



# PHILIPPINE DEVELOPMENT REPORT 2024





## About the cover

The cover of the **Philippine Development Report 2024** reflects the nation's ongoing commitment to progress, building on the themes from the 2023 edition. The flowing waves in the national colors—yellow, blue, and red—symbolize unity, resilience, and the steady momentum of development.

In the cover is a snapshot of the future we envision for all – inclusive, prosperous, and interconnected. We envision prosperous modern cities enriched by practical and locally designed infrastructure that captivates tourists and fills every Filipino with pride. In parallel, our rural and agricultural communities are interconnected with our economic centers, allowing them to thrive and be productive.

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### **Philippine Development Report 2024**

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

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





**BAGONG PILIPINAS**

# **PHILIPPINE DEVELOPMENT REPORT 2024**

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# FOREWORD

## Navigating headwinds

**B**uilding on its 2023 performance, the Philippines started 2024 with a solid footing, emerging as one of the fastest-growing economies in developing Asia despite facing several challenges. A prolonged dry season caused by El Niño, coupled with consecutive strong typhoons exacerbated by La Niña conditions, severely impacted agricultural productivity, disrupted the movement of goods and slowed economic activity in affected areas. Further compounding these events were uncertainties arising from geopolitical and economic tensions among major trading partners, which disrupted global supply chains and weighed on domestic economic conditions.

## On track toward socioeconomic transformation

Despite these challenges, we are witnessing significant progress in transforming our economy and society in line with the strategies articulated in the Philippine Development Plan 2023-2028, our medium-term development roadmap.

Insights and recommendations from the Philippine Development Report (PDR) 2023 provided the foundation for 2024, shaping programs, reforms, and policies aligned with the Marcos Administration's socioeconomic agenda. The PDR's goals, including the reinvigoration of job creation and the acceleration of poverty reduction, remained at the forefront of the government's efforts.

The Philippines enters 2025 with sustained growth momentum, setting the foundation for transformative progress in the year and next. While inflation has moderated, prices of some key commodities remain elevated. The government has implemented critical policies and programs to ensure food affordability and accessibility by enabling markets to function more efficiently. We have been refining our targeting mechanisms for social protection

programs benefiting low-income and vulnerable Filipinos and fast-tracking our major infrastructure projects to address our people's and economy's fundamental needs.

The labor market broadly showed significant and steady gains, with employment numbers and major indicators of job quality signaling improvement. In sustaining progress and accelerating the diversification of our economic drivers toward durable, high-quality job creation, the government is prioritizing the continued reform of the policy and regulatory environment, the promotion of strategic investments, and the lowering of business costs.

Prudent fiscal management has provided a firm foundation for sustained economic progress as we build our desired future and allocate resources toward the most urgent development priorities. Meanwhile, improvements in our innovation ecosystem will help unlock our long-term economic potential as we harness the talent and technology to solve complex development challenges and enhance the overall quality of life.

Our efforts have borne fruit, with more Filipinos lifted above the poverty line as we witnessed faster growth among the incomes of the poorest segments of our population – a sure and encouraging sign of inclusion in a fast-growing economy.

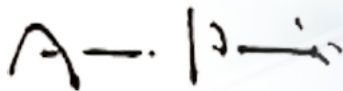
## Philippine Development Report 2024: No Room for Complacency

We are pleased to present the PDR 2024 to the Filipino people in its second year. This report provides a comprehensive update on our nation's progress in advancing the socioeconomic agenda outlined in the PDP 2023-2028. It highlights critical insights from the past year and identifies practical and actionable strategies for staying on course amid shifting local and global contexts.

The PDR 2024, based on evidence and analysis, underscores progress in implementing key programs, projects, and policies across government agencies over the past year. It measures performance against PDP outcome indicators and updates the Marcos Administration's legislative agenda. It takes stock of the lessons learned over the past year and examines the economic, political, social, technological, legal, and environmental trends that influence our development trajectory.

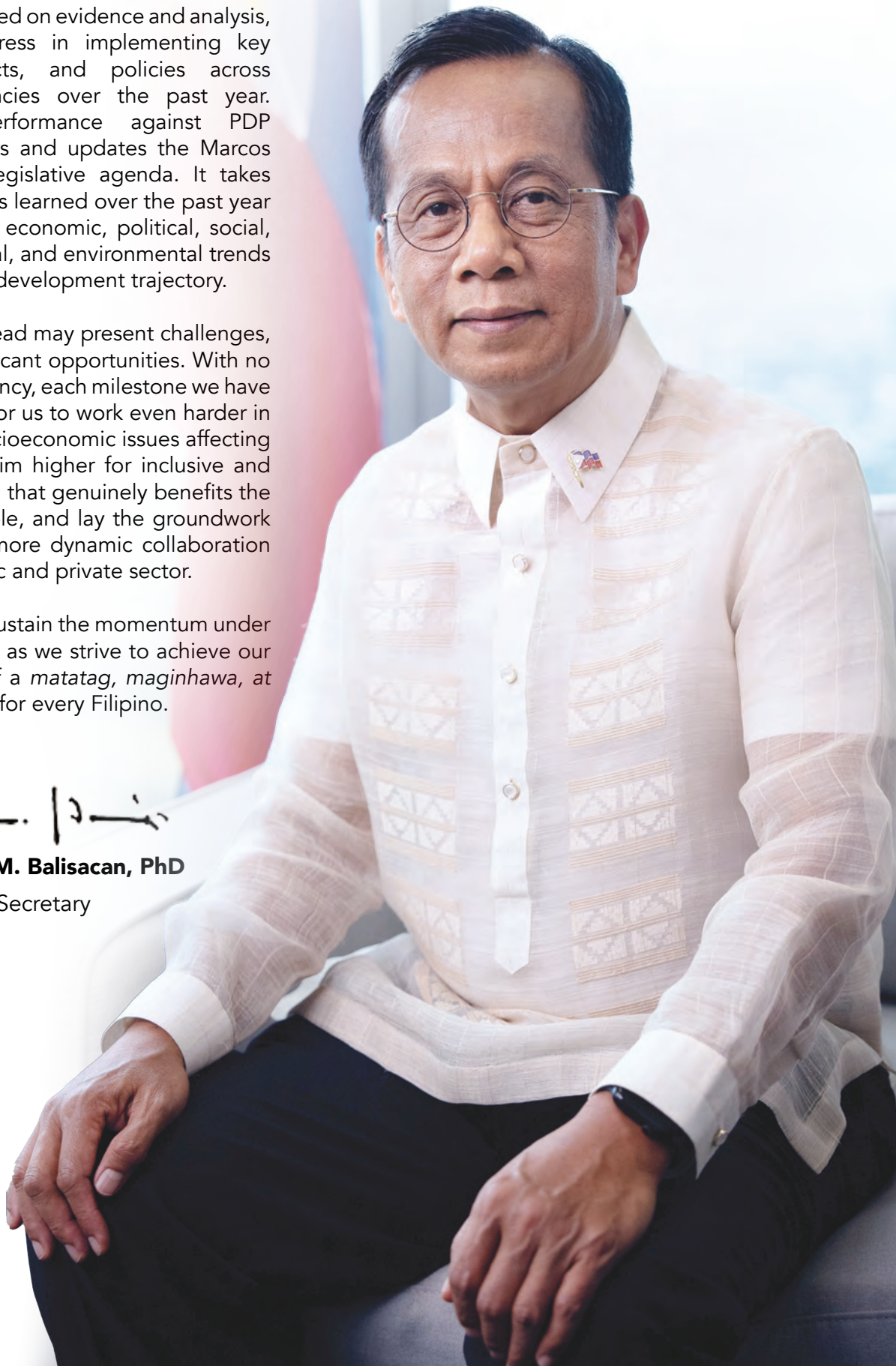
While the road ahead may present challenges, it also offers significant opportunities. With no room for complacency, each milestone we have achieved is a call for us to work even harder in addressing key socioeconomic issues affecting Filipino families, aim higher for inclusive and sustainable growth that genuinely benefits the poor and vulnerable, and lay the groundwork for stronger and more dynamic collaboration between the public and private sector.

Together, we can sustain the momentum under a *Bagong Pilipinas* as we strive to achieve our collective vision of a *matatag, maginhawa, at panatag na buhay* for every Filipino.



**Arsenio M. Balisacan, PhD**

Secretary



# 01

## Overview of the Philippine Development Report 2024

### Significant progress... but no room for complacency

The Philippine Development Plan (PDP) 2023-2028 aims to reinvigorate job creation and accelerate poverty reduction by steering the economy back on a high-growth path while effecting transformation toward a prosperous, inclusive, and resilient Philippines.

Framed by President Ferdinand R. Marcos, Jr.'s 8-point socioeconomic agenda, the PDP is the country's development blueprint containing the major strategies, programs, projects, and legislative measures that must be prioritized, enacted, or implemented to realize our desired development outcomes in the medium-term.

To operationalize the socioeconomic agenda, the PDP identifies six cross-cutting strategies: (1) digital transformation; (2) enhanced connectivity; (3) servicification; (4) a dynamic innovation ecosystem; (5) public-private partnerships; and (6) greater collaboration between the national and local government as partners in the development process.

In line with a whole-of-society approach, the PDP is founded on the underlying principle that development is a shared responsibility; hence, the strategies contained therein focus broadly on fostering meaningful engagement among various stakeholders and maximizing the use of tools and technology that enable collaboration. Since his assumption in 2022, the Marcos Administration has been making solid and steady progress toward achieving the PDP targets by building robust foundations for socioeconomic transformation.

The country's Gross Domestic Product (GDP) during the first three quarters of 2024 has already surpassed pre-pandemic levels. This achievement

extends to all sectors on the expenditure side and nearly all sectors on the production side. This was accomplished despite uncertainties in global supply chains and trade caused by the prolonged Russia-Ukraine and Israel-Hamas conflicts, the transition from disruptive El Niño conditions in the first half of 2024 to La Niña-like conditions in the second half, and continuing animal health concerns. A strong economic performance in 2025 could, therefore, signal a sustained growth momentum.

Still, President Ferdinand R. Marcos, Jr. has stated that there is "no room for complacency."

The PDP 2023-2028 is the second medium-term development plan anchored on the *AmBisyon Natin 2040* of a *matatag* (strongly rooted), *maginhawa* (comfortable), at *panatag* (secure) *na buhay* for all Filipinos. Upon reflecting on our progress in 2024, we are on track to meeting most of our development targets, but there is certainly more that we can do to address our various socioeconomic priorities. We must sustain the commitment toward transformation and implement the necessary steps looking forward.

The Philippine Development Report (PDR) 2024 is a comprehensive assessment of the country's accomplishments—including the government's major outputs and initiatives—vis-à-vis the development targets we have set out to achieve in the PDP.

In this Chapter, we summarize our accomplishments, take stock of lessons we have learned, identify scenarios and emerging developments in the short-to medium-term, and discuss the ways forward.

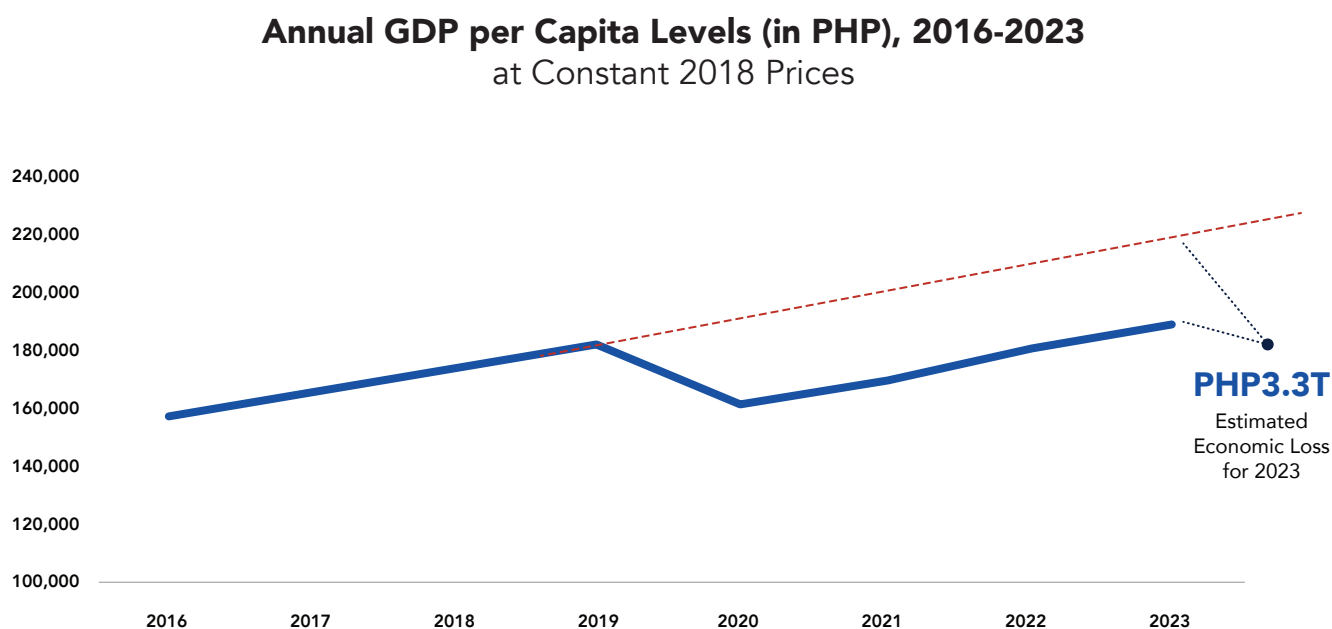
*We are on track to meeting most of our development targets.*

## Economic growth

The Philippines' GDP grew by 5.8 percent during the first three quarters of 2024. Admittedly, this performance falls short of the target of 6.5 to 8.0 percent, but still fares relatively well in comparison to major economies in emerging Asia.

Still, the government must act with urgency toward steering the economy back on a high growth path, in a manner that is inclusive and resilient. **Figure 1** below shows the trend of annual GDP per capita in constant 2018 prices, from 2016 to 2023.

**Figure 1.** Estimated COVID-19 pandemic-related economic losses in terms of annual GDP per Capita levels



The graph shows a significant decline in per capita GDP from 2019 to 2020, dropping 11.1 percent. Although incomes have returned to pre-pandemic levels, the economic loss is evident. Assuming we maintained the same growth rate from 2018 to 2019 and extrapolated it until 2023, per capita incomes would have been at least 15 percent higher. In 2023, the economic loss is estimated at roughly PHP3.3 trillion. This economic loss reflects productivity declines, unplanned institutional restructuring, and disrupted supply chains. Addressing this issue involves managing the restructuring as much as practicable and regaining growth momentum.

Unfavorable external developments on the geopolitical front, such as the Russia-Ukraine war, ongoing since 2022, and the Israel-

Hamas war, which began in October 2023, have impacted global trade and supply chains for key commodities. These effects on the domestic economy continue to be felt in 2024. In addition, extreme weather conditions—including *El Niño* in the first half of 2024 and *La Niña*-like conditions in the fourth quarter—combined with the lingering impact of transboundary animal diseases, particularly a surge in ASF cases starting in July 2024, significantly disrupted the agricultural sector and hindered overall economic activity throughout the year. In fact, the GDP growth in the first three quarters of 2024 was significantly impacted by the slowdown in Q3, where GDP grew by only 5.2 percent.

On the demand side, household final consumption growth (4.8%) and capital

formation growth (8.5%) contributed the most to GDP growth. In part, high interest rates during the first half of 2024 dampened this growth performance.

The below-target growth is mainly due to the underperformance of the manufacturing sector, growing by only 3.8 percent, and the contraction of the agriculture sector by 1.4 percent. The slow growth in manufacturing can be attributed to a slowdown in global demand, while the contraction in agriculture is due to extreme weather events and the continued presence of ASF. These trends highlight the economy's vulnerabilities, with limited markets and product offerings, and sectoral performance heavily influenced by external factors.

The tourism sector, which faced significant losses during the third quarter of 2024, has much potential for growth. Although tourist arrivals have rebounded to 5.95 million, up from 5.45 million in 2023, this still falls short of the full-year target of 7.7 million arrivals for 2024 and the pre-pandemic count of 8.26 million. The shortfall can be due to flight cancellations brought about by extreme weather conditions, as well as economic slowdowns, weaker currencies of Asian competitors, and geopolitical tensions affecting origin countries.

The two production subsectors that have yet to return to pre-COVID-19 levels are mining and real estate. Meanwhile, the delayed recovery of the real estate sector may be due to changes in work arrangements, necessitating new designs for workspaces.

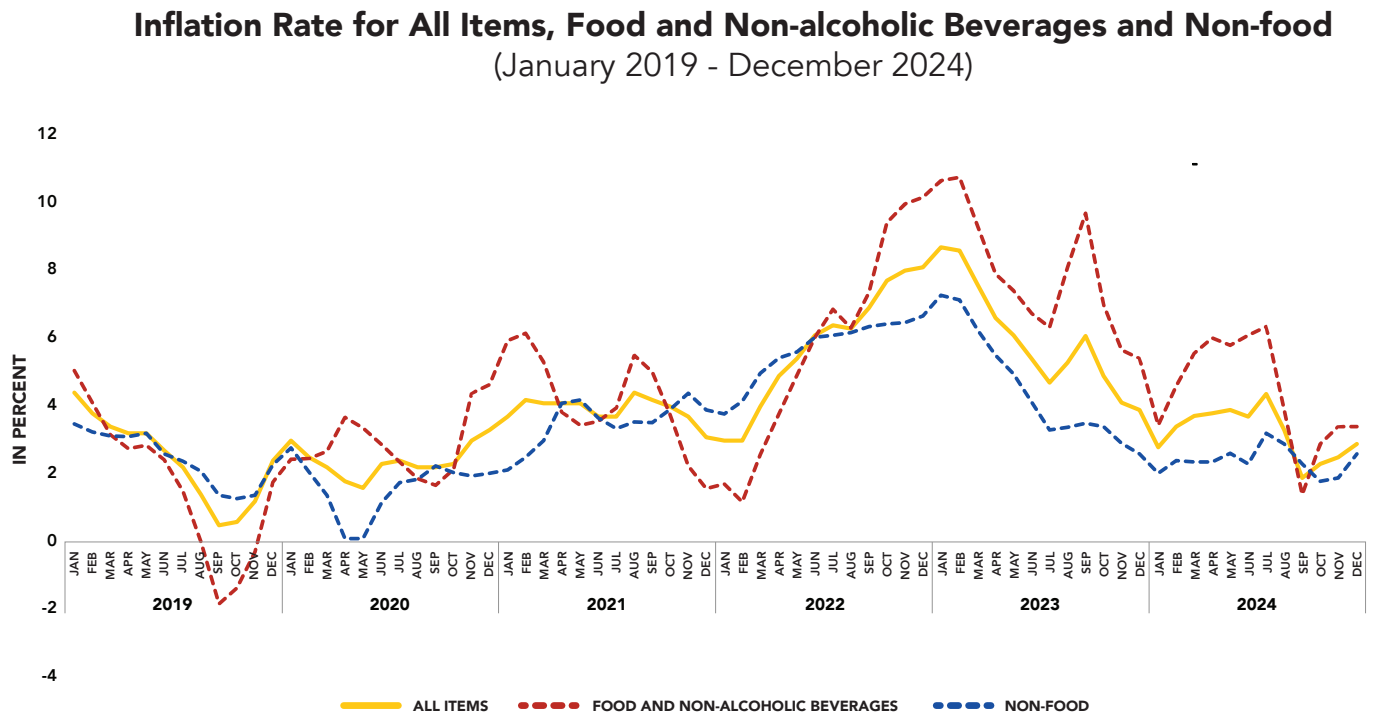
## **Fiscal consolidation**

Additionally, national government deficit and debt remained manageable despite elevated levels. Budget deficit narrowed to 5.1 percent (from 5.7% in Q3 2023). Meanwhile, debt-to-GDP is expected to remain within the target range for FY 2024, despite rising to 61.3 percent (from 60.2% in end-September 2023). These targets were based on the Medium-Term Fiscal Framework (MTFF) developed at the beginning of the Marcos Administration. In March 2024, the Economic Team revised the MTFF parameters, acknowledging that the economy had not fully recovered at the time and recognizing that continued government pump-priming was needed.

## **Low and stable inflation**

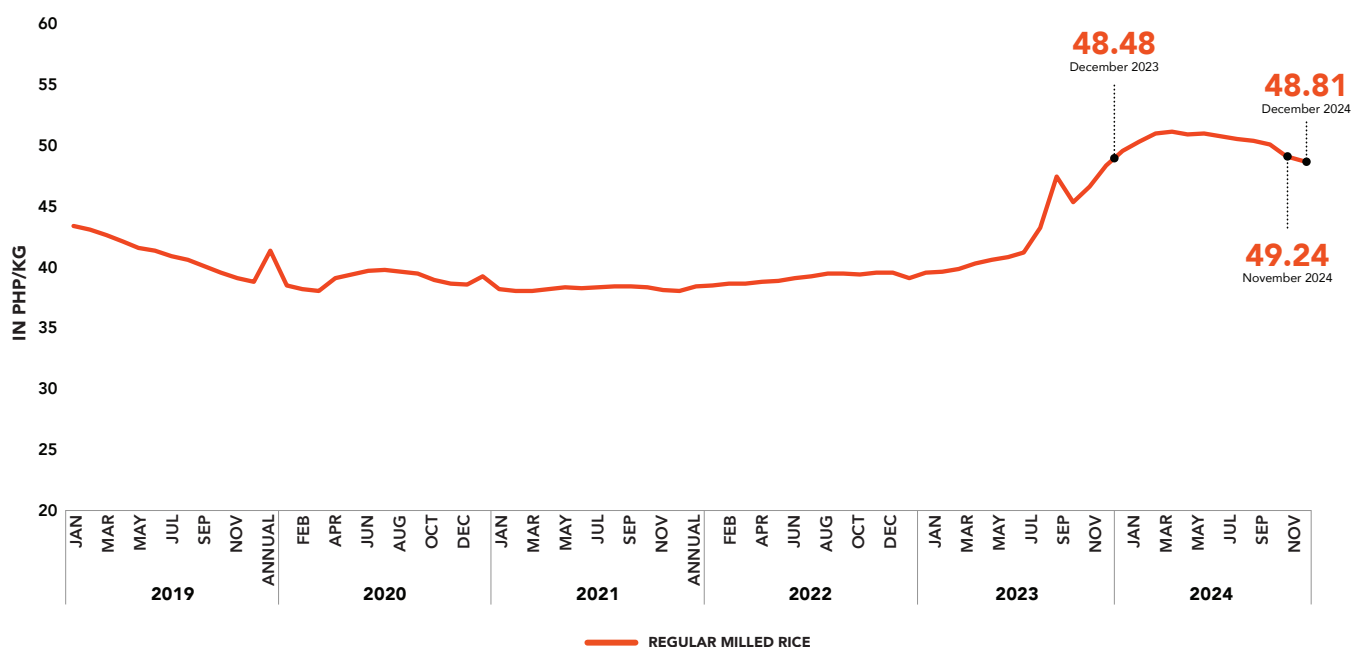
Figure 2 shows the trend in overall inflation rate, retail price of rice, pork *kasim*, and sugar.

**Figure 2.** Inflation rates of all items, food and non-alcoholic beverages, and non-food items, and retail prices of rice, pork and sugar, 2019-2024



Source: PSA

**Monthly Domestic Prices of Rice**  
(January 2019 - December 2024)



Source: PSA

Figure 2 (Continuation)

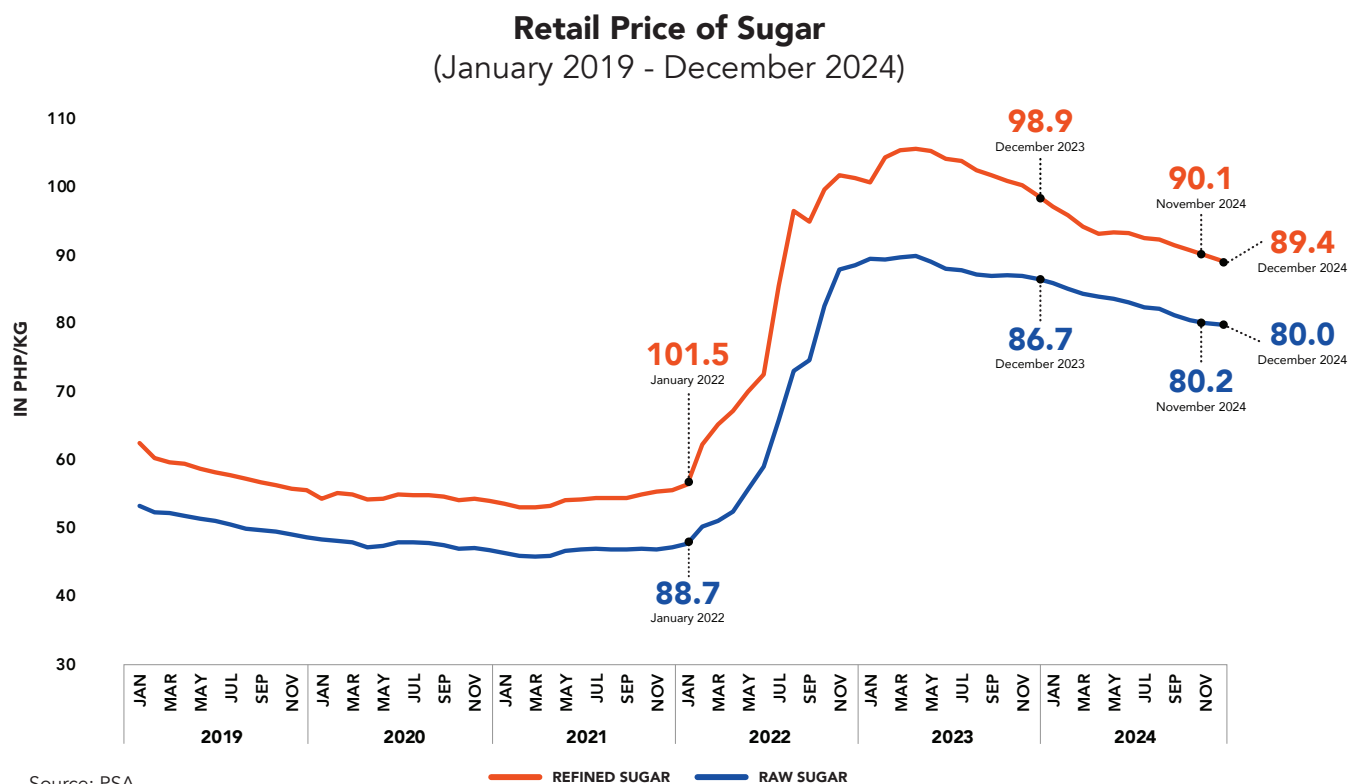
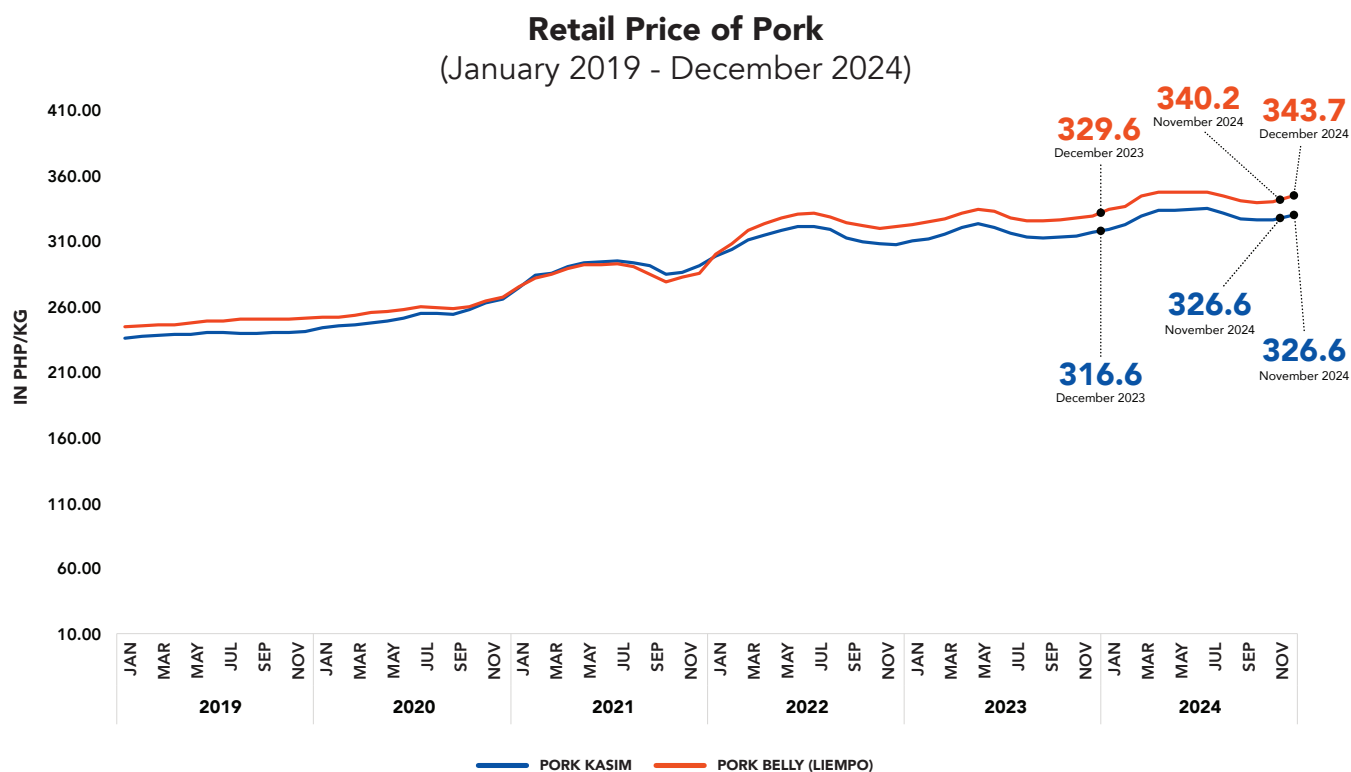


Figure 2 clearly shows that while we have tamed inflation (year-on-year change in the average level of prices), prices have remained high. Food prices began to increase in the second half of 2022. In the PDR 2023, we noted that this period coincided with the gradual, then full, reopening of the economy after the COVID-19 pandemic. There was uneven recovery across sectors and regions in the country; families with savings engaged in revenge spending, while low-income families and micro-small businesses struggled to repair their balance sheets. This situation amplified the other structural problems in certain sectors like agriculture, food manufacturing, logistics, and trade.

