUD) and highly urbanized cities (HUC) (e.g., Quezon City and Iloilo City).

Improving local data collection through the RBIM.

The Commission on Population and Development (CPD) is implementing the RBIM, a mechanism for tracking internal migration for purposes of development planning and policy formulation. A total of 1,395 barangay implemented the RBIM.

Results Matrix

The latest data show mixed progress towards attaining the outcomes in establishing livable communities. Based on the 13 indicators (out of 18) with available data, only six (6) have surpassed the target, while four (4) are on target, and the remaining three (3) are lagging.

Promoting social environment

The number of civil society organizations accredited by the provincial, municipal, or city *Sanggunian* is on track, with 45,786 accredites. Currently, there are 92 LGUs with community-driven sporting and recreational activities, exceeding the target of 50.

Improving environmental quality

The proportion of barangays served by material recovery facilities (MRF) and the proportion of cities and municipalities served by sanitary landfill facilities surpassed targets with 47.0 percent and 45.0 percent, respectively (4.0 percent and 10.0 percent higher). Additionally, the management of hazardous waste has successfully maintained a 100 percent target rate.

Likewise, the air quality in 65 percent of highly urbanized cities and other major urban centers were within acceptable ambient air quality standards for PM 10 and PM 2.5, surpassing the 2023 target of 60 percent.

However, challenges persist in meeting water quality standards. While the targets were met in maintaining 54 percent of bathing beaches within safe limits for primary contact recreation, all priority water bodies for public water supply and food production failed to meet acceptable limits for water quality, highlighting a critical area for improvement.

There has been a notable increase in urban green spaces, covering 7,186 hectares across 18 cities in 10 different regions. However, the proportion of cities that have adopted the City Biodiversity Index is below target, which is at 1.36 percent (Cebu City and Baguio City) against the overall target of 3.4 percent for 2023.

Upgrading built environment

Under the 4PH program, a total of 101,254 housing units are now under construction.

Advancing responsive governance

The percentage of LGUs preparing risk-informed Comprehensive Land Use Plan increased to 51.0 percent, which is above the target of 50.0 percent.

Ways Forward

The following strategies on promoting social environment, improving environmental quality, upgrading the built environment, and advancing responsive governance will be pursued to sustain the efforts to build sustainable settlements and well-planned communities.

Priority Strategies



To promote social environment

Scale-up nutrition interventions through the localization of PPAN 2023-2028. The NNC aims to scale-up nutrition interventions by aligning various programs, activities, and projects of stakeholders and partners with the identified PPAN 2023-2028 priority strategies. The Regional PPAN and guidelines for the Local Nutrition Action Plan are expected to be completed by 2024.

Cultivate drug-free communities through comprehensive initiatives focused on prevention, rehabilitation, and community engagement. The DOH is developing the Health Promotion Playbook on Community-Driven Drug Response, which will be rolled out in 2024. The playbook will serve as a guide for LGUs and communities in implementing effective and sustainable drug response strategies.

Elevate the disaster preparedness and resilience of communities through the provision of evacuation centers. To ensure that the affected population has a safe and livable evacuation center in case of calamity and disasters, and to minimize disturbance to school buildings used as temporary evacuation centers, DPWH aims to build at least one evacuation center per city or municipality giving priority to areas prone to calamities. Further, the BIP aims to build 10,811 projects and the SIPAG targets to complete 2,775 projects.



To improve environmental quality

Broaden waste minimization initiatives toward zero-waste. The DENR will develop policies that support strategies that guide and shape decisions (e.g., plastic regulations, labeling) through the EPR program to steer behavioral change on plastic waste usage and diversion at the community level (see *Subchapter 4.2*). Technical assistance will be provided to LGUs to establish and operationalize their MRFs, which will process household-segregated waste into secondary raw materials (e.g., recyclates, alternative fuel, etc.). Additionally, successful business models for alternative product delivery and distribution systems (e.g., refill stations) will be scaled up.

Expand monitoring and enforcement of air and water quality standards. The DENR will procure 52 additional air quality monitoring stations to improve the delivery of timely and accurate data on environmental quality. To add, innovative data collection strategies to extrapolate data on air and water quality will be pursued to facilitate timely delivery of accurate data on environmental conditions (i.e., satellite technologies).

Provide access to urban green spaces.

The DOH, in partnership with concerned agencies, will provide technical assistance and capacity-building activities to help LGUs operationalize JAO 2023-001 and ensure their commitment in expanding the coverage of green spaces for urban communities. This will be complemented by the DBM's Green, Green, Green Program to assist LGUs in the development of public open spaces (e.g., esplanades, parks, arboretum) and green infrastructure (e.g., bicycle lanes and pedestrian footpaths) to promote active mobility. The DENR will likewise scale up private sector partnerships to mobilize additional financial resources.



To upgrade
built environment

Intensify the implementation of the 4PH program to improve housing affordability.

With the issuance of EO 34, the DHSUD will accelerate the inventory of government lands. The use of government land for 4PH will lower costs, subsequently reducing the selling price of housing units and making them relatively more affordable. The DHSUD will also pursue a plan to further improve the affordability of the 4PH housing packages to low-income households through the interest subsidy.

Incorporate sustainable and disaster-resilient principles into housing development for a resilient and environmentally conscious community.

The DOH will further improve the implementation of the Healthy Communities Framework by including an indicator for sustainable and disaster-resilient housing in its monitoring and evaluation framework. Further, the Health Promotion Playbook on Sustainable and Disaster-Resilient Housing will be piloted

in 2024. The operationalization of the National Adaptation Plan will facilitate the use of climate data to inform resilient land use planning and development, including resettlement, as necessary (see Subchapter 4.2).

Mainstream TOD approach to cultivate sustainable urban growth and connectivity.

The TOD will be mainstreamed in national and local land use planning and implemented in major urban areas. The DHSUD will adopt TOD to establish an integrated, intermodal, environmentally sustainable, and people-oriented national transport system.

Establishing robust connections to improve the pedestrian environment and promote the use of public transport.

In 2024, the DOTr through the EDSA Greenways Project is targeting to (a) acquire affected lots and relocate affected utilities; (b) fully operate the connection of the project to the LRT and MRT stations; (c) ensure that people affected are fully compensated; and (d) transfer the operation and maintenance to public and private entities concerned.



To advance
responsive
governance

Expand eGov PH to maximize efficiency, accessibility, and effectiveness in digital governance services for the public.

The DICT will develop additional modules to cover the following services: eTourism, eBusiness, eHealth, eCommerce, eServices, eApostille, eFinance, eLearning, ePassport, and eTransport.

Strengthen local data collection endeavors to ensure a thorough and expansive repository of information.

The RBIM will be expanded to all LGUs in 2024. The system will establish accurate baseline data that will make it easier to identify residents and migrants, verify documents, issue clearance, facilitate planning, and maintain an updated count of inhabitants in a *barangay*.

Pilot the UCCA Manual, ensuring its responsiveness in identifying management interventions to address complex challenges in urban areas.

NEDA will pilot the UCCA manual in HUCs and collaborate with DSHUD and DILG to explore the applicable policy instrument for its wider application at the local level.

Subchapter 3.4

Increasing Income-Earning Ability Towards Quality Employment and Livelihood



Participants demonstrate their electronic skills and competencies during the 2023 Philippine National Skills Competition.

Photo Credit: TESDA

Subchapter 3.4. Increasing Income-Earning Ability Towards Quality Employment and Livelihood

Introduction

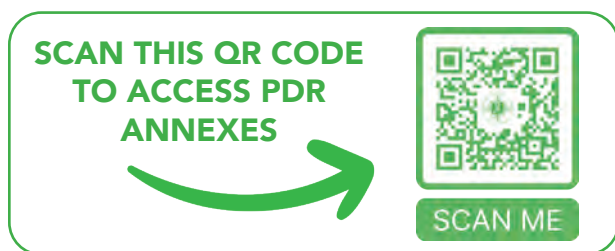
The labor market made steady progress in 2023 amid downside risks on the domestic and external fronts. In 2023, many of the chapter's targets were achieved or exceeded. Agencies improved the implementation of major programs, activities, and projects (PAP) to increase access to employment opportunities. However, much can still be done to accelerate and scale up efforts to equip the workforce with emerging and in-demand skills.

Moving forward, there is a need to further leverage digital technologies and infrastructure to enhance and expand existing programs on skills development and employment facilitation. Strengthening collaboration with social partners, such as the private sector and local government units (LGU), is key to

securing quality employment. The passage of policy reforms, including the Apprenticeship Bill, the Lifelong Learning Bill, and the Enterprise Productivity Act, will provide the necessary policy support to effect the sector's transformation.

Strategy Framework

Increasing the income-earning ability of Filipinos involves developing the workforce by equipping individuals with competencies and in-demand skills. The establishment of standardized educational qualifications to enhance employability is crucial. Likewise, the need to strengthen interventions to improve access to employment and entrepreneurial opportunities while achieving a responsive, fair, efficient, and shared labor market governance is necessary.



Major Programs, Activities, and Projects



Increasing
employability

The establishment of competency and skills frameworks¹ broadened career pathways for the workforce, increasing the opportunities to increase income.

The Department of Trade and Industry (DTI) developed sector-specific skills frameworks for the five priority sectors: digital arts and animation, game development, supply chains and logistics, human capital development, and business development. Meanwhile, the active partnership between the Technical Education and Skills Development Authority (TESDA) and the private sector resulted in the development of four microcredentials for pilot implementation: (a) Produce Milk Products; (b) Construction Quantification and Costing of Works; (c) 3D Environment Modelling; (d) Perform Logistics and Transport Operationing the Transport Operatione; (e) Performing Periodic Maintenance of Automatic Transmission Using AT Dialysis

Machine (Transportation); and (f) 79 competency standards,² which can minimize skills mismatches.

The government leverages technology to expand access to upskilling and retooling programs. TESDA has established seven Regional Technical and Vocational Education and Training (TVET) innovation centers (RTiC) nationwide³ to foster an environment for skills development. Meanwhile, five additional RTiCs in Batangas, Puerto Princesa, Albay, Sarangani, and Agusan del Sur have been funded under the 2023 GAA.

TESDA continues to improve the TESDA Online Program (TOP) through migration to cloud hosting and customization of its Learning Management System (LMS) Architecture. With 167 course offerings, the number of enrollees in TOP reached 1.5 million with about 999,400 successfully completing the program. Moreover, TESDA continues to expand and mainstream the TVET ecosystem in LGUs. Recently, it conducted a Devolution Readiness Survey in 39 provincial training centers.

1 Philippine Qualifications Framework [PQF] and Philippine Skills Framework [PSF]

2 The competency standards developed (as of October 2023) fall under the following industries: Forestry and Fishery (22), Automotive and Land Transportation (5), Construction (5), Creative (8), Footwear and Leathergoods (1), Human Health / Health Care (3), Information and Communication Technology (10), Technical and Vocational Education and Training (3), Electrical and Electronics (4), Maritime (1), Processed Food & Beverages (3), Social, Community Development and Other Services (7), Wholesale and Retail (1), Heating, Ventilation and Air conditioning (1), Language (3), Utilities (1), Tourism – Hotel and Restaurant (1)

3 2018 GAA Funded RTiCs: Region VII (Regional Training Center - Cebu), Region VIII (Balicuatro College of Arts and Trades), Region IX (Zamboanga Sibugay Polytechnic Institute); 2021 GAA Funded RTiCs: Region I (Provincial Training Center - Urdaneta), Region II (Isabela School of Arts and Trades), Region III (Regional Training Center - Mariveles), NCR (Regional Training Center - NCR).



The conduct of the 2023 Philippine National Skills Competition showcases the skills of competitors in welding.

Photo Credit: TESDA

A more responsive TVET and apprenticeship programs are being promoted.

With the new Philippine Credit Transfer System of the Commission on Higher Education and TESDA, students can seamlessly transition from TVET courses to higher education degree programs. Moreover, the number of enterprise-based training (EBT) programs offered in 2023 increased from 1,067 in 2022 to 1,191 in 2023, exceeding the full-year target of 1,088 EBT programs. Meanwhile, the number of enterprises with apprenticeship programs, which reached 51 in 2023, remains a challenge.



Expanding access to employment opportunities

Existing employment facilitation services are upgraded and expanded.

A total of 2.6 million jobseekers have been referred for placement in 2023, 92 percent (2.4 million) of whom were placed for employment through the Public Employment Service Offices (PESO).

Moreover, the number of jobseekers registered in PESO increased to 2.8 million, outpacing the 2023 target of 1.8 million. To encourage LGU adoption of PESO, the Department of Interior and Local Government (DILG) added institutionalization of PESO as a criterion under the Seal of Good Local Governance. The Department of Labor and Employment (DOLE) also integrated its rebranded Career Development Support Program within PESOs to deliver more comprehensive career counselling services.

The DOLE and the Department of Information and Communications Technology conducted the pilot implementation of the Digital Technology and Skills Mapping Workshops and Survey to obtain information on the digital skills requirements of various industries. From January to December 2023, the number of individuals reached 4.9 million through the labor market information (LMI), exceeding the 4.4 million PDP full-year target.

In 2023, DOLE collaborated with the Department of Health, Department of Tourism (DOT), STI Colleges, and IBM Philippines to expand the reach of PhilJobNet. Linking PhilJobNet with DOLE's employment programs⁴ likewise improved the number of jobseekers registered in PhilJobnet to 23,278 individuals, well-above the 2023 PDP target of 7,031. Moreover, the number of JobStart beneficiaries (1,744) surpassed its PDP target of 1,300 beneficiaries in 2023. The number of Special Program for Employment of Students (SPES) beneficiaries increased to 121,839, exceeding the 2023 target of 70,809 beneficiaries. Meanwhile, DOLE is finalizing the revised guidelines on the Government Internship Program (GIP) to improve its implementation, especially in LGUs. Recent data shows that GIP beneficiaries increased to 62,161, far above the PDP target for 2023 (12,080). Large-scale

4 Includes SPES, GIP, and TUPAD

job fairs, such as the *Trabaho*, *Turismo*, *Asenso* of DOLE and DOT, continue to be an effective avenue connecting jobseekers with prospective employers. The government, primarily through DOLE's Integrated Livelihood Program - *Kabuhayan*, supports the growth of micro, small, and medium enterprises. From January to September 2023, around 82,122 beneficiaries received livelihood assistance, basic training, and technical services.



Achieving shared labor market governance

The linkages and collaboration among government and industry associations, enterprises, and social partners are being strengthened. TESDA continues to establish industry TVET boards and collaborate with industry associations. As of September 2023, TESDA signed various memoranda of agreement with 441 partners from the private sector to reinforce the country's TVET. A total of 46 industry TVET Boards were established.

The government ensures the effective and efficient use of tripartite wage and productivity mechanisms. The Regional Tripartite and Productivity Wage Boards continues to engage in social dialogue with the government, employer, and employees on various minimum wage petitions. In 2023, five workers' and four employers' sector representatives were appointed, ensuring timely decisions on minimum wage hike petitions.⁵ From June to November 2023, the Board granted wage adjustments in 13 regions (i.e., NCR, CAR, I, II, III, IV-A, IV-B, V, VI, VII, VIII, IX, and XII).

Moreover, the National Wages and Productivity Commission (NWPC), in partnership with National Economic and Development Authority, organized capacity-building activities in three clusters (Luzon, Visayas, and Mindanao) from March to April 2023 for members of the regional wage boards, expanding their knowledge on basic labor economics and aiding them in carrying out their role in minimum wage setting.

Results Matrix

The government reached its 2023 target in a number of headline and core indicators. The unemployment and underemployment rates dropped to 4.6 percent and 13.6 percent, respectively. The female labor force participation rate increased to 52.2 percent in 2023, meeting its PDP target. Increased income-augmenting opportunities from e-commerce and widespread adoption of alternative work arrangements encouraged more women to pursue work.

Notably, four core indicators of the labor market conditions exceeded its 2023 targets:

The share of youths-at-risk declined to 12 percent in 2023, exceeding the target of 12.8 to 14.8 percent, with the continued implementation of DOLE's school-to-work transition programs and the utilization of digital platforms in areas of training, education, and employment.

The TESDA Certification Rate in priority sectors⁶ remains high at 93.6 percent in 2023, exceeding the target of 92.0 percent.

⁵ As of November 30, 2023, out of the mandated 68 (16 regions with four sectoral representatives each) seats, 64 individuals currently hold said positions.

⁶ The 10 priority sectors of the National Technical Education and Skills Development Plan (NTESDP) are: Agriculture, Manufacturing, Tourism, Health, Creative Industries, Information and Communications Technology-Information Technology and Business Process Management (ICT & IT-BPM), Transportation and Logistics, Construction, Education, and Energy

The number of training regulations, curricula, and courses with green competencies increased to 102, well ahead of its 2023 target of 89 regulations.

The placement rate of PESOs in 2023 increased to 91.8 percent, slightly above its PDP target for the year.

On the other hand, several indicators fell short of their respective targets, moderating overall labor market gains for the year. Relative to total employment, the proportion of wage and salaried workers in private establishments remained sizeable at 49.7 percent, lagging behind the PDP target of 50.3 to 50.7 percent in 2023. The share of middle- and high-skilled occupations increased to 71.8 percent but fell short of the 72.3 percent target. Likewise, the proportion of employed college graduates in elementary occupations increased to 3.7 percent in 2023, missing the target of 1.50 to 1.73 percent. The share of vulnerable employment at 33.8 percent failed to meet its 33.4 percent target in 2023.

Ways Forward

Priority Strategies



To increase employability

Facilitate worker mobility through the implementation of the Philippine Qualifications Framework (PQF) and Philippine Skills Framework (PSF). The government will mainstream the use of harmonized PQF and PSF across stakeholders, particularly with respect to recognizing or crediting prior learning. Meanwhile, the DTI will develop more sector-specific skills frameworks for the remaining priority sectors⁷ in the next two years.