Moreover, the El Niño phenomenon began in late-2023 and persisted until the first half of 2024. While we have made preparations early on in anticipation of these weather disruptions, the production assistance measures were insufficient to arrest rice price inflation arising from external disruptions such as the Russia-Ukraine war, which raised the world prices of fuel, fertilizers, and other agricultural inputs. Strategic trade policy, such as reducing tariffs on imported rice and removing non-tariff barriers, were necessary to keep inflation within manageable levels and protect the purchasing power of poor and vulnerable families. By the second half of 2024, headline inflation began to decline, though it must be noted that some commodity prices, particularly food, remained high.

Meanwhile, the increase in pork prices could be attributed to the African Swine Fever (ASF) that affected the local hog industry since 2019. To manage and eradicate ASF, the government initiated the controlled roll-out of Vietnam-developed AVAC ASF LIVE vaccine in August 2024. To improve accessibility, the ASF vaccine guidelines were revised, simplifying requirements and expanding coverage to accelerate the vaccination program. In the latter part of 2024, a noticeable decline in ASF cases was reported. Furthermore, livestock, poultry, and meat industry inspection sites were established in Metro Manila and nearby regions to strengthen disease prevention measures and control the spread of animal diseases.

Ensuring the country's long-term food security focuses on combatting inflation by addressing structural issues. Our strategies include enhancing agricultural productivity, using science and technology to increase yield and fight pests and diseases, minimizing post-production processes, implementing strategic trade policies, promoting nutrition education, and providing supplementary feeding.

However, these efforts or interventions require fundamental and profound transformations in our agriculture, food manufacturing, logistics, trade, information, and health sectors. They entail significant investments, and sustained and coordinated efforts to address many long-standing constraints.

Therefore, the action plan to ensure food security must combine these medium- and long-term strategies with timely, strategic, and impactful short-term measures while considering external factors and developments.

## Quality employment

The labor market maintained its good performance, with the average unemployment rate declining to 4.3 percent for FY 2024, lower and better than the target range of 4.4 to 4.7 percent for the year. As a measure of the quality of employment, the proportion of wage and salaried workers in private establishments increased to 50.7 percent in 2024, albeit slightly below the target range of 50.9 to 51.5 percent. This performance is consistent with the continued decline of the country's underemployment rate, which has, broadly trended downward in the last few years since its peak during the pandemic.

To sustain the momentum for high-quality job creation, the Marcos Administration has made it a top priority to strengthen the country's investment and regulatory environment, boost investment promotion and facilitation efforts, and reduce the cost of doing business.

Our efforts have borne much fruit. The total value of BOI-approved investments from January to December 17, 2024 rose by 28 percent and reached PHP1.62 trillion, relative to the PHP1.26 trillion value recorded

in the same period in 2023. On the other hand, net foreign direct investments from January to October 2024 have risen by 8.2 percent to USD7.68 billion, higher than the USD7.09 billion for the same period in 2023. Encouragingly, foreign direct investments in the manufacturing sector, where higher-quality jobs are to be found, nearly doubled to almost USD1.4 billion in January to October 2024 relative to the same period in 2023.

Under the Green Lanes for Strategic Investments program enabled by Executive Order No. 18, s. 2023, a total of 153 projects worth PHP4.03 trillion were approved in 2024 alone—a 709-percent increase compared to the 23 projects (worth PHP498.91 billion) approved in 2023. Majority or 146 of these 153 projects approved in 2024 are to be found in renewable energy and food security, reflecting our commitment to securing the growing needs of our rapidly expanding economy while creating a greater number of high-quality and resilient jobs for our people.

Still, while headline employment statistics indicate a robust labor market and investment figures show much promise, a closer examination of the labor market that we conducted for the *Trabaho para sa Bayan* (TPB) Plan reveals several concerns. Notably, there is a movement of labor away from agriculture into low-productivity sectors, visible underemployment in various sectors, and mismatches between education and jobs, as well as between job skills and market needs.

### A dynamic innovation ecosystem

The country's ranking in the 2024 Global Innovation Index improved to 53<sup>rd</sup> out of 133 countries, an achievement better than the target ranking of 54<sup>th</sup> for 2024.

Innovation is recognized as a key driver of economic growth. With proactive innovation governance, the goal is to make innovation a major catalyst for inclusive economic development. At the same time, we acknowledge that innovation emerges through a dynamic and complex interaction among various actors, collectively forming an innovation ecosystem.

The National Innovation Agenda and Strategy Document (NIASD) 2023-2032, launched in September 2023, provides a comprehensive framework for establishing a dynamic innovation ecosystem. In particular, the NIASD describes the characteristics of a dynamic innovation ecosystem as comprising: (a) a pervasive CULTURE of innovation, (b) facilities to build the CAPACITY to transform ideas to innovation, (c) platforms that provide a safe space for COLLABORATION among experts and other innovators, and (d) efficient mechanisms to CONNECT innovators to funders and the market. To establish this dynamic innovation ecosystem, five key enablers have also been identified, namely, a governing body that is supportive of innovation, policies to encourage innovation, programs to promote awareness about innovation, infrastructure and facilities to build the capacity for innovation, and access to financing.

### Poverty reduction and inclusion

In July 2024, poverty incidence for 2023 was reported at 15.5 percent, down from 18.1 percent in 2021. This figure is better than the target range of 16.0 to 16.4 percent and even lower than the pre-pandemic poverty incidence which was recorded at 16.7 percent in 2018.

The economic performance, effective inflation management, gains in labor and employment, and continuous provision of social protection programs and services from 2022 to 2023 contributed to poverty reduction. Notably, the average per capita income increased by 17.9 percent from 2021 to 2023. The mean per capita income among those in the first income decile rose by 25.3 percent, while those in the second and third deciles saw increases of 22.9 percent and 22.2 percent, respectively. This larger increase in mean per capita income among poorer households (bottom 30 percent) compared to the upper income deciles indicates that growth was inclusive.

The headline indicators are shown in **Table 1**.

**Table 1.** Headline Indicators in the Philippine Development Plan 2023-2028

Headline Indicator	Baseline (2022/latest available)	Plan Target		Progress (Actual 2023/latest)
		2023	2024	
GDP (growth rate, %) increased	7.6 (2022)	6.0 – 7.0	6.5 – 8.0 (6.0 - 6.5)*	5.5 (FY 2023) 5.8 (Q1-Q3 2024)
Gross National Income per Capita increased	USD3,950	USD4,130- USD4,203	USD4,454- USD4,592	USD4,230 (2023)
NG Deficit-to-GDP ratio (%) declined	7.3 (2022)	6.1	5.1 (5.7)*	6.2 (FY 2023) 5.1 (Q1-Q3 2024)
Outstanding NG Debt Stock-to-GDP ratio (%) reduced	60.9 (2022)	60 – 62	57 - 61 (60.6)**	60.1 (FY 2023) 61.3 (as of Sep 2024)
Food Inflation (%) kept stable	6.1 (2022)	2.5 – 4.5	2.0 – 4.0	8.0 (2023) 4.5 (2024)
Headline Inflation (%) kept stable	5.8 (2022)	2.5 – 4.5	2.0 – 4.0	6.0 (2023) 3.2 (2024)
Unemployment Rate (%) decreased	5.4 (Ave. Jan, Apr, Jul, Oct 2022)	5.3 – 6.4	4.4 – 4.7	4.6 (2023)** 4.3 (2024)** **Ave. Jan, Apr, Jul, and Oct
Percentage of wage and salaried workers in private establishments to total employed workers (%) increased	49.6 (Ave. Jan, Apr, Jul, Oct 2022)	50.3 – 50.7	50.9 – 51.5	49.9 (2023)** 50.7 (2024)** **Ave. Jan, Apr, Jul, and Oct
Poverty Incidence (% of population) reduced	18.1 (2021)	16.0 – 16.4		15.5 (2023)
Global Innovation Index improved (GII rank)	59 <sup>th</sup> out of 132 (2022)	57 <sup>th</sup>	54 <sup>th</sup>	56 <sup>th</sup> out of 132 (2023) 53 <sup>rd</sup> out of 133 (2024)
Global Competitiveness Index (GCI) rank and score improved	Top 45% Score: 61.9 (2019)	Top 43% Score: 62.1	Top 41% Score: 62.7	Not yet available

\*DBCC full-year outlook as of December 2024

\*\*DBCC-approved target as of December 2024



*Two years into the implementation of the Philippine Development Plan 2023-2028, we are witnessing significant progress in transforming our economy and society.*

The accomplishments summarized above resulted from the concerted efforts of the whole-of-government (National Government, LGUs, Congress) and multiple stakeholders (business, civil society, academe). This involved the implementation of regular programs, activities, and projects (PAPs) by the implementing agencies and the deliberate integration of the transformation agenda into the various PAPs. Several transformation initiatives are based on the enactment of new laws, indicating that the transformation will be funded and sustained.

**Digitalization.** Government agencies have employed digital solutions to improve bureaucratic efficiency and stimulate growth in their sector. To name a few:

- To enhance government service delivery, the Department of Information and Communications Technology (DICT) has implemented 20 digital platforms, including the eGovPH App, eNGAs, eLGU, and eGovPay, through the eGovDX platform to improve efficiency, accessibility, and inclusivity.
- To streamline the permitting processes and simplify the numerous clearances required for energy projects in the country, the Department of Energy (DOE) is working towards the full integration of all energy-related processes into the Energy Virtual One-Stop Shop (EVOSS) system. The EVOSS serves as a centralized platform designed to facilitate the submission of documentary requirements, track application statuses, and process the payment of fees for energy-related projects.
- To encourage tax compliance, the Bureau of Internal Revenue (BIR) has developed a digital app for tax filing, payment, and registration, as mandated by the Ease of Paying Taxes law. This law also permits the filing and payment of taxes through various channels.
- To streamline the government procurement process, the Department of Budget and Management (DBM) has rolled out the modernized Philippine Government Electronic Procurement System (PhilGEPS) and will soon launch the eMarketplace. These initiatives are part of the New Government Procurement Act.
- To enhance the effectiveness of social protection and assistance programs, relevant agencies have collaborated with the Philippine Statistics Authority (PSA) to use the Philippine Identification System (PhilSys) for registering beneficiaries and employing authentication protocols to prevent fraud.
- To facilitate international trade, several trade-related agencies have been integrated into the Bureau of Customs' trade facilitation system.
- To promote trade and investments, the Department of Trade and Industry (DTI) has recently launched PHX Source and the Free Trade Agreement information portal (FTA PORTAL - Home), which provides information on conducting business using our FTAs.
- To boost the visibility of various tourism spots, the Department of Tourism (DOT) launched the Philippine Experience Program in collaboration with travel agencies and online travel platforms like Klook, enhancing the visibility of our tourism offerings.
- To improve the international tourism experience, DICT has been implementing the enhanced eTravel system.

**Connectivity.** The Department of Public Works and Highways reported the completion of 11,495 km of road projects as of July 2024, with an additional 15,769 km currently under implementation. Also ongoing are various road-based mass transport systems including the Public Transport Modernization Program and the Active Transportation Program. The first phase of the LRT Line 1 South Extension (LRT L1SE) project began operations in November 2024. Additionally, the Philippine Ports Authority has opened the expanded Batangas Port Passenger Terminal Building, which can now accommodate more than three times the number of passengers.

Our efforts to expand digital connectivity, by establishing critical digital infrastructure are well underway. The first phase of the National Fiber Backbone was completed, establishing the foundation for quality internet connection from Laoag, Ilocos Norte to Roces District, Quezon City. Moreover, the implementation of the Common Tower Policy also picked up speed, with a total of 4,423 common towers established as of May 2024, from 1,337 in 2023.

The successful energization of the 450-megawatt (MW) Mindanao-Visayas Interconnection Project marks the realization of the long-sought interconnection of the country's major island power grids. This critical project enables the seamless sharing of available capacities across regions, significantly enhancing the reliability and resiliency of power supply throughout the country.

Complementing the MVIP, major transmission projects have also been completed and energized to bolster inter-island connectivity and meet the growing electricity demand. These include the Cebu-Negros Panay 230 kV backbone project, the Mariveles-Hermosa-San Jose 500 kV transmission line, and Cebu-Bohol interconnection project.

**Servicification.** The DTI has launched various platforms to showcase Philippine creativity and unique tourism products. For one, the Design Center of the Philippines offers training programs to enhance designers' skills, highlighting the positive impact of design on the manufacturing sector.

**A dynamic innovation ecosystem.** Implementation of the NIASD is ongoing. The NIC has approved a policy reform agenda to encourage innovation and address the barriers to innovation. At the same time, we have continued the provision of grants for various innovation projects of government entities. For the 2023-2024 Innovation Grant cycle, 25 innovation projects by government entities were provided grants. In addition, grants were also provided to 19 startups, under the Innovative Startup Fund.

**Public-private partnerships.** The enactment of the PPP code and the issuance of its implementing rules and regulations provided clear guidelines to public-private partnership. PPPs have become increasingly important in infrastructure development. Of the 186 Infrastructure Flagship Projects, 43 will be implemented through PPP. Notably, the operations and maintenance of the country's main gateway, the Ninoy Aquino International Airport, are being managed through a public-private partnership model.

PPP is not limited to infrastructure provision. The enactment of the Enterprise-Based Education and Training (EBET) Framework Act opens a venue for the private sector to collaborate with TESDA in providing enterprise-based learning programs. Key features of the law include enhanced incentives for enterprises, provision of scholarships to EBET trainees, setting maximum training durations based on the complexity of competencies, and clearer categorization of programs.

**LGU as equal partners in development.** National government agencies have been actively collaborating with local government units (LGUs) to tackle significant development challenges. For example, the *Kadiwa ng Pangulo* initiative, launched in partnership with LGUs, aims to streamline market layers and directly support sectors most impacted by high food prices. Additionally, the renewed implementation of the Universal Health Care law has led to the establishment of a network of healthcare providers, starting with primary healthcare centers managed by LGUs.

*But there is no room for complacency given persistent challenges going forward.*

We anticipate a range of challenges that could either present opportunities or pose threats, depending on our preparation and response. These challenges can originate from both external and domestic sources, with some arising from small, incremental changes that may accumulate over time.



## Political Trends

**Geopolitical Tensions and Economic Disruptions.** Geopolitical tensions continue

to escalate, driven by enduring social, cultural, and economic factors.<sup>1</sup> These conflicts are a significant downside risk to global economic growth in the next two years.<sup>2</sup> The prolonged

1 Robert Powell, "War as a Commitment Problem," *International Organization* Vol. 60 No. 1 (2006), as cited in A. Charaniya, "The Territorial Roots of Interstate Conflict," *SAIS Review of International Affairs* (2024), accessed November 14, 2024, [https://saisreview.sais.jhu.edu/the-territorial-roots-of-interstate-conflict/#\\_edn4](https://saisreview.sais.jhu.edu/the-territorial-roots-of-interstate-conflict/#_edn4).

2 Jamie Thompson, "Global: Risk Survey Confirms Businesses' Geopolitical Fears," *Oxford Economics*, accessed February 23, 2024, <https://my.oxfordeconomics.com/reportaction/FF6Ed3b6dBB34C7A9A8E7a/Toc?SearchTerms=global%20geopolitical%20risk>.

Russia-Ukraine war, for example, disrupts global supply chains, particularly in key commodities such as food and energy. In the Philippines, affected sectors may experience subdued international demand. Additionally, overseas workers, particularly in conflict-prone regions like the Middle East, face heightened job insecurity, posing risks to remittances and workers' welfare. Regional disputes in the West Philippine Sea and tensions in the Taiwan Strait, also pose risks to economic stability.

The country needs to intensify its multipronged approach to build resilience against geopolitical tensions. Forging more bilateral and regional trade cooperation agreements will diversify our market for both our exports and as sources of intermediate inputs. Similarly, we need to be proactive in international discussions, both in presenting our national interests and the interest of our region, and even in global issues such as climate change, human development, and world peace. More importantly, we also need to build the capacities of individuals, families, and institutions to address the potential adverse impact of heightened geopolitical tensions.

**Governance Challenges as Barriers to Growth.** While the Philippines' performance in good governance has been improving, the perception of foreign investors has been slow to change. Concerns on governance issues, especially at the local level, have become more crucial given the increased LGU resources and responsibilities ushered in by the Mandanas-Garcia ruling. Knowing that reforms take time to be institutionalized and even longer for these to translate to better user or client experience, the government needs to prioritize specific components of the reform agenda based on their potential to improve performance.



## Economic Trends

**Rising Economic Nationalism.** With a sustained trend towards economic nationalism, the next two years are likely to see more inward looking industrial and immigration policies, including more protectionist trade policies. There is likely to be a continued pivot towards

bilateral and regional trade agreements over multilateral frameworks. To safeguard our OFWs from discrimination, it is essential to enhance the capacities of our embassies in engaging with their counterparts in destination countries. Equally important are initiatives to organize Filipino communities abroad and foster collaboration with businesses and civil society at home. These efforts will diversify reintegration pathways for returning OFWs.

**Achieving Upper Middle-Income Country Status.** The Philippines is projected to reach upper middle-income country (UMIC) status over the next two years (2025-2026), driven by strong economic performance and sound fiscal policies. This signals improved income levels in the next two years and positions the country to attract more investments and a stronger fiscal capacity to fund development priorities, such as critical infrastructure, education and social services. This improvement may result in reduced access to official development assistance (ODA) from development partners. We recognize that ODA funding remains crucial given our huge saving-investment gap. The Philippines Gross National Savings (GNS) as a percent of Gross National Income (GNI) stood at 24.6 in 2023. This is much lower than Indonesia's GNI at 36.9 percent. In addition, the Philippines' capital market is still very thin. The market capitalization of listed domestic companies, in 2022, is estimated at about USD238 billion, which is only 40 percent of Indonesia's USD610 billion. Therefore, deepening the capital market and increasing savings are essential as we transition to a UMIC.

**Increased Scrutiny on ESG Compliance.** Sustainability pressures from investors, consumers, and regulators are anticipated to transform business operations. ESG (Environmental, Social, and Governance) integration affects corporate strategies, particularly in governance and workforce standards. Firms will require workforce competencies in ESG risk management and reporting, creating opportunities for job creation in sustainable industries.



## Social Trends

**Increasing Adolescent Pregnancy.** Adolescent pregnancies, which have alarmingly emerged among girls aged 10-14, threaten to derail the country's prospects by limiting educational attainment and delaying workforce participation, particularly for women. Cases of repeat pregnancies were also recorded showing that in 2022 alone, there were 25,358 second, third, fourth, and even fifth livebirths among girls aged 10-19.<sup>3</sup> Adolescents who have begun childbearing before the age of 18 are less likely to complete secondary education and delay their entry into the labor force, contributing to the Philippines' low female labor force participation rate. The associated loss in potential earnings from this, estimated at PHP33 billion annually, underscores the urgency of addressing this issue.<sup>4</sup>

**Shifting Workplace Preferences.** Mental health concerns and evolving workplace expectations will shape employment trends in the Philippines over the next few years. Employees with strong mental health are more engaged and productive, yet many face barriers to care, including high costs, exclusion from HMO packages, and stigma.<sup>5</sup> Instead of seeking assistance, workers are more inclined to demand workplace policies that prioritize mental health, such as those affording employees the right to take necessary leave days.<sup>6</sup>

The pandemic has also accelerated the shift toward flexible work arrangements, with remote work and four-day workweeks becoming increasingly popular. These setups not only support mental well-being but also align with the priorities of younger generations, particularly Gen Z, who value work-life balance and flexible options when choosing jobs. Recent data

indicate that employees working remotely or in hybrid setups often report higher levels of job satisfaction and improved work-life balance.<sup>7</sup>



## Technological Trends

**Digital Transformation Accelerating Economic Growth.** The Philippines' increasing internet penetration, now at 75 percent, is propelling the digital economy forward.<sup>8</sup> E-commerce, remote work, and digital services are expected to expand further in the next two years, creating demand for a digitally literate workforce. Government units have also started to leverage online platforms and digital technologies to make government transactions more accessible, efficient, and less prone to corruption. Digital technologies have also supported the adoption of flexible work arrangements, especially remote work arrangements.

**AI and Robotics Integration.** Artificial intelligence (AI) and robotics are advancing rapidly, with businesses increasingly adopting these technologies to enhance efficiency, lower costs, and add value to their products. AI skills are now essential in information and data roles, with 86 percent of Philippine knowledge workers regularly using AI tools.<sup>9</sup>

The industrial robotics market in the Philippines grew by an average of 10 percent annually from 2020 to 2024, signaling increased adoption in the next few years.<sup>10</sup> By 2027, AI and robotics could impact 26 percent of jobs, with growth expected in roles like AI specialists (34%) and business intelligence analysts (27%), while job losses are projected in assembly work (39%) and administrative roles (36%).<sup>11</sup> AI's potential risks including from algorithmic biases, privacy risks, and lack of transparency will need to be addressed over the next two years.

3 "Senate Urged Not to Stall Teen Pregnancy Prevention Bill," *Philippine News Agency*, last modified 2024, accessed November 14, 2024, <https://www.pna.gov.ph/articles/1233740>.

4 UNFPA, *Eliminating Teenage Pregnancy in the Philippines* (2020), [https://philippines.unfpa.org/sites/default/files/pub-pdf/UNFPA\\_Policy\\_Brief\\_Teenage\\_Pregnancy\\_%282020-01-24%29.pdf](https://philippines.unfpa.org/sites/default/files/pub-pdf/UNFPA_Policy_Brief_Teenage_Pregnancy_%282020-01-24%29.pdf).

5 C. de Oliveira, M. Saka, L. Bone, and R. Jacobs, "The Role of Mental Health on Workplace Productivity: A Critical Review of the Literature," *Applied Health Economics and Health Policy* 21, no. 2 (2022): 167–93, <https://doi.org/10.1007/s40258-022-00761-w>.

6 OH, *Health Promotion and Literacy Longitudinal Study* (Phase 1)

7 Jobstreet by SEEK, *Jobstreet by SEEK's Employee Job Happiness Index 2024* (2024)

8 World Bank. "Philippines." *World Bank Data*. Accessed November 16, 2024. <https://data.worldbank.org/country/PH>.

9 Microsoft and LinkedIn. *2024 Work Trend Index Annual Report*. May 23, 2024. Accessed November 16, 2024. <https://www.linkedin.com>.

10 Philippines Industrial Robotics Market Outlook. Accessed November 17, 2024. <https://www.6wresearch.com/industry-report/philippines-industrial-robotics-market-outlook>.

11 World Economic Forum, *\*The Future of Jobs Report 2023\** (Geneva: World Economic Forum, 2023), <https://www.weforum.org/reports/the-future-of-jobs-report-2023>.

### Cybersecurity as a Growth Imperative.

The surge in digitalization has led to a corresponding rise in cybersecurity threats. Reported cybercrime cases increased by 21.84 percent in the first quarter of 2024 compared to the same period in 2023.<sup>12</sup> This has amplified the demand for cybersecurity skills, with a WEF report revealing that 78 percent of global organizations lack in-house expertise to meet their cybersecurity needs.<sup>13</sup>

**Energy Intensity and Growth.** As digitalization and connectivity drive the government's transformation agenda, the development of digital infrastructure is intrinsically linked to energy. The increasing volume of information processed by large-scale data centers (hyperscalers) necessitates a sufficient and reliable electricity supply for successful operations.



### Legal Trends

**Increased Devolution of Resources and Responsibilities.** The increased local resources resulting from the implementation of the Mandanas-Garcia ruling over the next two years presents opportunities for LGUs to improve their capacity to take greater responsibility for socioeconomic development programs. It may also allow them to tailor interventions towards addressing local development needs more effectively. The need for improved coordination between national and local agencies and clearer delineation of functions will also have to be addressed to ensure resource efficiency and alignment between national and local goals.

### Policy Reforms Boosting Competitiveness.

Recent legislative and regulatory reforms, such as the amendments to the Public Service Act and Foreign Investments Act, as well as the liberalization of the renewable energy sector, are expected to bolster foreign direct investment and drive job creation in critical sectors like transport, energy, and technology over the next two years. These reforms, coupled with efforts to foster innovation, will further boost the competitiveness of the Philippine economy.



### Environmental Trends

#### Climate Change as a Threat to Economic Resilience.

The Philippines remains highly exposed to climate change impacts, including extreme weather events and rising sea levels. Climate-related disruptions are projected to reduce GDP by up to 7.6 percent by 2030.<sup>14</sup> A total of four to ten tropical cyclones are expected to enter the Philippines in the first semester of 2025, which could be further exacerbated by the potential development of a La Niña phenomenon in Q1 2025.<sup>15</sup> We have observed that these weather disturbances are becoming increasingly severe and are occurring more frequently in quick succession. At present, our response has been primarily focused toward life preservation. The challenge now is to develop an optimal response mix that also considers business and service continuity.

**Green Growth Opportunities.** Growing eco-consciousness among consumers, new regulations, and incentives for sustainable production are driving up demand for sustainable products and services. Globally, policymakers have identified clean energy transition initiatives as crucial in meeting decarbonization commitments, with countries like China and those in the European Union leading efforts in renewable energy (RE) production, electric vehicle (EV) adoption, and energy efficiency. Similarly, the Philippines is aiming to increase the share of RE in power generation from 22 percent in 2022 to almost 29 percent by 2026, to 35 percent by 2030, and a 10 percent EV penetration rate by 2040. This shift is attracting investments in green technology and infrastructure, incentivizing local assembly and manufacturing within the Philippines. Given its substantial mineral resources, the Philippines is also well-positioned to capitalize on the growing demand for critical minerals to support the global supply chains for green technologies.

<sup>12</sup> Philstar.com. "Cybercrime Cases Continue to Rise, Up 21.84 Percent in Q1." Philstar. Accessed November 16, 2024. <https://www.philstar.com>.

<sup>13</sup> World Economic Forum. Global Cybersecurity Outlook 2024. Geneva: World Economic Forum, 2024. Accessed November 16, 2024. <https://www.weforum.org>.

<sup>14</sup> World Bank, Philippines Country Climate and Development Report 2022 (Washington, DC: World Bank, 2022).

<sup>15</sup> PAGASA Climate Outlook, February-July 2025 (as of January 22, 2025).

## *We forge ahead with thoughtful reflection and strategic planning...*

In each of the succeeding chapters, we identify specific ways forward. This section re-emphasizes the transformation agenda as essential for building a prosperous, inclusive, and resilient society. However, this transformation will have costs, including new infrastructure, equipment, and facilities, the development of new competencies, and assistance for those temporarily displaced. Therefore, it is necessary to mobilize resources to finance the transformation, enact policies to support transformation in both the public and private sectors and address the negative impacts of such changes, especially for vulnerable sectors.

### **Regain the growth momentum**

#### *Infrastructure development*

Infrastructure is critical to the country's economic transformation and an important determinant of regional development, inclusion, and competitiveness. During construction, infrastructure development creates a multiplier effect due to job generation and demand for material inputs. Once the infrastructure is completed, it can be a significant economic transformation and competitiveness catalyst, but only if the host LGU can maximize its utilization strategically.

Infrastructure development competes with the other sectors for funds for construction, operations, and maintenance. At the same time, infrastructure competes with other sectors for the use of land or other facilities. Providing adequate, quality, sustainable, resilient, and safe infrastructure will require well-coordinated, substantial investments not only for new constructions, expansions, and improvements but also for adequate maintenance and rehabilitation. *Moving forward*, infrastructure-related agencies must maintain a significant and sustainable pipeline of infrastructure projects, undertake preparatory activities, especially for complex and high-impact projects, and intensify the monitoring toward the accelerated completion of priority projects.

#### *Investment promotion*

We will continue disseminating information and implementing the newly enacted reforms to promote trade and investments, including the amended Public Service Act, the Foreign Investments Act, the Regular Foreign Investment Negative List (RFINL), and CREATE

MORE Act. We will operationalize the newly developed Foreign Investment Promotion and Marketing Plan (FIPMP) to ensure the convergence of efforts. Programs that provide marketing support (e.g., business advisory, processing and value-adding, showcase platforms and others) to micro and small enterprises will be enhanced. We will continue to engage with other countries and enter into formal trade and investment agreements to expand and diversify our markets. *Moving forward*, the government will continue to facilitate trade, including using online platforms to enhance the ease of transactions.

#### *Building the competitiveness of the economic sectors*

Competitive economic sectors produce affordable, quality goods, and services and are the source of labor demand.

Building the competitiveness of economic sectors requires addressing various issues plaguing them. In agriculture, a major problem is the reduction in agricultural land, which measured only 6.16 million hectares in 2022, down from 7.27 million hectares in 2012. Although the number of farms has increased, the average farm area has significantly declined, from 1.31 hectares per farm in 2012 to 0.83 hectares per farm in 2022. With an increasing population, the demand for greater productivity is paramount. Farm mechanization over small farms may not be efficient, making the use of biotechnology necessary. However, the regulatory regime needs reform, and there must be adequate information campaigns to increase the acceptability of such reforms. *Moving forward*, we need to update various agricultural development plans and programs to consider new farm profiles. We also

need to consider the policy allowing for the consolidation of agricultural lands to viable farm enterprises.

The economic growth target of 6.5-8 percent by 2028 conveys that the energy sector must be responsive. This is where generation and transmission infrastructures come in to provide for the energy requirements of industries. Specifically, the DOE supports the development of the mining sector and the processing of critical minerals and materials. A strategic approach of solutions (e.g., direct connection, own-use) is necessary to meet their distinct energy demands and prevent competing for supply in the grid.

#### *Investing in human and social development*

Several laws have been enacted to support the human development of Filipinos. Human development strategies ensure that individuals have the capabilities to reach one's full potential. It comprises of quality education, health care, lifelong learning, decent housing, livable communities, and a state that observes the rule of law. Apart from ensuring the presence of facilities (schools, health centers, training institutions, etc.) that provide the service, there is also the matter of optimizing its use. Such is the case for the 4Ps where beneficiaries are incentivized to access the service. *Moving forward*, we will enhance the quality of human development facilities and services and ensure ease of access.

The quality of human development services depends on the quality of facilities, tools and equipment being used, and service providers; adequate financing will also be needed. We know, however, that there are other demands for financing. *Moving forward*, we endeavor to design innovative and cost-effective ways of providing much-needed services. For example, the private sector can be engaged in the construction of state-of-the-art health facilities through a PPP mode of financing; services can be financed by optimizing the use of corporate funds in the case of PhilHealth; and LGU resources can be mobilized through the case of the Special Education Fund, and so on.

We should also consider individuals (or human capital) as sources of demand, savings and investment. Their potential to become learned consumers, efficient savers, and investors rests on how well-informed they are, both access to timely and relevant information and the resources needed to use the information in financial markets. *Moving forward*, we will expand and deepen the IEC campaign on Economic and Financial Literacy. We also need to update the laws that guarantee consumer protection given the new modalities of commerce and strengthen their enforcement.

### **Maintain prudent fiscal resource management that is supportive of growth**

#### *Mobilize fiscal resources*

With the expected changes primarily driven by digitalization, there is a need to modernize the country's tax system. This modernization will require greater use of online platforms and regulation technology to increase tax compliance. Equally important is the introduction of new tax measures to plug tax loopholes that may have arisen due to new forms of doing business. *Moving forward*, the Executive will work closely with Congress to have these measures passed.

#### *Enhance efficiency of public finance*

Government spending is a major driver of growth and development. As it is, the PDP, Public Investment Program (PIP), and the Three-Year Rolling Infrastructure Program (TRIP) provide sufficient guidance on the prioritization of programs and projects. However, these usually consist of continuing programs and projects. *Moving forward*, we need to deliberately mainstream the transformation agenda in the workplan of agencies in government.

Social assistance programs are necessary, but usually, unpopular, especially among the undercovered. *Moving forward*, it is important to ensure that these programs are well-targeted and that measures are in place to detect fraud.

The use of technology and digital solutions will also be optimized to reduce administrative cost and facilitate the delivery of the assistance as needed.

A unified registration form will be introduced to collect beneficiary data, facilitating a seamless integration of the National ID System across relevant agencies. This initiative aims to enhance efficiency and effectiveness in the implementation of various government social protection and assistance programs. In addition, it will prevent fraud, reduce the duplication of benefits, and minimize leakage.

Another good practice to institutionalize is the regular conduct of monitoring and evaluation (M&E) and its integration into planning and investment programming. M&E should be conducted at least semi-annually, if not quarterly. This approach ensures that agencies have up-to-date data when preparing their budget proposals for the following year. *Moving forward*, a program for organizational development including capacity-building programs on M&E should be included.

## **Accelerate the operationalization of the transformation agenda**

### *Digital transformation*

While some agencies and sectors have swiftly embraced digitalization and adjusted their processes accordingly, others face difficulties. It is crucial to understand the challenges the latter group faces *moving forward*. A three-year workplan can be developed to include the necessary policies, programs, and projects to address these issues.

### *Enhancing connectivity*

This component concerns both physical and digital connectivity. In addition to providing the infrastructure, it is important to optimize its use.

In terms of physical connectivity, we must be mindful of consumers' rapidly changing preferences, which will require the implementation of smart systems. *Moving*

*forward*, we need to develop and install smart systems that address the demands of diverse transport system users, including motorists, delivery riders, passengers, and ordinary pedestrians.

In the case of digital connectivity, the concerns are speed, reliability, and affordability across various platforms. *Moving forward*, the optimal mix of policies, programs and projects to achieve these needs to be identified.

### *Servicification*

This aspect of the transformation agenda has yet to progress significantly. To move up the value chain, we need to optimize the use of creative outputs in the design phase, the use of digital solutions in the production and post-production phases, and marketing and customer service during post-production. In the tourism sector, in particular, given the intense competition for international tourists in the region, we need to develop a unique Philippine tourism experience. *Moving forward*, we need to offer training and micro-credentialing programs to improve the integration of services into agriculture and industry. We also need to develop niche tourism products by leveraging our creative sector.

### *A dynamic innovation system*

Product diversification drives inclusive economic growth and enhances resiliency by broadening the sources of growth. Product diversification, meanwhile, results from having many products and product varieties and begins many innovators who constantly think of new ways of doing things within an ecosystem.

The NIASD identifies ten priority areas and provides a framework to establish a dynamic innovation ecosystem for each area. *Moving forward*, we focus on promoting a culture of innovation to increase the number of potential innovators. We will expand scholarship programs, particularly for graduate studies, to produce researchers and experts, and introduce courses on innovation and

entrepreneurship. Additionally, we will facilitate access to resources needed to translate ideas into relevant goods and services. These resources include facilities, equipment, knowledge, technical assistance, collaborative platforms, and financing.

To enhance the impact of innovation strategies on the economy and quality of life, we will build on existing innovations and innovation ecosystems. *Moving forward*, we will facilitate access to and collaboration with these ecosystems. Starting in 2025, the government will increase the visibility of outstanding Filipinno innovators and their notable innovations. We will also support both the pre-commercialization and commercialization phases of their innovations.

#### *Public-private partnerships*

The PPP Code articulates the framework governing public-private partnerships in infrastructure provision well. However, other modalities of cooperation are not well-defined. This ambiguity in roles and responsibilities has limited the private sector's potential to contribute to policy formulation, investment programming, and monitoring and evaluation (M&E). Furthermore, it is important to note that the private sector also needs to embrace transformation so we can transform the whole of society. Many in the private sector may have already transformed, and their experiences could provide valuable insights and directions. *Moving forward*, we need to comprehensively review the various PPP modalities outside of infrastructure provision, clearly define conflict of interest, and provide an agreed-upon basic template for the terms of reference to govern these partnerships.

#### *Collaboration with LGUs*

Local government units are indeed equal partners in development. However, their capacities and capabilities vary. Therefore,

LGUs cannot be expected to progress at the same pace in operationalizing the transformation agenda. Greater collaboration between national and local governments will facilitate a better understanding of the challenges faced by each, informing the design of more effective partnerships. *Moving forward*, we must encourage increased collaboration, followed by careful documentation of experiences and lessons learned.

### **Build the competencies needed to support a transformed society**

New products, equipment, and processes require new skills and competencies. While these innovations are often designed to be self-explanatory, there is still significant value in conducting information campaigns and capacity-building programs. In many cases, especially concerning government processes, innovations are based on legislation or executive orders that may not be disseminated appropriately. *Moving forward*, the Executive Committees of various government agencies should ensure that their stakeholders are aware of new rules or processes and design protocols with user experience in mind.

Equally important are exercises in scenario building and scenario planning. Government personnel in middle management, especially those in planning units, must be adept at identifying drivers and signals of change and steering development towards the desired future. This methodology was adopted in crafting the TPB Plan to guide the government in designing strategies to future-proof the labor market. *Moving forward*, we must train relevant government personnel to envision the desired future for their sector and create the necessary interventions to increase the likelihood of achieving it. The training and skills needs related to the desired development path for their sector will be identified, and the training programs subsequently designed.

*...as we remain fully committed to delivering our promise of a prosperous, inclusive and resilient Philippines.*

We continue to be guided by the PDP 2023-2028 and the lessons from the first two years of its implementation. **Table 2** summarizes our desired outcomes for 2025 and the end-of-plan targets by 2028.

**Table 2.** Headline Indicators for 2025 and End-of-Plan (EOP) Targets

Headline Indicator	Baseline (2022/latest available)	Plan Target	
		2025	EOP (2028)
GDP (growth rate, %) increased	7.6 (2022)	6.5 – 8.0 (6.0 – 8.0)*	6.5 – 8.0 (6.0 – 8.0)*
Gross National Income per Capita increased	USD3,950	USD4,814 – USD4,920	USD6,044 – USD6,571
NG Deficit-to-GDP ratio (%) declined	7.3 (2022)	4.1 (5.3)*	3.0 (3.7)*
Outstanding NG Debt Stock-to-GDP ratio (%) reduced	60.9 (2022)	56 – 59 (60.4)*	48 – 53 (56.3)*
Food Inflation (%) kept stable	6.1 (2022)	2.0 – 4.0	2.0 – 4.0
Headline Inflation (%) kept stable	5.8 (2022)	2.0 – 4.0	2.0 – 4.0
Unemployment Rate (%) decreased	5.4 (Ave. Jan, Apr, Jul, Oct 2022)	4.8 – 5.1	4.0 – 5.0
Percentage of wage and salaried workers in private establishments to total employed workers (%) increased	49.6 (Ave. Jan, Apr, Jul, Oct 2022)	51.4 – 52.4	53.0 – 55.0
Poverty Incidence (% of population) reduced	18.1 (2021)	12.9 – 13.2	8.8 – 9.0
Global Innovation Index improved (GII rank)	59 <sup>th</sup> out of 132 (2022)	52 <sup>nd</sup>	43 <sup>rd</sup>
Global Competitiveness Index (GCI) rank and score improved	Top 45% Score: 61.9 (2019)	Top 39% Score: 62.9	Top 33% Score: 65.1

\*DBCC-approved targets as of December 2024

Standing on sound macroeconomic fundamentals in the form of rapid and sustained economic growth, low and stable prices, a vibrant labor market, and a solid fiscal foundation, we aim to be among the UMICs within the next two years.

By 2028, we aspire to be among the top third in terms of innovation and competitiveness, providing businesses and individuals a dynamic and enabling environment to produce globally competitive products and services.

We are on track and remain committed to reducing poverty incidence to single-digit levels by 2028 as we steadily progress toward the country's long-term vision of a *matatag, maginhawa, at panatag na buhay* for every Filipino.

# 02

## Advancing Economic Transformation and Growth

The Philippine Development Plan 2023-2028 outlines a vision to transform the Philippines into a prosperous, inclusive, and resilient society. To achieve this, we strengthened our economic and fiscal foundation, ensuring that we have the sources of revenue needed for implementing the various programs, activities, and projects (PAPs) of the PDP. Substantial progress has been made in critical infrastructure development, particularly in energy, transport, and digital connectivity.

To foster fair market competition, regulatory frameworks have been strengthened and were proactive in building the institutional capacities to promote market competition. The National Innovation Council's (NIC) leadership and innovation governance have played a pivotal role in advancing innovation in the Philippines, improving our Global Innovation Index ranking.

Despite these accomplishments, much work remains. We will strengthen the monitoring and evaluation of our industry development PAPs so we can recalibrate these and design new interventions to upscale and future proof our industries. Upskilling the labor force will also be critical to harness the net benefits of disruptive technologies, such as artificial intelligence (AI).

The strategic adoption of digitalization will further enhance revenue collection systems and improve the ease of doing business. Parallel efforts will focus on accelerating the accessibility and affordability of energy and digital connectivity. Lastly, enhanced support for research and development specialists and infrastructure will be integral to driving innovation and competitiveness.

The background of the slide is a solid mustard yellow color. It features a repeating pattern of stylized, outlined arrows. Some arrows point upwards and are located in the bottom half of the slide, while others point downwards and are located in the top half. The arrows are arranged in a grid-like fashion, creating a sense of movement and direction.

Subchapter 2.1

# **Building on a Strong Economic and Fiscal Foundation**

### Section 2.1.1

## Ensure Sound Fiscal Management and Improve the Tax Regime



President Ferdinand R. Marcos, Jr. signed the VAT on Digital Services Act to level the playing field between traditional and digital businesses, as witnessed by DOF Secretary Ralph Recto, Senate President Francis Joseph Escudero, Senator Sherwin Gatchalian, House Speaker Ferdinand Martin Romualdez, Representative Joey Salceda, and other stakeholders.

Source: Presidential Communications Office (PCO)

### Introduction

Fiscal consolidation is underway, as we adopt a calibrated approach to support economic growth. To reinforce the consolidation process, key fiscal reforms were enacted, notably the Ease of Paying Taxes (EOPT) Act, the Value-Added Tax (VAT) on Digital Services Act, the New Government Procurement Act (NGPA), and the Real Property Valuation and Assessment Reform (RPVAR) Act.

Through the transformation agenda, we complemented these measures by leveraging digital technologies and

innovative solutions to strengthen revenue administration. We also continued mobilizing the Retail Investment Program to diversify funding sources. Moreover, the national government continues to capacitate local government units in preparation for implementing the updated policies on the full devolution effort of government. Moving forward, we will advance sustainable policies and programs focused on preserving fiscal integrity and laying a strong foundation for economic growth.

### Strategy Framework

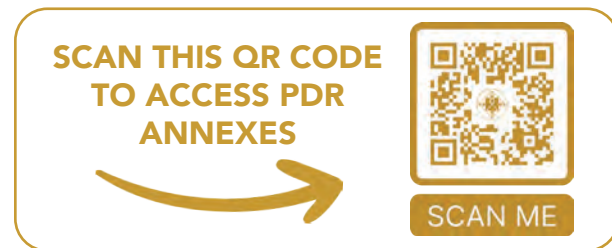
To ensure sound fiscal management and improve the tax regime, we will continue to implement strategies that will help achieve the following outcomes: (a) a productive, equitable, and simple tax system established

and other sources of revenues; (b) an efficient and inclusive budget system implemented; (c) local government finance strengthened; and (d) sustainable management of debt ensured.

## ENSURE MACROECONOMIC STABILITY AND EXPAND INCLUSIVE AND INNOVATIVE FINANCE

## ENSURE SOUND FISCAL MANAGEMENT AND IMPROVE THE TAX REGIME

A PRODUCTIVE, EQUITABLE, AND SIMPLE TAX SYSTEM ESTABLISHED AND OTHER SOURCES OF REVENUES MOBILIZED	AN EFFICIENT AND INCLUSIVE BUDGET SYSTEM IMPLEMENTED	LOCAL GOVERNMENT FINANCE STRENGTHENED	SUSTAINABLE MANAGEMENT OF DEBT ENSURED
<ul style="list-style-type: none"> <li>Strengthen the progressivity and productivity of the tax system</li> <li>Simplify taxation of the financial sector</li> <li>Pursue greater use of benefit taxation</li> <li>Implement appropriate tax regime for extractive industries and pollution</li> <li>Increase tax compliance to tax laws and regulations by simplifying tax rules and enhancing services of the BIR and BOC to taxpayers and other stakeholders</li> <li>Streamline and fully automate major processes in tax and customs administration</li> <li>Fast-track the privatization of government assets</li> </ul>	<ul style="list-style-type: none"> <li>Increase participation of the private sector in the procurement of government projects</li> <li>Ensure timely completion of awards and projects</li> <li>Improve the efficiency of bureaucracy</li> <li>Pursue the Military and Uniformed Personnel (MUP) pension reform</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the capacity of LGUs to raise more revenues and implement devolved functions</li> <li>Pursue an equitable and efficient National Tax Allotment</li> <li>Develop the LGU bond market and establish an LGU credit rating system</li> </ul>	<ul style="list-style-type: none"> <li>Diversify and explore alternative sources of financing</li> <li>Maintain a resilient and strategic debt management</li> </ul>



## Accomplishments for 2024



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

**Pursued implementation of priority reforms to improve tax compliance and broaden the tax base.** In January 2024, the President signed into law the EOPT Act, which simplifies tax compliance procedures and enhances the portability of tax transactions.<sup>1</sup> The VAT on Digital Services Act was also enacted in October 2024 to clarify the VAT imposition on digital service providers and level the playing field between traditional and digital, resident and

non-resident businesses.<sup>2</sup> Meanwhile, the Bureau of Internal Revenue (BIR) collected PHP2.5 billion from the 52,520 availers of the Estate Tax Amnesty from January to October 2024.

**Employed digital technologies and innovative solutions to enhance revenue administration.** The BIR expanded the functionality of the Online Registration and Update System (ORUS) to allow for the updating of taxpayer classifications in compliance with the EOPT Act. Through ORUS, the BIR issued 430,440 digital Tax Identification Number cards from October 2023 to October 2024. The BIR also launched the Run After Fake Transactions program in 2023, through which, they continue to recover tax liabilities from fake receipts. Additionally, in August 2024, the BIR partnered with the Department of Mathematics of the Ateneo de Manila University to develop an algorithm designed to detect companies that are likely using ghost receipts to evade VAT payments. Meanwhile, the Bureau of Customs (BOC) has digitalized 161 of the 166 customs processes listed in their Citizen's Charter.<sup>3</sup>

<sup>1</sup> Republic Act No. 11976

<sup>2</sup> Republic Act No. 12023

<sup>3</sup> This is equivalent to 97.0% of BOC's customs processes. The following systems are currently being developed and/or ready for implementation: (a) Enterprise Ticketing Solution; (b) Paperless Account Management Office (AMO) Accreditation; (c) Container Monitoring System; and (d) BOC Electronic Payment Portal System (ePay).



BOC Commissioner Bienvenido Y. Rubio and LBP Chief Executive Officer Lynette V. Ortiz signed a MOA on March 4, 2024, for the use of Link.BizPortal to facilitate digital payment of miscellaneous fees.

Source: BOC



An efficient and inclusive budget system implemented

**Modernized the procurement system to improve the execution of government projects.** The NGPA enacted in July 2024, streamlines the procurement process from 90 to 60 days by standardizing procurement forms and institutionalizing electronic procurement.<sup>4</sup> The initial draft of the Implementing Rules and Regulations (IRR) for the NGPA was published on the NGPA Microsite on December 11, 2024, to gather comments and suggestions from the public.<sup>5</sup>



President Ferdinand R. Marcos, Jr. signed into law the NGPA or RA 12009 in Malacañang on July 20, 2024, with DBM Secretary Amenah Pangandaman and other officials and stakeholders in attendance, marking a transformative reform that will modernize and enhance public procurement in the Philippines.

Source: PCO

The Procurement Service-Department of Budget and Management (PS-DBM) continues its capacity-building efforts to prepare for the full implementation of the Modernized Philippine Government Electronic Procurement System (mPhilGEPS).<sup>6</sup> As of October 2024, PS-DBM has trained 171 merchants and 225 procuring entities on the features and functionalities of the system. During the same period, 26 government agencies are actively using the mPhilGEPS.<sup>7</sup> Further, the pilot implementation of eMarketplace was officially launched on December 13, 2024, starting with motor vehicles, airline tickets, cloud computing services, and software and licenses as pilot items.



Local government finance strengthened

**Spearheaded interventions to improve the capacity of LGUs to implement devolved functions.** As of November 2024, over 8,813 local Public Financial Management (PFM) practitioners across the Philippines participated in 16 training sessions of the PFM Competency Program (PFMCP) for LGUs which aims to enhance the skills of local budget officers and PFM practitioners to promote transparency and efficiency in managing funds.

**Pursued institutional reforms designed to promote the equitable allocation of resources to LGUs and enhance their capacity for resource mobilization.** The DBM and Bureau of Local Government Finance (BLGF) are reviewing the amendments to the National Tax Allotment formula to enhance equity and promote revenue mobilization at the local level. This effort is aligned with the passage of the Automatic Income Classification of LGUs Act.<sup>8</sup> The said

4 Republic Act No. 12009

5 The initial draft was crafted based on inputs from committee meetings. There are five IRR committees responsible for crafting rules in specific subject areas of government procurement, namely: (a) Strategic Procurement Planning and Budget Linkage; (b) Competitive Modalities; (c) Other Modalities of Procurement; (d) Contract Management and Monitoring, and Sanction Mechanisms; and PS and PhilGEPS Related Matters. The initial draft IRR may be accessed at <https://www.gppb.gov.ph/draft-irr-of-ra-12009/>

6 Key features include central registration, Virtual Store, eReverse Auction, eMarketplace, and eBidding.

7 Status as of October 2024. Including three pilot agencies, namely the PS-DBM, DPWH, and PUP, and six pioneer agencies, namely, NEDA, DOST, DICT, DFA, DTI, and DA

8 Republic Act No. 11964

act mandates the triennial updating of LGU income classifications—a key determinant for certain national government transfers to LGUs.<sup>9</sup> In December 2024, the BLGF issued Memorandum Circular No. 20-2024, outlining the schedule of the first general income reclassification of LGUs. Moreover, the enactment of the RPVAR Act, which adopts market value as the sole basis for assessing real property-related taxes, will strengthen LGU's revenue-raising capacity.<sup>10</sup>



### Sustainable management of debt ensured

#### **Diversified sources of financing and maintained prudent debt management.**

The Bureau of the Treasury (BTr) continued implementing its Retail Investment Program to raise additional funds. As of September 2024, retail issuances comprise 32.6 percent of the government's outstanding Treasury Bonds. In collaboration with government securities-eligible dealers, the BTr raised PHP586.8 billion through Retail Treasury Bonds (RTBs) this year—the highest amount secured from RTB issuances.

As of September 2024, the national government raised PHP2.3 trillion in gross financing equivalent to 89.5 percent of the full-year 2024 program. Meanwhile, the financing mix settled at 78:22 in favor of domestic sources.

## Results Matrix

The revenue and tax effort improved but shows room for further improvement. Revenue effort increased to 17.5 percent of GDP (from 16.4% in Q1-Q3 2023), driven by the surge in non-tax revenues.<sup>11</sup> Meanwhile, tax effort slightly picked up to 14.9 percent of GDP (from 14.7% in Q1-Q3 2023) but will likely settle below the full-year target due to

lower tariffs, tax leakages, and delays in the passage of priority tax measures.

The utilization of the current year's budget also improved with accelerated spending on priority programs. Utilization of the current year's budget increased to 76.2 percent (from 72.2% in Q1-Q3 2023) due to robust spending on infrastructure, social programs, and preparatory activities for the 2025 elections. Moreover, primary expenditures remained at 19.5 percent of GDP in Q1-Q3 2024 and will likely meet the target.

On the other hand, LGUs' fiscal performance also improved. Locally sourced income as a share of total current operating income increased to 35.0 percent (from 34.2% in Q1-Q3 2023), albeit growth of locally sourced income decelerated to 10.0 percent (from 17.8% in Q1-Q3 2023). Meanwhile, growth in social and economic service expenditures more than doubled to 13.8 percent (from 5.7% in Q1-Q3 2023).

Additionally, the national government deficit and debt remained manageable despite elevated levels. The budget deficit narrowed to 5.1 percent (from 5.7% in Q1-Q3 2023). Meanwhile, debt-to-GDP is expected to remain within the target range for FY 2024, despite rising to 61.3 percent as of end-September 2024 (from 60.2% in end-September 2023). The country's credit ratings were sustained, with Standard & Poor's Global Ratings upgrading its outlook from stable to positive to reflect the NG's commitment to fiscal discipline and economic growth.