Fast-track the expansion and mainstreaming of TVET ecosystem across regions. In 2024, TESDA plans to establish RTiCs in Cordillera, Northern Mindanao and Western Visayas. Under the Supporting Innovation in the Philippine Technical and Vocational Education and Training Systems, 17 selected TESDA Technology Institutions will be upgraded into industry-responsive innovation centers. TESDA will also implement the TESDA *sa Barangay* under the Pathways to TVET Devolution to capacitate the LGUs in operating their own training centers. To expand TVET capacity and accessibility, TESDA will increase the course offerings under the TOP, utilize data analytics to improve user experience, especially among marginalized sectors, and develop a roadmap for TOP and e-Learning.

Explore interventions that can integrate lifelong learning processes in the workplace.

To build a globally competitive workforce, the government will promote the development of a legal framework to build a more dynamic learning ecosystem in the workplace. Pathways for workers transitioning from part-time to full-time status or vice versa will be explored, enabling individuals to pursue higher studies or acquire microcredentials.



To expand access to employment opportunities

Strengthen existing employment facilitation services.⁸ DOLE, along with the DILG and the PESO Managers Association of the Philippines, will help build the capacity of LGUs in managing training centers. Along with this, DOLE will finalize the Career Development Support Program (CDSP) modules for regional implementers. Further, DOLE will roll out fully the Digital Technology and Skills Mapping Workshops and Survey to aid in the formulation of the Digital Technology and Skills Mapping Roadmap.

The DOLE shall continue forming partnerships with different social partners to increase the uptake of the PhilJobNet and reduce the duration of school-to-work transition. The DOLE also plans to further enhance the PhilJobNet by including additional features such as jobseeker profile updates, Tax Identification Number validation, job alerts, job fair schedule, and integration of the Job Displacement Monitoring System.

⁷ Includes IT-BPM, Tourism, Construction, Additive Manufacturing, Food, and Health and Wellness. DTI will also continue coordinating with private and other government agencies for the crafting of other industry skills framework in food manufacturing, aerospace, automotive, chemicals, electronics, and film.

⁸ Such as PESOs, Career Development Support Program or CDSP, LMI, and PhilJobNet

Evaluate and assess the effectiveness of regular employment programs.

Impact evaluation studies will be conducted to assess the effectiveness of programs in achieving desired outcomes, and evaluate the need to expand their scope, such as including the middle to high skills among the beneficiaries of SPES and GIP.

Accelerate the adoption of alternative work arrangements in public and private sectors.

The government will explore and facilitate the adoption of alternative work arrangements that suit the emerging demands of organizations, as well as improve the income stream of workers, such as output-based work or set-up with hourly rates.



To achieve shared labor market governance

Intensify involvement of the private sector through establishment of more TVET industry boards.

TESDA will continue to establish industry TVET Boards in coordination with other relevant agencies, to facilitate the development and operationalization of training regulations and increase the uptake of apprenticeship among enterprises.

Provide regular capacity-building activities for wage board members.

To competently respond to petitions for minimum wage adjustments, it is important that the wage board members are continuously capacitated. In 2024, the NWPC plans to conduct a National Productivity Conference for all stakeholders.

Subchapter 3.5

Sustaining the Provision of Social Safety Nets



The DSWD leads the visit and dialogue with Sustainable Livelihood Program Associations during the 2nd National Advisory Council, National Technical Working Group, and Regional Advisory Council Field Visits on 4Ps in Batangas.

Photo Credit: DSWD

Subchapter 3.5. Sustaining the Provision of Social Safety Nets

Introduction

To establish a comprehensive and inclusive social protection (SP) system, the government continues to implement various SP policies and programs with stakeholders. This system will enable Filipinos to manage risks from individual and life cycle factors, economic uncertainties, natural or human-induced hazards, or political circumstances. Recent legislations, including the Expanded Solo Parents Welfare Act (RA 11861) and Increasing the Social Pension for Indigent Senior Citizens (RA 11916) reflect this commitment. To attain the PDP goals and targets, sectoral plans such as the Social Protection Plan 2023-2028 and the Philippine Program Against Child Labor Strategic Framework and Action Plan 2023-2028 were approved. In April 2023, the National Economic and Development Authority (NEDA) Board approved the SP Floor Recommendations to ensure minimum access to essential health care

and basic income security throughout all life stages. Notwithstanding, the SP system still faces challenges such as limited coverage, low expenditure, and deficient beneficiary targeting.

Strategy Framework

To continue the progress made in the past year, the government will further strengthen its efforts to ensure that Filipinos have the capacity to manage and respond to shocks. Specifically, this framework is geared toward achieving the following outcomes: (a) individual and life cycle risks mitigated; (b) economic risks managed; (c) natural, health, climate, and human-induced hazards mitigated; and (d) governance and political risks addressed. The government will continue recalibrating the SP system towards a more universal, modern and integrated one that is accessible to everyone at all times.

SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES



SCAN ME

Major Programs, Activities, and Projects

The government is strengthening its efforts to reduce the vulnerability of Filipinos and ensure that they have the capacity to manage and respond to shocks, in accordance with the strategies outlined in the PDP.



Achieving a universal, modern, and integrated social protection system

Programs promoting financial literacy are underway for better awareness and use of financial instruments. The government,¹ in coordination with the BPI Foundation, established the Personal Finance 101: My Peso and I curriculum in selected higher education institutions to provide college students with fundamental knowledge and skills to achieve financial independence. The Bangko Sentral ng Pilipinas, BDO Foundation, and the Department of Migrant Workers (DMW) also relaunched the redesigned *Pinansyal na Talino at Kaalaman* (PiTaKa) Program to help migrant workers and their families manage their remittances, increase their savings, and achieve financial stability.



Municipal/city link officer conducts Social Welfare and Development Indicator assessment to 4Ps families in Tacloban City.

Photo Credit: DSWD

Strengthening services and facilities for digital payments and cash transfers is ongoing.

Under the Philippines Beneficiary FIRST (Fast, Innovative, and Responsive Service Transformation) Project of the Department of Social Welfare and Development (DSWD), 97.5 percent of cash cards under the *Pantawid Pamilyang Pilipino* Program (4Ps) were converted to basic deposit accounts. This allowed beneficiaries to directly use the account to deposit savings, receive funds, and enjoy other financial inclusion-enhancing features.

¹ NEDA, the Bangko Sentral ng Pilipinas, and the Commission on Higher Education

Development of an SP Index that will assess the utilization of social protection resources at the national level is in progress to enhance SP statistics.

The SP Index will be an outcome level indicator to be used in the PDP to determine the efficiency of SP programs in terms of design, coverage, and impact, among others. This will supplement the analysis of the effectiveness of SP programs currently implemented by the government, as well as guide policy makers in designing programs that will maximize the impact of public investment on SP services.



Mitigating individual and lifecycle risks

The government continues its efforts on protecting children from physical and mental distress.

The Makabata Helpline 1383 of the Council for the Welfare of Children (CWC) aims to provide quick response, monitoring, and feedback on concerns related to child rights violations. As of Q4 2023, out of the 290 reports received through texts, calls, emails, and chats, 239 cases have been resolved and considered closed, while 27 are pending and 49 are ongoing.

Initiatives were undertaken to ensure safe and orderly overseas migration.

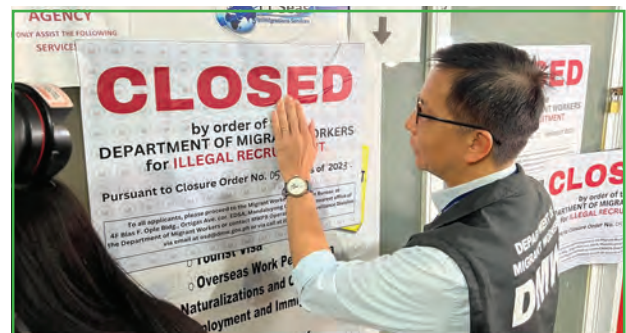
The DMW integrated its database in the Border Control Information System and was able to intercept 156 illegal recruitment and human trafficking victims in the first three quarters of 2023. The DMW also implemented the eTravel System, a replacement for paper-based arrival and departure cards, to speed up immigration clearance and ensure interoperability among border management agencies. In July 2023, the DMW Mobile App was also launched to provide overseas Filipino workers (OFW) access to certain services, such as verification of contracts and application for OFW passes.



Managing economic risks

A comprehensive pathway for returning OFWs was developed.

The DMW formulated a full-cycle, whole-of-government, whole-of-society National Reintegration Program for returning OFWs and their families. As of December 31, 2023, the Recovery and Reintegration Program for Trafficked Persons provided social welfare services to 2,024 trafficked persons while 369 were served at the Inter-Agency Council Against Trafficking – *Tahanan ng inyong Pag-Asa*.



DMW Officer-in-Charge Leo Cacdac leads the closing down of consultancy firms promising jobs in Poland and charging exorbitant fees for the processing of employment documents.

Photo Credit: DMW



Mitigating natural, health, climate, and other human-induced hazards

Mental health and psychosocial services are being provided under the government's disaster response package.

The Department of Health (DOH) continuously provides medical and public health, mental health and psychosocial services (MHPSS), as well as water, sanitation, hygiene, and nutrition in emergency to affected population in times of emergencies and disasters. In 2023, trainings on the following were conducted: (a) DOH Public Service Continuity Plan; (b) Basic Life Support

and Standard First Aid; (c) Mass Casualty Management; and (d) MHPSS Facilitator's Training.

Permanent and resilient evacuation centers are being established. As of Q3 2023, the construction of four evacuation centers funded under the 2022 Seal of Good Local Governance Incentive Fund is ongoing. In addition, DSWD trained a total of 3,053 Quick Response Team members.



DSWD Secretary Rex Gatchalian distributes 25-kg sacks of rice each to 3,000 residents from the towns of Calumpit, Obando, and Paombong in Bulacan on October 9, 2023. Recipients included members of the 4Ps, persons with disabilities, senior citizens, solo parents, and families affected by flooding.

Photo Credit: Philippine Information Agency



Addressing governance and political risks

The government continues to strengthen the implementation of RA 11188 or the Special Protection of Children in Situations of Armed Conflict. The Philippine National Police (PNP) continuously conducts information drives to facilitate the implementation of RA 11188. Moreover, the PNP formulated its child protection policy and protocol in handling children in situations of armed conflict.

Results Matrix

As of 2023, only six out of the 13 indicators on mitigating individual and life cycle risks were met. Of these six indicators, the percentage of poor households with members of 18 years old and below who are 4Ps beneficiaries, percentage of senior citizens who receive pension, and percent share of active to total members of Overseas Workers Welfare Administration surpassed the 2023 target. On the other hand, two indicators were lagging, particularly on percentage of economically active population contributing to Social Security System (SSS) and number of Conditional Cash Transfer (CCT) beneficiaries covered. On managing economic risks, all indicators exceeded the 2023 targets on the number of beneficiaries provided with livelihood assistance and served by emergency employment and cash-for-work program. On mitigating natural, health, climate, and other human-induced hazards, mixed results were observed. As of 2023, the percentage of disaster-affected families provided with disaster response service and early recovery service, and percentage of households with damaged houses provided with emergency shelter assistance were not met. In contrast, the target on the proportion of emergency loan applications by calamity-affected GSIS members and pensioners granted was met in 2023.

Ways Forward

To address the vulnerabilities of Filipinos and ensure their capacity to manage shocks, the government will continue to implement and adopt new social protection strategies at the national and local levels.

Priority Strategies



To achieve a universal, modern, and integrated social protection system

Operationalize the SP Floor. For the immediate term, the SP Floor Workplan will be developed to guide implementing agencies and local government units (LGU).

Finalize and implement the SP communication plan. There is a need to further widen information dissemination and raise awareness of SP programs and the procedures for their availment. An effective SP Communication Plan will help address limited and faulty information on SP for both service providers and the public. The initial draft of the SP Communication Plan presented to the Social Development Committee – Subcommittee on Social Protection will be finalized in consideration of the new SP Plan 2023-2028.

Fully implement the Community-Based Monitoring System (CBMS). NEDA and the Philippine Statistics Authority are currently revisiting the CBMS questionnaire towards simplification and more timely use by the LGUs by 2024. The updated questionnaire will be utilized in 2024.

Continue establishing social registries.

The government will continue establishing and updating social registries for vulnerable sectors. The registries will be harmonized with the National ID to facilitate targeting, authentication, registration, and enlistment into SP programs.



To mitigate individual and life cycle risks

Develop an Adolescent MHPSS Training Manual.

The CWC will develop a Training Manual on Adolescent MHPSS that will capacitate MHPSS providers in delivering quality services and interventions for adolescents. The training manual will be used for the delivery of training to community service providers, hotline operators, youth and community network organizers and leaders, teachers, peer support trainers and facilitators, and parents and guardians.

Strengthen SP access in geographically isolated and disadvantaged areas (GIDA).

The national government, in coordination with the LGUs, will strengthen delivery of SP programs in GIDAs through expansion of access points. Moreover, the use of digital platforms will also be expanded in GIDAs as the Department of Information and Communications Technology provides internet access through the Broadband ng Masa Program.



To manage economic risks

Expand insurance coverage. Current programs offered by the Social Security System (SSS) will be reviewed towards providing alternative and flexible schemes. The SSS will consider modifying its programs (e.g., offer lower and more flexible contribution payment schemes) to encourage availment among informal sector workers. A technical study will be conducted on viable unemployment insurance scheme with active labor market component as espoused under the Labor and Employment Plan 2023-2028.



To mitigate natural, health, climate, and other human-induced hazards

Formulate the *Buong Bansa Handa* Project Guidelines. In 2023, DSWD implemented the *Buong Bansa Handa* Project, which aims to establish two parallel supply chain mechanisms for disaster preparedness and response. These mechanisms are designed to enhance the capacity of DSWD in meeting the needs of affected families in various disaster-stricken areas. Project guidelines will be formulated by the government.

Establish permanent and resilient evacuation centers. The establishment of permanent and resilient evacuation centers will remain a priority of the government. The National Disaster Risk Reduction and Management Council will continue improving the design of evacuation centers, prioritization mechanism through risk-based assessments, as well as the considerations and updates on site and location suitability, structural and building capacity, and setting minimum design standards.

Implement the Building on Social Protection for Anticipatory Action and Response in Emergencies and Disaster (B-SPARED) Project.

The DSWD will fully implement the B-SPARED Project, which aims to provide ex-ante interventions to beneficiaries prior to the onset of disasters and emergencies to mitigate the risks and shocks and prevent them from sliding in and out of the poverty line.

Ensure the implementation of Executive Order No. 24, s. 2023 on the creation of Disaster Response and Crisis Management Task Force.

The Task Force member-agencies will ensure an integrated approach in disaster preparedness and response and deliver accessible assistance programs to affected communities.



To address governance and political risks

Enhance the integration of safeguards in development interventions.

To address the inevitable consequences that certain projects and reform policies may bring, including displacement and negative outcomes especially for vulnerable sectors, the government will consistently prioritize the incorporation of robust safety nets, backed by sufficient funding, within these initiatives.

Increase efforts in protecting Persons of Concerns (POCs). The government, through the Inter-Agency Committee on the Protection of Refugees, Asylum Seekers, and Stateless Persons, will increase efforts to provide the necessary resources in strengthening the implementation of EO No. 163, s. 2022 (Protection Services for POCs). These include finalization and implementation of the 2023 Global Refugee Forum Pledges and continuous support to the United Nations High Commissioner for Refugees as donor and to its refugee response plan, among others. The Guidelines on the Protection of Personal Data of POCs will also be finalized for rollout and capacity-building by 2024.



CHAPTER 4

PAVING THE WAY TOWARDS SUSTAINABLE PROGRESS THROUGH INSTITUTIONAL TRANSFORMATION AND CLIMATE ACTION

In the first year of implementation of the PDP 2023-2028, the government continues to improve good governance and push for bureaucratic reforms and climate action and disaster resilience for a prosperous, inclusive, and resilient society. Aligned with the President's 8-point socioeconomic agenda, this chapter presents the country's progress in the implementation of the PDP strategies to achieve our long-term vision. Social and economic transformations have been pursued for a more responsive and accessible government; and sustainable, climate-smart, and disaster-resilient communities.

Sustained efforts to improve government efficiency have also been pursued through active citizens' participation, digitalization of government systems; strengthening of public accountability and civil service reforms. Therefore, the government will intensify anti-corruption efforts, pursue a wide-scale digital competency development program, and harmonize various competency frameworks for the public sector.

Alongside these initiatives, the government is also working to strengthen the resilience of communities, institutions, and ecosystems posed by the risks of climate change and natural hazards. These include strengthening the capacities of LGUs in disaster prevention and preparedness and boosting multistakeholder partnerships on climate change adaptation.

Subchapter 4.1

Ensuring a More Responsive and Accessible Government to the Public





Philippine-Open Government Partnership members sign the pledge to Open Governance on November 2023 in Baguio City.

Photo Credit: DBM

Subchapter 4.1. Ensuring a More Responsive and Accessible Government to the Public

Introduction

The government has sustained efforts to improve government efficiency through institutionalizing the Philippine Open Government Partnership (PH-OGP) and digitalizing government systems with the eGov PH Super App. However, public accountability and civil service reforms need to be strengthened. Therefore, the government will intensify anti-corruption efforts, pursue a wide-scale digital competency development program, and harmonize various competency frameworks for the public sector.

Strategy Framework

To ensure better responsiveness and accessibility to the public, the government will continue implementing strategies to practice good governance and improve bureaucratic efficiency. Specifically, the following outcomes will be achieved: (a) participatory governance deepened; (b) public accountability and integrity bolstered; (c) government functions, systems, and mechanisms rationalized and strengthened; and (d) competent, motivated, agile, and resilient public servants supported. The following section highlights the progress on these strategies since the approval of the PDP 2023-2028.

SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES



SCAN ME

Major Programs, Activities, and Projects



Participatory
governance deepened

Deeper mechanisms for citizens' engagement have been institutionalized and sustained. Executive Order No. 31, s. 2023 institutionalized the PH-OGP to strengthen the collaboration between government and non-government sectors towards transparent, accountable, and participatory governance. The government completed the 6th National Action Plan in December 2023 to concretize this commitment. The Department of Budget and Management (DBM) also launched *OGPinas!* to advocate the PH-OGP at the local level.

Another platform is the Stakeholders' Chamber on the Sustainable Development Goals (SDG). At present, the Chamber has 65 non-government members, divided into technical working groups to craft programs, plans, and activities to achieve the SDGs.

Engagement was also sustained by facilitating citizens' exercise of their right to suffrage. During the 2023 *Barangay* and *Sangguniang Kabataan* Elections, the Commission on Elections encouraged voters' registration by

piloting the Register Anywhere Project in 14 malls, government agencies, and schools; and expanded voting modalities by conducting the mall voting project in 11 malls nationwide.



Public accountability
and integrity bolstered

The government is strengthening integrity through monitoring and evaluation initiatives. Digital mechanisms were adopted to monitor state-funded projects and sustain anti-corruption initiatives, including NEDA's Infrastructure Flagship Projects Dashboard;¹ and the Office of the Ombudsman's Monitoring and Evaluation Learning System for their Ombudsman Anti-Corruption Education Program.²

The government also sustained partnerships with civil society organizations (CSO). As of December 2023, there are 1,337 local government units (LGU) with CSO Desk Officers to address CSOs' issues, assist in accreditation, and encourage participation in local government programs.³ The Commission on Audit also gathered citizens' feedback for their 2023 Citizen Participatory Audit Plan. Likewise, the Department of the Interior and Local Government (DILG) has successfully increased the number of national and regional accredited CSOs in the country, which became partners in implementing government programs such as the Third-Party Monitoring (TPM). For the pilot of their TPM Program, the DILG contracted 13 CSOs to assess and monitor their support to the *Barangay* Development Programs projects for FY 2021.

Upon assessment, the Anti-Red Tape Authority amended its guidelines on the Harmonized

1 The dashboard can be accessed through this link: <https://neda.gov.ph/infrastructure-flagship-projects/>

2 This Program unifies goals and objectives of several anti-corruption initiatives such as Integrity, Transparency and Accountability in Public Service, the Anti-Corruption Laws Seminar, and the Training on Leadership for Campus Integrity Crusaders.

3 Memorandum Circular (MC) No. 2021-054. https://www.dilg.gov.ph/PDF_File/issuances/memo_circulars/dilg-memocircular-2021519_8242c8e0e9.pdf

Client Satisfaction Measurement by allowing government agencies to modify the survey questions in measuring clients' overall satisfaction.⁴ At the local level, 28.8 percent of provinces, cities, and municipalities (PCM) or 493 PCMs, were conferred with the Seal of Good Local Governance (SGLG)—higher than the 2022 figure of 22.0 percent or 352 PCMs. The DILG also rolled out the guidelines for implementing the 2023 SGLG for *Barangay*,⁵ where *barangays* were assessed using the "3+1" criteria.



Government functions, systems, and mechanisms rationalized and strengthened

The Executive Branch has implemented rightsizing efforts. The President issued EO No. 28, s. 2023, renaming the Economic Development Cluster to the Economic Development Group and creating an Inter-Agency Committee on Inflation and Market Outlook. EO No. 45, s. 2023 also attached the Development Academy of the Philippines (DAP) to NEDA for policy coordination and organizational coherence. Likewise, the Office of the President also underwent several restructuring efforts⁶ to streamline its administrative structure.

The implementation of the Mandanas-Garcia ruling is still underway. EO No. 138, s. 2021 was suspended through Presidential Directive No. PBBM-2023-263, dated March 21, 2023, considering the issues and challenges faced by national and local governments in the implementation of the EO. In relation, the President instructed NEDA and the Department

of Finance to conduct a study, with assistance from the World Bank, to define the functions and services that should be retained with national government agencies and those that should be devolved to LGUs given the varying capacities and resources of LGUs.

The government is streamlining and digitalizing processes for improved and efficient service delivery. The government issued EO No. 32, s. 2023, streamlining the permitting process for the construction of telecommunications and internet infrastructure; and EO No. 18, s. 2023, establishing green lanes for strategic investments.

In terms of systems, the Department of Information and Communications (DICT) launched the eGovPH Super App as the single government portal for local and national government services such as passport application, job search, and incident reporting. The App was also integrated into the Philippine Identification System (PhilSys), allowing users to verify their accounts through the PhilSys. The DICT reported a total of 981,122 eGovPH App Subscribers, wherein among the registered, 676,069 (68.91%) successfully verified their accounts, and 443,077 subscribers (45.16%) successfully generated their Digital ID as of December 31, 2023.

Related to PhilSys, the Civil Registry System (CRS) is being piloted as use case for real-time matching of applicants' PhilSys identification document (PhilID) with their CRS documents. As of December 29, 2023, out of the 15,156 applicants that underwent biometric authentication, a total of 14,976 were successfully authenticated (or 98.81%). The PhilSys Check also allows citizens and other organizations to authenticate the PhilID

4 MC No. 2023-05. https://arta.gov.ph/wp-content/uploads/2023/06/MC-2023-05_Amendment-to-CSM-1-1.pdf

5 MC No. 2023-103. https://www.dilg.gov.ph/PDF_File/issuances/memo_circulars/dilg-memocircular-202381_f0d331f6e1.pdf

6 Some include (a) EO 16, s. 2023: Reorganizing the Presidential Communications Office; and (b) EO 38, s. 2023: Reorganizing the Strategic Action and Response Office

and electronic PhilID holder's identification.⁷ PhilID holders may also avail of government services such as the *Pantawid Pamilyang Pilipino* Program, and fuel subsidy program.⁸

At the LGU level, DICT and DILG instituted the eLGU as a centralized hub for Filipinos to access LGU electronic services such as local tax processing, local registration, and licensing, among others. As of December 2023, the DICT transitioned 89.30 percent of 894 LGU users (or 798 LGUs) of the Integrated Business Permits and Licensing System to the eLGU platform.⁹

Steps were also taken to improve agency-to-agency transactions. Through EO No. 29, s. 2023, national government agencies were directed to adopt and implement the Integrated Financial Management Information System (IFMIS) in processing government financial transactions. Systems are also being procured for the IFMIS and the Budget and Treasury Management System (BTMS) to harmonize the budgeting process to disburse government programs, activities, and projects.



Capacity building and civil service programs are continuously being implemented. In terms of training, 88 Career Executive Service (CES) eligibles completed the Leadership and Management Proficiency Program while 199 local executives and managers graduated from the Public Management Development Program

(PMDP). As of December 31, 2023, the Civil Service Commission (CSC) trained 89,006 civil servants nationwide through various learning and development programs.

To foster innovation, PMDP scholars must conceptualize capstone projects addressing agency concerns. As of December 2023, innovations in the public sector coming from capstone projects (1052 out of 1071 or 98%), capstone plans (205 out of 276 or 74%), and innovation projects (262 out of 262 or 100%). DAP also piloted the Digital Governance training for senior executives in partnership with the Asian and Pacific Training Centre for ICT for Development.

The government likewise continued reviewing internal human resource management (HRM) processes and systems. The CES eligibility process was reverted to the original four-stage to evaluate the current examination policy and strengthen the CES process.^{10,11} Through its Program to Institutionalize Meritocracy and Excellence in HRM (PRIME-HRM), CSC also awarded one agency with a Gold Award, and 689 agencies (20.23%) with the Bronze.¹² A total of 499 agencies also submitted their internal guidelines for flexible work arrangements. Finally, the CSC, the Department of Labor and Employment, and the Department of Health issued Joint Administrative Order 2023-0001 to launch the National Policy Framework on Healthy Workplaces.

⁷ <https://verify.philsys.gov.ph/>

⁸ PIA. (14 September 2023). DICT eyes deployment of digital national ID. <https://pia.gov.ph/news/2023/09/14/dict-eyes-deployment-of-digital-national-id>

⁹ PCO. (17 July 2023). PBBM launches eLGU, eReport Systems; calls for increased cooperation among agencies to speed up digitalization and fight criminality. https://pco.gov.ph/news_releases/pbbm-launches-elgu-ereport-systems-calls-for-increased-cooperation-among-agencies-to-speed-up-digitalization-and-fight-criminality/

¹⁰ CES Board Resolution 1681, s. 2023 https://www.cesboard.gov.ph/2018/index.php?title=Documents/Policies%20and%20Circulars/reso_search.php

¹¹ MC 35, s. 2023. <https://www.officialgazette.gov.ph/2023/10/02/memorandum-circular-no-35-s-2023/>

¹² There is no Silver Awardee yet.

Results Matrix

The government made significant progress in several indicators.¹³ For instance, the DICT onboarded 22 government agencies to the Open Data Philippines portal, exceeding the 21 target. As of December 29, 2023, the DICT also established 12,421 access points. Likewise, participatory governance indicators are flourishing: 41.10 percent of PCMs (or 705) implemented capacity-building for CSOs in Local Special Bodies, almost double the 2022 figure of 22.0% or 354 PCMs. The rollout of CSO policies may have also driven the higher percentage of PCMs with at least 40 percent women in fully organized Local Development Councils. This figure more than doubled at 24 percent (404 PCMs) in 2023 against the 9.50 percent (162 PCMs) in 2022.

On the other hand, due to the ongoing processing of appointees, the government may not meet its 2023 target for increasing the CES positions occupied by CES Officers and CES eligibles. As of September 2023, only 45 percent out of the 50 percent targeted have been occupied.

13 Unless otherwise stated, reckoning date of the data is October 2023.

Ways Forward

Priority Strategies



To deepen participatory governance

Mainstream the PH-OGP at the local level.

The government will establish the PH-OGP Project Management Office for secretariat and technical support functions to assist in mainstreaming the PH-OGP mechanisms at the local level. Existing platforms (e.g., Local Special Bodies and the Regional Development Councils) will also be utilized to increase CSO participation.



To bolster public accountability and integrity

Intensify anti-corruption efforts. This can be done by broadening agencies' involvement and implementing high-impact programs by tapping existing inter-agency platforms such as the Presidential United Nations Convention against Corruption Inter-Agency Committee.



To strengthen government functions systems, and mechanisms

Empower LGUs with a more comprehensive devolution strategy.

Oversight agencies will continue conducting in-depth studies on full devolution by exploring potential amendments to EO 138. DILG and DBM, among other agencies, will also intensify capacity-building activities for LGUs.

Expedite the passage of the e-Governance Bill to accelerate systems development and bolster cybersecurity measures in the government.

The bill will serve as the overall framework guiding agencies in implementing future systems. With DICT, agencies must strengthen their cybersecurity measures to address threats and avoid data breaches.

Improve public awareness initiatives to promote widespread use of government-created applications and online platforms.

The government will conduct public awareness campaigns to encourage broader usage of government-developed applications and online portals.

Institute public financial management (PFM) reforms.

The government will develop the PFM Reform Roadmap for the adoption of IFMIS and BTMS in 2024. Likewise, rules and regulations will direct national government agencies and other instrumentalities to fully implement IFMIS and BTMS.



To support competent, motivated, agile, and resilient public servants

Pursue a wide-scale digital competency development program.

This will include capacitating civil servants on ICT, exploring the integration of PRIME-HRM to the SGLG, developing an enhanced PRIME-HRM Automated System, and implementing an HRM information system.

Harmonize various competency frameworks for the public sector.

The government will tap technical experts to adopt a purposive and programmatic approach to advancing human capital development in the public sector.

Subchapter 4.2

Promoting Sustainable Natural Resources Management and Advancing Climate-Smart and Disaster-Resilient Development





PhilSA personnel utilizes drone technology to validate benthic maps (e.g., corals, seagrass, etc.) and mangrove maps extracted from satellite data. These maps are integral in monitoring and assessing the status and conditions of ecosystems.

Photo Credit: PhilSA

Subchapter 4.2. Promoting Sustainable Natural Resources Management and Advancing Climate-Smart and Disaster-Resilient Development

Introduction

The Philippines' abundant natural resources provide vital ecosystem services that sustain its social and economic systems. However, overexploitation and unsustainable use of natural resources continue to threaten the provision of these ecosystem services. Climate change and natural hazards further amplify environmental risks and magnify existing vulnerabilities of Filipino communities. The country must progress from crafting policies to implementing tangible and innovative solutions to address these intersecting risks and vulnerabilities.

Thus, the PDP 2023-2028 laid out strategies to catalyze actions from the government, private sector, academia, civil society, development partners, and the international community, to strengthen the resilience of communities, institutions, and ecosystems against localized risks posed by natural hazards and climate change. These strategies include strengthening the capacities of LGUs in disaster prevention and preparedness and boosting multistakeholder partnerships on climate change adaptation (CCA). They also involve disaster risk reduction (DRR), intensifying ecosystem management, and promoting innovative green investments and technologies.

The PDP shall also apply human rights and just transition lenses in charting a climate-resilient, low-carbon development pathway.

Strategy Framework

The PDP Chapter 15 strategy framework outlines a comprehensive approach to realizing the country's vision of resilient and sustainable ecosystems and communities. The framework specifically envisions the following outcomes: (a) increase climate and disaster risk resilience of communities and institutions; (b) increase ecosystem resilience; and (c) enable transition to low carbon economy. Given the multifaceted and crosscutting nature of these strategies, their successful implementation requires sustained coordination and engagement at all levels of government involving diverse stakeholders such as the private sector, civil society, development partners, the academe, and local communities.

SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES



SCAN ME

Major Programs, Activities, and Projects



Increasing climate and disaster risk resilience of communities and institutions

Local climate and disaster risk reduction and management are making strides, buoyed by support from the national government and the private sector. More LGUs are enhancing their local development plans by embedding climate-resilient strategies, such as promoting green corridors¹ and rainwater collection and harvesting.² Likewise, national-local partnerships are actively pursued, exemplified by establishing the Department of Science and Technology's third Ground Receiving Station at the Climate Field School³ in Dumangas, Iloilo. These collaborative efforts involve (a) strengthening the capacity of local communities to interpret and utilize weather data, (b) applying innovative planning tools and techniques, and (c) implementing local DRR and CCA strategies. With support from the United Kingdom (UK) Government, the Department of Environment and Natural Resources (DENR) and the Climate Change Commission (CCC) are in the process of finalizing the National Adaptation Plan (NAP),⁴ which will guide the identification and implementation of science-based adaptation measures, especially at the local level.

To mitigate the negative impact of El Niño on food security, health, and safety, the NDRRMC has convened its member agencies in April

¹ https://greenawards.quezoncity.gov.ph/wp-content/uploads/2023/05/C40-QC-CAP_EN_High-res-Viewing-Single-04-08-21.pdf

² <https://www.pna.gov.ph/articles/1143099>

³ <https://asti.dost.gov.ph/communications/news-articles/dost-inaugurates-iloilo-ground-station-march-10-2023/>

⁴ Awaiting publication

of 2023. Subsequently, the El Niño National Action Plan Framework has been formulated, reviewed and then approved by the NDRRMC in November 2023.



Enhancing ecosystem resilience

The sustainable management of natural resources cultivates climate-resilient livelihoods for communities reliant on these resources. Government programs, such as the Enhanced National Greening Program (ENGP) and Coastal and Marine Ecosystems Management Program (CMEMP), have established biodiversity-friendly enterprises (BDFEs) (e.g., plantation establishment, ecotourism, and seaweed farming) that foster employment opportunities while implementing measures to conserve and protect forestlands and aquatic ecosystems. The recently approved Green Climate Fund-Adapting Philippine Agriculture to Climate Change (GCF-APA) and Philippine Fisheries and Coastal Resiliency (FishCoRe) projects also aim to establish sustainable and climate-resilient livelihoods for vulnerable agricultural and coastal communities.

Environmental parameters are progressively being mainstreamed in government processes, promoting a more holistic approach to sustainable and climate-resilient development. The government has embedded biodiversity and ecological considerations in various sectoral and local plans and programs to balance economic, social, and environmental

dimensions. These include the (a) Philippine National Standards on Biodiversity-Friendly Agricultural Practices (BDFAPs)-Code of Practice BAFS (PNS/BAFS 362:2023);⁵ (b) DA-DENR-NCIP-NCCA JMC No. 2023-01 on Nationally Important Agricultural Heritage Systems;⁶ (c) DILG Memorandum Circular No. 2023-086 for 2023 Seal of Good Local Governance (SGLG);⁷ and (d) the NEDA-initiated Urban Carrying Capacity Assessment (UCCA) Manual.⁸ Meanwhile, efforts are underway to attain the targets and commitments under the Philippine Biodiversity and Strategy Action Plan (PBSAP) 2015-2028 through various financing options under the Biodiversity Finance Initiative (BIOFIN).⁹

The Extended Producer Responsibility (EPR) Act¹⁰ is making progress in promoting sustainable consumption and production practices. The Philippine Action Plan for Sustainable Consumption and Production (PAP4SCP)¹¹ underscores the important role of EPR in reducing plastic leakage into terrestrial and aquatic ecosystems. In 2023, 863 EPR programs by private companies¹² have been submitted to the DENR for validation and monitoring.



Enabling the low carbon economy transition

The government has developed key mechanisms to set mitigation plans in motion and attract low-carbon investments. The CCC and DENR, in partnership with the Asian Development Bank, are in the process of finalizing the Nationally Determined

⁵ https://bafs.da.gov.ph/page/pns_catalogue

⁶ <https://www.ncipr3.com/10-march-2023-ncip-da-denr-ncca-joint-memorandum-circular-on-rules-and-regulations-signing-ceremony/#:~:text=The%20National%20Commission%20on%20Indigenous,Governing%20the%20Recognition%20and%20Confirmation>

⁷ https://www.dilg.gov.ph/PDF_File/issuances/memo_circulars/dilg-memocircular-2023811_709fcafb44.pdf

⁸ The UCCA Manual is envisaged to serve as a reference guide for national and local planners and policymakers to inform proper planning and management of cities and urban areas. The manual's accompanying Excel-based calculator will determine actual computation of the area's UCC.

⁹ The BIOFIN Project in the Philippines is implemented by the DENR and the United Nations Development Programme to provide financing solutions to target beneficiaries (i.e., Local Government units [LGUs], DENR Regional Offices, and Non-Government Organizations [NGOs]) towards achieving the country's targets under the Philippine Biodiversity Strategy and Action Plan (PBSAP).

¹⁰ <https://emb.gov.ph/wp-content/uploads/2023/02/RA-11898.pdf>

¹¹ <https://neda.gov.ph/pap4scp>

¹² This includes large enterprises, MSMEs, collectives, and producers' responsibility organizations.

Contribution Implementation Plan (NDCIP),¹³ which outlines the priority policies and measures (PAM) to reduce/avoid emissions in agriculture, waste, industry, transport, and energy sectors. The Department of Energy with the help of the UK Government, also developed the Philippine Emissions Pathways Calculator to help determine the right mix of PAMs to achieve domestic climate and sustainability goals.

To enable the development of local carbon markets, the DENR has released the guidelines on establishing the Carbon Accounting, Verification, and Certification System (CAVCS) for Forest Carbon Projects.¹⁴ This aims to encourage investments and incentivize forest protection, afforestation, and restoration efforts by various stakeholders like the private sector and upland communities. Similarly, the National Commission on Indigenous Peoples (NCIP) has collaborated with the Forest Foundation Philippines to enhance the free, prior, and informed consent (FPIC) guidelines, ensuring transparent and just carbon-sharing arrangements for projects within ancestral domains.



**Cross-cutting strategy:
Improving governance
and intersectionality
of climate change
and natural hazard
resilience**

Several initiatives are advancing science-based and data-informed policy- and decision-making. The DENR and the Philippine Space Agency (PhilSA) collaborated to establish a national environment and natural resources (ENR) geospatial database, utilizing space science and technology applications (SSTA) for accounting, mapping, and monitoring of natural resources,

as well as climate change impacts. In addition, PhilSA is developing methodologies that will utilize satellite images and space-borne data to monitor the status and conditions of various ecosystems. The DENR and the United States Agency for International Development, through the Sustainable Interventions for Biodiversity, Oceans, and Landscapes or SIBOL Project, also developed the High Conservation Value Area (HCVA)-Natural Capital Accounting (NCA) Framework on Protected Area Management (*Sukat ng Kalikasan*). It will serve as a spatial planning tool to strengthen science-driven decision-making for improved natural resources governance.

Measures have been taken to mobilize environmental, social, and governance (ESG) investments and finance local adaptation projects. The Financial Sector Forum member agencies¹⁵ are finalizing the Philippine Sustainable Finance Taxonomy Guidelines, which will help classify environmentally and socially sustainable economic activities. The government is also taking measures to streamline regulatory processes and encourage private sector ESG investments, including Executive Order No. 18, establishing “green lanes” to expedite government transactions, especially for strategic investments like manufacturing and assembly of renewable energy components and electric vehicles. The review and approval process for adaptation projects under the People’s Survival Fund (PSF) has also been streamlined, resulting in five projects worth PHP539 million approved within the year. With this, 89 percent of the original funds have now been committed to 11 adaptation projects and 6 project development grants by end of 2023.

¹³ Awaiting publication

¹⁴ DENR Administrative Order No. 2021-43

¹⁵ Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), and Insurance Commission (IC)

Results Matrix

Increasing climate and disaster risk resilience of communities and institutions

Compared to 2021, the number of deaths attributed to disasters per 100,000 population has decreased from 0.4660 to 0.3552. In contrast, the number of missing persons and directly affected persons¹⁶ per 100,000 population increased to 0.0709 and 9,120.52, respectively. Meanwhile, the total budget allocated for climate-related expenditures reached 8.82 percent of the 2023 GAA, up from 5.77 percent in 2022. This increase was associated with expanding and identifying new initiatives under the Risk Resiliency Program (RRP) and increased agency participation in the Climate Change Expenditure Tagging (CCET) process. In terms of the percentage of LGUs with climate and disaster-risk informed plans, the 2023 targets for Comprehensive Land Use Plans (CLUP) and Local Climate Change Action Plans were met at 51 and 86 percent, respectively. However, targets for Comprehensive Development Plans remain unmet in all regions, except in Regions 8 and 12.

Enhancing ecosystem resilience

As of Q3 2023, the 40 monitored marine protected areas (MPA) under the Expanded National Integrated Protected Areas System (ENIPAS) has met its annual targets. Moreover, the effective management of 2.483 million hectares (ha) of MPAs and other priority coastal and marine conservation areas has been maintained. In terms of forest cover, 15,264 hectares of plantations were established under ENGP, while 2,169 ha of forestlands for tree, mangrove, and agroforestry plantations were developed under CBFM-CARP. Moreover, land degradation hotspots have been reduced from 1.910 million to 1.893 million ha due to the effective implementation of sustainable land management programs.¹⁷

In terms of employment generation from resource-based enterprises and industries, 134 people's organizations engaged in BDFE were established in 2023, surpassing the target of 129. Meanwhile, the DENR-Mines and Geosciences Bureau reported that 76.1 percent of surface metallic mines have been compliant with the safety and health, environmental and social development, and management programs for mineral resources development, exceeding the 2023 target of 75 percent.

16 Directly affected persons are those who have suffered injury, illness, or other health effects; who were evacuated, displaced, relocated or have suffered direct damage to their livelihoods, economic, physical, cultural, and environmental assets.

17 As of December 18, 2023; (a) Housing and Land Use Regulatory Board Resolution No. 991 Series of 2019 on Approving the Supplemental Guidelines for Mainstreaming SLM in the CLUP; (b) implementation of Adaptive Balanced Fertilization Strategy (ABFS) under the National Soil Health Program; (c) intensification of organic certification by Organic Certifying Bodies; (d) Establishment of Integrated Conservation Guided Farms, among others.

Ways Forward

Building on the challenges and achievements in 2023, the government will strengthen cross-sectoral convergence and coordination to achieve the country's environmental and climate goals and targets. In the next two years, efforts will focus on speeding up progress in building the resilience of institutions, ecosystems, and communities by (a) expanding the use of digital and space science technologies in monitoring and forecasting, (b) establishing sustainable and resilient infrastructure, (c) scaling up the adoption of innovative climate-resilient technologies, including nature-based solutions, and (d) increasing public-private partnerships (PPP) for managing environmental and climate and disaster risks.

Priority Strategies



To increase climate and disaster risk resilience of communities and institutions

Prioritize the implementation of the NAP. The CCC and DENR, in collaboration with relevant government agencies, will operationalize the NAP by (a) establishing a purpose-fit governance structure and stakeholder engagement and knowledge platforms, (b) intensifying climate-resilient technology adoption and innovation, and (c) ensuring access to adequate and diverse financial resources, especially by LGUs and communities.

Strengthen climate and disaster risk integration in government processes.

Following the adoption of the updated Public Service Continuity Plan (PSCP) Guidebook, all government entities, with support from the National Disaster Risk Reduction and Management Council (NDRRMC), will craft their respective PSCPs to ensure critical services will continue during disasters.



To enhance ecosystem resilience

Scale up the mainstreaming of ecosystem resilience in local plans and programs.

The government will focus on harmonizing national and local actions to conserve critical ecosystems and address the adverse impacts of climate change on communities. These measures include (a) mainstreaming integrated coastal management in CLUPs and other biodiversity-related indicators in the CCET system and the SGLG and (b) aligning Social Development and Management Programs with the Sustainable Development Goals (SDG). Moreover, implementing the Integrated Water Resources Management Plan and enacting the PENCAS and Blue Economy bills will provide additional support for resource use and management at the local level, reinforcing multi-sectoral coordination to reduce climate vulnerabilities.

Boost sustainable livelihood opportunities.

The Department of Agriculture (DA) will continue diversifying income sources and expanding livelihoods for climate-vulnerable and resource-dependent communities, mainly through GCF-APA and FishCoRe projects. Related to this, the DENR will expand BDFEs beyond protected areas, creating more jobs for local communities while sustaining

ecosystem services from natural resources. The government will seek more PPPs to speed up funding and create market linkages for resource-based enterprises.

Encourage private sector solutions that reduce environmental harm caused by plastic pollution. The DENR will develop guidelines under the EPR framework to motivate the private sector to adopt and deploy innovative methods to curb plastic leakage into the environment. The guidelines entail the development of a methodology to estimate the volume of waste avoided through interventions in the upstream and midstream portions of the plastic value chain.



To enable the low carbon economy transition

Operationalize the NDCIP. The government will leverage public funds to attract private sector investments to speed up the implementation of the NDC PAMs, primarily on the energy and transport sectors. This will cover the development of an NDCIP Financial Strategy led by the Department of Finance and the conduct of feasibility and market studies backed by suitable governance and implementation structures. To effectively monitor the progress and evaluate the impacts of the PAMs, a robust measurement, reporting, and verification (MRV) framework will be established.

Implement a green jobs certification scheme. The CCC will implement the Green Jobs Assessment and Certification System Guidelines to enable business enterprises generating green jobs to take advantage of the incentives (e.g., tax deduction, exempt importation of capital equipment) provided under the Green Jobs Act (RA 10771).

Develop carbon pricing instruments and operationalize local carbon markets. The government will (a) study the feasibility of complementary implementation of a carbon tax and emissions trading system, and (b) explore the broadening of existing carbon market to encompass other ecosystems, including blue carbon like mangroves and seagrass. Following the CAVCS guidelines, the DENR will (a) issue Certificates of Carbon Sequestered/Certificates of Emissions Avoided to private sector stakeholders engaged in forest carbon projects and (b) develop and maintain a registry for monitoring.

Ensure just transition of industries. The government shall strengthen its efforts to help local businesses and industries increase their competitiveness to access global markets for sustainable products and technologies, especially in light of the emergence of plurilateral environmental and climate change-related trade agreements. The government shall likewise assess the potential fiscal and economic impacts of the application of the European Union's Carbon Border Adjustment Mechanism on the country's exports.



To improve governance and address intersecting risks posed by climate change and natural hazards

Strengthen climate and risk data and information management systems. The government will continue its efforts to (a) develop and institutionalize a national resilience index, (b) enhance existing ENR, climate change, and DRRM databases, and (c) improve monitoring and reporting systems. This involves improving the processes and increasing the frequency of reporting

under Philippine Greenhouse Gas Inventory Management and Reporting System, and updating and upgrading the DA's Disaster Risk Reduction and Management Information System and the DENR's Climate Change Information Management System. In addition, the SEC will expand the scope of existing sustainability reporting guidelines to consider global sustainability standards¹⁸ and include medium-sized enterprises.

Develop natural capital and ecosystem accounts. Leveraging the national ENR geospatial database, the DENR will develop site-specific and area-based ecosystem accounts to inform ENR management and sustainable financing. This entails the development of an NCA capacity-building program for its personnel at the central and regional offices. The Philippine Statistics Authority will update, develop, and compile ecosystem accounts, environmental accounts, and statistics at the national and sub-national levels. On the other hand, NEDA will spearhead the integration of NCA into national policies, plans, and investment programs.

Scale up the mobilization of sustainable finance from public and private sources.

The government remains steadfast in cultivating a supportive policy environment to bolster ESG investments from the private sector, especially in natural resource management, climate action, and disaster resilience (see Section 2.2.1). This includes implementing the (a) Philippine Sustainable Finance Taxonomy Guidelines; (b) 11-Point Sustainable Central Banking Strategy;¹⁹ and (c) biodiversity-related finance solutions and initiatives.²⁰ The government will prioritize the replenishment of PSF to benefit more climate-vulnerable and poor LGUs. Furthermore, the government will bolster its capabilities and streamline internal processes to enhance access to international climate and environmental financing, such as GCF, Global Environment Facility, Adaptation Fund, Loss and Damage Fund, and Climate Investment Funds, among others, supplementing limited government resources for climate action.

18 These include the International Financial Reporting Standards' (IFRS) general requirements for disclosure of sustainability-related financial information and climate-related disclosures. SEC exposure draft may be accessed through this link: <https://www.sec.gov.ph/notices/request-for-comments-on-the-draft-memorandum-circular-on-the-revised-sustainability-reporting-guidelines-for-publicly-listed-companies-and-the-sec-sustainability-reporting-form-sure-form/#gsc.tab=0>

19 Launched in December 2022, the BSP's 11-point Sustainable Central Banking (SCB) Strategy provides measures towards promoting the sustainability agenda in the financial system. These include, among others, the issuance of sustainability-related enabling regulations (e.g., regulatory incentives), promotion of inclusive green finance, and investment by the BSP in Green Bond Funds.

20 The BIOFIN Project is currently implementing finance solutions to achieve the targets under the PBSAP 2015-2028. Through the project, USD8.5 million of potential harmful subsidies were repurposed for biodiversity-related initiatives. It also identified nature finance disclosure entry points, and provided policy recommendations for the Philippines.



CHAPTER 5

ADVANCING THE NATIONAL INTEREST TOWARDS PEACE AND PROSPERITY

This chapter discusses the progress, in the inaugural year of the Philippine Development Plan 2023-2028, toward strategies emphasizing peace, security, and justice. It underscores the government's commitment to creating a peaceful and just environment, as outlined in the President's Report to the People 2022-2023.

The chapter reveals various initiatives to strengthen the nation's security in response to a changing socio-political landscape. This includes reinforcing defense mechanisms, enhancing intelligence capabilities, and engaging communities in a multifaceted approach. These measures are analyzed to provide a comprehensive understanding of the proactive steps taken.

Simultaneously, the chapter focuses on justice administration, highlighting transformative reforms, technological integrations, and institutional enhancements to create a legal framework aligned with contemporary societal needs. The narrative of the first year of the PDP emphasizes the nation's unwavering commitment to a future characterized by lasting peace, justice, and prosperity. The chapter aims to showcase the country's dedication to these goals by exploring the progress and challenges during this transformative period.

Subchapter 5.1

Securing and Safeguarding the Nation



Philippine Navy assets sailing Philippine seas to carry out territorial defense and maritime security activities.

Photo Credit: Philippine Navy

Section 5.1.1

Ensure Peace and Security

Introduction

The government is steadfast in its commitment to safeguard and secure its people, its territory, and its resources. Peace processes, supported by a broad-based constituency for peace, are gaining ground with the government being able to protect and bring back development to conflict-affected communities. However, the sustainability of socioeconomic interventions needs to be ensured to expedite the return to normalcy for former rebels, their families, and their communities.

The security sector is strengthening collaboration with science and technology agencies to advance its capabilities in securing the country's critical resources, cyberspace, and sovereignty. The police have also expanded community partnerships, upgraded their capabilities to deter and effectively respond to criminal activities and acquired technologically advanced equipment for crime investigation and prevention. Consequently, the Armed Forces of the Philippines (AFP) is accelerating its military modernization to upgrade the country's external defense capabilities while also revitalizing local defense industries.

Strategy Framework

Ensuring peace and security is an essential foundation to advancing the national interests towards peace and prosperity. The government will fulfill its commitment under the signed peace agreements to further advance socioeconomic development. This will transform conflict-affected areas into peaceful and productive communities and strengthen their capability and resiliency to address potential conflicts. Maximizing broad-based constituencies for peace will ensure the sustainability of peace and security initiatives. Using technology in policing and defense-related activities will help secure the people against natural hazards and other security threats, while also upholding the country's sovereignty and territorial integrity.

SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES



SCAN ME

Major Programs, Activities, and Projects



Protection and development of conflict-affected communities sustained

The National Government and Bangsamoro Government have laid out critical policies and mechanisms that will ensure a peaceful and successful transition of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) after the 2025 elections. All eight intergovernmental relations (IGR) mechanisms for BARMM were convened, which strengthened coordination between the national and the Bangsamoro governments and resolved critical issues and concerns on economic, fiscal, energy, resource development, and governance. The Bangsamoro Parliament passed the Bangsamoro Local Government Code of 2023, which will transfer administrative responsibilities and authority from the central and regional governments to local government units (LGU), allowing them to respond effectively to local needs and establish a well defined and harmonious relationship between the regional government and LGUs. Likewise,

the recently enacted Bangsamoro Electoral Code shall pave the way for a successful BARMM elections in 2025.

The decommissioning process is about to be completed and normalization programs are underway. Phase 4 of the decommissioning process for former members of Moro Islamic Liberation Front (MILF), with the remaining 14,000 or 35 percent of the total combatants being prepared for the last phase. More than 290 qualified MILF and Moro National Liberation Front (MNLF) were appointed as patrol officers at the Philippine National Police (PNP), and 24 Joint Peace and Security Teams deployed and activated, which include members of the Armed Forces of the Philippines (AFP), PNP and MILF-Bangsamoro Islamic Armed Forces (BIAF). Likewise, transformation of previous MILF camps is also underway, with the delivery of socioeconomic packages for decommissioned combatants and their families being fast-tracked.



Members of the Inter-Cabinet Cluster Mechanism on Normalization conducts ground consultations at MILF Camp Bushra in Lanao del Sur.