9 The Local Government Support Fund-Growth Equity Fund includes income classification as a key criterion for identifying beneficiary LGUs.

10 Republic Act No. 12001

11 Non-tax revenues surged by 62.5 percent (from 10.3% in Q1-Q3 2023).

# Ways Forward

Our fiscal consolidation strategy relies on the passage of key revenue and expenditure reforms, alongside improvements in efficiency through digitalization and innovation. Failure to pass these reforms, amplified by the enactment of revenue-eroding measures, could hinder fiscal consolidation efforts.

High interest rates and peso depreciation may increase borrowing costs and reduce fiscal space. Additionally, lower-than-expected GDP growth could lead to revenue shortfalls, raising our borrowing needs. Hence, we will prioritize the following strategies over the next two years:

## Priority Strategies



To establish a productive, equitable, and simple tax system and mobilize other sources of revenues

**Strengthen cooperation between the Executive and the Legislative branches of the government on proposed fiscal measures.** The Executive branch will collaborate closely with Congress to fast-track the legislation of priority fiscal measures that will mobilize revenues and temper proposals that will erode revenues. The Department of Finance (DOF) will continue to push for the enactment of the rationalization of the mining fiscal regime, Package 4 of the Comprehensive Tax Reform Program, excise tax on single-use plastics, and Motor Vehicle Road User's Tax.<sup>12</sup>

**Sustain improvements in revenue administration.** BIR will expand the Electronic Invoicing/Receipting Sales Reporting System to accommodate VAT-registered taxpayers, and ORUS to enable the online registration of digital service providers in line with the VAT on Digital Services Act. Meanwhile, BOC will continue its efforts to develop and enhance digital systems for customs administration.



To implement an efficient and inclusive budget system

**Roll out capacity-building interventions on the new procurement law.** In 2025, GPPB-TSO will launch the basic level of the Public Procurement Specialist Certification Course (PPSCC), along with various self-paced online learning modules on NGPA. Intermediate and advanced levels of PPSCC, as well as special training modules on NGPA's unique provisions, will follow in 2026. The Life Cycle Cost Analysis Program will also be introduced to help procurement professionals assess long-term project costs. Meanwhile, accreditation guidelines for training providers will be released to ensure they are certified and equipped to offer accredited courses.

**Continue to advocate for expenditure reforms.** The passage of the Progressive Budgeting for Better and Modernized Governance Bill, National Government Rightsizing Program Bill, and Military and Uniformed Personnel Pension Reform Bill will be sought.<sup>13</sup> These measures will institutionalize an efficient cash budgeting system and other PFM reforms, improve bureaucratic efficiency, and address the growing fiscal risk from rising pension obligations.

<sup>12</sup> The Comprehensive Tax Reform Program is formerly known as the Passive Income and Financial Intermediary Taxation Act (PIFITA)

<sup>13</sup> National Government Rightsizing Program: Now known as the Government Optimization Program



To strengthen local government finance

**Intensify capacity development programs to prepare LGUs for the implementation of devolved functions and services once the updated full devolution policies are issued.** We plan to implement an Executive Order (EO) amending EO No. 138, s. 2021 (see *Subchapter 7.1*).<sup>14</sup> Further, DBM will roll out an updated Budget Operations Manual (BOM) for barangays by 2025 through the PFMCP.<sup>15</sup> It aims to enhance the capacity of barangays to adopt sustainable financial strategies and make informed decisions on community projects. Meanwhile, the BLGF will continue developing ICT systems that are part of the Local Governance Reform Project until December 2026.



To ensure sustainable management of debt

**Pursue strategic financing programs and prudent debt management.** The BTr will enhance the RTB program by leveraging financial technology and promoting financial literacy among non-traditional investors, supporting domestic savings and financial inclusion. It will also continue and explore the issuance of new structures (i.e., sukuk, local government bonds, etc.) to diversify the investor base for government securities. The national government will aim for an 80:20 financing mix in favor of domestic borrowings in the medium term.



Witnessed by BLGF officials, ADB Country Director for the Philippines Pavit Ramachandran, and other stakeholders, President Ferdinand R. Marcos, Jr. signed into law the RPVAR Act (RA 12001) in Malacañang on June 13, 2024, which will promote the development of a just, equitable, and efficient real property valuation system in the Philippines.

Source: PCO

14 After presenting the devolution study results to the President, Presidential Directive No. PBBM-2024-922-924 was issued on April 8, 2024, directing the ComDev to amend EO No. 138 to include the study's policy recommendations.

EO No. 138: Full Devolution of Certain Functions of the Executive Branch to Local Governments, Creation of a Committee on Devolution, and for Other Purposes.

15 The BOM for barangays is being updated to reflect contemporary practices, improved fiscal management standards, and recent regulatory changes.

## Section 2.1.2

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



Cadiz City Mayor Salvador G. Escalante, Jr. and BSP Visayas Regional Office Director Anna Clara M. Oville demonstrate the convenience of cashless transactions at the Paleng-QR Ph launch in Cadiz City, Negros Occidental.

Source: BSP

## Introduction

We remain steadfast in strengthening an inclusive, innovative, and healthy financial sector as the Philippines progresses towards becoming a more efficient and inclusive cash-lite economy. Earlier this year, the Anti-Financial Account Scamming Act (AFASA), was passed, safeguarding consumers from financial fraud.<sup>1</sup> This addressed one of the long-standing hindrances to digital transformation by building trust in the

Philippine financial system and fostering collaboration among stakeholders. Moreover, regulatory pathways and mechanisms were strengthened to effectively implement the Regulatory Sandbox Framework for innovative financing. We expect this to encourage innovation and enable firms to develop financial products and services in a live setting.

## Strategy Framework

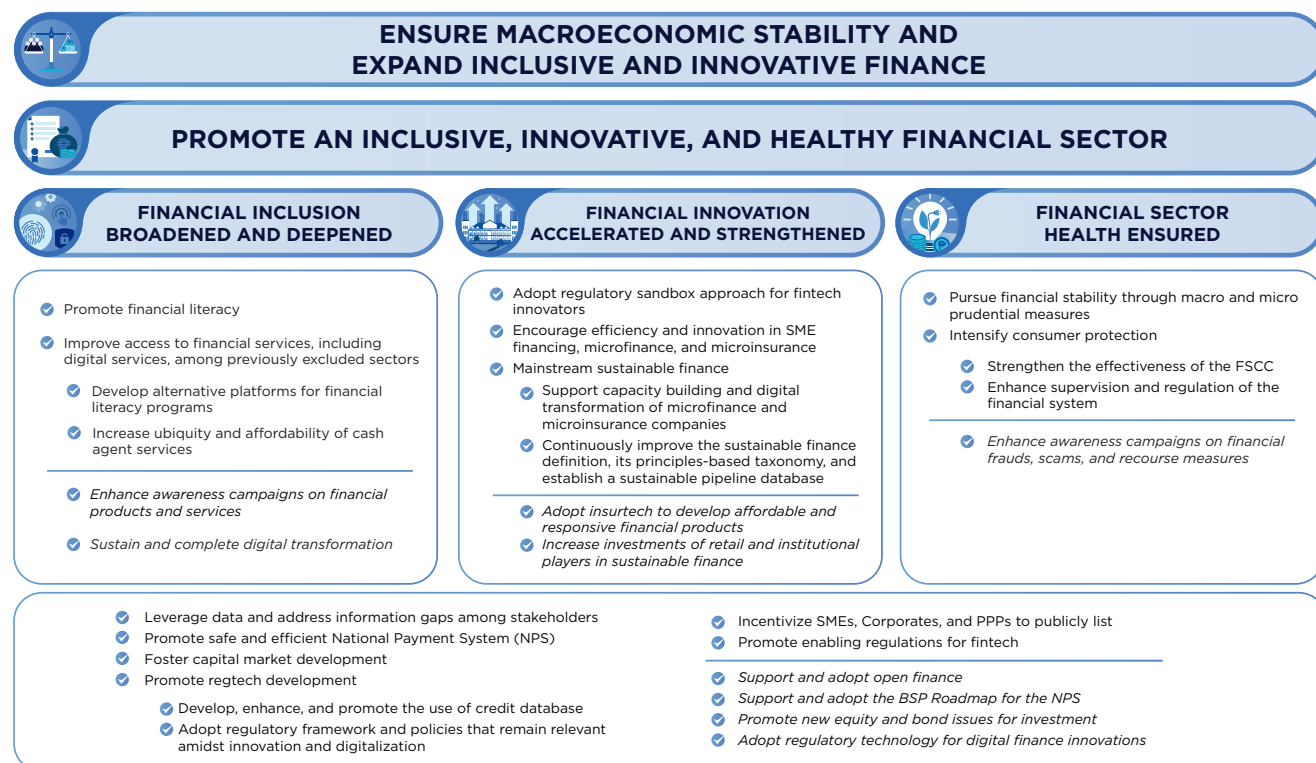
To advance stable economic growth through an inclusive, innovative, and healthy financial sector, the strategies enumerated in the

framework below must be implemented in a well-coordinated and collaborative approach. The strategies outlined are geared toward the

<sup>1</sup> Republic Act No. 12010

following outcomes: (a) financial inclusion broadened and deepened; (b) financial

innovation accelerated and strengthened; and (c) financial sector health ensured.



Note: Sample sub-strategies for government and private sector (italicized) participation in achieving main strategies were indented.

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## Accomplishments for 2024



Financial inclusion  
broadened and deepened

**Efforts to promote financial literacy have been intensified.** On August 5, 2024, the BSP E-Learning Academy (BELA) was launched to expand financial education and enhance consumer protection through courses on personal finance, economics, and central banking. BELA was opened to the BSP's financial education partner institutions

in May 2024. As of November 2024, BELA has enrolled 702 learners from various sectors, including uniformed personnel, civil servants, students, and other personnel from various government agencies.



BSP officials Monetary Board Members Romeo L. Bernardo and Walter C. Wassmer and Deputy Governor Bernadette Romulo-Puyat led the launch of innovative financial education programs at the BSP Head Office in Manila on August 5, 2024, with BSP Director Marianne M. Santos, BSP Managing Director Charina B. De Vera-Yap, BDO Unibank, Inc. President and BDOF Trustee Nestor V. Tan, BDOF President Mario A. Deriquito, BDOF Trustees Maria Corazon A. Mallillin and Evelyn C. Salagubang, and BDOF Independent Trustee Ismael G. Estela, Jr.

Source: BSP

To continue and expand its reach through various learning touchpoints for OFWs and families, BSP relaunched its redesigned *Pinansyal na Talino* at *Kaalaman* (PiTaKa), in partnership with Department of Migrant Workers with additional programs on Pre-Migration Orientation Seminar and Pre-Employment Orientation Seminar, to complement the existing financial education initiatives for the Pre-Departure Orientation Seminar. Moreover, as of Q3 2024, the Securities and Exchange Commission's Capital Market Promotion and Awareness Inter-Agency Network (SEC CAMPAIGN Network) has grown to 191 partner organizations from both the public and private sectors. Through these partnerships, a total of 141 investor education webinars/seminars and activities have been conducted.

**The BSP issued Memorandum No. M2024-026, mandating all BSP-Supervised Financial Institutions (BSFIs) to accept all formats of the National ID**, including the Digital National ID and the use of the National ID Authentication Services. The PSA launched authentication platforms which include the National ID eVerify and National ID Check. These efforts will simplify transactions by eliminating the necessity of presenting other forms of identification when transacting with the government and the private sector.

**The Paleng-QR Ph Plus program, jointly developed by BSP and the Department of Interior and Local Government (DILG), furthers its objective to broaden financial inclusion** by increasing the usage of digital payment solutions and enhancing convenience and security in day-to-day transactions among market vendors, community shopkeepers, tricycle operators, and drivers. As of Q2 2024, there were 156,149 merchant and personal accounts, up from 141,134 as of Q4 2023.<sup>2</sup> Additionally, 161 local government units (LGUs) had

launched and/or issued policies in support of the Paleng-QR Ph Plus program as of December 17, 2024.



Young women entrepreneurs at the Paleng-QR Ph Plus launch in Cadiz City, Negros Occidental.

Source: BSP



Financial innovation accelerated and strengthened

**Facilitating the growth of innovative financial products and services with regulatory oversight in place and ensuring investor protection.** Through the PhiloFintech Innovation Office, the SEC launched its regulatory sandbox framework through Memorandum Circular No. 9, s. 2024 on April 25, 2024. This allows firms to test and refine their innovative financial solutions in a live setting, fostering a more dynamic financial market, and promoting digital economy growth. Moreover, the Cooperative Development Authority (CDA) is finalizing a circular to adopt a Regulatory Sandbox Framework for innovative financing for cooperatives, aimed at expanding their market access.

**Expanded access to financing for micro, small, and medium enterprises (MSMEs) and cooperatives.** As of October 2024, PHILGUARANTEE's credit guarantee for MSMEs covered loans amounting to PHP2.0 billion, bringing the total to PHP8.0 billion since December 2020. This program expands

<sup>2</sup> Based on the data submitted by eight participating Financial Service Providers of the BSP.

financing options for MSMEs and enhances lenders' portfolios. Meanwhile, SEC's Office for the Advancement of Strategic Investments in SMEs held roadshows on capital market, reaching 1,371 MSMEs and startups, with 53,205 online participants, helping them access funding for expansion. Meanwhile, CDA's Credit Surety Fund (CSF) Program has registered 45 cooperatives with pooled contributions worth PHP618.0 million to assist MSMEs.



CDA Director II Joselito Hallazgo introduces the CSF Program at the CSF Roadshow in Puerto Princesa, Palawan.

Source: BSP

**BSP and SEC issued guidelines to mainstream sustainable finance.** On February 21, 2024, BSP released Circular No. 1187, amending Section 153 of the Manual of Regulations for Banks to use the Philippine Sustainable Finance Taxonomy Guidelines (SFTG) when extending credit, making investment decisions, or designing sustainable financial products and services. This was reinforced by SEC's issuance of Memorandum Circular No. 5, s. 2024 on February 23, 2024, directing SEC-regulated entities to refer to SFTG.

In addition, SEC approved the issuance of Maynilad Water Services' PHP12.0 billion public blue bond offering and Ayala Land Inc.'s PHP14.0 billion worth of sustainability-linked bond in accordance

with Memorandum Circular Nos. 3 and 15, s. 2023, respectively, marking the first of their kind in the Philippines.<sup>3</sup>



Financial sector health ensured

**Pursued financial stability through strengthened macroprudential oversight and microprudential supervision.** This year, BSP launched its 2024-2029 Enterprise Strategy which includes Strengthened Systemic Risk Oversight and Supervision as one of its strategic objectives. The strategy focuses on enhancing BSP's ability to monitor and manage financial stability risks through an integrated systemic risk management framework, covering governance, macroprudential supervision, surveillance tools, and crisis management to respond effectively to systemic risks. Further, the CDA is drafting a manual on risk-based supervision and examination for cooperatives engaged in lending.

**The government is committed to strengthening consumer protection.** Anti-Financial Account Scamming Act (AFASA) came into effect on July 20, 2024, enforcing regulations on financial account usage and preventing fraudulent activities.<sup>4</sup> On June 1, 2024, BSP released Circular No. 1195, which set standards for the Consumer Redress Mechanism for account-to-account electronic fund transfers (EFTs) under the National Retail Payment System. This was done to make sure that problems with EFTs are resolved quickly and to boost trust in digital payments.

<sup>3</sup> Maynilad tapped BPI Capital Corporation as the sole issue manager for the offer. BPI Capital also acts as joint lead underwriter and joint bookrunner, together with BDO Capital & Investment Corporation, First Metro Investment Corporation, and East West Banking Corporation.

<sup>4</sup> Republic Act No. 12010



President Ferdinand R. Marcos, Jr. signed the AFASA law in Malacañang on July 20, 2024, marking a crucial step in safeguarding consumers from financial cybercrimes.

Source: PCO



Cross-cutting across several outcomes

**BSP continues to leverage data and address information gaps among stakeholders.** The Phase I and Phase I Extension of the Technical Cooperation Program between BSP and the Japan International Cooperation Agency (JICA) for the establishment of a credit risk database (CRD) ran from April 2020 to March 2024. The Phase I Extension supported the transition of the CRD from construction stage to operational stage, which includes: the maintenance of the database and scoring model; set-up of a CRD data storage facility; and deployment of a CRD scoring tool to the pioneer participating financial institutions.

The overarching objective of a CRD is to promote risk-based rather than collateral-based lending of financial institutions to SMEs through utilization of the CRD, complementing their existing credit risk management models and tools, if any.

**To promote innovation, competition, and financial inclusion,** BSP, in collaboration with the private sector, is exploring account information and payment initiation use cases for the Personal Equity and Retirement Account Program as part of BSP's Open

Finance Roadmap pilot implementation. This would leverage customer-permissioned data to support the financial health of Filipinos.

**To advance the digitalization of supervisory and regulatory processes,** BSP's Advance Suptech Engine for Risk-based Compliance underwent enhancements and fine-tuning in 2024. With the newly revamped system, this bolsters BSFIs' access to and transmission of cybersecurity-related reports and information.

## Results Matrix

Two out of five core indicators have available data for 2024, both of which exceeded their targets. The number of fintech companies increased to 335 as of August 2024, higher than the target of 226 firms. Similarly, the ratio of the financial system's total assets to GDP reached 141.6 in 2024, exceeding the target of 129.5 percent.

Meanwhile, according to the most recently released data, the share of digital payment transactions to total monthly retail payments grew to 52.8 percent in 2023 from 42.1 percent in 2022.<sup>5</sup> This exceeds the target of digitalizing 50 percent of retail payments volume in the country, under the Digital Payments Transformation Roadmap 2018-2023.

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. Using similar domestic data at the household level, 75.9 percent of Filipino households are already financially included as of Q2 2024.<sup>6</sup>

<sup>5</sup> The latest data on digital payment transactions is for 2023, released in July 2024.

<sup>6</sup> 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 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

Through the recently passed AFASA law, we can now prohibit and penalize financial crimes such as acting as a money mule, performing social engineering schemes, and committing economic sabotage – a significant milestone in safeguarding consumers against financial fraud. Similarly, the implementation of a regulatory sandbox framework supports innovative financing. It promotes evidence-based and results-driven assessment of new and emerging financial solutions.

While these accomplishments are promising, other complementary measures are still needed to attain a more efficient and inclusive cash-lite economy.

## Priority Strategies



**Accelerate regulatory pathways and mechanisms in facilitating digital transformation and the growth of innovative financial products and services**

Mainstreaming digital payments remains a challenge in government institutions. Once the Digital Payments Act is passed, it will provide an ample legal support for all government institutions to adopt digital payments in their operations. This will promote innovative payment systems for various transactions with the government, among business entities, and among the public.

To ensure consumer safety, a BSP technical working group was created to draft the implementing rules and regulations of AFASA and is expected to be released within one year from the effectiveness of the law. Additionally, CDA plans to pilot its manual on risk-based supervision of lending cooperatives in 2025, with full implementation set for 2026.



**Expand financing access for MSMEs and other previously excluded sectors**

Leveraging Movable Asset Financing (MAF) can boost financing options for MSMEs and the agriculture sector, which have restricted access to financing sources due to limited credit history and inadequate collateral. In this effort, BSP is closely coordinating with the International Finance Corporation for a multi-year program to develop the MAF market in the Philippines.

Key conditions for a vibrant MAF market include well-targeted guarantee programs, enabling electronic platforms, and supportive laws. In this regard, PHILGUARANTEE aims to expand its partner lending institutions and increase loan guarantees from the PHP8 billion it has covered since inception. Meanwhile, BSP and JICA held the ceremonial launch of the CRD Project Phase II on December 2024 while completing the other requirements for the commencement of the project. Complementing these efforts, the House of Representatives approved the Revised Warehouse Receipts Law of the Philippines, which seeks to amend and modernize the Warehouse Receipts Law of 1912.<sup>7</sup> Consequently, the said bill was transmitted to the Senate, but has remained pending since 2023.

<sup>7</sup> House Bill No. 198 seeks to amend Republic Act No. 2137.



BSP Governor Eli M. Remolona, Jr. and Chief Representative of JICA Philippines Office Sakamoto Takema present the 'Records of Discussion' for the second phase of the CRD project at the BSP head office in Manila. In attendance were attended by BSP Managing Director Charina De Vera-Yap, Deputy Governor Bernadette Romulo-Puyat, Monetary Board Member Jose L. Querubin, Embassy of Japan (EOJ) Minister for Economic Affairs Nihei Daisuke, JICA Senior Representative Fukui Keisuke, EOJ Second Secretary Sugimoto Kensuke, and JICA Section Chief Leah Penarroyo.

Source: BSP

To increase digital payment adoption among market vendors and transport groups, BSP and DILG will expand the Paleng-QR PH Plus program to new areas. BSP will coordinate with DICT to provide free Wi-Fi in locations where the program is being implemented.

To formalize the submission of a standardized report on the list of agents of BSFIs and their service points, a proposed Circular on the Agent Registry Report is targeted to be launched in 2025. This will improve visibility on agent penetration and effectively monitor the agent network in the Philippines, as well as provide the public with a directory of physical touchpoints where they can conduct agent-assisted transactions. Following the comments received from various stakeholders and the results of pilot testing with BSFIs, the policy issuance is being finalized as a principle-based reporting requirement, wherein the specific submission guidelines will be covered by a separate non-regulatory issuance.



### Broaden the reach of financial literacy initiatives

To deepen the reach of financial literacy programs, BSP will make BELA publicly accessible in April 2025. Existing modules will also be expanded to include cybersecurity and credit card topics.

Meanwhile, SEC will continue to forge partnerships with more organizations through the SEC CAMPAIGN Network and optimize social media platforms to widen the reach of its SEC CAN program. Further to this strategy, the redesigned PiTaKa program will be rolled out in 2025 and a monitoring and evaluation framework will be developed to assess and enhance the program's effectiveness.

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Subchapter 2.2

# **Advance Research and Development, Technology, and Innovation**



Balik Scientists Dr. Hernando Bacosa, Dr. Arnold Alguno, and Dr. Arnold Lubguban demonstrated significant contributions in oil spill control and management, as well as in other polymer-related advancements.

Source: Department of Science and Technology

## Introduction

The Philippines ranked 53<sup>rd</sup> out of 133 economies in the 2024 Global Innovation Index (GII) report, climbing three places from its 2023 ranking (56<sup>th</sup>). The country was also recognized as one of the highest risers over the past 10 years, alongside China, India, Iran, Morocco, and Turkey. For the first time, the Philippines ranked as the 3<sup>rd</sup> top innovation performer among lower-middle-income economies.

These results were driven by concerted efforts to advance and strengthen innovation as a key driver of progress, with the National Innovation Council's (NIC) leadership playing a crucial role in building a dynamic innovation ecosystem.

## Strategy Framework

The strategy framework focuses on ensuring R&D, technology, and innovation generation continuum by pursuing the following outcomes:

(a) strengthened basic R&D and knowledge creation; (b) advanced market-driven and customer-centered R&D; (c) scaled-up technology adoption, utilization, and commercialization; and (d) accelerated innovation and entrepreneurship.



## ECONOMIC AND SOCIAL TRANSFORMATION FOR A PROSPEROUS, INCLUSIVE, AND RESILIENT ECONOMY



### TRANSFORM PRODUCTION SECTORS TO GENERATE MORE QUALITY JOBS AND COMPETITIVE PRODUCTS



#### BASIC RESEARCH AND DEVELOPMENT AND KNOWLEDGE CREATION STRENGTHENED

- ✓ Nurture a supportive environment for R&D
- ✓ Re-engineer basic, technical-vocational and higher education
- ✓ Aggressively increase national expenditure in R&D and its commercialization



#### MARKET-DRIVEN AND CUSTOMER-CENTERED RESEARCH AND DEVELOPMENT ADVANCED

- ✓ Create mechanisms for integrating market/user information system
- ✓ Integrate creative arts and social sciences with science and technology
- ✓ Carry out R&D, technology, and innovation in mutually beneficial collaborations
- ✓ Increase number of partnerships for R&D development
- ✓ Provide analytics on markets and customers
- ✓ Aggressively increase international collaborators and global corporate R&D investors



#### TECHNOLOGY ADOPTION, UTILIZATION, AND COMMERCIALIZATION SCALED-UP

- ✓ Accelerate commercialization of market-oriented and inclusive STI products
- ✓ Provide support and incentives for IP management
- ✓ Intensify the technology transfer, extension, and commercialization of publicly-funded technologies
- ✓ Strengthen the provincial S&T Offices
- ✓ Increase public-private partnerships for the utilization and commercialization of R&D products
- ✓ Increase venture capital investments



#### INNOVATION AND ENTREPRENEURSHIP ACCELERATED

- ✓ Support globally competitive industries and agile workforce
- ✓ Accelerate business mentoring programs
- ✓ Accelerate the Implementation of the Philippine Innovation Act
- ✓ Establish and promote innovation hubs
- ✓ Increase financing opportunities for innovation projects
- ✓ Increase investments in financial and entrepreneurial literacy

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## Accomplishments for 2024



Basic R&D and knowledge creation strengthened

**Expanding the pool and enhancing the capacity of human resources in science, technology, and innovation (STI) strengthens knowledge creation within the country's innovation ecosystem.** The Department of Science and Technology (DOST) is implementing programs to boost Research and Development (R&D) capacity, including the *Balik Scientist* and Science and Technology (S&T) Fellows Programs. In 2024, the *Balik Scientist* Program engaged 51 experts in science, technology, and innovation, advancing the country's

development through R&D. The S&T Fellows Program, with 64 fellows leading 34 projects worth over PHP380 million, offers competitive opportunities for Filipino scientists to spearhead impactful R&D across areas such as: industrial and emerging technologies; agriculture and natural resources; and public health and healthcare systems.



Dr. Francis Baleta, S&T Fellow assigned at DOST-Philippine Council for Industry, Energy, and Emerging Technology Research and Development (PCIEERD), leads his project team in assessing the aquatic habitat stations in Suyac Island, Negros Occidental.

Source: DOST

Additionally, DOST's National Research Council of the Philippines S&T Expert Pool (NSTEP) gathers experts across diverse STI fields, including natural sciences, engineering, health, agriculture, social sciences, and humanities. The program also supports

young researchers through R&D grants and capacity-building initiatives. In 2024, NSTEP Visayas funded 25 basic research projects across 17 state universities and colleges (SUC) and higher education institutions (HEI), while NSTEP Mindanao supported 27 projects in 19 partner institutions.



DOST-SEI personnel demonstrate the functionality of interactive courseware in science and mathematics at the IMPACT Arena, Exhibition and Convention Center, Muang Thong Thani, Nonthaburi, Thailand, from August 16-25, 2024.

Source: DOST

Similarly, the Philippine Space Agency (PhilSA) supports space science development through its Scholarships and Fellowships Program (SFP). As of September 2024, it funds 13 Accelerated Science and Technology Human Resource Development Program (AD ASTRA) scholars pursuing advanced degrees in strategic space R&D and applications.

**Improving innovation and research infrastructure facilitates the effective conduct of R&D.** Identified as one of the enablers of a dynamic innovation ecosystem in the National Innovation Agenda and Strategy Document 2023-2032, the establishment and enhancement of innovation infrastructure remains a priority. In 2024, under the industry, energy, and emerging technology sector, the DOST supported two new institutions and 12 ongoing projects through its Institution Development Program (IDP) with a PHP10 million budget across academic institutions and Research and Development Institutes (RDIs). Similarly, the Department allocated PHP101.45 million for 19 projects in 13 State Universities and Colleges (SUCs) and RDIs to improve equipment and infrastructure for the agriculture, aquatic and natural resources sector.

Meanwhile, DOST's OneLab for Industry 4.0 Through Testing and Calibration, Education, and Discovery (OneLab for TED) enhances the Philippines' competitiveness in Industry 4.0 by providing advanced testing, calibration, education, and research services. As of June 30, 2024, it processed 86,222 samples, conducted 130,033 tests and calibrations, and served 31,444 customers, including 16,780 firms. This year, the network generated PHP81 million in fees and expanded to 68 laboratories with six new members.

PhilSA complements these efforts through the Pan-Asia Partnership for Geospatial Air Pollution Information and the Pandora Asia Network Project, which establishes air quality monitoring instruments using data from the Pandora instruments and the Geostationary Environment Monitoring Spectrometer. As of September 2024, three Pandoras have been installed at the Manila Observatory, Mariano Marcos State University, and Provincial Environmental Management Unit of Palawan.



**Market-driven and customer-centered research and development advanced**

**Fostering a *Filipinnovation* mindset transforms research outputs into market-ready innovations.** In May 2024, DOST, in partnership with PhilDev Foundation and Leave a Nest Philippines, launched the Scholars Technopreneurship Training Program (STTP); a 7-month initiative providing skills in technopreneurship, design thinking, and venture planning. The program includes workshops, mentorship, and a pitching competition. As of October 2024, STTP has been implemented in Regions VI and X and already trained 199 DOST scholars igniting their entrepreneurial spirit and business development skills. The program plans to expand to Regions III, VII, and XI in 2025.

**Accelerating academe-government-industry R&D collaboration enhances the competitiveness of business and industry.** DOST has strengthened academe-government-industry collaboration through its

Collaborative Research and Development to Leverage Philippine Economy (CRADLE) and Industry Level CRADLE (i-CRADLE) programs under the Science for Change Program (S4CP), where academia partners with Filipino companies to develop competitive products, processes, and services. Companies provide 20 percent counterpart funding for CRADLE and 40 percent for i-CRADLE, committing to adopt the resulting technologies, with the remaining funding covered by the DOST.

In 2024, 41 CRADLE projects and three i-CRADLE projects were approved by the DOST amounting to PHP464 million and PHP65 million, respectively.



The project aims to support Cultigen OPC in the development of packaging technology for new shelf-stable and ready-to-eat adlai-based products.

Source: DOST



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

**Scaling up support to pre-commercialization activities accelerates commercialization and technology adoption.** DOST's Funding Assistance for Spin-offs and Translation of Research in Advancing Commercialization (FASTRAC) and FASTRAC Lite programs support researchers in spinoff simulations, technology deployment, and establishing spinoff companies. This year, the program has supported 14 SEC-registered companies, signed 14 technology licensing agreements, created 418 jobs, and acquired 381 clients.

Similarly, DOST's Small Enterprise Technology Upgrading Program (SETUP) helps MSMEs adopt technological innovations to improve

productivity and competitiveness. In 2024, it delivered 12,067 technology interventions and 15,629 S&T assistance services to firms and other S&T entities. Further, 560 firms were provided with innovation-enabling funds, and more than 10,000 jobs were generated by the project.

**Enhancing Intellectual Property management increases filing rates and drives commercialization.** IPOPHL's Innovation and Technology Support Offices (ITSO) 2.0 revitalized the ITSO network to strengthen the innovation ecosystem by leveraging patent tools for high-value solutions. In 2024, ITSOs posted a 47.6 percent increase in IP filings, a 51 percent increase in commercialization activities. The network also expanded its reach with eight new ITSOs nationwide.

Building on efforts to commercialize technologies, DOST's Intellectual Property Rights Assistance Program (IPRAP) offers a holistic package of assistance for patent, utility model, industrial design, copyright and trademark applications for private individual inventors, various institutions, researchers, RDIs, other public and private RDIs, and State Universities and Colleges (SUCs). In 2024, the DOST facilitated the filing of 203 intellectual property applications and obtained 143 IPs (nine inventions, 93 utility models, 29 industrial designs, 12 trademarks).

**Enacting Self-Reliant Defense Posture Revitalization (SRDP) Act drives the adoption of R&D and innovation to modernize the defense industry.** In October 2024, the SRDP Act was signed into law to cultivate a robust and sustainable national defense industry.<sup>1</sup> Through this Act, the Department of National Defense (DND) will develop programs and projects on emerging and evolving technologies necessary for national defense and security. These technologies include, but are not limited to artificial intelligence, advanced defense equipment, military robotics and autonomous systems, internet of military things, cyber

<sup>1</sup> Republic Act No. 12024

warfare, immersive technologies, additive manufacturing, big data and analytics, independent military 5G connectivity, and blockchain. Currently, the DND is drafting the implementing rules and regulations of the law.



### Innovation and entrepreneurship accelerated

**Crafting innovation-friendly policies towards the effective implementation of the Philippine Innovation Act.** The passage of the New Government Procurement Reform Act (GPRA) provided needed reforms that will address the long-standing challenges of procurement on the conduct of R&D as well as the limitations on meaningful participation of Filipino startups in government procurement.

Further, a scoping study on the barriers to innovation in the Philippines has been completed. The study identifies significant barriers to innovation and provides a better understanding of the gaps and challenges in the Philippine innovation ecosystem. The results of this study also further analyzed the key enablers for building the country's dynamic innovation ecosystem, leading to specific policy studies of the NIC for an in-depth analysis of complex issues on the ground.

Similarly, in 2024, the DOST's Innovation, Science, and Technology for Accelerating Regional Technology-based Development (iSTART) Program developed 40 STI-based policies to guide local government units (LGU) in formulating S&T plans for agriculture, manufacturing, and services. It also engaged 256 researchers, scientists, and engineers (RSE), and established or expanded 20 technology-based enterprises aligned with validated LGU plans.

**Providing funding support for innovative projects improves the local innovation ecosystem.** The Innovation Fund was established to strengthen entrepreneurship and enterprises engaged in developing

innovative solutions. For the 2023-2024 cycle, the NIC approved and funded 25 public sector projects amounting to approximately PHP100 million. Among the ongoing projects are: (a) the development of an integrated software for the regulation of movement of livestock and poultry and the streamlining of permits processing by the Provincial Government of Batangas; and (b) a map-based application for the Pasig City LGU on incident reporting, infrastructure inventory, automated traffic counts, mobility analytics, and data visualization.

Furthermore, through the Innovative Startup Act, DOST launched the Startup Grant Fund to support a technology-based startup in translating early-stage technologies into market-ready products.<sup>2</sup> In 2024, the program provided funding support to 19 startups and is set to support 31 startups in 2025.

Further, the DOST-PCIEERD established nine regional startup ecosystem consortia under the Regional Startup Enablers for Ecosystem Development (ReSEED) Program.

**Accelerating business, mentoring and scientific technical assistance enable startup development.** The government continues to accelerate business mentoring and provide scientific and technical assistance. In 2024, the DTI supported five startups through International and Local Exposure Assistance Program, and three through Strategic MSME and Startup Link (SMART Link).

## Results Matrix

The 2024 GII ranking of the Philippines improved to 53<sup>rd</sup> rising from 56<sup>th</sup> in 2023 and exceeding the 2024 PDP target of 54<sup>th</sup>. Key strengths include Business Sophistication (37<sup>th</sup>) reflecting strong innovation capacity, and Knowledge and Technology Outputs (42<sup>nd</sup>), highlighting advancements in patent filings, scientific publications, and technology dissemination.

2 Republic Act No. 11337 mandates the strengthening, promoting, and developing of an ecosystem of business, government and non-government institutions that foster an entrepreneurial culture.

Also, in support of the country's innovation ecosystem, the government established 65 R&D facilities and infrastructure, beyond the 2024 PDP target of 35, supporting basic research and knowledge creation. Further, market-driven R&D has made significant advancement, with academe-industry-government R&D linkages improving from 57<sup>th</sup> to 44<sup>th</sup>, surpassing the target of 59<sup>th</sup>. Spin-off technology-based companies grew from 13 to 19, and innovation hubs increased from 60 to 77, far exceeding targets. These

advancements are further reflected in the growing number of intellectual property filings reported by IPOPHL, which recorded 1,865 filings in 2024, including patents, utility models, and industrial designs.

Despite this achievement, the Philippines ranks below its ASEAN peers in terms of R&D expenditures, which was recorded at 0.32 percent of GDP, and human capital investments, with only 174 full-time researchers conducting R&D, based on 2018 data.

## Ways Forward

The government must address persistent challenges, such as: inadequate R&D funding; underutilized and poorly maintained infrastructure; a shortage of full-time researchers; issues related to bureaucratic technology transfer processes; weak linkages among innovation stakeholders; and uncoordinated programs and policies. Strengthening collaboration between government, academe, and the private sector, coupled with strategic investments in human capital and R&D infrastructure, will be essential to enhancing the country's innovation capacity.

Looking ahead, the Philippines seeks to further advance its GII ranking by: (a) accelerating policies and programs to strengthen innovation capacity and governance; and (b) improving data collection and timely submission to national and international statistical agencies. Accurate and up-to-date data will empower the government to make informed decisions and develop evidence-based policies that drive innovation.

## Priority Strategies



**Strengthen basic R&D and knowledge creation**

**Foster research-driven learning experiences for students.** CHED, in collaboration with academic institutions, industry partners, and government agencies, will provide research internship opportunities for students, including internship placement in research laboratories, innovation hubs, and DOST-PEZA's Knowledge, Innovation, Science, and Technology (KIST) Parks. This will allow students to gain hands-on experience and practical skills in research, while producing outputs that will contribute to the increased research productivity and knowledge creation of the SUCs. At the same time, DepEd will strengthen the support for students in basic and secondary levels to engage in

R&D projects and to participate in science congresses, exposing them early to R&D activities.

**Develop a policy to increase utilization of government budget for R&D.** Recognizing the limited resources and facilities for research in SUCs, the government will develop a policy focused on capacitating SUCs for R&D. The universities will be equipped with sufficient human resources dedicated to R&D activities, emphasizing the need to consider the workload of faculties and creating plantilla positions for research.

To efficiently utilize government resources on R&D, the establishment and implementation of Program Convergence Budgeting for innovation will guide the harmonization

of investments for innovation PAPs in the country. This will ensure that the duplication of programs relevant to innovation will be avoided.

**Boost research infrastructure development.**

The NIC will finalize a comprehensive mapping of innovation infrastructure to assess the accessibility and quality of existing innovation infrastructure in the country. This will inform the NIC of the investment gap pertaining to the R&D and innovation capacity of the country. On this, the strategic establishment of KIST parks will be prioritized.

**Continue to implement scholarship programs to increase human resources for R&D and innovation.**

The government will expand scholarship programs like DOST's Accelerated Science and Technology Human Resource Development Program and PhilSA's SFP to increase the number of researchers in key innovation priority areas.



Advance market-driven and customer-centered research and development

**Review and update curriculum to mainstream Technopreneurship 101 and integrate industrial design, creative arts, and social sciences with science and technology.** CHED and DepEd will lead efforts to:

- Embed technopreneurship in STEM subjects to foster entrepreneurial thinking and innovation from an early stage;
- Develop Policies, Standards, and Guidelines (PSG) for Bachelor of Engineering Technology to incorporate Technopreneurship 101 into its curriculum;
- Integrate industrial design in basic and higher education curricula to encourage multidisciplinary collaboration in developing user-centric, market-driven products and services; and

- Develop and implement a monitoring and evaluation tool to assess the effectiveness of these curricular reforms and guide their systematic scaling and nationwide adoption.

**Aggressively increase the number of partnerships between academic institutions and industries.**

DOST, CHED, and DTI will create avenues for collaboration among academe, industry, and government through joint or sponsored research initiatives as well as R&D conferences and reverse pitching events.

Further, the government will partner with industries to establish training laboratories in SUCs, facilitating the training of company personnel through faculty expertise and providing students research experience, potentially leading strengthened and lasting industry and academe partnerships. Additionally, exchange programs for faculty members will be implemented, focusing on industry immersion to foster knowledge transfer and aligning academic expertise with industry needs.

**Engage international experts and expand partnerships with development partners.**

NEDA, CHED, DFA, and DOST will take the lead in aggressively engaging and expanding collaborations with international experts and development partners. These will enhance the country's R&D capabilities, integrate global best practices in technology and innovation, and align with the needs of global industries. Further, R&D cooperation agreements will be negotiated with other countries to co-fund and implement joint research initiatives.

**Fast-track the establishment of knowledge management and market information systems.**

The DTI, DOST, and DICT will develop platforms to enable researchers to access existing knowledge products and market intelligence. These platforms will serve as repositories for all R&D outputs and provide relevant market data, such as

customer needs, preferences, and market trends, to help enhance the market value of R&D products.



Scale-up technology extension, adoption, utilization, and commercialization

**Integrate Intellectual Property (IP) in academic curricula.** DepEd, CHED, and DOST, in partnership with IPOPHL, shall steer the integration of innovation in elementary curricula and fundamental IP concepts at the secondary to tertiary level. This would entail information dissemination campaigns through various information, education and communication materials.

**Enhance platforms that expedite filing of IP applications.** The DOST, DTI, and IPOPHL will enhance existing programs for expediting the intellectual property filing process. This initiative would allow IP applicants to efficiently manage their applications and promote transparency throughout the application process.

**Develop a framework to facilitate the utilization of R&D outputs by industries for commercialization of publicly funded R&D and technologies.** The NIC shall develop a framework to standardize the processes of technology transfer, extension, and commercialization of publicly funded technologies with key components such as institutional arrangements, modes of technology transfer, skills and competency development, IP management and valuation, among others.

The framework will include the strengthening of the ITSOs and Technology Transfer and Business Development Offices (TTBDOs) to enhance industry engagements, leverage global collaborations, and incorporate digital tools on center operations that will be spearheaded by the IPOPHL and CHED.



Accelerate innovation and entrepreneurship

**Advance policy studies to improve innovation governance.** The NIC will advance policy studies to guide decision making and policy formulation. This initiative will streamline bureaucratic processes and foster an enabling environment conducive to industry growth and competitiveness. These policy studies include: (a) the development of a framework for a regulatory sandbox meant for innovations and emerging technologies; (b) a review of ease of business renewal and business exit; and (c) the establishment of regional alliances to strengthen partnerships between the private sector entities and educational institutions.



Attended by more than 450 participants from various government agencies, academe, and private sector representatives, the conduct of the 2024 National Innovation Day last April 22, 2024. With the theme, *Unboxing the Filipino Innovation Mindset*, the event highlighted core values for innovation, such as: empathy or *malasakit*, critical thinking or *ang pagiging mapanuri*, creativity or *ang pagiging malikhain*, being imaginative or *maharaya*, and having a collaborative spirit or *ang diwa ng bayanihan*.

**Strengthen incubation programs and ensure sustainable financing for innovative startups.** The government, particularly CHED, DOST and DTI, will strengthen incubation programs by enhancing resources and programs available to startups with consistent and reliable funding mechanisms to support development and scaling efforts.

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Subchapter 2.3

# **Boosting Investment Promotion and Industry Development**

## Section 2.3.1

# Promote Trade and Investment



Learners and students eagerly try out innovative devices showcased at the AIM! Interactive Zone during the AIM! Program launch last November 25, 2024.

Source: Board of Investments

## Introduction

Positive developments in the global trade and investment climate, such as easing global inflation, steadying economic growth, and increasing business activity, boosted the performance of several economies, including the Philippines. Reflecting these improvements, total exports and foreign direct investments rose in the first three quarters of 2024 by 4.6 and 3.8 percent, respectively. Export growth was primarily driven by a 6.5 percent increase in services exports, reaching USD37.4 billion, supported by higher travel export receipts and increased revenues from the business process outsourcing (BPO) sector. Additionally, merchandise exports grew by 3.0 percent to USD42.38 billion, bolstered by stronger agricultural and mineral export performance. While service export targets are continually being met, challenges remain in reaching merchandise export goals, particularly due to weak international demand for key semiconductor exports. This underscores the need for continued efforts in product and market diversification, addressing constraints to improve trade performance and trade facilitation.

Strengthening the Philippines' merchandise and services trade sectors complemented by efforts to encourage investments is essential for the sustained generation of quality employment and enhancement of the competitiveness of domestic firms. Towards this goal, efforts to transform the Philippines' trade and investment landscape were undertaken empowering exporters through trade facilitation initiatives and accelerating investments through the provision of incentives. The continued digitalization and streamlining of trade-related government processes including customs procedures was pivotal in overcoming regulatory constraints and reducing costs on export sectors. Coordinated efforts between the local and national government were also pursued to position the country as a prime investment destination resulting in the issuance and implementation of Executive Order No. 18, s. 2023.<sup>1</sup> Additionally, the CREATE MORE Act was enacted to further improve the country's investment climate by enhancing competitiveness of tax incentives and reducing operational costs for businesses.

<sup>1</sup> Constituting Green Lanes for Strategic Investments

## Strategy Framework

The strategy framework for the promotion of trade and investments is geared towards two desired outcomes – strengthening Philippine merchandise and services export sectors, and bolstering total investment. On the former, policy efforts will continue to focus on addressing key constraints to export growth and competitiveness by reducing barriers to trade, supporting priority global value chain export clusters, and pursuing forward-looking free trade agreements with various traditional and non-traditional partners to diversify products and broaden market presence. Policies will enhance services exports and position the country as the leading supplier of intermediate services. Implementation of preventive measures and capacity building will continue to be given focus to strengthen and prepare industries and make them resilient to shocks. These priority strategies will respond to existing structural

weaknesses and elevate the country's position in the global export landscape. Bolstering total investments targeted to boost trade, skills upgrading, and sustainability in the medium-term will focus on maximizing synergy and decisive alignment of national and local investment promotion strategies, complemented by the ongoing “Make It Happen in the Philippines” campaign to continue to raise awareness on the country's improved business climate. Leveraging the Strategic Investment Priority Plan (SIPP) and developing unique locational assets will also heighten the country's attractiveness to both local and foreign direct investments (FDI) linked to environmental, social, and governance (ESG) outcomes. The pursuit of public-private partnerships will be essential in the effective execution of strategies identified to boost the trade and investment capabilities of the country



### TRANSFORM PRODUCTION AND SERVICES SECTORS TO GENERATE MORE QUALITY JOBS AND COMPETITIVE PRODUCTS AND SERVICES



### PROMOTE TRADE AND INVESTMENTS IN GOODS AND SERVICES



#### GLOBAL POSITION OF PHILIPPINE EXPORT SECTORS RESTORED, SUSTAINED, AND STRENGTHENED

- ✓ Resolve key constraints to export growth and competitiveness
  - ✓ Proactively monitor and implement preventive measures and interventions for distressed firms
  - ✓ Implement targeted, more granular strategies to increase exports on three fronts: global value chain (GVC) export clusters (industrial, manufacturing, and transportation [IMT], technology, media, and telecommunications [TMT], and health and life sciences [HLS]); food and agri-marine; and labor-intensive manufacturing
  - ✓ Significantly diversify exports by fortifying the sectoral backward and forward linkages
  - ✓ Advance purposive, assertive, and forward-looking Regional Trade Agreements strategies
  - ✓ Position the Philippines as the foremost supplier of tradeable intermediate services
  - ✓ Ensure integrated, whole-of-government commitment to deliver broad access to National Quality Infrastructure
- 
- ✓ *Integrate private and public efforts to develop the country's unique selling proposition and its positioning*



#### TOTAL INVESTMENTS INCREASED AND TARGETED TO BOOST TRADE, SKILLS UPGRADING, AND SUSTAINABILITY

- ✓ Maximize synergy and decisively align national and local government investment promotion strategies
  - ✓ Launch an aggressive “make it happen in the philippines” campaign and raise awareness of the new business climate ushered in by most recent structural reforms
  - ✓ Leverage the Strategic Investment Priority Plan (SIPP)
  - ✓ Heighten the country's attractiveness for foreign direct investments (FDI) by developing unique locational assets especially in the rural areas
  - ✓ Position the Philippines as a prime destination of foreign investments against climate change or environmental, social, and governance (ESG) investments
- 
- ✓ *Re-configure public-private social partnerships to build strong collaboration infrastructure that will serve common investment promotion campaigns, and longer-run joint strategies to improve the country's business climate*

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ANNEXES



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## Accomplishments for 2024



Global position of Philippine export sectors restored, sustained, and strengthened

**Empowered the trade sector through digitalization initiatives and strengthening interconnectivity among export-oriented stakeholders.**

Streamlining customs procedures and providing businesses with access to vital information promote an agile and responsive environment for firms in the face of mounting challenges for the export sector. To this end, the Bureau of Customs (BOC) is implementing electronic systems and digitalization programs, including digital payments systems, automated accreditation systems, and export declaration systems.

To boost the global visibility of Philippine exporters, the Department of Trade and Industry (DTI) launched PHX Source. This digital platform will serve as a comprehensive directory offering free listings for exporters to showcase information about their products and services, including access to digital advertising and real-time market analytics tools. This initiative also aligns with the objective of the Philippine Export Development Plan (PEDP) 2023-2028 to strengthen the country's global presence.

**Intensified efforts to strengthen regional trade ties maximizing new technologies and increasing competitiveness.** The Philippines actively engages with different free trade agreement (FTA) partners to both

strengthen existing partnerships and forge new ones. To advance purposive, assertive, and forward-looking FTA strategies, the DTI has launched the FTA information portal.<sup>2</sup> The project's two-fold approach of improving access to FTA-related information and simplifying rules of origin compliance will help empower more MSMEs to participate internationally and reap the benefits of these agreements. Further, in support of the Philippines' FTA strategies, the Bangko Sentral ng Pilipinas (BSP) is actively promoting an efficient, secure, reliable and interoperable payment system that facilitates and reduces cost of economic transactions for businesses and MSMEs.

The government also extends assistance to exporters to improve their production processes and comply with standards. The Department of Agriculture (DA) provided production support to farmers in the form of planting materials, fertilizers, farm supplies, and agri-chemicals through its High-Value Crops Development Program to support the production of high-value export commodities. Under the program, the DA also distributed post-harvest and processing equipment and machinery, such as coffee hullers and cacao roasters.



Driving sustainable growth in agriculture by focusing on the development and cultivation of high-value crops that offer economic opportunities and food security.

Source: DA

The DA has also completed developing the 12 Philippine National Standards that will address conformity to technical regulations

<sup>2</sup> <https://philippineftas.dti.gov.ph>

and international product standards, particularly sanitary and phytosanitary standards. The development of these product standards would be a step toward allowing Philippine agricultural exports to meet international requirements and broaden their presence in destination markets. The DA is targeting the completion of 20 PNS annually for FY 2024-2025.

**Invested in skills development through targeted capacity-building programs responsive to industry needs.**

The DTI conducted labor and trade partnership sessions, which explored strategic initiatives to embed digital skills and expertise across the workforce, aiming to cultivate green and quality jobs. Under the ARISE Plus Philippines Program, the DTI provided capacity-building programs on EU food safety and consumer goods regulations for export-oriented manufacturing and agri-processing sectors, assisting in market access through compliance with standards.

The DA continues to provide support to MSMEs through market-matching and business promotion activities to enhance the competitiveness and inclusivity of agri-fishery value chains. Under its Farm and Fisheries Clustering and Consolidation Program, agri-fishery clusters were organized and capacitated to achieve economies of scale and enable them to participate in the global value chain. The DA Agricultural Training Institute (ATI) also provided training to 41,689 agriculture stakeholders from January to September 2024 to enable them to participate in value chain segments beyond production, such as processing and marketing. In addition to this, a total of 2,688 clients also participated in the food safety training conducted by ATI in the same period.



F2C2 aims to strengthen connections between food producers and consumers and ensure that supply chains function smoothly and efficiently.

Source: DA

The government also pursued initiatives to further strengthen linkages between academe and industry as a step towards addressing skill mismatches, which inhibit potential of key export sectors. In August 2024, the Board of Investments (BOI) and the Department of Education (DepEd) entered into a Memorandum of Agreement to institutionalize the Kids for the Future of Philippine Industrialization Program. This partnership will enable educational efforts to align with industry demand, boosting employability by equipping students with critical skills needed to pursue career opportunities in high-value industries like semiconductors and electronics, engineering, and information technology.



**Total investments increased and targeted to boost trade, skills upgrading, and sustainability**

**Specialized investment ecozones expanded opportunities.**

The establishment of industrial pharmaceutical parks is expected to attract medical and drug manufacturing-related investments to make medicines low-cost and accessible. Knowledge, Innovation, Science, and Technology (KIST) Parks have also been established by PEZA to expand economic zones in rural and growth areas as well as promote technology and development

institutions. As of 2024, there are four KIST parks in the pipeline. These parks are in the process of completing the necessary documentation, including DOST endorsement in accordance with KIST Guidelines and DOST Memorandum Circular No. 001, s. 2024, for final proclamation.

PEZA has also turned its efforts on encouraging investments in new areas to maximize economic viability and promote regional development. PEZA has signed a Memorandum of Understanding with the Bureau of Corrections (BuCor) to create economic opportunities through land use development of areas under the jurisdiction of the BuCor. One of the areas being considered in the initiative is the Iwahig Prison and Penal Farm in Puerto Princesa, Palawan. An initial ocular visit and mapping was done in May 2024 to determine its viability for the development of a large-scale manufacturing economic zone with an embedded port and integrated township. The proposed mega economic zone, which would feature an eco-industrial township with a self-sustaining community, aims to attract various strategic industries particularly those focused on innovation, digital transformation, and sustainability.

**Building on initiatives to promote widespread adoption of ESG investments in the Philippines.** The country continues to strengthen its efforts to promote Environment, Social, and Governance (ESG) investments through private sector engagement, particularly in the mainstreaming of sustainable policies and practices among private banks, investors, and other stakeholders. The Securities and Exchange Commission (SEC) remains committed to promote sustainable investments in the country with its recent issuance of the Philippine Sustainable Finance Taxonomy Guidelines as part of its SEC Securities Regulation Code and Revised

Corporation Code Compliance of Regulated Entities (SCORE) initiative.<sup>3</sup> The guidelines seek to amplify capital towards economic endeavors that promote sustainability goals, such as lowering greenhouse gas emissions and bolstering climate resilience. The SEC approved the issuance of Ayala Land Inc.'s PHP14.0 billion worth of sustainability-linked bond in accordance with Memorandum Circular No. 3, s. 2023. Further, in May 2024, SEC approved the first-ever blue bond offering by Maynilad Water Services Inc., covering up to PHP12 billion of fixed-rate, peso-denominated blue bonds, with an oversubscription option of up to PHP3 billion in accordance with Memorandum Circular No. 15, s. 2023 (see Section 2.1.2). These marked the first of their kind in the Philippines.

**Leveraging SIPP for continued promotion of sector-specific investments.** The SIPP continues to leverage the role of the private sector in attracting foreign investments, particularly in priority sectors and industries of the country. On August 2, 2024, the implementing rules and regulations of EO No. 18, s. 2023, was signed to clarify the requirements for the operationalization of Green Lane Units in concerned government offices. From January to October 2024, the Fiscal Incentives Review Board (FIRB) approved six (6) big-ticket projects under the CREATE Act with a total committed investment capital of PHP179.48 billion and employment generation of 6,105.<sup>4</sup> BOI also reported a total of 170 approved projects worth PHP4.497 trillion under Green Lanes as of December 5, 2024.