Photo Credit: OPAPRU

The transformation program for the Moro National Liberation Front (MNLF) has been initiated. The program aims to assist the MNLF to transition to peaceful and productive civilian lives, with components similar to that of the Normalization program for the MILF. A

total of 2,863 MNLF combatants have been validated and 1,838 firearms have been verified and documented. Currently, 1,705 MNLF combatants have been verified, completed the socioeconomic profiling, and provided with initial socioeconomic packages, while 25 MNLF communities were provided with socioeconomic interventions.

Localized peace engagements and reintegration and transformation programs, such as the Barangay Development Program and Enhanced Comprehensive Local Integration Program have successfully dismantled and significantly weakened the strength of the communist terrorist groups. Since the inception of the programs under the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC), many rebels have surrendered in exchange for socioeconomic packages that help them reintegrate into society and bring back normalcy and peace in communities. These packages include livelihood, scholarships, and health insurance, among others. Associations of former rebels were also established allowing them to access other economic and financing opportunities for a more sustainable livelihood and income source. Moreover, some provinces have already crafted their Local Integration Transformation Program Plans that will enable LGUs to address the needs of former rebels, their families, and communities. A total of 17,210 community-driven development projects on agricultural productivity support and community infrastructure and 4,704 sub-regional development projects were completed through the *Payapa at Masaganang Pamayanan* (PAMANA) Program.



Presidential Peace Adviser Secretary Carlito Galvez Jr., Agusan del Norte Governor Maria Angelica Rosedell Amante, and DPWH 13 Assistant Regional Director Alex Ramos lead the turnover and inauguration of PHP1.4 billion worth of PAMANA Program infrastructure projects in four provinces in the Caraga Region on July 2023.

Photo Credit: OPAPRU

The President recently issued Proclamations¹ granting amnesty to members of communist insurgency groups, MILF, and MNLF.

Following this, Executive Order No. 47² amended Executive Order No. 125, s. 2021, to update the functions of the National Amnesty Commission to cover the processing of the applications for amnesty under the new proclamations. These new proclamations will later need to be confirmed by Congress.

Various programs under the Revolutionary Proletarian Army (RPA) Peace Process and Cordillera Bodong Administration (CBA) Peace Process were implemented.

The *Rebolusyonaryong Partido ng Manggagawa ng Pilipinas*/Revolutionary Proletarian Army/Alex Boncayao Brigade (RPM-P/RPA/ABB) Peace Table has provided more than 727 KAPATIRAN and their next of kin with continued access to social

1 Proclamation Nos. 403 (RPMP-RPA-ABB), 404 (CPP-NPA-NDFP), 405 (MILF) and 406 (MNLF)

2 Signed on November 22, 2023

protection programs, 12 KAPATIRAN chapters implemented livelihood projects through the Livelihood Sustainability Grant and Livelihood Reinforcement Grant and 193 KAPATIRAN and their next of kin were provided with employment. The peace table was also able to sustain 206 active community defense units, and 148 members that were transitioned to the Citizen Armed Force Geographical Unit (CAFGU) Active Auxiliary 1.

Meanwhile, the CBA-Cordillera People's Liberation Army (CPLA) Peace Table was able to facilitate the hiring of 473 *Bantay Gubat* under the Department of Environment and Natural Resources' national greening program and forest protection activities, 200 Sustainable Education Assistance Program (SEAP) grantees continuously monitored of which at least 10 grantees graduated, and 855 beneficiaries are enrolled under PhilHealth through the social protection programs. There are 37 farmers' associations capacitated through skills training and provision of farm inputs and machinery through the OPAPRU-Department of Agriculture Sustainable and Inclusive Peace and Transformation (SIPAT) program amounting to eighteen million pesos, and 196 CBA-CPLA communities that were provided with access to basic services in partnership with regional line agencies. All ten CBA-CPLA People's Organizations were capacitated on entrepreneurship and environment-based or green projects.

Awarding of compensation to victims of war during the Marawi Siege has started.

Various infrastructure projects, such as school buildings, hospitals, health centers with madrasah, port facilities, permanent shelters, and trading facilities, among others, are almost completed. The recently created³

Marawi Compensation Board (MCB) has started awarding compensation for death claims to 22 legal heirs of war victims in November 2023. This will continue until 2025, pursuant to the implementing rules and regulations of the Marawi Siege Victims Compensation Act (RA 11696).



Quality of life of people safeguarded from criminality

The Philippine National Police (PNP) implemented a whole-of-nation approach anti-illegal drug strategy with the Double Barrel Finale Version 2022 Anti-illegal Drugs Operations through Reinforcement and Education (ADORE).

The program, anchored on a reinforcement and education-based approach, has accomplished milestones in drug supply and demand reduction. From January to December 31, 2023, efforts resulted in more than 46,000 operations and the arrest of more than 59,000 drug personalities. Further, the program led to the surrender of more than 500,000 persons who used drugs (PWUDs), of which more than 30,000 PWUDs graduated from the reformation and rehabilitation programs of the PNP.

Furthermore, the Regional Oversight Committee on *Barangay* Drug Clearing has declared more than 1,000 drug-affected *barangays* as drug-cleared, as of December 2023.

The PNP strengthened community partnerships on crime deterrence, reporting, and resolution.

The PNP launched the *Barangayanihan* program, where almost all *barangays* (99.9%) in the country have an organized *Barangay* Peacekeeping Action

3 Pursuant to Republic Act No. 11696 or the Marawi Compensation Act of 2022

Team (BPAT). The BPATs serve as advocacy support groups and force multipliers of the PNP. Additionally, more than 97,000 members of the *barangay* intelligence network were organized to provide intelligence support to the PNP under the Intensified Detection and Exposure to Thwart Emerging Community Threats (I-DETECT) Program. The PNP also partnered with the private and public sectors, and educational institutions, to strengthen advocacy support for their anti-illegal drug campaigns and crime prevention programs.



PNP Cyber Security Unit (CSU) personnel investigates using Autoruns Sysinternals.

Photo Credit: PNP

The PNP is upgrading its capability and harnessing digitalization for a more effective performance of its mandate.

The PNP has recently undertaken a substantial acquisition of transportation, communications, firepower, investigative, and anti-terrorism equipment through the Capability Enhancement Program. The establishment of the PNP One Network is also underway, which aims to establish seamless connectivity between national and regional headquarters and police stations, fostering efficient communication and coordination within the organization and with the public. Moreover, the PNP has initiated strategic partnerships with private firms, culminating in the signing of over ten memoranda of agreements. These collaborations are geared towards elevating security infrastructures to new heights through the integration of cutting-edge technologies.



PNP personnel conducts digital forensic examination and analysis of submitted digital evidence pertaining to an investigation.

Photo Credit: PNP

In terms of cybercrime suppression and strengthening cybersecurity, the PNP has conducted several Anti-Cybercrime Operations targeting terrorist financing, telecommunications fraud scam and automated teller machine (ATM)/credit card fraud syndicates, among others. The PNP currently has six functional Digital Forensic Laboratories which are capable of conducting computer, mobile, audio and video forensic examinations and investigate incidents of cybercrime activities within their geographical areas of responsibilities.



Protection and safety from natural hazards and other security threats ensured

Strengthened partnerships with local stakeholders for maritime protection and safety.

The Philippine Coast Guard (PCG) has activated multiple task forces that work hand in hand with other government agencies to step up the enforcement of maritime laws and regulations, particularly on smuggling. Acknowledging the critical role of communities in information dissemination, the PCG regularly conducts community relations activities with fisher folks and coastal communities. These include training programs on maritime safety and maritime environmental protection, as well as the First

Responders Training and Water Search and Rescue program for local government units.

The PCG is upgrading its capability to monitor maritime safety and security threats. The PCG Modernization program is actively progressing on multiple fronts, encompassing initiatives such as the development of bases and support facilities, acquisition of surface and air assets, and the implementation of the maritime safety enhancement project. It has also pursued the construction of radar stations to boost maritime surveillance capabilities.

Securing the Philippine cyberspace is an immediate task of the security sector. The Department of Information and Communications Technology (DICT) has formulated the National Cybersecurity Plan 2023-2028. The plan contains the priority strategies and programs to ensure a trusted, secure, and resilient cyberspace for every Filipino. Initiatives to strengthen the capabilities of the National Computer Emergency Response Team have also been pursued by the Department.



Territorial integrity and sovereignty upheld and protected

The government is expediting the Modernization Program of the Armed Forces of the Philippines (AFP) paving its shift to building the country's external defense capabilities. Over the years, the AFP has reached significant strides under Horizon 1, geared towards upgrading the internal security operations (ISO) and in delivering humanitarian assistance and disaster relief (HADR) missions; and Horizon 2, which focused more on territorial defense through the acquisition of basic defense capabilities on land, sea, and air.

The security sector has collaborated with the country's science and space agencies in upgrading its defense capabilities to protect the country's assets and territories. The Philippine Space Agency (PhilSA) initiated the development of the Multispectral Unit for Land Assessment Satellite. This satellite is designed to furnish valuable data for monitoring environmental hazards and supporting future surveillance activities conducted by our security forces. Significant strides have been made in creating automatic weaponry tailored for naval use under Project *Buhawi*, a collaborative venture involving the Philippine Navy, Department of Science and Technology (DOST), and the Mechatronics and Robotics Society of the Philippines. On a different front, PhilSA's *Pagsisiyasat Pangseguridad*: Space Security Research and Development Project has yielded a series of maps and reclamation images. These resources can be harnessed by government agencies to offer comprehensive and precise representations of areas of interest.

The DND and PCG have expanded international and regional cooperation in areas of defense and security. The DND presently manages formal defense agreements with 32 countries across the Asia-Pacific, Middle East, Europe, and the Americas. Simultaneously, PCG has recently forged an agreement with the Indonesian Maritime Security Agency to enhance maritime security cooperation.

Results Matrix

Protection and development of conflict-affected communities sustained.

Projects within the 2023 *Barangay Development Program* led by the NTF-ELCAC are progressing through various stages of implementation, with the majority still in the process of completion. However, the recent *Barangay and Sangguniang Kabataan Elections* in 2023 have impacted the timeline, causing delays in the processing and release of funds and introducing complexities in the procurement process.

In terms of implementation of peace agreements, almost all of the peace agreements were able to reach their target completion rate for 2023. The implementation of the 2000 Peace Agreement with the RPM-P/RPA/ABB achieved its target for FY 2023 with 80 percent completion rate for the Tabara-Paduano-Group and 5 percent completion rate for the Nilo dela Cruz Group. The target of 80 percent of the 5-year Normalization Program with the GPH-CBA-CPLA Peace Process was also completed.

Furthermore, for FY 2023, 31.5 percent and 49 percent was completed toward the implementation of the Comprehensive Agreement on the Bangsamoro and the 1996 Final Peace Agreement with the MNLF, respectively.

Quality of life of people safeguarded from criminality. The government exceeded the annual target of a five percent decrease in the average monthly index crime rate, which has declined to 2.87 for full year 2023. This

is a notable improvement compared to the rate of 5.11 recorded in 2019 (immediately preceding the pandemic). The current rate is even lower than the 3.01 baseline figure observed during the pandemic year in 2021.

Moreover, the target for the proportion of families feeling safe walking alone in the community at night is also on track. Data for 2022 indicates a rate of 95.3 percent, significantly surpassing the baseline figure of 89.8 percent from the pandemic year in 2020.

Additionally, the PCG reported that maritime crime rate index for Q4 2024 was recorded at 0.0639.

Territorial integrity and sovereignty upheld and protected.

In 2023, the country's domain awareness has witnessed substantial enhancement, particularly in the air domain. The percentage of air domain awareness has nearly doubled compared to its baseline value in 2022, thanks to the timely acquisition of assets through the AFP Modernization Program.

Ways Forward

Priority Strategies



To transform conflict-affected areas into peaceful and productive communities

Expedite the implementation of socioeconomic packages under the normalization and transformation programs for the recovery and transformation of conflict-affected areas. The national government will support the ongoing transformation of former combatants and their families through sustainable socioeconomic assistance packages to enhance their quality of life and expedite their transition into productive communities. The DICT will prioritize digital connectivity in Geographically Isolated and Disadvantaged Areas, particularly in MILF camps, creating economic opportunities and improving access to public services. The OPAPRU will aid in the localized normalization of MILF decommissioned forces, beginning in the provinces of BARMM, with Basilan as the initial pilot. Additionally, the OPAPRU will facilitate the reengagement of the Organization of Islamic Cooperation for the operationalization of the Bangsamoro Development Assistance Fund and Tripartite Implementation Monitoring Committee, for the remaining commitments under the 1996 Final Peace Agreement with the MNLF, and implement the transformation programs for MNLF combatants, their families and communities. The MCB will continue processing compensation claims until 2025 for eligible individuals affected by the 2017 Marawi Siege, following the guidelines of RA 11696.

Furthermore, PAMANA Program will be implemented in 11 NGAs and 79 LGUs in 31 Provinces. LPE and Transformation Program including establishment of Peace Centers will be implemented in 19 provinces. Interventions for the sustainability of KAPATIRAN and CPLA People Organizations' socioeconomic livelihood and Transformation Program mechanisms will likewise be implemented.

Ensure peaceful and successful transition of the Bangsamoro Government. Following the enactment of the Bangsamoro Electoral Code, the Bangsamoro Government is gearing up for its first regional parliamentary elections in 2025 that shall pave the way for BARMM's pursuit of self-governance. Furthermore, to ensure that the annual block grant of the Bangsamoro government is responsive to their fiscal needs, the Intergovernmental Fiscal Policy Board will conduct a review of its formula, pursuant to Article XII, Section 22 of the Bangsamoro Organic Law.

Advance healing and reconciliation, social cohesion, and transitional justice interventions. Following the grant of amnesty to rebels and insurgents via Proclamation Nos. 403, 404, 405, and 406, Congress members will expedite the amnesty process. The Philippine government and the National Democratic Front of the Philippines will resume peace negotiations to address serious socioeconomic, environmental issues, and foreign security threats, complementing localized peace engagements. The government will implement Localized Peace Engagement Track 1 and 2, and the Transformation Program which contains a component on Healing and Reconciliation in target provinces. Additionally, the

Inter-Cabinet Cluster Mechanism on Normalization will update and approve the GPH-Transitional Justice and Reconciliation Roadmap.



Furthermore, the National Action Plan on Women, Peace and Security¹ and the National Action Plan on Youth, Peace and Security² will be implemented through a whole-of-society approach to champion the rights and agency of women and youth in peacebuilding, healing, and reconciliation. Likewise, peace education in formal and other learning institutions will be institutionalized to promote a culture of peace. Educators shall be trained to teach peace among their students and advocate for peace in their respective institutions.

Localization of National Action Plan on Preventing and Countering Violent Extremism (PCVE) in BARMM and Non-BARMM Areas. The government will continue the harmonization of PCVE interventions of both the national and local governments, including BARMM, and strengthening of legal framework through the National, and Local Peace and Order Councils. This will include the development and enhancement of local partnerships through identifying provincial and municipal contact points, technical working groups, and establishing preparatory thematic areas.

Development of the Legislative Model Provisions for Victims of Terrorism (VOT). The government will continue its collaboration with the United Nations Office for Counter-Terrorism for the development of the Legislative Model Provisions for VOT that seeks to show solidarity among VOT, raise awareness of their rights and needs, and provide support to advance the capacity of member states and civil society organizations.



To safeguard the quality of life of people from criminality

Institutionalize a holistic, humane, rights-based, compassionate and health-centered approach to anti-illegal drug campaigns. The PNP shall institutionalize the incorporation of health, social, and developmental services to its anti-illegal drug campaigns. The Campaign Plan Double Barrel Version 2022 shall continue to utilize the 8E of an effective and efficient anti-illegal drugs strategy - Engineering the Structure, Education, Extraction of Information, Enforcement, Enactment of Laws, Environment, Economics, and Evaluation. It shall also expand and strengthen its partnership with the communities and other key stakeholders for crime prevention programs and advocacies.

Improve the operational capability of security institutions. The organizational transformation of the PNP shall be founded on holistic, people-centered and human rights-based police education and training, and technological innovations to improve police administration and services. The PNP shall push for the establishment of the PNP Cyber Security Center to promote cybercrime awareness and provide accessible reporting

1 <https://nyc.gov.ph/philippine-national-action-plan-on-youth-security-and-peace-napyps-2023-2033>

2 https://wps.asean.org/wp-content/uploads/2023/12/Philippines_NAPWPS-2023-2033.pdf

channels while fostering collaboration between law enforcement agencies and the community in the digital space. Moreover, the PNP envisions to establish cyber-forensic laboratories in all its regional offices in the future. The modernization of the PCG and relevant maritime security institutions shall likewise be pursued. The PCG shall continue to develop its bases, support facilities, and communications infrastructure, as well as expedite the acquisition of surface and air assets to enhance maritime safety and maritime domain awareness capabilities.



To ensure protection and safety from natural hazards and other security threats

Roll-out of National Disaster Response Plans (NDRP) on Consequence Management for Terrorism-Related Incidents and the Anti-Terrorism Council Strategic Communication Plan. The NDRP shall guide government agencies on human-induced crisis management to ensure well-coordinated response. Moreover, the Anti-Terrorism Council will also roll out the Strategic Communication Plan, aimed at creating messages that prevent and counter terrorism and violent extremism.

Utilize advances in technology in addressing threats to security. The government shall continue to support innovations and the development of technology that would aid in disaster prevention and mitigation, response and rehabilitation, and in addressing other security concerns.

Implement the National Cybersecurity Plan. The government shall immediately implement the strategies and programs outlined in the National Cybersecurity Plan

2023-2028 to build a trusted, secure, and reliable cyberspace for all Filipinos. Critical infrastructure, data, and information shall be protected against all threats. Digital networks shall be made impregnable to withstand disruptions and ensure uninterrupted connectivity. To support efforts to curb cybercrime, all government entities, including LGUs, shall conduct information campaigns on cybercrime prevention and reporting.