<sup>3</sup> Memorandum Circular No. 5, s. 2024

<sup>4</sup> Projects with committed investment capital exceeding PHP1 billion approved between January 1, 2024 and February 1, 2024, and projects with committed investment capital exceeding PHP15 billion approved from February 2, 2024 onwards.



President Ferdinand R. Marcos, Jr. led the ceremonial signing of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy or the CREATE MORE Act, on November 11, 2024 at the Malacañang Palace.

Source: DOF

**Utilization of innovative campaign to broaden the reach for “Make It Happen in the Philippines” brand.** To leverage the private sector’s contribution to growing industries, the DTI continues to promote the Philippines as a prime investment destination through the “Make It Happen in the Philippines” campaign. In May 2024, DTI successfully hosted a Business Forum and Networking Night in Auckland, New Zealand, showcasing the country as a hub for innovation and reaffirming its commitment to fostering scientific discovery. The event also highlighted strategic investment and partnership opportunities in freeport zones, focusing on key sectors such as manufacturing, maritime, leisure and tourism, renewable energy, ICT, general business, and transportation.<sup>5</sup>

Shifting away from traditional media, the BOI and the Philippine Trade and Investments Centers of the DTI have embraced digitalization in various investment promotion events locally and internationally. The new “Make It Happen” audio-visual presentations have been translated into multiple languages such as traditional Chinese, simplified Chinese, Japanese, and Korean to reach a broader audience of investors. These are currently being showcased in national and local airports across the Philippines in partnership with Civil Aviation Authority of the Philippines (CAAP).

**Improved business environment through digital transformation in government transactions.** The SEC is advancing the digital transformation of its processes to promote ease of doing business. As of November 2024, the SEC Foreign Investment Registration Station Green Lane Unit has processed 15,996 applications. It streamlined the services by aligning registration and monitoring standards with those of advanced economies. Additionally, a record-breaking 49,432 applications have been registered through the Electronic Simplified Processing of Application for Registration of Company, including 188 foreign corporations licensed to operate in the Philippines. These achievements highlight the country’s increasingly inclusive and business-friendly environment.

**Harmonized investment promotion initiatives at the national and local levels.** Coordinated efforts among national government agencies, LGUs, and investment promotion agencies (IPAs) are necessary in fostering a positive investment climate. The Foreign Investment Promotion and Marketing Plan (FIPMP), which is targeted to be finalized by the end of 2024, is an important step in integrating and harmonizing all investment promotion initiatives in the country, including those at the local level. This is also in parallel with the country’s current efforts to establish business one stop shops within LGUs to streamline permitting and licensing processes.

<sup>5</sup> Department of Trade and Industry. (2024). Philippines invites New Zealand companies to invest in innovation and technology. Accessed on: <https://www.dti.gov.ph/overseas/sydney/sydney-news/philippines-invites-new-zealand-companies-invest-innovation-technology-2/>. December 9, 2024

## Results Matrix

The Philippine merchandise and services export sectors continue to register growth amid ongoing geopolitical concerns. Services exports are on track to meet the annual target, reaching USD37.4 billion in earnings during the first three quarters of the year. However, the performance of merchandise exports may fall short of expectations due to subdued global demand as global markets have yet to fully recover from high inflation, with export receipts recorded at USD42.38 billion as of September 2024. Non-electronic exports are also behind target, generating USD28.37 billion as of October 2024.<sup>6</sup> This underscores the need to intensify ongoing measures to strengthen the merchandise export sector and ensure that the country meets its growth objectives within the plan implementation period. Enhancing export competitiveness remains a challenge, as evidenced by the lower-than-targeted number of commodities with a revealed comparative advantage as of 2023. Policy reforms directed towards expansion of market access will be prioritized through proactive bilateral and multilateral engagements. The adoption and full integration of digital systems will further streamline trade processes, reduce operational costs, and enhance revenue potential of export-oriented firms.

On the investment front, the country is also headed towards achieving its annual targets. In 2023, out of 104 countries, the Philippines maintained its improved ranking in the Organisation for Economic Co-operation Development (OECD) FDI regulatory restrictiveness index. It ranked as the fifth most FDI restrictive country in 2022, which reflected the improved investment climate from 2021. Additionally, the country's FDI to GDP ratio is at 2.01 percent in the first three quarters of 2024 reaching the lower end of the annual target range of 2 to 5 percent. Sustainable finance gained momentum, demonstrated by the increase in value of issued green, social, and sustainability (GSS) bonds as of September 2024. This trend signals growing investor confidence in sustainable development projects, supported by government measures to promote green financing. However, the 3.86 percent share of country's FDI to total Association of Southeast Asian Nations in 2023 was below the annual target range of 5 to 10 percent share. In line with the country's goal to become one of the leading destinations for FDIs by the end of the current administration in 2028, the government will continue to pursue initiatives to boost the country's investment appeal and eliminate unnecessary barriers.

<sup>6</sup> Figure for merchandise exports was sourced from BSP's Balance of Payments (BOP) while figure for non-electronic exports was sourced from PSA's International Merchandise Trade Statistics.

## Ways Forward

Growth in the Philippines' total trade has been primarily driven by strong performance of services exports, which continually hit annual performance targets. Meanwhile, merchandise trade registered growth albeit at a slower pace and below target, highlighting the need to address sectoral problems such as improving capacity to meet product standards, production constraints, and high concentration on major export products.

Semiconductors, which accounts for more than 40 percent of total merchandise exports declined by 9.9 percent in the first 10 months of 2024 and has affected the country's overall merchandise trade performance. Meanwhile, agro-based products are susceptible to weather disturbances and regulations from destination countries.

Moreover, changes in trade policies of the country's major trading partners can affect the flow of goods and materials, including market access for Philippine exporters. Mitigating the impact of evolving trade regulations and trends towards sustainable consumption, and digitalization, will be paramount to achieving sector targets.

On the other hand, the Philippines has seen an increase in foreign direct investments, highlighting the effectiveness of ongoing investment promotion initiatives, such as the passage of recent economic reforms and the implementation of targeted programs, projects, and activities. Moving forward, existing initiatives will be enhanced and maintained while efforts to transform the trade sector will continue to be undertaken.

## Priority Strategies



**Restore, sustain, and strengthen the global position of the Philippine export sectors**

**Reinforce integration of MSMEs into global value chains.** To boost exports and foster product diversification beyond major exports of semiconductors and electronics, the government must be able to support more firms and enable them to enter global markets and participate in GVCs. Investing in the upgrading of certification testing facilities and improving access to the same will help manufacturers meet standards and facilitate compliance to improve the overall quality of export products. It can also allow new entry or regain competitiveness in global markets.

To better identify firm needs, the DTI has started developing a customer relationship management system that will provide

feedback and strengthen relationships with its wide range of stakeholders, including MSMEs. This should be complemented with the development of an early warning system for the government to recognize firm stress points and implement the appropriate preventive measures. To provide responsive support, the system should be able to utilize existing firm-level monitoring data collected from MSMEs while improved data collection and processing is still ongoing.

**Maximize FTAs through strengthened trade partnerships and setting a purposeful policy framework forming a whole-of-government approach.** Trade relations must be continually forged by utilizing and strengthening existing agreements and exploring the feasibility of new connections. Efforts of both the government and private sector must be enhanced to ensure the effective utilization

of existing FTAs. This involves boosting market intelligence capabilities to identify opportunities in partner countries and providing capacity-building programs to help businesses, especially MSMEs, navigate the complexities of FTA provisions.

Conducting regular reviews of FTA performance will be essential in identifying underutilized areas and addressing gaps in implementation. Reinforcing trade facilitation through digital systems, such as a unified customs processing platform, will reduce administrative burdens and ensure that exporters can maximize market information and realize gains negotiated from these partnerships.

Moreover, considering the shifting global trade environment, a unified trade policy approach will allow the country to strategically position itself to maximize opportunities from global developments. Developing an overall FTA negotiating agenda will be important to ensure the consistency and synchronization of government positions and priorities in engaging existing and future trade partners. On the other hand, establishing an overall FTA negotiating framework will ensure that Philippine positions and commitments will account for possible implications for all sectors and will utilize trade policy to meet the overall socioeconomic objectives of the economy.

**Build on efforts to resolve key constraints to exports.** We must address long-standing implementation issues in existing programs and projects aimed at improving export performance. While various initiatives have been launched to enhance the competitiveness of exporters, many of these programs face persistent implementation issues, such as funding concerns, challenges with third party providers, and logistical and organizational constraints that hinder full implementation.

Electronic customs procedures and digitalization programs may be further improved by trimming processing times, ensuring minimal bureaucratic red tape, providing a quality experience, and reducing costs for exporting clients. These improvements will not only optimize export operations but also provide a seamless experience for exporters, boosting confidence in our support mechanisms for boosting trade.

To build on these efforts, innovative strategies that integrate advanced technologies, such as artificial intelligence for demand forecasting may be explored. Additionally, collaborating with private sector stakeholders will be critical in ensuring that reforms are practical and responsive to the needs of exporters.



**Increase and target total investments to boost trade, skills upgrading, and sustainability**

### **Harmonize investment promotion efforts at both the local and national levels.**

Complementing recent economic reforms, all investment promotion efforts in the country will be harmonized and streamlined to attract foreign investments, particularly in priority sectors of the economy. This will be realized through the implementation of the FIPMP and the establishment of green lane units across all concerned government offices, including IPAs and LGUs. Specific strategies and indicators will also be developed to monitor the progress of the FIPMP in both the medium and long term.

Further, to address coordination challenges and the lack of unified processes and issuances at the local level, LGUs will be enjoined to establish their respective “green lane” units through the issuance of a memorandum circular (MC) currently being prepared by DILG. Additionally, a Joint MC among Investments Facilitation-Network agencies, IPAs, and LGUs will also be issued to ensure coordinated and parallel processing of permits and licenses.

**Establish new ecozones that will boost economic activities in rural and growth areas.** National agencies are coordinating closely with the local government to establishing additional ecozones in the regions to draw investments and support regional development. For 2025-2026, PEZA and BuCor will be carrying out the feasibility study for the development of the mega economic zone in Puerto Princesa, Palawan. The proposed creation of the Palawan mega zone, which will host global manufacturing companies, is expected to create backward and forward linkages of industries to stimulate growth within the area.

Additionally, PEZA is currently drafting proposals for the establishment of the 5th Public Economic Zone to support ESG and circular economy principles, promote development in less developed areas of South Luzon and Bicol region, and foster a sustainable business environment. By 2025, PEZA aims to complete key milestones, including land acquisition, Presidential proclamation of several new ecozones, land development (filling and backfilling), installation of sewage systems, road networks, and utilities of the public ecozone.

Lastly, to expand investment opportunities in manufacturing of pharmaceuticals and bring down the cost of medicines, PEZA and the Food and Drug Administration (FDA) will finalize and approve the Pharmaceutical Economic Zone Guidelines to facilitate the registration of business enterprises involved in manufacture of cosmetic and drug products and medical devices, among others.

**Foster local partnerships via reverse trade fairs.** PEZA will continuously collaborate with various institutions in conducting reverse trade fairs to bridge the gap between locators (businesses operating within economic zones) and domestic manufacturers. Through these initiatives, PEZA aims to help local vendors gain insights and opportunities to join the supply chain of PEZA registered business

enterprises (RBEs), which is vital for advancing manufacturing, MSME development, and industrialization.

Focusing on making MSMEs an integral part of the ecozone value chain, these efforts will support key industries, such as semiconductor electronics, automotive, and aerospace. These upcoming events will also strengthen partnerships with the private sector to further develop manufacturing ecosystems within economic zones.<sup>7</sup>

**Sustain efforts to promote and mainstream ESG investments.** To leverage the growing global interest in ESG investments, existing initiatives to promote sustainable investments in the country will be continued. In particular, the SEC will continue to increase the awareness of retail investors on sustainable financing and products through the conduct of roadshows, seminars, and other information, education, and communication activities. Resulting outcomes from these existing ESG initiatives, such as the value of issued GSS bonds, will also be monitored.

Further, the SEC, as provided by SEC Memorandum Circular No. 11, s. 2022, shall continue to report and monitor the fulfillment of sustainable investment objectives of registered sustainable and responsible investment funds to ensure alignment with the country's targets and continuous improvement in ESG policies and practices.



#### Updates on proposed legislative agenda

The passage of priority bills for the sector will reinforce efforts to further strengthen exporting firms through the enhancement of market access, provision of financial incentives, and increasing trade facilitation. Enactment of proposed legislation would also accelerate investments through clarification of investment incentives and digitalizing and expediting government transactions.

7 Moral, M. (2024). The resilient growth and lasting significance of the Philippines' manufacturing sector. Accessed on Business World: <https://www.bworldonline.com/special-features/2024/05/31/598754/the-resilient-growth-and-lasting-significance-of-the-philippines-manufacturing-sector/> 10 December 2024

## Section 2.3.2

# Revitalize Industry



Center for AI Research (CAIR) Managing Director and Chief AI & Data Officer Dr. Erika Fille Legara moderates the panel discussion on Balancing AI Innovation and Responsible AI adoption and is joined by a panel of industry experts during the CAIR Launch.

Source: DTI

## Introduction

The industry sector continues to grow in 2024. The number of Regional Inclusive Innovation Centers (RIICs) established in 2024 exceeded the target for the said year. Further, the Gross Value Added (GVA) growth rate of high knowledge-and-technology intensive industries (KTI), and number of six-digit exported products are expected to surpass their respective targets in 2024.

In 2024, national and local government units collaborated to implement programs,

activities, and projects (PAPs) that provide beneficiary enterprises with access to technical assistance, skills development services, equipment, and machinery, among others. Capacity-building services for start-ups and micro, small, and medium enterprises (MSMEs) were also conducted enabling them to adopt new technologies and digitalize. Programs that encourage private sector beneficiaries and other stakeholders to build a dynamic innovation ecosystem were also implemented.

## Strategy Framework

The industry sector will be revitalized by expanding 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 will enable firms, particularly MSMEs, better access to science, technology, and innovation (STI), which are key drivers of industrialization.



## TRANSFORM PRODUCTION SECTORS TO GENERATE MORE QUALITY JOBS AND COMPETITIVE PRODUCTS



## REVITALIZE INDUSTRY: SCIENCE, TECHNOLOGY, AND INNOVATION-DRIVEN INDUSTRIALIZATION



### DOMESTIC MARKET PRODUCTION AND SUPPLIER BASE EXPANDED

- ✓ Enhance business-matching activities across regions
- ✓ Intensify support to industries producing for the domestic market
- ✓ Provide targeted, time-bound incentives to establish labor-intensive industries and businesses
- ✓ Foster regional industrialization
- ✓ Establish common service facilities
- ✓ Update agribusiness roadmaps
- ✓ Undertake industry-specific R&D and technology adoption



### MOVING UP THE VALUE CHAIN ACHIEVED

#### Competitiveness Improved

- ✓ Address gaps in industry supply chains
- ✓ Ensure efficient movement of goods across the regions
- ✓ Lower energy costs and promote renewable energy sources
- ✓ Accelerate the digitalization and innovation of MSMEs and startups
- ✓ Pursue entrepreneurship leveraging technology-enabled business models
- ✓ Put in place business continuity plans in all industries

#### Dynamic Industry Ecosystem Created

- ✓ Bolster science-based industries linked to GVC
- ✓ Embrace industry 4.0 for technology-mature firms
- ✓ Upskill and reskill workers to adapt to technology
- ✓ Enhance the NQI System
- ✓ Adopt international standards and international certification
- ✓ Develop value-adding activities and downstream industries of the mining sector



### INTER-SECTORAL LINKAGES ENHANCED

- ✓ Link industrial policy with trade and investment policy
- ✓ Promote agglomeration/co-location of industry and services including academic institutions
- ✓ Strengthen academe-industry linkages
- ✓ Upgrade industry roadmaps
- ✓ Enhance servicification of industries
- ✓ Activate business networks across industries

## ENABLING ECONOMIC ENVIRONMENT

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## Accomplishments for 2024



Domestic market production and supplier base expanded

**Expansion and improvement of Negosyo Center operations were pursued through digitalization and private sector engagement.** The government, in collaboration with the private sector, continues to facilitate business-matching activities at the local level through the

Negosyo Centers (NCs). As of October 2024, the NCs assisted 450,793 MSMEs, supported a total of 789,521 clients, and registered 78,490 businesses.



The DTI, BSP, and BDO Foundation launched the 3 Financial Education Videos for micro-entrepreneurs.

Source: DTI

The Client Profile and Monitoring System (CPMS), a cloud-based platform that evaluates the impact of policies and monitors the growth of MSMEs assisted,

was also developed for NCs. MSME profiles were consolidated through the system to determine new and additional programs and improve the current services to assist the MSMEs. DTI recently partnered with SM Prime Holdings Inc. to implement the Business Resilience Program, which conducts Business Continuity Plan (BCP) Training as part of technical assistance provided to develop respective BCP for SM Tenants and DTI-assisted MSMEs.

**Continued marketing assistance was provided to local enterprises through the One Town, One Product.** The One Town, One Product (OTOP) program, which was institutionalized in 2023 through the enactment of OTOP Philippines Act, provided support by linking local business enterprises with institutional buyers and mainstream markets.<sup>1</sup> The program likewise facilitated the convergence of initiatives among national government agencies, local government units (LGUs), and the private sector in developing and promoting Philippine products through exhibits and fairs throughout the country.

**More MSMEs outside NCR were supported through the establishment and enhancement of Shared Services Facilities.** The government, in collaboration with the private sector and other stakeholders, established and operated additional Shared Services Facilities (SSFs) throughout the country. From January to October 2024, 53 SSFs were established, seven of which were enhanced/upgraded, benefiting around 26,071 MSMEs nationwide and generating 23,642 jobs. Most of these facilities are in the Cordillera Administrative Region and Regions II, VI, VII, and IX. The SSF also rolled

out the Competency Training Course (CTC) for SSF Managers in the National Capital Region, Cordillera Administrative Region, and CALABARZON, which benefited 77 personnel. Likewise, digitalization initiatives are being pursued with the development of a monitoring and evaluation reporting tool to standardize the data collection on SSF operations and determine the type of clients being assisted.



DTI Misamis Oriental and the Cagayan de Oro Chamber of Commerce and Industry, Inc. launched the SSF OROBEST Creative and Mindspace Center on December 23, 2024 at the Oro Chamber Business Development Center, Cagayan de Oro.

Source: DTI

**Priority commodity industry roadmaps were adopted to strengthen the food manufacturing sector.** As of October 2024, a total of 23 Commodity Industry Roadmaps (CIRs) were published and made available to the private sector and other relevant industry groups.<sup>2</sup> A memorandum was also issued by the DA to ensure that the roadmap strategies are included in agency plans and budgets for FY 2025, potentially leading to the recalibration of some roadmaps.

<sup>1</sup> RA 11960

<sup>2</sup> The following are the list of the CIRs: (a) Philippine Banana Industry Roadmap 2021-2025, (b) Philippine Mango Industry Roadmap 2021-2025, (c) Philippine Coconut Industry Roadmap 2021-2040, (d) Philippine Abaca/Fiber Crops Industry Roadmap 2021-2025, (e) Philippine Cacao Industry Roadmap 2021-2025, (f) Philippine Coffee Industry Roadmap 2021-2025, (g) Philippine Onion Industry Roadmap 2021-2025, (h) Philippine Vegetable Industry Roadmap 2021-2025, (i) Philippine Rubber Industry Roadmap 2023-2028, (j) Philippine Yellow Corn Industry Roadmap 2021-2040, (k) Philippine White Corn Industry Roadmap 2024-2030, (l) Philippine Carabao Industry Roadmap 2022-2026, (m) Philippine Poultry Layer Industry Roadmap 2022-2040, (n) Philippine Hog Industry Roadmap 2022-2026, (o) Philippine Poultry Broiler Industry Roadmap 2022-2040, (p) Philippine Dairy Industry Roadmap 2020-2025, (q) Philippine Small Ruminants Industry Roadmap 2022-2040, (r) Philippine Beef Cattle Industry Roadmap 2024-2040, (s) Philippine Tilapia Industry Roadmap 2022-2025, (t) Philippine Milkfish Industry Roadmap 2021-2040, (u) Philippine Shrimp Industry Roadmap 2021-2040, (v) Philippine Shellfish Industry Roadmap 2021-2025, and (w) Philippine Seaweed Industry Roadmap 2022-2026.

**Targeted incentives were provided to foster growth of priority industry sectors.** From January to October 2024, a total of 387 projects were approved under the CREATE Act with a total committed investment capital of PHP364.42 billion and 73,127 committed employment. Six of these are big-ticket projects approved by the FIRB, while various IPAs approved the remaining 381 projects. Out of 387 projects, 15 were approved under Tier II while two projects are under Tier III.

Meanwhile, the BOI approved a total of 317 projects for the grant of incentives with 33,366 projected jobs in the same period. From January to October 2024, the BOI also reported a total approved investment of PHP1.41 trillion, exceeding its target of PHP995.59 billion for 2024. The Philippine Economic Zone Authority (PEZA) also reported around PHP214.17 billion approved investments from January to mid-December 2024, exceeding its target investment approval of PHP200 billion for 2024.<sup>3</sup>



**Moving up the value chain achieved**

**The Electronics Product Development Center (EPDC) helped in addressing gaps in the local electronics industry chain.** The EPDC intends to mainstream technology and innovation to its beneficiaries by offering end-to-end electronics product development, product research, and design and engineering, among others. As of November 2024, the EPDC was able to assist 126 clients comprising of individuals, businesses, academe, and other government offices.

The Center offers a wide range of services and facilities, including the Electronics Product Inclusive Innovation Center Garage, electronic product prototyping, electromagnetic compatibility testing,

product safety testing, parametric testing, and training and seminars for the electronics field.<sup>4</sup> The EPDC Manufacturing Laboratory also offers services in printed circuit board fabrication, assembly, and 3D printing. The Center is ISO 9001:2015 certified which is valid until November 2025.<sup>5</sup>

**Additional Regional Inclusive Innovation Centers were established.** The government continues to expand the Regional Inclusive Innovation Centers (RIICs) in cooperation with private sector stakeholders, providing equipment and facilities to MSMEs in various sectors. In 2024, two additional RIICs were established, bringing the total number of RIICs to 13 across the regions of Cagayan Valley, Central Luzon, CALABARZON, Bicol, Western Visayas, Eastern Visayas, Central Visayas, Zamboanga Peninsula, Northern Mindanao, Davao, and Cordillera.

**Industrial transformation was accelerated through the launching of the first AI Hub in the country.** On July 3, 2024, DTI launched the Center for AI Research (CAIR) as the first AI hub in the Philippines, aimed at addressing industrial challenges using AI. Through CAIR, around 13 active R&D projects were initiated within the first five months of the year, surpassing its target of six projects for the first semester. An AI Awareness Program and AI Readiness Tool for MSMEs were also introduced to assess digital maturity and identify pathways for AI adoption.

**Ongoing efforts to upskill the workforce to adapt to Industry 4.0 technologies.** The DOST-Advanced Manufacturing Center (AMCen) equips the manufacturing workforce with expertise in cutting-edge additive manufacturing technologies by offering specialized trainings in 3D printing and advanced prototyping. DOST also conducted more than 15 R&D projects in partnership with the academe, government, and private

<sup>3</sup> Data as of December 19, 2024

<sup>4</sup> <https://asti.dost.gov.ph/communications/news-articles/the-epdc-webinar-features-its-services-and-facilities-during-the-national-science-and-technology-week-2020/#~:text=The%20EPDC%20is%20one%20of,and%20co%2Dimplemented%20by%20EIAPI.>

<sup>5</sup> <https://asti.dost.gov.ph/communications/dost-asti-is-iso-90012015-recertified/>

entities through its Central Hub on Additive Manufacturing in the Philippines program. The Additive Manufacturing curriculum for junior and senior high school, undergraduate, and graduate students was also piloted, and six technology courses were developed under the program.

### Technology enhancement support for MSMEs was provided under SETUP

**4.0.** SETUP 4.0 focuses on upgrading the product and processed technologies of MSMEs for the transition to Industry 4.0. It has five strategies to assist MSMEs: (a) provision of technology; (b) product standards and testing; (c) packaging and labeling; (d) database management and information systems; and (e) network and linkages. It is envisioned under this program that technologies on AI, machine learning, and internet-of-things will be promoted for MSME adoption. The program has generated 8,595 jobs, PHP776 million worth of innovation-enabling funds provided to 659 firms in 2024.



Inter-sectoral linkages enhanced

**Industries were developed around priority clusters.** For the Industrial, Manufacturing, and Transport cluster, the first lithium battery factory was established in the Philippines. This sets the stage for the Philippines to become a destination for high-tech and high-impact investments. The factory will produce two gigawatt-hours of batteries annually once it hits full capacity by 2030. It will also create 2,500 direct and indirect jobs by 2030.

As for the Technology, Media, and Telecommunications cluster, the country was chosen by the United States to benefit from the USD500 million International Technology, Security, and Innovation Fund under the CHIPS and Science Act. The fund aims to

develop the country's electronics assembly, testing, and packaging (ATP) sector and the development of its workforce.

Meanwhile, for the Health and Life Sciences cluster, latest available data show that the PEZA hosts 27 companies engaged in pharmaceutical and medical device manufacturing.

Finally, for the Modern Basic Needs and Resilient Economy (MBNRE) cluster, DENR and DOE signed a Memorandum of Agreement in February 2024, granting the latter access to offshore areas for the conduct of pre-development and exploration activities for offshore wind projects. This helps in providing renewable energy alternatives, while ensuring compliance with environmental standards. The DENR likewise formulated environmental guidelines for floating solar installations on lake environments and launched these in coordination with the DOE for its 2,000-hectare pilot project in Laguna Lake.

## Results Matrix

For the first to third quarter of 2024, the only priority area with data on average Gross Value Added (GVA) growth is MBN, which was recorded at 3.9 percent; this is not expected to reach the FY 2024 target of 8.0-9.0 percent.<sup>6</sup>

The country's ranking in the Institute for Management Development World Competitiveness survey dropped from 40th out of 64 countries in 2023 to 43<sup>rd</sup> out of 67 countries in 2024, which falls below the target rankings set for the year. The number of firms offering formal training relative to the total number of firms declined from 59.8 percent in 2023 to 42.2 percent in 2024. This did not meet the target of 64 percent in 2024.

<sup>6</sup> MBN sectors comprises of manufacture of food products, manufacture of beverages, manufacture of textiles, manufacture of wearing apparel, manufacture of leather and related products, including footwear, manufacture of wood, bamboo, cane, rattan articles and related products, manufacture of chemical and chemical products, manufacture of furniture.

The average labor productivity in industry based on the January, April, and July rounds of the Labor Force Survey (LFS) reached PHP179,193/employed person. We do not expect this to meet the FY target of PHP730,000-PHP750,000/employed person for 2024. In addition, the average labor productivity in manufacturing from January, April, and July rounds of the LFS stood at PHP259,502/employed person. We also do not expect this to meet the FY target of PHP1,072,000/employed person for the full-year 2024.

In terms of employment generation, increases were recorded for industry (294,000) and construction (297,000) while deceleration was recorded for manufacturing (36,000) based on the average of January, April, and July 2024 rounds of the LFS. It is seen that the targets for 2024 of 530,000-630,000 for industry and 318,000-378,000 for manufacturing will not be met. However, the target of 194,000-208,000 for construction for 2024 will be exceeded.

From the first to third quarter of 2024, the average growth rate of high KTI was 3.3

percent. This is expected to meet the target of 3.4 to 3.8 percent for the full year. On the other hand, the average GVA growth of medium-KTI in the first to third quarter of 2024 was 6.4 percent. We anticipate that the target of 10.8 to 12.0 percent for 2024 will not be met. Meanwhile, the average GVA growth of construction for the first to third quarter of 2024 is 11.3 percent. It is expected that the target of 16.0 to 17.0 percent for the said year will not be attained.