To uphold and protect the country's sovereignty and territorial industry

Bolster the Country's external defense capabilities. Shifting its focus from internal to external defense, the government shall reinforce its military's deterrence capabilities by acquiring more defense assets and weapon systems that are capable of confronting all kinds of security threats. Horizon 3 of the Revised AFP Modernization Program (RAFPMP) will involve acquisition of capabilities that will enhance mission readiness to perform multifaceted defense missions especially on territorial defense, maritime security and cyber defense. It will cover acquisition of cyber, missile and counter-missile systems and its subsystems. These efforts will establish a credible defense posture, ready to detect, identify, intercept and counter security threats to defend and preserve Philippine territory and sovereignty.

Reinforce international and regional partnerships on defense and security. The government shall continue to build stronger ties and deepen cooperation with allies and neighboring countries to bolster the capability of our defense and security forces. The government shall capitalize on new developments such as Japan's Official

Security Assistance, the formulation of a five-year Security Assistance Roadmap with the United States of America (USA), and the signing of a Joint Declaration on Strategic Partnership with Australia, to upgrade the capability of our defense and security forces. Likewise, existing arrangements such as our Trilateral Cooperation Agreements with the USA and Japan, and with Indonesia and Malaysia, as well as cooperation with other countries such as India and France, will be deepened further.

Utilize soft power as a strategic tool to secure national interests and contribute to global stability. The government shall harness its ability to safeguard its territory through soft power, which encompasses assets, resources, and capabilities that can shape perceptions and build relationships across borders. It shall craft a national soft power roadmap in consultation with various agencies and sectors, and identify soft power assets and initiatives that can be leveraged for national security.



DND Secretary Gilberto C. Teodoro, Jr. speaks to the troops during his official visit to the headquarters of the 4th Marine "Makusug" Brigade, Philippine Marine Corps, at Camp Cape Bojeador, Ilocos Norte.

Photo Credit: DND



DND Secretary Gilbert C. Teodoro, Jr. stresses the importance of upholding the country's territorial integrity and sovereign rights during the acceptance, turn-over, and blessing ceremony of the C-208 aircraft on September 19, 2023 at the Haribon Hangar, Clark Air Base in Pampanga.

Photo Credit: DND



Transfer of PDLs from the New Bilibid Prison in Muntinlupa City and the Correctional Institution for Women (CIW) in Mandaluyong City to the Davao Prison and Penal Farm and CIW in Mindanao, under the supervision of the BuCor, along with the PNP and the Philippine Coast Guard.

Photo Credit: BuCor

Section 5.1.2

Enhance Administration and Justice

Introduction

The first year of PDP implementation saw developments in the delivery of justice. These developments include the establishment of specialty justice zones, adoption of approaches that enhance evidence gathering and increase effectiveness in prosecution and case build-up, strengthening of the use of alternative dispute resolution (ADR), expansion of legal aid services and victim assistance, and cooperation among government agencies to safeguard the rights of persons deprived of liberty (PDL). These emerged to address the perennial challenges of a fragmented justice system, limited resources within the justice sector, case congestion and delay, and jail and prison congestion.

Notwithstanding these developments, several challenges remain and continue to hamper improvements in the justice system. As such,

the government will intensify its coordinated and collaborative action to enhance justice administration to drive public engagement and trust in the justice sector.

Strategy Framework

The strategy framework underscores the importance of a coordinated and collaborative approach to strengthen the five pillars of the criminal justice system – law enforcement, prosecution, courts, correction, and community. The strategies are geared toward three pivotal outcomes: (a) enhancement of the quality and efficiency of case disposition; (b) facilitation of improved access to quality free or affordable legal services for all Filipinos; and (c) alleviation of the quality of life for PDLs and facilitation of their productive reintegration into the community.

SCAN THIS QR CODE
TO ACCESS PDR
ANNEXES



SCAN ME

Major Programs, Activities, and Projects



Quality and efficiency
in disposition of cases
improved

Three specialty Justice Zones are established. The Justice Sector Coordinating Council (JSCC) has established 12 Justice Zones nationwide since 2014, three of which are specialty Justice Zones, created in 2023. These Justice Zones include: (a) Trafficking Free Justice Zone in Zamboanga City; (b) Economic Development and Tourism Justice Zone in Tagaytay City; and (c) Green Justice Zone in Puerto Princesa City.



SC Associate Justice Maria Filomena D. Singh, Chairperson of the JSCC Technical Working Group on Processes and Capacity-Building, signs the commitment wall during the launch of the Tagaytay City Specialty Justice Zone on June 28, 2023.

Photo Credit: SC

Greater collaboration between law enforcement and prosecution contributes to prosecution effectiveness and case decongestion.

In 2023, the Department of Justice (DOJ) bolstered prosecution services through these issuances: (a) Department Circular (DC) No. 13 dated February 20, 2023, mandating automatic autopsies for suspicious deaths; (b) DC 16 dated February 24, 2023, elevating the degree of proof for the prosecution of criminal cases to enhance evidence gathering; and (c) DC 20 dated March 31, 2023, supporting the pro-active involvement of prosecutors during case build-up by law enforcement agencies such as the Philippine National Police (PNP) and the National Bureau of Investigation. These, in turn, contribute to court docket decongestion specifically by preventing the misuse of penal laws through the filing of frivolous cases and harassment suits.

Prosecution services are reinforced.

To support the Prosecution Service Act of 2010 (RA 10071), the DOJ issued DC 15 on February 27, 2023, providing further guidelines for staffing standards within the National Prosecution Service (NPS). Subsequently, the DOJ and the Department of Budget and Management (DBM) jointly issued DOJ-DBM Circular No. 2023-01 on October 6, 2023 to add 1,173 prosecutor positions and 540 prosecution attorney positions to the NPS offices nationwide. Relatedly, the establishment of the Office of the Regional Prosecutor (ORP) in MIMAROPA and City Prosecution Offices in various locations underscored the DOJ's commitment to fortify prosecutorial infrastructure. The establishment of the ORP in MIMAROPA took off from the issuance of Department Order No. 106, dividing the Regional Prosecution Office of Region IV into CALABARZON and MIMAROPA.

Adoption of ADR mechanisms in the Judiciary is expanded. The Supreme Court (SC) broadened the application of Court-Annexed Mediation (CAM) in first- and second-level courts in five provinces (Ilocos Sur, Ilocos Norte, Negros Occidental, Misamis Oriental, and Camiguin). Under the auspices of the court, CAM is a voluntary process of referring parties to the Philippine Mediation Center (PMC) Unit for dispute settlement. The PMC conducted the last leg of their Orientation Conference with Stakeholders on CAM on November 29, 2023 in Misamis Oriental and Camiguin. It likewise intensified recruitment, training, and accreditation of mediators nationwide, resulting in the accreditation of 462 mediators from CAM, 41 from Appellate Court Mediation, and seven from Court of Tax Appeals Mediation.



Access to quality free or affordable legal services by Filipinos improved

The justice sector widened the reach of legal services to serve the underprivileged.

The SC increased legal service accessibility for indigents through the roll out of the 5th Enhanced Justice on Wheels (EJOW) in Cotabato and the establishment of the online Legal Aid Directory. The EJOW features a videoconferencing bus that is fully equipped with videoconferencing devices and wireless connectivity and includes technicians. The bus facilitates mobile court hearings and CAM. It likewise provides free legal, medical, and dental aid to inmates nationwide. On the other hand, the expanded online Legal Aid Directory in the SC's website maps available legal aid services in certain localities and free legal aid providers. Meanwhile, the

Public Attorney's Office (PAO) reinstated their On-the-Job Training/Internship, where interns assist in handling indigents in need of legal representation.



SC Associate Justice Amy C. Lazaro-Javier, assisted by Deputy Court Administrator for Mindanao Leo T. Madrazo, leads the Court in the proof of concept of the Videoconferencing Bus during its pilot run in Barangay Basak, Magpet, North Cotabato on November 30, 2023.

Photo Credit: SC

Bail bond for indigents is lowered. The DOJ issued the Guidelines on the Recommendation of Bail Amounts in Criminal Informations through DC 11 on February 20, 2023. This directive mandates prosecutors to consider the financial capacity of respondents during inquest or preliminary investigation as part of the implementation of the Recognizance Act of 2012 (RA 10389).



Quality of life of PDLs improved and productive re-integration of PDLs in the community ensured

Construction and rehabilitation of penal facilities are ongoing. The Bureau of Corrections (BuCor) has undertaken four construction projects for penal facilities in Leyte, Davao Del Norte, Puerto Princesa City, Mandaluyong City, and Zamboanga City.¹

¹ The Bureau of Corrections is set to complete four projects: (a) Regional Facilities in Leyte with 49.73 percent completion; (b) Regional Facility (Lot 1) in Davao Del Norte with 84.77 percent completion; (c) Regional Facility (Lot 2) in Puerto Princesa City with 78.99 percent completion; and (d) Dormitories in Mandaluyong City and Zamboanga City with 69.02 percent completion.

Transfer of PDLs contributed to prison decongestion in Metro Manila. BuCor implemented short-term solutions to decongest the New Bilibid Prison by transferring PDLs to less crowded facilities outside Metro Manila. It moved 1,247 PDLs to the Iwahig Prison and Penal Farm in Puerto Princesa City, 562 PDLs to Sablayan Prison and Penal Farm in Occidental Mindoro, and 500 PDLs to Davao Prison and Penal Farm in Panabo, Davao.



Iwahig Prison and Penal Farm

Photo Credit: Palawan News Website



The DA, DOJ (represented by the BuCor), and their partner private companies sign a memorandum of agreement for the first agriculture hub under the RISE project at the Iwahig Prison and Penal Farm in Puerto Princesa City, Palawan on August 18, 2023.

News: Philippine Information Agency (PIA) Website
Photo Credit: Palawan News

Project to reintegrate PDLs to the community is launched. Assisting the Department of Agriculture (DA) and the DOJ, BuCor commenced implementation of the Reformation Initiative for Sustainable Environment for Food Security (RISE) Project in the Iwahig Prison and Penal Farm. The RISE Project provides livelihood opportunities and allows PDLs to earn income, while utilizing and maximizing available land for agriculture. It likewise allows PDLs to gain additional Good Conduct Time Allowance (GCTA), which will contribute to the facilitation of their early release.

Results Matrix

Despite challenges in accessing recent data, the initial year of PDP showed notable strides in a number of core and aggregate output indicators.

Under Outcome 1, the government exceeded its targets in the following core and aggregate output indicators, contributing to the quality and efficiency in disposition of cases: (a) completion rate of cases handled (41.78% vis-à-vis 41.24%); (b) disposition rate of all courts (49% vis-à-vis 41%); (c) percentage of criminal complaints resolved on preliminary investigation (93.17% vis-à-vis 92.29%); (d) clearance rate² of all courts (107% vis-à-vis 95%);³ (e) prosecutor-to-court percentage ratio (79.17% vis-à-vis 45.6%); (f) settlement rate of ADR cases by the Executive Branch (50.18% vis-à-vis 50%); (g) number of ADR practitioners and implementers trained by the executive branch (1,292 vis-à-vis 1,200); and (h) number of Management Information Systems (MIS) and Information and Communications Technology (ICT) systems for the justice sector increased (2 vis-à-vis 0).

As early as August 2023, the government, particularly PAO, met its target (100% vis-à-vis 100%) for the following core indicators under Outcome 2: (a) percentage of hearings for which no unjustified postponement is sought by the PAO legal representative; and (b) percentage of requests for legal assistance that are acted upon within two hours. Despite this accomplishment for PAO, the government has yet to improve the ratio of public attorney to court from 1:2 to the ideal ratio of 1:1.

Under Outcome 3, the government made significant progress in reducing the congestion rate in jail facilities (353% vis-à-vis 356%) and in increasing the number of prison facilities (5 vis-à-vis 3). However, it lagged in reducing the congestion rate in prison facilities (332% vis-à-vis 328%). Efforts to safeguard the right of PDLs and implement reformation programs resulted in progress in the following indicators: (a) PDLs participation rate in reformation programs (98.54% vis-à-vis 88%); and (b) number of PDLs who completed the *Katatagan, Kalusugan, at Damayan sa Komunidad* (KKDK) Program (2,542 vis-à-vis 500). However, stronger efforts are needed to improve the percentage of parolees and pardonees not recommitted into prison due to reoffending or other infractions (98.77% vis-à-vis 98.94%).

2 Clearance rate = (Total Case Disposal/Case Inflow)*100, 2021 Judicial Annual Report.

3 For 2023, the number of cases disposed exceeded the number of case inflow.

Ways Forward

To further enhance delivery of justice, better coordination among justice sector agencies will remain a priority. The government will work on addressing limited resources as well as engaging the private sector in improving access to justice.

Priority Strategies



To improve quality and efficiency in disposition of cases

Establish more Justice Zones. The JSCC will establish Justice Zones every quarter within the PDP implementation period. The DOJ and the Department of the Interior and Local Government will continue advocacy on the institutionalization of the JSCC. Meanwhile, the SC will: (a) institutionalize local and national coordinating bodies between justice sector actors for immediate, coordinated and sustainable solutions; (b) develop revised manuals, protocols and processes in the management of jail and prison facilities that are sector-led, data-grounded, and equitable, as well as harness best practices across the country; and (c) implement technology-enabled solutions to harmonize data management among justice sector actors.

Further strengthen prosecution and case build-up. The DOJ will collect data to evaluate the effectiveness of DC 13 and DC 16, as well as implement a monitoring mechanism of cases under DC 20. It will also work on creating new positions in the NPS and on establishing new prosecution offices, while continuing efforts to capacitate prosecutors and the staff. On the other hand, the PNP will issue their own guidelines to support implementation of DC 20.

Maximize the use of ADR mechanisms.

Recognizing the contribution of ADR in streamlining case resolution, the SC will revise the Rules of Civil Procedure to establish a filtering mechanism that requires the exhaustion of ADR mechanisms before a case or civil action is filed before any court.



To improve access to quality free or affordable legal services by Filipinos

Broaden engagement of the public and the private sector in improving access to justice. Subject to availability of supervising public attorneys and office resources, PAO will invite more law students to participate in their On-the-Job Training/Internship. Relatedly, the DOJ will partner with legal aid organizations and provide assistance to jointly advance the government's efforts to increase access to justice for the underserved and underprivileged.

Further enhance the online Legal Aid Directory. The SC will continue updating the directory to include more legal aid providers and to integrate a Mandatory Referral System.

Foster collaboration and cooperation among government agencies to advance victim legal assistance. The Board of Claims (BOC) and the Commission on Human Rights will enter into a memorandum of agreement that would facilitate the receipt of financial aid

by victims of human rights violations under RA 7309, the law that created the BOC for victims of unjust imprisonment or detention and victims of violent crimes.



To improve the quality of life of PDLs and ensure productive reintegration of PDLs in the community

Transfer more PDLs to various penal facilities outside Metro Manila. BuCor will transfer additional PDLs to various penal facilities outside Metro Manila. It will also facilitate the establishment of new facilities in the Iwahig Prison and Penal Farm and Davao Prison and Penal Farm in 2024 to accommodate 1,500 PDLs and another one in the Leyte Regional Prison in 2025 to accommodate 500 PDLs.

List of Acronyms

| | |
|--------------------|--|
| 4IR | Fourth Industrial Revolution |
| 4PH | Pambansang Pabahay Para sa Pilipino |
| 4Ps | Pantawid Pamilyang Pilipino Program |
| AAB | Authorized Agent Banks |
| AAMP | Agency Asset Management Plan |
| ABC | Aqua-Industrial Business Corridor |
| ABEMIS | Agricultural and Biosystems Engineering Management Information System |
| ABFS | Adaptive Balanced Fertilization Strategy |
| AC | Administrative Circular |
| ACAP | Agro Climatic Advisory Portal |
| ACM | Appellate Court Mediation |
| ACPC | Agricultural Credit Policy Council |
| ACPC-ACCESS | Agricultural Credit Policy Council Agri-Credit Client Electronic Signup System |
| ADB | Asian Development Bank |
| ADORE | Anti-illegal Drugs Operations through Reinforcement and Education |
| ADP | Agricultural Development Program |
| ADR | Alternative Dispute Resolution |
| AEDoS | Automated Export Documentation System |
| AEDS | Automated Export Declaration System |
| AF | Agriculture and Fisheries |
| AFF | Agriculture, Fisheries, and Forestry |
| AFP | Armed Forces of the Philippines |

| | |
|-------------------|---|
| AFR | Alternative Fuel and Raw Materials |
| AFRREDN | Agriculture and Fisheries Resources, Research and Extension for Development Network |
| AI | Avian Influenza (<i>Section 2.3.1</i>) |
| AI | Artificial Intelligence (<i>Section 2.3.2</i>) |
| AIDS | Acquired Immunodeficiency Syndrome |
| AIMS | Automated Inventory Management System |
| ALS | Alternative Learning System |
| AMAS | Agribusiness and Marketing Assistance |
| AMIA | Adaptation and Mitigation Initiative in Agriculture |
| AMIS | Agricultural Marketing Information System |
| AMS | Asset Management System |
| ANYO | Agri-Negosyo Loan Program |
| AO | Administrative Order |
| AOI | Areas of Interest |
| AQRF | ASEAN Qualification Reference Framework |
| ARB | Agrarian Reform Beneficiaries |
| ARBY | Area-Based Yield |
| ARISE | ASEAN Regional Integration Support by the EU |
| ARS | Agent Registry System |
| ARTA | Anti-Red Tape Authority |
| ASEAN | Association of Southeast Asian Nations |
| ASEAN SLBS | ASEAN Sustainability-Linked Bond Standards |
| ASEAN SRFS | ASEAN Sustainable and Responsible Fund Standards |
| ASF | African Swine Fever |
| ASTERisC* | Advance Suptech Engine for Risk-based Compliance |

| | |
|--------------------------|---|
| ATC | Anti-Terrorism Council |
| ATM | Automated Teller Machine |
| BAFS | Bureau of Agriculture and Fisheries Standards |
| BARMM | Bangsamoro Autonomous Region in Muslim Mindanao |
| BDFAP | Biodiversity-Friendly Agricultural Practices |
| BDFE | Biodiversity-Friendly Enterprises |
| BDO | Banco de Oro |
| BDP | Barangay Development Program |
| BEFF | Basic Education Facilities Fund |
| Beneficiary FIRST | Beneficiary Fast, Innovative, and Responsive Service Transformation Project |
| BEPCO | Batangas Egg Producers Multipurpose Cooperative |
| BFAR | Bureau of Fisheries and Aquatic Resources |
| BGHMC | Baguio General Hospital and Medical Center |
| BHS | Barangay Health Stations |
| BIA | Bicol International Airport |
| BIAF | Bangsamoro Islamic Armed Forces |
| BIDA | Buhay Ingatan, Droga'y Ayawan |
| BIOFIN | Biodiversity Finance Initiative |
| BIR | Bureau of Internal Revenue |
| BIS | Bank for International Settlements |
| BJMP | Bureau of Jail Management and Penology |
| BLGF | Bureau of Local Government Finance |
| BMBE | Barangay Micro Business Enterprises |
| BNRS | Business Name Registration System |
| BNS | Barangay Nutrition Scholar |

| | |
|---------------------|--|
| BOC | Bureau of Customs (<i>Section 2.1.1</i>) |
| BOC | Board of Claims (<i>Section 5.1.2</i>) |
| BOI | Board of Investments |
| BPAT | Barangay Peacekeeping Action Team |
| BPI | Bank of the Philippine Islands |
| BPMS | Bantay Presyo Monitoring System |
| BRT | Bus Rapid Transit |
| BSFI | Bangko Sentral ng Pilipinas - Supervised Financial Institutions |
| BSGI | Black Sea Grain Initiative |
| BSP | Bangko Sentral ng Pilipinas |
| B-SPARED | Building on Social Protection for Anticipatory Action and Response in Emergencies and Disaster Project |
| BSWM | Bureau of Soils and Water Management |
| BTMS | Budget and Treasury Management System |
| BTr | Bureau of Treasury |
| BuCor | Bureau of Corrections |
| CAFGU | Citizen Armed Force Geographical Unit |
| CAIR | Center for Artificial Intelligence Research |
| CAM | Court-Annexed Mediation |
| CAMA | Computer Aided Mass Appraisal |
| CAR | Cordillera Administrative Region |
| CARES System | Customer Care Portal System |
| CARP | Comprehensive Agrarian Reform Program |
| CAVCS | Carbon Accounting, Verification, and Certification System |
| CBA | Cordillera Bodong Administration |
| CBDC | Central Bank Digital Currency |

| | |
|--------------|---|
| CBFCP | Capacity Building to Foster Competition Project |
| CBFM | Community-Based Forest Management |
| CBFMA | Community-Based Forest Management Agreement |
| CBMS | Community-Based Monitoring System |
| CBW | Customs Bonded Warehouse |
| CCA | Climate Change Adaptation |
| CCC | Climate Change Commission |
| CCET | Climate Change Expenditure Tagging |
| CCP | Competition Compliance Programs |
| CDA | Cooperative Development Authority |
| CDSP | Career Development Support Program |
| CEFA | Cold Examination Facility in Agriculture |
| CES | Consumer Expectations Survey (<i>Section 2.1.2</i>) |
| CES | Career Executive Service (<i>Subchapter 4.1</i>) |
| CEU | Central Evidence Unit |
| CFIDP | Coconut Farmers and Industry Development Plan |
| CFIS | Consumer Finance and Inclusion Survey |
| CFS | Customs Facilities and Warehouse |
| CHD | Centers for Health Development |
| CHED | Commission on Higher Education |
| CHR | Commission on Human Rights |
| CIA | Competition Impact Assessment |
| CIR | Commodity Industry Roadmap |
| CIS | Climate Information Services |
| CIW | Correctional Institution for Women |

| | |
|--------------------|--|
| CLAN | Competition Local Advocacy Network |
| CLC | Community Learning Centers |
| CLOA | Certificate of Land Ownership Award |
| CLUP | Comprehensive Land Use Plan |
| CMEMP | Coastal and Marine Ecosystems Management Program |
| CMO | Customs Memorandum Order |
| CN | Competitive Neutrality |
| COC Program | Champions of Competition Program |
| COCAFM | Congressional Oversight Committee on Agriculture and Fisheries Modernization |
| COP | Conference of the Parties |
| CORDS | Cabinet Officers for Regional Development and Security |
| CPD | Commission on Population and Development |
| CPLA | Cordillera People's Liberation Army |
| CRADLE | Collaborative Research and Development to Leverage Philippine Economy |
| CRD | Credit Risk Database |
| CREATE | Climate-Resilient Agri-Fishery Technology-based Enterprises (Section 2.3.1) |
| CREATE | Corporate Recovery and Tax Incentives for Enterprises (Section 2.3.2) |
| CREATE MORE | Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy |
| CRK | Clark International Airport |
| CRM | Customer Relationship Management |
| CRMF | Community Resource Management Frameworks |
| CRS | Civil Registry System |
| CRVA | Climate Risk and Vulnerability Assessment |

| | |
|----------------|--|
| CSA | Certified SIRI Assessors |
| CSC | Civil Service Commission |
| CSO | Civil Society Organization |
| CSP | Competitive Selection Process |
| CTAM | Court of Tax Appeals Mediation |
| CTG | Communist Terrorist Groups |
| CWC | Council for the Welfare of Children |
| DA | Department of Agriculture |
| DA-AMAS | Department of Agriculture – Agribusiness and Marketing Assistance Service |
| DA-BAFE | Department of Agriculture – Bureau of Agricultural and Fisheries Engineering |
| DA-BAI | Department of Agriculture – Bureau of Animal Industry |
| DA-BAR | Department of Agriculture – Bureau of Agricultural Research |
| DA-CRAO | Department of Agriculture – Climate Resilient Agriculture Office |
| DAP | Development Academy of the Philippines |
| DA-PDS | Department of Agriculture – Project Development Service |
| DAR | Department of Agrarian Reform |
| DA-RFO | Department of Agriculture – Regional Field Offices |
| DARS | Damage Assessment and Reporting System |
| DBCC | Development Budget Coordination Committee |
| DBM | Department of Budget and Management |
| DC | Department Circular |
| DCP | Design Center of the Philippines |
| DCS | Data Collection Survey |
| DENR | Department of Environment and Natural Resources |

| | |
|----------------|--|
| DepEd | Department of Education |
| DHSUD | Department of Human Settlements and Urban Development |
| DICT | Department of Information and Communications Technology |
| DILG | Department of the Interior and Local Government |
| DMW | Department of Migrant Workers |
| DND | Department of National Defense |
| DOE | Department of Energy |
| DOF | Department of Finance |
| DOH | Department of Health |
| DOJ | Department of Justice |
| DOLE | Department of Labor and Employment |
| DOST | Department of Science and Technology |
| DOT | Department of Tourism |
| DOTr | Department of Transportation |
| DPTMP | Davao Public Transport Modernization Project |
| DPTR | Digital Payments Transformation Roadmap |
| DPWH | Department of Public Works and Highways |
| DRR | Disaster Risk Reduction |
| DRRM | Disaster Risk Reduction and Management |
| DRRMIS | Disaster Risk Reduction and Management Information System |
| DSM | Demand-side Management |
| DSP | Digital Service Provider |
| DSWD | Department of Social Welfare and Development |
| DTI | Department of Trade and Industry |
| DTI-ROG | Department of Trade and Industry - Regional Operations Group |

| | |
|---------------------|--|
| DTS | Dual Training System |
| DWR | Department of Water Resources |
| E2M | Electronic-2-Mobile |
| EAFM | Ecosystems Approach to Fisheries Management |
| EAsY Agri | Educational Assistance for the Youth in Agriculture |
| e-Auction | Automated Auction |
| EBEIS | Enhanced Basic Education Information System |
| EBT | Enterprise-based Training |
| ECB | E-Commerce Bureau |
| ECCD | Early Childhood Care and Development |
| E-CLIP | Enhanced Comprehensive Local Integration Program |
| EdGE | Educational Grant for Agricultural Extension Workers |
| ED-SAD | Export Declaration - Single Administrative Document |
| EFeL Project | Economic and Financial e-Learning Project |
| eGov PH | e-Government Philippines |
| EIA | Environmental impact assessment |
| EIS | Electronic Invoicing/Receipting Sales Reporting System |
| EJOW | Enhanced Justice on Wheels |
| e-KYC | Electronic Know-Your-Customer |
| eLGU | e-Local Government Unit |
| EMB | Environmental Management Bureau |
| EMC Testing | Electromagnetic Compatibility Testing |
| ENGP | Enhanced National Greening Program |
| ENIPAS | Expanded National Integrated Protected Areas System |
| ENNS | Expanded National Nutrition Survey |

| | |
|------------------|--|
| ENR | environment and natural resources |
| ENSO | El Niño-Southern Oscillation |
| EO | Executive Order |
| EODB | Ease of Doing Business |
| EODB-EGSD | Ease of Doing Business and Efficient Government Service Delivery Act |
| EPDC | Electronics Product Development Center |
| ePhilID | Electronic Philippine National Identification |
| EPR | Extended Producer Responsibility |
| ERC | Energy Regulatory Commission |
| ESD | Education for Sustainable Development |
| ESG | Environmental, Social, and Governance |
| E-TRACC | Electronic Tracking of Containerized Cargo |
| EU CBAM | European Union Carbon Border Adjustment Mechanism |
| EV | Electric Vehicle |
| eVSA | Expanded Vulnerability and Suitability Assessment |
| F2C2 | Farm and Fisheries Clustering and Consolidation Program |
| FAO | Fisheries Administrative Order |
| FCA | Farmer Cooperatives and Associations |
| FCPA | Financial Products and Services Consumer Protection Act |
| FDI | Foreign Direct Investments |
| FFEDIS | Farmers and Fisherfolk Enterprise Development Information System |
| FIA | Foreign Investment Act |
| fintech | Financial Technology |
| FIPMP | Foreign Investment Promotion and Marketing Plan |

| | |
|-------------------|--|
| FIRB | Fiscal Incentives Review Board |
| FishCoRe | Philippine Fisheries and Coastal Resiliency |
| FMA | Fisheries Management Area |
| FMR | Farm-to-Market Road |
| FMRDP | Farm-to-Market Road Development Program |
| FMRNP | Farm-to-Market Road Network Plan |
| FPA | Fertilizer and Pesticide Authority |
| FPIC | Free, Prior, and Informed consent |
| FR | Former Rebel |
| FRIMP-CDOR | Flood Risk Management Project for Cagayan de Oro River |
| FSCC | Financial Stability Coordination Council |
| FSF | Financial Sector Forum |
| FY | Fiscal Year |
| FYFIPT | Filipino Young Farmers Internship Program in Taiwan |
| GAA | General Appropriations Act |
| GAHP | Good Animal Husbandry Practice |
| GAP | Good Agricultural Practice |
| GAQP | Good Aquaculture Practice |
| GCED | Global Citizenship Education |
| GCF-APA | Green Climate Fund-Adapting Philippine Agriculture to Climate Change |
| GCG | Governance Commission for Government-Owned or -Controlled Corporations |
| GCI | Global Competitiveness Index |
| GCTA | Good Conduct Time Allowance |
| GDH | Gifts, Decor, Houseware |

| | |
|-----------------|---|
| GDP | Gross Domestic Product |
| GEOAGRI | Geographic Information System for Agricultural and Fisheries Machinery and Infrastructure |
| GESI | Gender Equality and Social Inclusion |
| GHG | Greenhouse Gas |
| GIDA | Geographically Isolated and Disadvantaged Area |
| GII | Global Innovation Index |
| GIP | Government Internship Program |
| GIS | Geographic Information System |
| GJHRDP | Green Jobs Human Resource Development Plan |
| GNI | Gross National Income |
| GOCC | Government-Owned or -Controlled Corporation |
| GPH | Government of the Philippines |
| GPPB | Government Procurement Policy Board |
| GPPB-TSO | Government Procurement Policy Board - Technical Support Office |
| GPRA | Government Procurement Reform Act |
| GSIS | Government Service Insurance System |
| GSS | Green, Social, and Sustainability |
| GVA | Gross Value-Added |
| GVC | Global Value Chain |
| GWP | Global Warming Potential |
| HADR | Humanitarian Assistance and Disaster Relief |
| HB | House Bill |
| HC | Health Communities |
| HCF | Healthy Communities Framework |

| | |
|-----------------|---|
| HCVA | High Conservation Value Area |
| HEI | Higher Education Institution |
| HFEP | Health Facilities Enhancement Program |
| HIMS | Health Information and Management System |
| HIV | Human Immunodeficiency Virus |
| HLS | Health and Life Sciences |
| HNRDA | Harmonized National Research and Development Agenda |
| HoR | House of Representatives |
| HRH | Human Resources for Health |
| HRM | Human Resource Management |
| HS | Harmonised System |
| HUC | Highly Urbanized City |
| HVCDP | High Value Crops Development Program |
| I4PF | Industry 4.0 Pilot Factory |
| IAC | Inter-Agency Council |
| IAC-IMO | Inter-Agency Committee on Inflation and Market Outlook |
| IC | Insurance Commission |
| ICC | Investment Coordination Committee (<i>Section 2.1.1</i>) |
| ICC | Independent Component Cities (<i>Section 2.2.3</i>) |
| iCLP | Online Learning Hub on Competition Law and Policy |
| ICM | Integrated coastal management |
| ICMF | Integrated Crop Monitoring and Forecasting |
| ICT | Information and Communications Technology |
| ID | Identity |
| I-DETECT | Intensified Detection and Exposure to Thwart Emerging Community Threats Program |

| | |
|--------------------|---|
| IF | Inclusive Framework |
| IFMIS | Integrated Financial Management Information System |
| IFP | Infrastructure Flagship Projects |
| IGR | Intergovernmental Relations |
| IIPCC | Inter-agency Investment Promotion and Coordination Committee |
| ILRC | Inclusive Learning Resource Centers |
| IMD | Institute for Management and Development |
| IMT | Industrial, Manufacturing, and Transport |
| INCENTIVISE | Introducing Non-Geostationary Satellite Constellations Test Deployments to Improve Internet Service |
| INCIT | International Centre for Industrial Transformation |
| IoT | Internet of Things |
| IP | Intellectual Property |
| IPA | Investment Promotion Agencies |
| IPOPHL | Intellectual Property Office of the Philippines |
| IPS | Instant Payment Systems |
| IRBMP | Integrated River Basin Master Plans |
| IRI | International Roughness Index |
| IRR | Implementing Rules and Regulations |
| ISAGP | Industrial Sand and Gravel Permits |
| ISF | informal Settler Families |
| ISO | Internal Security Operations |
| ISP | Internet Service Provider |
| iStation | Investigation Station |
| ITA | Internet Transaction Act |

| | |
|-----------------------|---|
| IT-BPM | Information Technology and Business Process Management |
| ITSO | Intellectual Property and Technology Transfer Office |
| IWRM | Intergrated Water Resources Management |
| JAO | Joint Administrative Order |
| JICA | Japan International Cooperation Agency |
| JMC | Joint Memorandum Circular |
| JRMP | Jalaur River Multipurpose Project |
| JSCC | Justice Sector Coordinating Council |
| JV | Joint Venture |
| KALAH-CIDSS | Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services |
| KAYA | Kapital Access for Young Agripreneurs |
| KIST park | Knowledge, Innovation, Science, and Technology park |
| KKDK | Katatagan, Kalusugan, at Damayan sa Komunidad |
| KONSULTA | Konsultasyong Sulit at Tama |
| KTI Industries | Knowledge-and-Technology Intensive Industries |
| KTTO-IMPACT | Knowledge and Technology Transfer Office - IP Management Program for Academic Institutions Commercializing Technologies |
| LDRRM-H | Local Disaster Risk Reduction and Management in Health |
| LEDAC | Legislative Executive Development Advisory Council |
| LEDIPO | Local Economic Development and Investment Promotions Office |
| LET | Licensure Examination for Teachers |
| LGRP | Local Governance Reform Project |
| LGU | Local Government Unit |
| LIPH | Local Investment Plans for Health |

| | |
|-----------------|--|
| LIS | Learner Information System |
| LMI | Labor Market Information |
| LMS | Learning Management System |
| LNAP | Local Nutrition Action Plan |
| LNG | Liquefied Natural Gas |
| LNI | Localization of Normalization Implementation |
| LPE | Localized Peace Engagement |
| LTFRB | Land Transportation Franchising and Regulatory Board |
| LUC | Local Universities and Colleges |
| LWUA | Local Water Utilities Administration |
| M&As | Mergers and Acquisitions |
| MARINA | Maritime Industry Authority |
| MARRIS | Maritime Route Rationalization and Information System |
| MATATAG | MAke the curriculum relevant to produce competent and job-ready, active, and responsible citizens; TAke steps to accelerate delivery of basic education facilities and services; TAke good care of learners by promoting learner well-being, inclusive education, and a positive learning environment; and Give support to teachers to teach better. |
| MBN | Modern Basic Needs |
| MBNRE | Modern Basic Needs and Resilient Economy |
| MBPS | Megabits Per Second |
| MC | Memorandum Circular |
| MCB | Marawi Compensation Board |
| MGB | Mines and Geosciences Bureau |
| MGRP | Modernizing Government Regulations Program |
| MGSP | Microgrid Service Provider |