The industry sector expanded by an average of 6.1 percent from the first to third quarter of 2024, of which, manufacturing, grew by an average of 3.8 percent. It is anticipated that the 8.0 to 9.5 percent targets for both the industry and manufacturing in 2024 will not be reached.

Two RIICs were established as of October 2024, which exceeds the target of one RIIC established for the year.

From January to September 2024, the number of six-digit exported products was still limited to 3,001 lines, which is still behind the target of 3,239 lines for 2024.

# Ways Forward

The below target performance of the industry sector can be attributed to supply chain disruptions, weaker global growth and geopolitical challenges, and lack of access to technologies and technical expertise for MSMEs.<sup>7</sup> Moreover, there is a need to enhance the monitoring and evaluation (M&E) of government support programs for MSMEs.

Hence, it is imperative that a whole-of-nation approach (e.g., government, academe, and private sector) be mobilized to revitalize our industries, especially leveling up our MSMEs. It is also important for these programs and projects to mainstream technology and innovation to improve the efficiency and productivity of firms so they can serve as a catalyst for economic development.

## Priority Strategies



To expand domestic market production and supplier base

**Improve the business-matching activities including the periodic reporting mechanism of Negosyo Centers.** The DTI will strive to complete the Negosyo Center coverage to include the 300 local government units that still do not have these facilities. The Bureau of Market Development, Promotions and OTOP will develop a Suppliers Information Management and Sales Monitoring System (SIM-SMS) to create the profile of suppliers and buyers and ensure the inclusion of local MSMEs manufacturers/suppliers in the system. This activity aims to broaden the market access of the local MSMEs.

**Intensify support programs to OTOP beneficiaries and fast-track the finalization of the National OTOP Strategic Plan.** To help resolve the MSMEs lack of access to markets, the DTI will transform the existing 330 OTOP stores nationwide into multifaceted hubs that provide mentoring

and learning sessions, spaces for meetings and networking, and opportunities for visitors to explore and purchase OTOP products during their learning sessions. The OTOP Grand Food Hall will debut in prime malls, beginning with One Ayala Mall in Makati City. Said food hall will exclusively feature Filipino cuisine and delicacies produced by MSMEs.

DTI will also establish OTOP Lifestyle Stores that will showcase high-quality food and non-food products, including home products, furniture, lighting, jewelry, bags, shoes, fabrics, and fashion items.

Additionally, DTI will establish the DTI-Bagong Pilipinas Marketplace that will serve as the largest B2B e-commerce platform for Philippine products, enabling MSMEs to expand their global reach. The digital marketplace will provide MSMEs with bulk transaction capabilities, secure payment systems, and logistics support and marketing services. It also aims to address barriers to international market access and

7 Supply chain disruptions: As-Delivered Press Statement of NEDA Secretary Arsenio M. Balisacan on the Philippine Economic Performance for the Third Quarter of 2024. Retrieved from <https://neda.gov.ph/as-delivered-press-statement-of-neda-secretary-arsenio-m-balisacan-on-the-philippine-economic-performance-for-the-third-quarter-of-2024/>  
Weaker global growth and geopolitical challenges: Global growth stagnates at 2.7%, too weak to curb inequality, climate change and discontent. Retrieved from <https://unctad.org/news/global-growth-stagnates-27-too-weak-curb-inequality-climate-change-and-discontent>  
Lack of access to technologies and technical expertise of MSMEs: Empowering Philippines MSMEs Through Digital Transformation. Retrieved from [https://beta.entrepreneurship.org.ph/2024/09/26/empowering-philippine-msmes-through-digital-transformation/#:~:text=Additionally%2C%20many%20MSMEs%20lack%20the,\(World%20Bank%2C%202022\).](https://beta.entrepreneurship.org.ph/2024/09/26/empowering-philippine-msmes-through-digital-transformation/#:~:text=Additionally%2C%20many%20MSMEs%20lack%20the,(World%20Bank%2C%202022).)

competitiveness, promote risk management, and foster partnerships and networks. The DTI will fast-track the finalization of the National OTOP Strategic Plan to identify the priority OTOP products and services characterized by high value-added that have the potential to contribute to the goals of the OTOP Act.

**Enhance the monitoring and evaluation of the Shared Services Facilities (SSFs) to further improve its services and increase number of beneficiaries.** DTI intends to operationalize an M&E tool by the first quarter of 2025 to assist in improving its services. The DTI–National Capital Region Office will also implement a Stakeholder Mapping, Engagement, and Enrollment Training (MEET) on SSFs to effectively identify the needs of the beneficiaries, intensify the collaboration with stakeholders, improve technical assistance, and reach more potential beneficiaries. The DTI Philippine Trade Training Center and the DTI Bureau of Small and Medium Enterprise Development will also scale up the implementation of CTCs for SSF Managers and Technical Staffs to improve their knowledge on facility management, maximize operational performance, and improve their digital skills.

**Fast-track government and private sector stakeholder consultations to update the Agribusiness Roadmaps.** DA will spearhead stakeholder consultations to update the industry roadmaps for banana, mango, abaca, cacao, coffee, onion, vegetable, hog, dairy, carabao, tilapia, shellfish, and seaweed whose implementation period will end in 2025 and 2026. The finalization of the Philippine Rice Industry Roadmap will be fast-tracked pursuant to the Rice Tariffication Law.<sup>8</sup> The roadmap contains strategies to utilize technology and innovation to increase farm efficiency and productivity. The DA will establish a Commodity Industry Roadmaps Oversight Committee to monitor the progress of these roadmaps.

**Scale up the training programs and marketing caravans of the Electronics Product Development Center to further increase the number of beneficiaries.** The Electronics Product Development Center (EPDC) aims to resolve the gaps in the local electronics product development chain by offering relevant test services, prototyping, and research and engineering services. DOST is targeting to serve 70 clients per year through the EPDC for 2025-2026, including small and medium enterprises (SMEs), academic institutions, industries, and local entrepreneurs. DOST, through the EPDC, will offer targeted training programs, workshops, and technical assistance that are specifically designed to enhance clients' capabilities, drive innovation, and promote sustainable business growth.

DOST also plans to expand the EPDC's client reach through a marketing caravan in 2025. The marketing caravan aims to raise awareness of EPDC's services, foster stronger partnerships, and accelerate the adoption of EPDC offerings across key industries and sectors.

**Hasten the collaboration among the different government agencies to implement the CREATE MORE Act.** To help address the problems of low investments in the country, the CREATE MORE Act was formulated. In 2025, BOI, in consultation with the FIRB and other Investment Promotion Agencies, will amend the 2022 SIPP taking into consideration the merging of local, regional, and global trends. Accordingly, all sectors or industries that will be included in the SIPP amendments will undergo a process to determine their suitability and potential for promoting long-term growth and sustainable development, and the national interest. Additionally, the terms and conditions for the availment of enhanced deductions will be issued.

8 Republic Act No. 11203

**Maximize the opportunities of Investment Promotion Agencies.** The Investment Promotion Agencies (IPAs) will push for the acceleration of township models to be an integral part of ecozones. Township ecozones will maximize the opportunities and value of the local economy. A legislative measure amending the Special Economic Zone Act of 1995, as amended, will be supported to boost the initiative. Moreover, for 2025, the IPAs will assist in the reviews and amendments of the 2022 SIPP, including its implementation to intensify the investment attractiveness of the country. This will help the IPAs attain their annual investment targets.



To move up the value chain

**Aggressively roll-out the initiatives of the Center for Artificial Intelligence Research (CAIR) in cooperation with local and international institutions to promote innovation and digital transformation, and accelerate industrial transformation.** There are still reports of low technology utilization and talent shortage among manufacturing firms. Hence, the DTI, through the CAIR, will develop tailored AI services for a broader range of local companies to help them enhance their productivity, competitiveness, and technological capabilities.

Industry-focused Joint Labs (e.g., energy, healthcare, and financial services) and Centers of Excellence will also be built to address sector-specific challenges and sustain AI adoption in public service. The CAIR AI Governance Framework will be fully implemented, to ensure responsible and ethical practices in all initiatives. Further, CAIR will conduct a series of awareness programs to educate enterprises on AI's transformative potential and how they can integrate it in their operations for sustainable growth.

**Continue collaborations and conduct of training programs under the Advanced Manufacturing Center.** DOST, through Advanced Manufacturing Center (AMCEN), will continue collaborating with other government agencies academic institutions, and industry stakeholders to conduct and offer more research and development (R&D); training of academe personnel, development training regulations; American Society for Testing and Materials (ASTM) general additive manufacturing training and certification; ASTM safety surveillance audit on additive manufacturing facility; and new applications using artificial intelligence.

**Pursue advancement of the technological needs of the MSMEs.** DOST, through SETUP 4.0, will aim to transform MSMEs into smart MSMEs through the implementation of the SMARTER Strategic Themes as follows: Sustainable Economy, Market Competence, Able Human Capital, Responsive S&T Support Infrastructure, Technology and Innovation, Enterprise Support, and Resiliency and Continuity. Further, it will support MSMEs in the priority sectors in the regions such as food, manufacturing, creative products, and renewable energy.



To enhance inter-sectoral linkages

**Employ a whole-of-government approach in developing the priority clusters.** DTI is targeting to complete an EV manufacturing incentive scheme by the end of 2024 to attract more local producers of EVs and their parts. This incentive scheme targets the production of 4 million EVs in the next 10 years.

The Self-Reliant Defense Posture Revitalization Act, which was enacted by Congress on October 8, 2024 is also expected to add to the country's industrial manufacturing capacity as it aims to develop domestic production of

defense-related equipment and technology through technology transfer, partnerships with, and incentives to the private sector.<sup>9</sup>

For the electronics sectors, a draft ATP National Playbook outlining opportunities and recommendations for policy and regulation in the Philippines will be made available in December 2024. For pharmaceuticals, the PEZA is coordinating with the FDA to develop guidelines for registering pharmaceutical ecozones and to improve the regulatory environment of PEZA-registered business enterprises, which will engage in the local manufacturing of pharmaceutical products and medical devices. PEZA is also engaging in industry dialogues with different government and private sector stakeholders to understand which sectors the country should attract to achieve self-sufficiency in pharmaceutical product manufacturing.

On the other hand, the DENR is facilitating the processing of applications for Environmental Compliance Certificate (ECC) for offshore-wind projects. Construction of renewable energy projects will begin once the ECC is approved.

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<sup>9</sup> Republic Act No. 12024

### Section 2.3.3

## Reinvigorate Services



President Ferdinand R. Marcos, Jr. and First Lady Liza Araneta-Marcos attended the Creative and Sustainable Economy Through Innovation event held at the sidelines of the Commemorative Summit of the 50<sup>th</sup> year of ASEAN-Japan Friendship and Cooperation in Japan.

Source: DTI

## Introduction

The services sector continues to be a significant contributor to the country's gross domestic product on the back of a strong domestic consumer market and a vibrant financial services sector. Also providing additional push to overall services growth was the continued recovery of tourism, as well as the resiliency of the business process outsourcing (BPO) activity as the country remains a global leader in BPO services. The Philippine tourism competitiveness climbed by six (6) places to 69<sup>th</sup> place out of 119 countries in the 2024 edition of Travel and Tourism Development Index by the World Economic Forum.

In the first three quarters of 2024, the services sector continues to dominate as the country's leading economic sector during the period. Through the transformation agenda, the government continued to implement programs to: (a) support the digitalization of tourism services; (b) modernize logistics to enhance inter-sectoral linkages; (c) improve monitoring and data collection; and (d) strengthen and promote the creatives industry to sustain its growth and enhance its contribution to other related sectors; and (e) increase government investments in tourism infrastructures and local destinations.

## 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. The government will continue to collaborate with the private sector to spearhead the active

promotion of tourism, culture, and creative industries to achieve market expansion. Cross-cutting strategies will also be implemented to strengthen creativity and innovation in services, such as building capabilities of creative industries and strengthening the intellectual property rights ecosystem. To identify the gaps and weaknesses in

## TRANSFORM PRODUCTION SECTORS TO GENERATE MORE QUALITY JOBS AND COMPETITIVE PRODUCTS

### REINVIGORATE SERVICES

#### MARKET EXPANSION ACHIEVED

- ✓ Promote sustainable, inclusive, and resilient multidimensional tourism and holiday economics
- ✓ Align public service delivery to industry needs to lower costs
- ✓ Ensure safety and security in cyber and physical spaces
- ✓ Develop the services in trade framework to maximize trade agreements
- ✓ *Improve the quality of the Philippine tourism experience*
- ✓ *Foster the creative industries*
- ✓ *Spearhead active promotions of tourism, culture, creative industries, and Information Technology and Business Process Management*
- ✓ *Accelerate e-commerce adoption by micro, small, and medium enterprises (MSME)*
- ✓ *Encourage creation of consumer interest groups*

#### CREATIVITY AND INNOVATION IN SERVICES VALUE PROPOSITION STRENGTHENED

- ✓ Increase access of MSMEs to capital, digital technologies, and startups
- ✓ Increase access of MSME management and workforce to training and capacity building programs
- ✓ Build capabilities of the creative industries
- ✓ Increase access to funds and incentives for research and development (R&D) and startup ecosystem development
- ✓ Ensure the sustainable supply of a competitive, creative, and skilled workforce
- ✓ Strengthen intellectual property rights ecosystem
- ✓ *Develop technology parks, centers of creative excellence and innovation, creative talent hubs, and improve shared services facilities for MSMEs*
- ✓ *Foster partnership with the government to develop AI applications and establish linkages between large companies and MSMEs for value chain upgrading*

#### INTER-SECTORAL LINKAGES ENHANCED

- ✓ Facilitate physical connectivity (aviation, shipping and maritime, and land) and convenience to move people and goods
- ✓ Improve competencies for business advisory services
- ✓ Strengthen data collection ecosystem for market intelligence, insights, and industry studies
- ✓ *Secure foreign capital to modernize infrastructure, fleet, and equipment and position the Philippines as strategic hub for aviation, shipping and maritime, and logistics services*
- ✓ *Promote digitalization in transport and logistics to lower costs*
- ✓ *Increase internet speed, coverage, and network*
- ✓ *Strengthen collaboration among academe, government, and Industry Boards in talent and skills development*

inter-sectoral linkages, market intelligence will be strengthened through industry studies and targeted collection of disaggregated key industry statistics.

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ANNEXES



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## Accomplishments for 2024



Market expansion achieved

**Issuance of sectoral guidelines to implement the Public Service Act and its Implementing Rules and Regulations.** Recognizing the need to effectively implement Amendments to the

Public Service Act, relevant administrative agencies particularly those identified under Section 3 of the Act have issued their respective guidelines to implement the Act and its IRR.<sup>1</sup> These include Maritime Industry Authority (MARINA), Philippine Ports Authority (PPA), Civil Aviation Board (CAB), National Telecommunications Commission (NTC), Toll Regulatory Board (TRB), and the Land Transportation Franchising and Regulatory Board (LTFRB). The amendments in these agencies' regulatory guidelines are expected to further facilitate investments in their sectors, foster effective industry competition, and provide more employment opportunities for Filipinos.

**Ensure safety and security in cyber and physical spaces.** The recent passage of the IRR of the Internet Transactions Act of 2023 is expected to promote, develop, and regulate a robust e-commerce environment, simultaneously building trust between digital platforms, online merchants and online consumers. By fostering trust in online

<sup>1</sup> Republic Act No. 11659

transactions, the government and private sector can create more opportunities for high-quality and better-paying jobs in the virtual landscape.<sup>2</sup>

Further, Executive Order No. 58 mandates the adoption and implementation of the National Cybersecurity Plan 2023-2028 drafted by the Department of Information and Communications Technology (DICT).<sup>3</sup> The Plan is centered around its six pillars namely: (1) Enactment of the Cybersecurity Act; (2) Secure and protect Critical Information Infrastructures; (3) Proactively defend the government and people in cyberspace; (4) Operational and well-coordinated network of Computer Emergency Response Team (CERT) and SOC; (5) Capacitate workforce in cybersecurity; and (6) Enhancing international cooperation.

The Plan shall serve as a whole-of-nation roadmap for the integrated development and strategic direction of the country's cybersecurity. The DICT is tasked with the provision of technical assistance to government agencies for the Plan's implementation and progress monitoring.<sup>4</sup>

**Utilize digitalization to improve tourism service delivery.** The Tourism Infrastructure and Enterprise Zone Authority is advancing market expansion in the tourism sector through the development of the Travel Tax Remittance and Assessment Management System. This initiative aims to streamline the collection of travel taxes, provide efficient public service delivery, and enhance the overall tourist experience.

Moreover, the Department of Tourism's (DOT) Philippine Experience Program leveraged digitalization by forming a strategic partnership with Klook to offer tour packages from partner provinces through its online platform. Tour packages are also being offered by the National Tour Operators Associations

and other local travel agencies to provide both domestic and international travelers with easier access to local experiences.

**Continuous enhancement of marine safety and security.** Facilitating the market expansion of the local shipping industry is vital for the sector's economic growth, job creation, and technological advancement. As an initial step towards enhancing the shipping industry's access to global markets, MARINA has implemented security rules and regulations such as the International Ship and Port Facility Security (ISPS) and International Safety Management (ISM) codes for domestic shipping. These measures aim to ensure the safety of crew, cargo, and maritime assets while promoting greater efficiency in global trade. The ISM code will be implemented through MARINA Circular No. 2015-11, which is currently being amended to ensure consistency with the Philippine Safety Rules and Regulations.



**Creativity and innovation in services value proposition strengthened**

**Finalization of the Philippine Creative Industries Development Plan.** The Philippine Creative Industries Development Council (PCIDC) formulated the Philippine PCID Plan to set the objectives, targets, strategies, and activities for the development and promotion of Philippine creative industries. The Plan aims to mobilize creative and innovative talent, achieve our vision of becoming Asia's premier creative hub by 2030. In April 2024, the Plan was presented to various public and private stakeholders and was subsequently circulated to gather feedback from April to July 2024. The PCIDC endorsed the Plan in July 2024 for approval by the Office of the President.

**Strengthen the promotion of the Philippine Creative Industries Month.** The Philippine Creative Industries Month was held on

<sup>2</sup> Republic Act No. 11967

<sup>3</sup> EO 58, s. 2024. <https://www.officialgazette.gov.ph/2024/04/04/executive-order-no-58-s-2024/>

<sup>4</sup> Open Gov Asian. The Philippines National Cybersecurity Plan Shaping a Secure Cyber Landscape. (May 29, 2025. <https://opengovasia.com/2023/05/29/the-philippines-national-cybersecurity-plan-shaping-a-secure-cyber-landscape/>)

September 2024, which showcased Filipino culture and products while promoting creativity and innovation. The celebrations engaged 25,000 creative stakeholders nationwide and reached 1.7 million individuals through knowledge-sharing sessions, cultural exhibitions, workshops, and networking events with local and international partners.



Opening ceremony of the Philippine Creative Industries Month 2024 on September 3, 2025, which marked the start of a month-long celebration of Filipino creativity and innovation.

Source: DTI

This initiative aimed to intensify collaboration among government agencies, private sector, academe, NGOs, and other stakeholders. Subsequently, the Philippine Creative Industries Website was officially launched on September 3, 2024, as a comprehensive hub that empowers the creative community by offering the key features *CONNECT*, *LEARN*, *FUND*, and *WORK*.

**Conducted training and capacity-building for the creative sector.** To address the needs of emerging and practicing young design professionals, the Philippine Trade Training Center developed the OBRA Design Masterclass to enhance designers' competencies while demonstrating the power of design to positively impact the manufacturing sector. The design masterclass culminated in March 2024 during the 32<sup>nd</sup> Philippine International Furniture Show held at the SMX Convention Center, where 55 scholars of the masterclass showcased their furniture, lighting, and accessory designs. Meanwhile, the Department of Trade and Industry (DTI), in collaboration with Thames International School, the Animation Council of the Philippines, Inc., and the Game Developers Association of the Philippines, conducted the *LikhaSanay*: Animation and Game

Development Masterclass which trained 83 scholars to enhance the skills of animators and game developers. These initiatives will support the development of creative skills and talents to improve global competitiveness.

**Advocate design for enterprises and public good.** Promoting the creativity and innovation of local products supports the success of the tourism, culture, and creative industries. The Design Center of the Philippines showcased *Pinyapel* at the 2024 Manila FAME—a sustainable and environmentally friendly product created by globally recognized companies that exemplify design-driven innovation and green entrepreneurship while supporting local MSMEs in achieving sustainable development. Moreover, the Department of the Interior and Local Government (DILG) drafted a Joint Memorandum Circular with DTI on Creative Industry to institutionalize local government support for the sector and foster its development through policy support, skills and product development, market access, infrastructure, job creation, and public-private partnerships.

**Demonstrate and showcase the Philippines' existing capabilities to offer high value-adding and differentiated services.** The DTI actively promoted Filipino creative businesses at several international trade fairs, including the Annecy Film Festival (France), the External Development Summit (Canada), Creative and Sustainable Economy Through Innovation (Japan), *Marché International des Programmes de Communication*, International Market of Communications Programmes



DTI's active promotion of creative enterprises in the Annecy Film Festival in France.

Source: DTI

(Paris), *Ambiente* (Germany), and the Philippine Film Trade Fair (USA). Participation in these trade fairs not only generated sales but also connected our creative businesses with potential clients who expressed interest in discussing contracts and investments in the Philippines.

Additionally, the DCP continues to collaborate with the ASEAN-Japan Centre and the Good Design Award Japan (G Mark) to promote Filipino products and services in Japan, fostering business partnerships and industrial growth. Out of more than 5,000 entries worldwide, nine Filipino designs were honored with the prestigious G Mark Award.



Inter-sectoral linkages  
enhanced

### **Institutionalize the Philippine Creative Economy Satellite Accounts.**

The first publication of the Philippine Creative Economy Satellite Accounts (PCESA) covering 2018-2023 creative statistics was released in March 2024 based on a pilot study by the Philippine Statistics Authority (PSA). The PSA entered into a Memorandum of Agreement with DTI to implement the second phase of development for PCESA. During this phase of development, PSA and DTI will: (a) refine the framework and methodology; (b) validate the project's Phase 1 findings implemented by DTI in 2021-2022; (c) conduct stakeholder consultations; and (d) deploy the Creative Factor Survey. Upon completion, the revised PCESA will be presented to the PSA Board for approval and institutionalization.

### **Launch of *Fiesta Haraya* and *Lunsod Lunsad* programs nationwide.**

LGUs from 15 regions participated in DTI's *Fiesta Haraya* program. Serving as both a regional and national platform, *Fiesta Haraya* connects creative industry players and stakeholders to showcase Filipino creativity and promote the creative industries development agenda.

Meanwhile, the *Lunsod Lunsad* program was adopted by 62 cities. The program mobilized

more than 60,000 stakeholders from local creative hubs and platforms to raise awareness of the creative industries. Aligned with the United Nations Educational, Scientific, and Cultural Organization (UNESCO) Creative Cities framework, the *Lunsod Lunsad* program supports city-specific initiatives aimed at highlighting local creative strengths while fostering innovation and entrepreneurship.

Both *Fiesta Haraya* and *Lunsod Lunsad* rely on extensive coordination between local and national government agencies to advance the initiatives in the creative industry.

## **Results Matrix**

The growth of Gross Value Added (GVA) in the services sector in the first three quarters of 2024 has reached 6.7 percent, surpassing the lower end of the annual target for 2024 at 6.4 percent. Taking this into account, the 2024 GVA performance of the sector will likely be within the annual target range of 6.4 to 7.9 percent. However, the 1.9 percent increase in labor productivity of the services sector for the first three quarters of 2024 is lower than the 2.0 percent expansion recorded during the same period in 2023. It is unlikely that the increase in labor productivity in the services sector will meet its FY 2024 target range of 5.0 to 8.5 percent.

In terms of tourism indicators, 4.9 million inbound visitors were recorded from January to November 2024, reflecting a 9.56 percent increase compared to the 4.5 million visitors during the same period in 2023. This signals the continued recovery of the tourism sector amid rising global tensions. Moreover, inbound tourism expenditure nearly doubled in 2023, reaching PHP697.5 billion, up from PHP371.6 billion in 2022, following the reopening of the country to foreign tourist arrival. Significant increases in expenditure were observed in accommodation services, transport services, and entertainment and recreation services during the period.

Finally, for creatives sector indicators, the Philippines maintained its 60<sup>th</sup> place ranking in the Global Innovation Index (GII) for creative output.<sup>5</sup> Meanwhile, the total approved investments from both foreign and Filipino nationals in the arts, entertainment, and

recreation industries in the first three quarters of 2024 reached PHP486.8 million. The FY 2024 figure for this indicator is expected to fall below the recorded approved investments in 2023 at PHP850.1 million.

## Ways Forward

Despite the significant contribution of the services sector to total economic output, challenges persist hampering the sector's potential for sustained growth. One of these challenges is low overall labor productivity that partly reflects the high proportion of micro and small businesses in the sector, which have limited capacity to invest in productivity enhancing technologies or resources.

The increasing integration of digital technologies across a wide range of services activities is also creating challenges in terms of implementation/adoption cost and the limited supply of skilled labor. Cybersecurity concerns also need to be addressed as more services are digitized. Notably, the sector's vulnerabilities to data breaches and identity theft, especially for financial services and e-commerce platforms, need to be dealt with immediately.

The relatively low tourist arrivals compared to pre-pandemic levels have also affected many services activities such as transportation, food and beverage services, entertainment, and hotel and accommodation services.

In addition, the services sector's lack of linkages with the manufacturing sector, as well as the creative industry's weak value proposition due to gaps in technological development hinder the sector's growth potential.

Moving forward, the government will implement the following priority strategies to expand markets, improve productivity, foster creativity and innovation in the services sector, and strengthen inter-sectoral linkages. These initiatives will continue the collaboration between government, private sector, and academe to develop our services sector to be more competitive in the global market.

## Priority Strategies



**Ensure alignment of public service delivery to industry needs to lower business costs**

Government processes and procedures will be streamlined to reduce logistics costs by minimizing redundancies and promoting operational efficiency in ports and airports. Targeted programs, activities, and projects

aimed at eliminating bureaucratic delays will be implemented to foster a more cost-effective and competitive logistics sector. Moreover, regulations prohibiting LGUs from collecting pass-thru fees need to be strictly enforced as lapses in implementing these regulations contribute to elevated logistics costs and hinder efforts to reduce the cost of doing business in the country.<sup>6</sup>

5 WIPO. Global Innovation Index 2024: Unlocking the Promise of Social Entrepreneurship 17th edition. [https://www.wipo.int/web-publications/global-innovation-index-2024/assets/67729/2000%20Global%20Innovation%20Index%202024\\_WEB3lite.pdf](https://www.wipo.int/web-publications/global-innovation-index-2024/assets/67729/2000%20Global%20Innovation%20Index%202024_WEB3lite.pdf). Accessed on 5 December 2024

6 Pamintuan, A. (2024, July). Pass-through fees. Philippine Star. <https://www.philstar.com/opinion/2024/07/17/2370678/pass-through-fees>. Accessed on January 16, 2025.



### Expand and upgrade digital infrastructure to encourage digital connectivity

The *Konektadong Pinoy* Bill aims to expand digital infrastructure and improve internet services by encouraging more investments in broadband infrastructure.<sup>7</sup> The government will build on reforms in the bill to develop and institutionalize the country's medium- to long-term digital connectivity agenda.