| | |
|------------------|---|
| MHPSS | Medical and Public Health, Mental Health, and Psychosocial Services |
| MIDP | Maritime Industry Development Plan |
| MIF | Maharlika Investment Fund |
| MILF | Moro Islamic Liberation Front |
| MIS | Management Information System |
| MMIP | Malitubog-Maridagao Irrigation Project |
| MNAP | Municipal Nutrition Action Plans |
| MNLF | Moro National Liberation Front |
| MOA | Memorandum of Agreement |
| MOOC | Massive Open Online Courses |
| MOU | Memoranda/Memorandum of Understanding |
| MPA | Marine Protected Area |
| MPC | Multipurpose Cooperative |
| mPhilGEPs | Modernized Philippine Government Procurement System |
| MPP | Mineral Processing permits |
| MRA | Mutual Recognition Agreement |
| MRF | Material Recovery Facilities |
| MRT | Metro Rail Transit |
| MRV | Measurement, Reporting, and Verification |
| MSME | Micro, Small, and Medium Enterprise |
| MT | Metric Ton |
| MULA | Multispectral Unit for Land Assessment |
| MUP | Military and Uniformed Personnel |
| MVIP | Mindanao-Visayas Interconnection Project |
| MVUC | Motor Vehicle Road User's Charge |

| | |
|-----------------|--|
| MWSS | Metropolitan Waterworks and Sewerage System |
| NAC | National Amnesty Commission |
| NAFMIP | National Agriculture and Fisheries Modernization and Industrialization Plan |
| NAIA | Ninoy Aquino International Airport |
| NAMP | National Asset Management Plan |
| NAP | National Adaptation Plan |
| NAP PCVE | National Action Plan on Preventing and Countering Violent Extremism |
| NAREA | National Agriculture and Fisheries Research for Development and Extension Agenda |
| NARS | National Asset Registry System |
| NAT | National Achievement Test |
| NBI | National Bureau of Investigation |
| NBP | National Broadband Plan |
| NbS | Nature-based Solution |
| NCA | Natural Capital Accounting |
| NCC | National Coordinating Committee |
| NCCA | National Commission for Culture and the Arts |
| NCD | Noncommunicable Disease |
| NCIP | National Commission on Indigenous Peoples |
| NCI-RSD | National Convergence Initiative for Sustainable Rural Development |
| NCP | National Competition Policy |
| NCR | National Capital Region |
| NDCIP | Nationally Determined Contribution Implementation Plan |
| NDRP | National Disaster Response Plan |

| | |
|----------------|---|
| NDRRMC | National Disaster Risk Reduction and Management Council |
| NEAP | National Educators' Academy of the Philippines |
| NEDA | National Economic and Development Authority |
| NEHAP | National Environmental Health Action Plan |
| NEHEMIA | National Effort for the Harmonization of Efficient Measures of Inter-related Agencies |
| NEMEAS | National ECCD Monitoring Evaluation and Accountability System |
| NEP | National Education Portal |
| NER | Net Enrollment Rate |
| NFA | National Food Authority |
| NFRDI | National Fisheries Research and Development Institute |
| NG | National Government |
| NGA | National Government Agency |
| NGCP | National Grid Corporation of the Philippines |
| NGO | Non-Government Organization |
| NGRP | National Government Rightsizing Program |
| NHA | National Housing Authority |
| NHRHMP | National Human Resources for Health Master Plan |
| NHWSS | National Health Workforce Support System |
| NIA | National Irrigation Administration |
| NIAHS | Nationally Important Agricultural Heritage Systems |
| NIASD | National Innovation Agenda and Strategy Document |
| NIC | National Innovation Council |
| NiE | Nutrition in Emergencies |
| NIMP | National Irrigation Master Plan |

| | |
|------------------|---|
| NLEX | North Luzon Expressway |
| NLRP | National Learning Recovery Program |
| NNC | National Nutrition Council |
| NPRMS | National Policy on Regulatory Management System |
| NPS | National Prosecution Service |
| NQI | National Quality Infrastructure |
| NRCP | National Research Council of the Philippines |
| NRI | National Resilience Index |
| NRPS | National Retail Payment System |
| NSSLA | Non-Stock Savings and Loan Associations |
| NSW | National Single Window |
| NTA | National Tax Allotment |
| NTC | National Telecommunications Commission |
| NTER | National Total Electrification Roadmap |
| NTESDP | National Technical Education and Skills Development Plan |
| NTF-ELCAC | National Task Force to End Local Communist Armed Conflict |
| NWPC | National Wages and Productivity Commission |
| NWRB | National Water Resources Board |
| O&M | Operation and Maintenance |
| OCD | Office of Civil Defense |
| ODA | Official Development Assistance |
| ODM | Original Design Manufactures |
| OEM | Original Equipment Manufactures |
| OER | Open Educational Resources |
| OFC | Office for Competition (of the Department of Justice) |

| | |
|-------------------|---|
| OF | Overseas Filipinos |
| OFW | Overseas Filipino Worker |
| OLAS | Office for Logistics Acquisition |
| OLRS | On-Line Release System |
| Online BNR | Online Business Name Registration |
| OPAPRU | Office of the Presidential Adviser on Peace, Reconciliation and Unity |
| ORP | Office of the Regional Prosecutor |
| ORUS | Online Registration and Update System |
| OSBPS | Online Submission of Budget Proposal System |
| OSTracker | Overstaying Cargo Monitoring System |
| OTOP | One Town, One Product |
| OTOP-LPO | One Town, One Product - Local Program Office |
| OTOP-PMO | One Town, One Product - Project Management Office |
| PA | Protected Area |
| PAFES | Province Led Agri-Fishery Extension System |
| PAGCOR | Philippine Amusement and Gaming Corporation |
| PAM | Polices and Measures |
| PAMANA | Payapa at Masaganang Pamayanan |
| PAO | Public Attorney's Office |
| PAOS | Post-Arrival Orientation Seminar |
| PAP | Programs and Projects (<i>Section 2.2.1</i>) |
| PAP | Programs, Activities, and Projects (<i>Subchapter 3.4</i>) |
| PAP | Priority Areas for Program (<i>Section 2.3.4</i>) |
| PAP4SCP | Philippine Action Plan for Sustainable Consumption and Production |

| | |
|----------------|--|
| PAS6 | Payment Application Secure 6 |
| PBB | Performance-Based Bonus |
| PBBM | Progressive Budgeting for Better and Modernized |
| PBH | Philippine Business Hub |
| PBSAP | Philippine Biodiversity and Strategy Action Plan |
| PCA | Philippine Competition Act |
| PCAARRD | Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development |
| PCB | Program Convergence Budgeting (<i>Subchapter 4.2</i>) |
| PCB | Printed Circuit Board (<i>Section 2.3.2</i>) |
| PCC | Philippine Competition Commission |
| PCESA | Philippine Creative Economy Satellite Accounts |
| PCF | Primary Care Facility |
| PCG | Philippine Coast Guard |
| PCI | Philippine Crime Index |
| PCIC | Philippine Crop Insurance Corporation |
| PCIDA | Philippine Creative Industries Development Act |
| PCIRS | Philippine Crime Index Research System |
| PCM | Provinces, Cities, and Municipalities |
| PCMP | Philippine Customs Modernization Program |
| PCN | Project Concept Note |
| PCTS | Philippine Credit Transfer System |
| PCVE | Preventing and Countering Violent Extremism |
| PD | Presidential Decree |
| PDL | Person Deprived of Liberty |
| PDP | Philippine Development Plan |

| | |
|----------------------|--|
| PEAS | Philippine Environmental Assessment System |
| PECM | Protein- Enriched Copra Meal |
| PEDP | Philippine Export Development Plan |
| PENCAS | Philippine Ecosystem and Natural Capital Accounting System |
| PENRO | Provincial Environment and Natural Resources Officer |
| PESO | Public Employment Service Office |
| PEZA | Philippine Economic Zone Authority |
| PFDA | Philippine Fisheries Development Authority |
| PFM | Public Financial Management |
| PGAMP | Philippine Government Asset Management Policy |
| PHC | Primary Health Care |
| PhD | Doctor of Philosophy |
| PHFDP | Philippine Health Facilities Development Plan |
| PhilFIDA | Philippine Fiber Industry Development Authority |
| PHILGUARANTEE | Philippine Guarantee Corporation |
| PhilID | Philippine National Identification/PhilSys Identification Document |
| PhilRice | Philippine Rice Research Institute |
| PhilSA | Philippine Space Agency |
| PhilSys | Philippine Identification System |
| PH-OGP | Philippine Open Government Partnership |
| PHP | Philippine Peso |
| PIFITA | Passive Income and Financial Intermediary Taxation Act |
| PINAS | PhilSA Integrated Network for Space-Enabled Actions towards Sustainability |
| PISA | Programme for International Student Assessment |

| | |
|------------------|---|
| PiTaKa | Pinansyal na Talino at Kaalaman Program |
| PIWSP | Provincial Integrated Water Security Plan |
| PLC | Partner-Lending Conduits |
| PMC | Program Management Center (<i>Section 5.1.1</i>) |
| PMC | Philippine Mediation Center (<i>Section 5.1.2</i>) |
| PMDP | Public Management Development Program |
| PN | Philippine Navy |
| PNP | Philippine National Police |
| PNP-DPL | Philippine National Police - Directorate for Plans |
| PNPM | Philippine Nutrient Profile Model |
| PNS | Philippine National Standards |
| PO | People's Organization |
| POC | Persons of Concerns |
| POPS | Peace and Order and Public Safety |
| PPA | Philippine Ports Authority |
| PPAN | Philippine Plan of Action for Nutrition |
| PPP | Public-Private Partnership |
| PQF | Philippine Qualifications Framework |
| PQF-NCC | Philippine Qualifications Framework - National Coordinating Council |
| PRC | Professional Regulation Commission |
| PRDP | Philippine Rural Development Project |
| PRIME-HRM | Program to Institutionalize Meritocracy and Excellence in Human Resource Management |
| PRISM | Philippine Rice Information System |
| PS | Procurement Service |

| | |
|-----------------|---|
| PSA | Philippine Statistics Authority |
| PSALM | Power Sector Assets and Liabilities Management Corporation |
| PSCP | Public Service Continuity Plan |
| PSF | Philippine Skills Framework (<i>Subchapter 3.2</i>) |
| PSF | People's Survival Fund (<i>Subchapter 4.2</i>) |
| PSF ROAD | People's Survival Fund Roll Out and Adoption Program |
| PSHSS | Philippine Science High School System |
| PTB | Passenger Terminal Building |
| PTF | Philippine Tariff Finder |
| PTSMP | Philippine Transportation Systems Master Plan |
| PUV | Public Utility Vehicle |
| PV | Photo-Voltaic |
| PWSSMP | Philippine Water Supply and Sanitation Master Plan |
| PWUD | Person Who Used Drugs |
| QS | Quacquarelli Symonds |
| R&D | Research and Development |
| R4DE | Research for Development and Extension |
| RA | Republic Act |
| RAC | Refrigeration and airconditioning |
| RAFPMP | Revised Armed Forces of the Philippines Modernization Program |
| RBEs | Registered Business Enterprises |
| RBIM | Registry of Barangay Inhabitants and Migrants |
| RCEF | Rice Competitiveness Enhancement Fund |
| RCOA | Retail Competition and Open Access |
| RCSP | Retooled Community Support Program |

| | |
|----------------------|--|
| RDC | Regional Development Councils |
| RDI | Research and Development Institute |
| RE | Renewable Energy |
| RFFA | Rice Farmers Financial Assistance |
| RFP | Regional Fish Ports |
| RHU | Rural Health Units |
| RIA | Regulatory Impact Assessment |
| RIIC | Regional Inclusive Innovation Centers |
| RISE | Reformation Initiative for Sustainable Environment for Food Security |
| RMS | Regulatory Management System |
| ROTC | Reserve Officers' Training Corps |
| RPA | Revolutionary Proletarian Army |
| RPM-P/RPA/ABB | Rebolusyonaryong Partido ng Manggagawa ng Pilipinas/ Revolutionary Proletarian Army/Alex Boncayao Brigade |
| RQMS | Regulatory Quality Management System |
| RRDIC | Regional Research, Development, and Innovation Committees |
| RRP | Risk Resiliency Program |
| RSBSA | Registry System for Basic Sectors in Agriculture |
| RTF-ELCAC | Regional Task Force to End Local Communist Armed Conflict |
| RTiC | Regional TVET Innovation Center |
| S4CP | Science for Change Program |
| SAAD | Special Areas for Agriculture Development |
| SARAI | Smarter Approaches to Reinvigorate Agriculture as an Industry in the Philippines |
| SB | Senate Bill |

| | |
|--------------------|---|
| SBC | Small Business Corporation |
| SBCC | Small Business Counsellor Course |
| SBFP | School-Based Feeding Program |
| SBM | School-Based Management |
| SC | Supreme Court (<i>Section 2.1.1</i>) |
| SC | Service Contract (<i>Section 2.2.3</i>) |
| SDG | Sustainable Development Goal |
| SEA | Strategic Environment Assessment |
| SEAP | Sustainable Education Assistance Program |
| SEC | Securities and Exchange Commission |
| SEF | Special Education Fund |
| SFDF | Sustainable Forest Development Fund |
| SFTG | Sustainable Finance Taxonomy Guidelines |
| SGC | School Governing Council |
| SGGP | Smart and Green Grid Plan |
| SGLG | Seal of Good Local Governance |
| SHF | Special Health Fund |
| SHS | Senior High School |
| SIBOL | Sustainable Interventions for Biodiversity, Oceans, and Landscapes |
| SICAP-BADAC | Strengthening Institutional Capacities of Barangay Anti-Drug Abuse Councils |
| SIPAT | Sustainable and Inclusive Peace and Transformation Program |
| SIPP | Strategic Investment Priority Plan |
| SIRI | Smart Industry Readiness Index |
| SLEX | South Luzon Expressway |

| | |
|----------------|--|
| SLF | Sanitary Landfills |
| SLM | Self-Learning Modules |
| SME | Small and Medium Enterprise |
| SMV | Schedule of Market Values |
| SOFR | Secured Overnight Financing Rate |
| SP | Social Protection |
| SPES | Special Program for Employment of Students |
| SPSIC | Sanitary and Phytosanitary Import Clearance |
| SRA | Sugar Regulatory Administration |
| SRDP | Self-Reliant Defense Posture Program |
| SRI | Sustainable and Responsible Investments |
| SSF | Shared Service Facilities |
| SSIP | Small-Scale Irrigation Projects |
| SSS | Social Security System |
| SSTA | Space Science and Technology Applications |
| STEAM | Science, Technology, Engineering, Agriculture-fisheries, and Mathematics |
| STEM | Science, Technology, Engineering, and Mathematics |
| STI | Science, Technology, and Innovation |
| STOL | Short Takeoff and Landing |
| SUC | State Universities and Colleges |
| suptech | Supervisory Technology |
| SURE | Survival and Recovery Loan |
| SWM | Solid Waste Management |
| SY | School Year |
| TAPI | Technology Application and Promotion Institute |

| | |
|------------------|--|
| TB | Tuberculosis |
| TCIS-OAS | Tariff Classification Information System – Online Application System |
| TDAs | Tourist Destination Areas |
| TECHNiCOM | Technology Innovation and Commercialization |
| telecom | Telecommunications |
| TESDA | Technical Education and Skills Development Authority |
| TEZ | Tourist Enterprise Zone |
| THE | Times Higher Education |
| TIEZA | Tourism Infrastructure Enterprise Zone |
| TIMSS | Trends in International Mathematics and Science Study |
| TIN | Tax Identification Number |
| TMT | Technology, Media, and Telecommunications |
| TOD | Transit-Oriented Development |
| TOP | TESDA Online Program |
| TPCVW | Trading Post Commodity and Volume Watch |
| TPM | Third-Party Monitoring |
| TransCo | National Transmission Corporation |
| TRGA | Trade Regulatory Government Agency |
| TSS | Teacher Salary Subsidy |
| TTB | Tokenized Treasury Bonds |
| TVET | Technical-Vocational Education and Training |
| TVI | Technical-Vocational Institution |
| TVL | Technical-Vocational-Livelihood |
| TWG | Technical Working Group |
| UCCA | Urban Carrying Capacity Assessment |

| | |
|---------------|---|
| UHC | Universal Health Care |
| UITF | Unit Investment Trust Funds |
| UK | United Kingdom |
| ULP | Unified Logistics Pass |
| UNJP | United Nations Joint Programme |
| UP-COL | University of the Philippines - College of Law |
| UPLC | UP Law Center |
| US | United States of America |
| USAID | US Agency for International Development |
| VALUES | Valuation and Accounting of Ecosystem Services |
| VASP | Value-Added Service Provider |
| VAT | Value-Added Tax |
| VLFD | Village Level Farm-focused Enterprise Development Project |
| VPD | Vaccine-Preventable-Disease |
| VOT | Victims of Terrorism |
| WASH | Water, Sanitation, and Hygiene |
| WD | Water District |
| WEF | World Economic Forum |
| WESM | Wholesale Electricity Spot Market |
| WGI | Worldwide Governance Indicators |
| WHR | Waste Heat Recovery |
| Wi-Fi | Wireless Fidelity |
| WIPO | World Intellectual Property Organization |
| WPSBP | Witness Protection, Security, and Benefits Program |
| WRC | Water Regulatory Commission |

| | |
|----------------|---|
| WRMO | Water Resources Management Office |
| WSS | Water Supply and Sanitation |
| YFC | Young Farmers Challenge |
| YFFLTPJ | Young Filipino Farm Leaders Training Program in Japan |
| ZOD | Zero Open Defecation |



Philippine Development Report 2023

Published:

National Economic and Development Authority

32nd and 34th Floors, The Mega Tower, EDSA Corner
Julia Vargas Avenue, Ortigas Center, Mandaluyong City

Trunkline: +632 8631 0945 to 56

Email: devinfo@neda.gov.ph

Website: neda.gov.ph

   NEDAhq