The Department of Information and Communications Technology (DICT) and other relevant agencies will be encouraged to implement initiatives that complement the *Konektadong Pinoy* Bill, such as: (a) the National Fiber Backbone and Broadband ng Masa (Free Wi-Fi for All); expanding satellite connectivity; and (b) Public-private-partnerships on digital connectivity to leverage private sector expertise and capabilities. Moreover, the DICT will expedite the implementation of the National Broadband Program to upgrade broadband connectivity. Through this, we aim to: (a) bridge the digital divide; (b) stimulate private sector investments; (c) support the IT-BPM sector; and (d) strengthen cybersecurity to protect critical infrastructure (see *Subchapter 2.6*).



### Spearhead the upskilling of IT-BPM in high-value adding and differentiated services

Global economic uncertainties, including inward-looking policies of developed economies as well as the advent of Artificial Intelligence (AI), highlight the vulnerability of the IT-BPM industry. In particular, the rising integration of AI in developed economies allows the cost-effective reshoring of these economies' call centers.<sup>8</sup> On the other hand, this also increases the demand for personnel

equipped with higher-skilled talents.<sup>9</sup> Thus, the DTI and TESDA will continue to provide support towards the upskilling of IT-BPM workers to maintain the country's competitiveness.

To minimize the negative impact of AI while enhancing the industry's competitiveness with other markets, the IT-BPM workforce will be trained in new high value-adding and high-yielding fields such as AI, Data Analytics, and cloud solutions, among others, to ensure that the Philippines remains a key player in the global IT-BPM landscape.



### Ensure the timely completion of projects and programs that are critical to transforming the services sector

#### *Creatives sector*

#### **Complete the formation of the Philippine Creative Industries Development Council.**

The PCIDC is mandated to advance and promote the country's creative industries by fostering employment opportunities, enhancing skill development, providing financial assistance, and offering incentives.<sup>10</sup> To date, the Council has designated three private sector representatives to represent the domains of audiovisual media, design, and cultural sites, while the remaining six domains of the creative industries have received a total of 37 nominations.

**Implementation of the PCID Plan.** The PCIDC will formulate annual action plans for the effective implementation of the PCID Plan to align objectives and target goals in the development of the Philippine creative industries. Moving forward, the PCIDC will intensify its efforts in implementing, monitoring, and evaluating the strategies

7 Senate Bill No. 2146 or the Open Access in Data Transmission Bill. Retrieved from [https://legacy.senate.gov.ph/lis/bill\\_res.aspx?congress=19&q=SBN-2146](https://legacy.senate.gov.ph/lis/bill_res.aspx?congress=19&q=SBN-2146). Access on 05 December 2024.

8 Jacson, L. (2024). Philippines' BPO sector seen to shrink amid shift to AI. (Business World. 18 October 2024. <https://www.bworldonline.com/top-stories/2024/10/18/628913/philippines-bpo-sector-seen-to-shrink-amid-shift-to-ai/>). Accessed on 13 December 2024.

9 AI Technology and the Future of the BPO Industry in the Philippines (Select Voice. 2 September 2024. <https://selectvoicecom.com/content-articles/ai-technology-and-the-future-of-the-bpo-industry-in-the-philippines>). Accessed on 13 December 2024.

10 Philippine Creative Industries Development Council. <https://www.philippinecreativeindustries.com/government-agency/the-philippine-creative-industries-development-council-pcidc/>. Accessed on 16 January 2025.

outlined in the plan through the incubation-innovation-clustering approach composed of five pillars: (a) Build Creative Ecosystems; (b) Empower Creative Workforce; (c) Accelerate Inclusive Innovation; (d) Mobilize Financing Support; and (e) Seize Market Opportunities (BEAMS). These are also the five pillars of the PCID plan's BEAMS strategy framework.

**Refining the collection of data and classification of creative goods and services.** Estimation methodologies and the design of the 'Creative Factor Survey', creative employment questionnaires, and the Labor Force Survey will be updated and improved based on the insights gathered during clustered focus group discussions to enhance the collection of data on the country's creative economy. A proposed classification for creative economy activities will be presented to the PSA Board and reflected in the Philippine Standard Occupational Classification and the Philippine Standard Industrial Classification once approved.



Focused group discussion of creative economy stakeholders held at Baguio City, Benguet on December 2, 2024.

Source: DTI

**Rebasing of Satellite Accounts.** In 2026, the PCESA, along with the Philippine Digital Economy Satellite Account and the Philippine Ocean Economy Satellite Accounts, are set for overall revision following the planned revision and rebasing of the Philippine System of National Accounts. This is to enhance tools for analysis and policymaking, utilize more comprehensive data, and capture changes in the country's economic landscape, among others.

**Enhance the transformative power of design to align with international standards.** The National Design Policy (NDP) 2025-

2030 proposes adopting the Design Ladder assessment tool to measure and enhance the country's design maturity compared to international standards. The proposal also suggests utilizing an Extended Design Ladder to strive for higher levels of design maturity, which focuses on design as a medium for cultural and systemic change. The NDP 2025-2030 is being finalized, pending discussions with the Design Advisory Council and endorsement to the President.

**Launch the Philippine Skills Framework for Design.** The DCP plans to launch the Philippine Skills Framework for Design (PSF-Design) by the second half of 2025 to align with the country's 'Future Skills Agenda' and integrate design as a driver of innovation and economic growth. This initiative will equip the workforce with high-value design skills and establish clear pathways for skill mastery and lifelong learning. The PSF-Design is also envisioned to create better employment opportunities and improve industry competitiveness.

**Strengthen collaboration to promote Creative Cities.** The DTI will focus on leveraging networks such as the Philippine Creative Cities Network (PCCN) and Local Culture and Arts Councils to advance the Philippine creative industries through strengthened collaboration, capacity-building, and promotion of cultural heritage sites. To accelerate the development of the country's creative cities and boost the local creative economy, the PCIDC created a



The Integrated Performing Arts Guild, the country's most traveled repertory company based in Iligan City, performed during the Fiesta *Haraya: Northern Mindanao Day* on December 1, 2024 at SM Megamall, Mandaluyong City.

Source: DTI

Task Force to craft the guidelines for the PCCN implementation. The PCIDC will also ensure that the creative industries within cities across the country are eligible for accreditation as UNESCO Creative Cities.

**Produce local creative products that meet international market demands.** The DTI will spearhead the creation of a comprehensive development program aimed at establishing a distinct brand identity for local creative products, with the goal of capturing the interest of international markets and enhancing their global competitiveness. The program will leverage on the unique qualities of Filipino goods and services to increase their success and visibility in diverse global markets.

Moreover, the DICT through the Empowering, Promoting and Invigorating the Digital Creative Industry Program, will introduce programs to support the creative industries' adoption of digital tools for product development and branding to meet global market demands. This initiative will also be complemented by digital upskilling of creative technologies including AR, VR, and AI-driven technologies.

### *Tourism sector*

**Launch of the Creative Tourism Roadmap 2025-2028.** The DOT will spearhead the development of the Creative Tourism Roadmap, set for implementation from 2025 to 2028. The top priority sectors identified were advertising, film, animation, game development, and design. These sectors will be the focus of the roadmap's strategies and action plans.

**Expand the Philippine Experience Program to emerging travel locations in the country.** The DOT conducted the Philippine Experience Program (PEP) in ten regions to showcase rising and lesser-known destinations across the country, highlighting their cultural resources and assets. The launching of the PEP in Regions II, VII, VIII, and CAR is scheduled for 2025.<sup>11</sup>

### *Logistics sector*

**Ensure adherence to regulatory standards and promote transparency and responsible practices in ship management operations.**

MARINA seeks to capacitate its personnel through the conduct of preliminary exercises on the ISPS code, continuous capacity-building on marine safety investigation, training more ISPS auditors, and other related safety and security courses. Moreover, the IRR of Executive Order No. 107, s. 2020 will be formulated to include the delineation of MARINA, Philippine Coast Guard, and PPA on the implementation of ISPS Code and other relevant MCs.

**Continuous development of the seafarer's training framework.** MARINA targets to complete the Seafarer's Training framework by 2024. The development of safety guidelines for the on-board use of alternative fuels, matters related to quality of alternative fuels, lifecycle GHG emissions, and assessment of possible impact and risk of spills of alternative marine fuels will be pursued.

**Launch the Maritime Route Rationalization and Information System.** To optimize transport systems and minimize investment risks while enhancing the efficiency of the domestic shipping industry, MARINA is set to launch Maritime Route Rationalization and Information System in the first half of 2025. The system was created, in collaboration with the University of the Philippines (UP) and aims to develop and design modular software and related tools for an effective route capacity measurement system.

Currently, discussions between the MARINA and UP are focused on incorporating new features in the system, including the expansion of its usability to stakeholders. The team explored cost implications and potential funding sources, and identified the operational support needed to ensure alignment with the Maritime Industry Development Plan 2028.

11 The PEP was implemented in the following regions: Region I, IV-A, IV-B, V, VI, IX, X, XI, XII, and XIII.

### Section 2.3.4

## Promote Competition and Improve Regulatory Efficiency



The PCC held a press conference on the filing of a Statement of Objections against a group of onion traders and importers involved in cartel conduct on September 5, 2024. Executive Director Kenneth V. Tanate, Enforcement Office Director Christian Loren B. De Los Santos, and Assistant Dir. Genevive E. Jusi served as panelists during the event.

Source: PCC

## Introduction

The Philippines made substantial strides in revitalizing market competition, strengthening regulatory frameworks, and cultivating a business-friendly environment. This was facilitated by a whole-of-government approach and bolstered by the transformation agenda.

Efforts to build the capacity of the public sector through online and offline platforms to strengthen market competition exceeded our targets. Moreover, the Philippine Competition Commission (PCC) continues to process cases in a timely manner.

Currently, national government agencies (NGAs) and local law enforcement agencies collaborate to detect, investigate, and charge anti-competitive practices. Notably,

the PCC has upgraded digital forensic tools and trained personnel in their use to further increase investigation effectiveness.

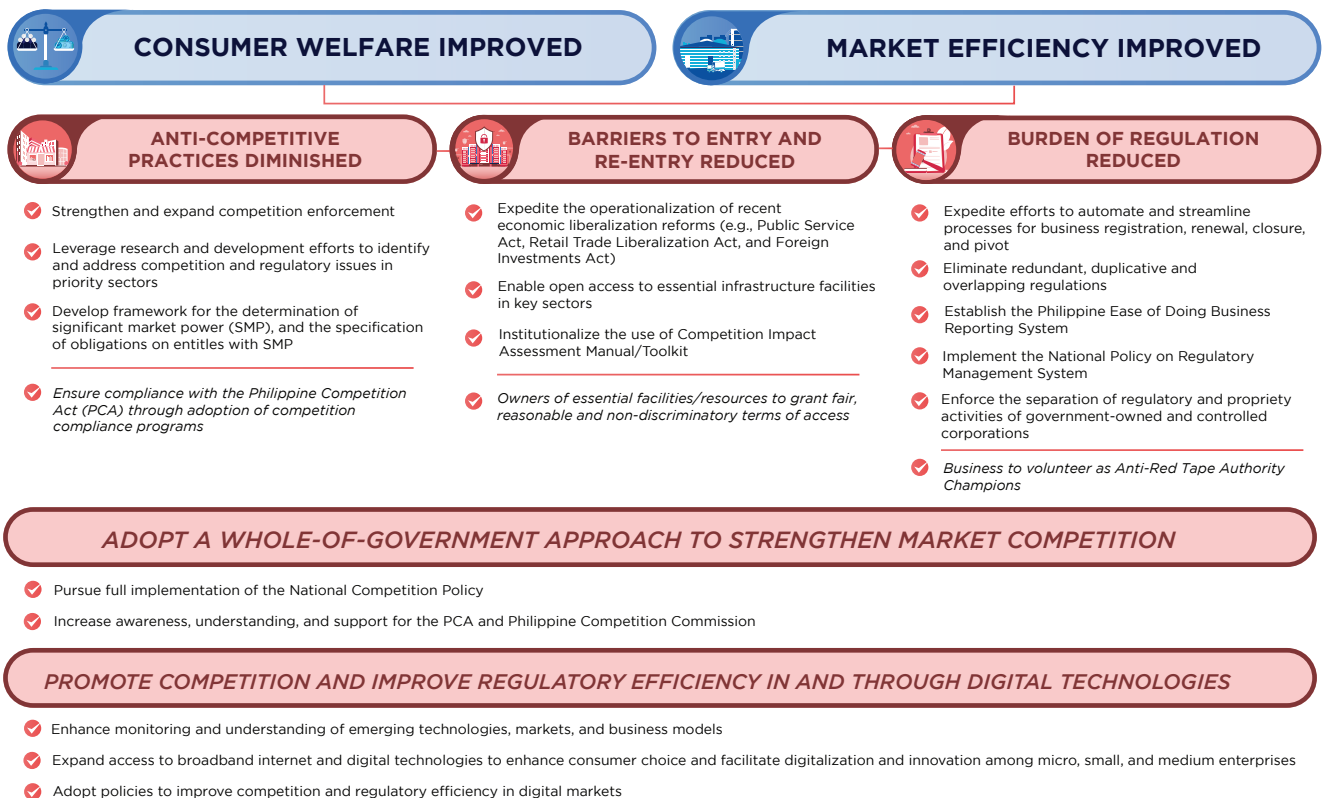
To leverage the strengths of the private sector, the government has sustained initiatives to reduce regulatory burdens and improve ease of doing business. Also, measures to reduce barriers to entry were put in place, including the gradual relaxation of restrictions on foreign investments in public services, renewable energy, and export enterprises. Key reforms, such as the enactment of the New Government Procurement Act (NGPA) and the issuance of NEA Memorandum Circular No. 2024-18 also streamlined procurement processes and fortified regulatory efficiency.<sup>1</sup>

<sup>1</sup> Republic Act No. 12009: New Government Procurement Act

# Strategy Framework

The strategy framework encompasses a cross-cutting strategy geared towards adopting a whole-of-government approach to strengthen and promote market competition and improve regulatory efficiency and through digital technologies. Specifically, the strategies aim to: (a) diminish

anti-competitive practices; (b) reduce barriers to entry; and (c) reduce burden of regulation. These strategies are designed to level the playing field, improve the business environment, and support sustainable and inclusive economic growth.



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## Accomplishments for 2024



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

### Capacity building in Competition and Regulatory Efficiency is expanded and digitalized.

With support from the Asian Development Bank's loan facility, the PCC conducted several initiatives under the Capacity Building to Foster Competition Project. Notably, the PCC conducted a workshop on Mainstreaming Competition Impact Assessment (CIA) for Pro-competitive Government Policies, for 17 government units in the sectors of water, health, pharmaceutical, trade and industry, and food and agriculture.



The DAP conducted its 22<sup>nd</sup> Advanced Courses on Regulatory Impact Assessment under the Modernizing Government Regulations Program at the DAP Conference Center in Tagaytay City and with some participants attending via Zoom from August 22 to 26, 2024.

Source: DAP

Moreover, the PCC has an ongoing online course focused on the National Competition Policy (NCP) integrated into its Online Learning Hub on Competition

Law and Policy (iCLP). This online course has successfully produced 420 graduates, including 83 participants from 51 NGAs and local government units (LGUs).

The Development Academy of the Philippines (DAP) also conducted basic and advanced Regulatory Impact Assessment (RIA) trainings under the Modernizing Government Regulations (MGR) Program. As of November 2024, DAP trained 12 LGUs on conducting RIA, 19 NGAs on Stakeholder Consultations, and three NGAs on Regulatory Compliance Cost Assessment. These trainings also produced RIAs on identified regulatory reforms, developing consultation strategies for identified regulations, and estimating the costs of regulation and identifying process streamlining opportunities, respectively.

Competition law was recently included in the Mandatory Continuing Legal Education (MCLE), beginning November 2024, with the PCC accredited as an MCLE provider.

The Anti-Red Tape Authority (ARTA) also launched the Regulatory Learning Management System (RLMS) in August 2024, branded as Policy Reform, Innovation, and Streamlining Management (PRISM). PRISM provides a unified e-learning platform for training on regulatory reforms. Currently, the platform features courses such as the Executive Briefing on the National Policy on Regulatory Management System (NPRMS) and RIA, and the introductory course on RIA.



ARTA Secretary Ernesto V. Perez, along with United Kingdom Embassy Deputy Head of Mission, Mr. Alistair White, and Australia Embassy Counselor, Mr. Simon Reid, led the Ceremonial Launch of the PRISM System. The launch was held on August 27, 2024 at the Philippine International Convention Center, Pasay City.

Source: Anti-Red Tape Authority

### Advocacy for Competition Awareness is enhanced.

To raise awareness and support for the Philippine Competition Act (PCA) and related issuances, the PCC-led advocacy initiatives through the Champion of Competition (COC) programs. These COC programs also include the Competition Advocacy Pledge (CAP) and the Competition Local Advocacy Network (CLAN).



The PCC conducted 18 Regional PCA/NCP Orientations under the Competition Local Advocacy Network Project during the 3<sup>rd</sup> and 4<sup>th</sup> Quarters of 2024.

Source: PCC

Through the CAP Project, the PCC organized two roundtable discussions, two Fair Business Forum (FBF) sessions, and two compliance seminars for trade associations and business chambers. The Department of Justice - Office for Competition (DOJ-OFC) conducted 11 seminars and workshops, training 554 government and private sector stakeholders under the same project.



On July 10, 2024, the PCC conducted its first Fair Business Forum to promote the development of competition law compliance programs among businesses in the country.

Source: PCC

Meanwhile, under the CLAN Project, the PCC held 18 regional orientations on the PCA and NCP across 10 areas, reaching 1,343 participants from partner state universities and colleges — a significant rise from the pre-pandemic average of 486 stakeholders reached annually through three regional roadshows.

Finally, the PCC held multisectoral fora, which were attended by 157 representatives from regional line agencies and LGUs.



Competition promoted and regulatory efficiency improved in and through digital technologies

### Rules and regulations implementing the Internet Transactions Act of 2023 were signed.

In May 2024, the Department of Trade and Industry (DTI) spearheaded the signing of the Implementing Rules and Regulations (IRR) for the Internet Transactions Act (ITA) of 2023.<sup>2</sup> This will foster market competition by regulating e-commerce platforms, ensuring that both large and small players comply with standards set by the law. It also facilitates the streamlining of registration and licensing for digital enterprises to further encourage business entry and increase competition.

### Regulatory processes are digitized and automated.

As of October 2024, 112 out of 1,637 LGUs are fully compliant with the electronic Business One-Stop Shop (eBOSS) program. The eBOSS program aims to streamline the process of obtaining local business licenses and permits in a single digital portal. Moreover, ARTA through its *Paspas Pilipinas Paspas Project* entered into a Memorandum of Agreement (MOA) with PLDT Inc. and Smart Communications, Inc. to provide digital technologies such as computer units and assist in the digital upskilling of LGUs, aiding them in establishing and operating their own eBOSS.



Anti-competitive practices diminished

**Enforcement of the PCA and other competition-related laws and issuances are amplified.**

The PCC sustained its strong partnership with the National Bureau of Investigation (NBI) and the Philippine National Police (PNP) to ensure harmonized efforts in detecting and addressing anti-competitive behavior. Notably, the PCC investigated cases that were filed in July 2024 regarding possible anti-competitive agreements in the supply of imported onions. Also, the PCC has been notified of 23 transactions for mandatory merger review and has handled at least 10 merger and enforcement cases through its four investigation stations (iStations). Further, the PCC advanced the Bid Rigging Screening Tool (BiRST) implementation, with at least three formal investigations, detected to be potential bid rigging activities.

**Capacity building on competition law enforcement is prioritized.**

As the prosecutor of all criminal offenses arising from the PCA and other competition-related laws, the DOJ-OFC led a workshop on evidence gathering, case analysis, and prosecutorial preparation among 29 participants. Participants included personnel and representatives from the DOJ-OFC, PCC, DOJ-National Prosecution Service, NBI, and PNP.

**R&D and market studies provided actionable recommendations to foster competition.**

The DOJ-OFC completed a study on the National Capital Region's onion supply chain, examining patterns and dynamics, building on the 2023 investigations on the profiteering and hoarding of onions in 2022. Meanwhile, the PCC completed the market study entitled Digital Platforms and Online Advertising: A Guide for Competition Policy. The market study covers emerging competition concerns and supports potential regulatory reforms in the Philippine digital economy.



Barriers to entry and re-entry reduced

**Rules and regulations of relevant agencies were amended to conform to the Amended Public Service Act or RA 11659.**

Five of the 17 government offices listed under Section 3 of the Amended Public Service Act published their respective implementation guidelines. These agencies include the Marine Industry Authority, Philippine Ports Authority, Civil Aeronautics Board, National Telecommunications Commission, and Toll Regulatory Board.



Burden of regulation reduced

**Regulatory Management System is promoted at the national and subnational levels.**

ARTA sustained the implementation of the NPRMS. Related to this, compliance with the Annual Regulatory Plan (ARP) reached 53 percent for NGAs, 37 percent for government-owned or -controlled corporations (GOCCs), and 82 percent for hospitals, with an overall rate of 54 percent. Moreover, the MGR Program of DAP facilitated the conduct of regulatory reviews in priority sectors, allowing the identification of policy proposals and facilitating the development of actionable recommendations for regulatory reform.

**Measures to improve ease of doing business are in place.**

The National Effort for the Harmonization of Efficient Measures of Inter-related Agencies (NEHEMIA) Program facilitated the launch of the NEHEMIA Agriculture Initiative to streamline processes for critical production inputs, machineries, and support fund access thus reducing production and post-production costs.

Part of the accomplishments of the program is the signing of the Memorandum of Understanding (MOU) by ARTA, the Department of Environment and Natural Resources (DENR), and National Commission

on Indigenous Peoples to improve permitting processes in the mining sector.

In June 2024, the government ratified the ARTA-New Zealand Trade and Enterprise Agreement, promoting e-government solutions, GovTech accelerators, and training for Philippine officials in service design and regulatory reforms.

## 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, were used to assess the performance of the country in terms of promoting competition and improving

regulatory efficiency. As of November 2024, only the GII has been published. However, it no longer included the sub-indicator on New Business Density.

According to available data, the government made modest progress in terms of aggregate output indicators. The PCC met all of its targets for the efficient processing of competition cases and complaints. In the absence of criminal complaints referred by the PCC, DOJ-OFC did not have to conduct any preliminary investigation.

For capacity-building on competition law and policy, both the PCC and the DOJ-OFC exceeded their respective targets. ARTA also exceeded its target for the number of agencies trained on RIA. Meanwhile, DAP met its target for the number of regulatory reviews conducted.

## Ways Forward

Looking ahead, we are determined to accelerate transformation by further harmonizing efforts to enforce competition laws and expanding innovative capacity-building initiatives. This will foster a thriving business environment, ensuring improved consumer welfare and greater market efficiency.

To create a level playing field and enhance the business climate, we will sustain efforts to implement the NCP, expand stakeholder engagement and awareness, and further simplify processes, encourage innovation, and streamline regulations across industries.

In the Business Ready (B-Ready) report dated October 3, 2024, the Philippines ranked 16th out of 50 in Regulatory Framework but 24<sup>th</sup> in Public Services and 36<sup>th</sup> in Operational Efficiency. This performance highlights the country's strong regulatory frameworks while underscoring the need to improve the delivery of public services and operational efficiency. Hence, we will prioritize digital transformation and strengthen the conduct of RIA to ensure cohesive reforms that enhance operational efficiency.

Despite implementing various initiatives, our ability to quantify our performance was hindered by the lack of updated data from global indices, which serve as outcome-level indicators for the chapter. With this, in the mid-term update of the PDP, we will explore leveraging the B-Ready Report results, alongside the Cities and Municipalities Competitiveness Index (CMCI), to develop locally generated outcome-level indicators and quantify our accomplishments.

## Priority Strategies



**Adopt a whole-of-government approach to strengthen market competition**

Expand advocacy on the NCP among the government and the private sector. The PCC will expand the coverage of the COC-CLAN Team's and include more regional offices and LGUs. To further engage the private sector in fostering competition, the PCC will organize additional FBFs, dialogues, multisectoral fora, and pioneer pledges among non-government stakeholders, including the 83 trade associations and business chambers. It will also implement case-related Competition Orientation Outreach Program (COOP) activities.

In addition to the iCLP, the PCC will sustain the implementation of COOP through online platforms, focusing on orientations for companies fulfilling commitments under non-adversarial remedies. The PCC will also facilitate reaccreditations and sustain the implementation of the MCLE. Meanwhile, the DOJ-OFC will continue to engaging with trade associations within PCC's priority sectors to ensure that industry-specific risks to competition are addressed.



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

**Ensure broad implementation of the rules and regulations implementing the ITA.** The DTI E-Commerce Bureau will spearhead the implementation of the ITA's IRR. Particularly, the E-Commerce Bureau will ensure continuous interagency collaboration to address key issues in e-commerce such as digital payments, agricultural and health products, data privacy, complaints and dispute resolutions, intellectual property, among others.

**Enhance the Philippine Business Hub.** To address issues on integrating NGA processes for business registration in the Philippine Business Hub (PBH) system, ARTA will extend technical assistance to the Department of Information and Communications Technology. This collaboration will further enhance the PBH system and streamline its functionalities to ensure seamless and efficient business registration. In this regard, the PBH will be relaunched as "e-business" in March 2025.



**To diminish anti-competitive practices**

**Strengthen institutional capacity of the government to enforce the PCA and other competition laws.** The PCC will further develop its digital forensics capabilities through upgrading technologies and enhancing capacities by expanding partnerships with local law enforcement agencies and conducting re-trainings and certifications on utilizing digital technologies.

Moreover, efforts to boost the visibility of the PCC across the country will be necessary. The PCC will convert the existing iStations into Regional Offices once the amendment of the PCA is enacted.

**Further integrate competition in public procurement.** The Department of Budget and Management and the Government Procurement Policy Board - Technical Support Office (GPPB-TSO) will issue the IRR to fully implement the NGPA. The GPPB-TSO will be provided with positions, and will develop competency framework, code of ethics, certification framework, and disqualification standards tailored to procurement units, in coordination with the Civil Service Commission, ensuring alignment with the NGPA and providing a clear career path for procurement practitioners.



On July 20, 2024, President Ferdinand R. Marcos, Jr. enacted RA 12009 or the NGPA, which aims to modernize and augment public procurement processes in the Philippines.

Source: PCO

To broaden adoption, the PCC and the GPPB-TSO will continue negotiations for a MOA to ensure that the BiRST is aligned with the provisions under the NGPA. The PCC will likewise collaborate with the Quezon City local government for the roll-out of the BiRST.



To reduce barriers to entry and re-entry

**Issue the 13th Regular Foreign Investment Negative List (RFNIL).** NEDA will issue the 13th RFNIL in 2025. The RFNIL is a compilation of laws and regulations that have been recently enacted and/or currently in effect, governing foreign equity investments.



To reduce burden of regulation

**Sustain efforts to improve quality of regulations.** DAP has finalized and submitted the Regulatory Quality Management System (RQMS) to the Bureau of Philippine Standards for conversion into a Philippine National Standard. The RQMS aims to establish a systematic approach to regulatory management and continuous improvement.

Meanwhile, ARTA will enhance PRISM by introducing new courses on policy reform, innovation and governance, the Annual Regulatory Plan, and the Anti-Red Tape Electronic Management Information System.

**Implement the B-Ready Project.** ARTA will spearhead the activities under the B-Ready Project starting in the first quarter of 2025, including the drafting of a Reform Guidebook aligned with the World Bank Group's B-Ready Report Results for 2024. ARTA will finalize the Reform Guidebook in May 2025.

The background of the entire page is a solid mustard yellow color. It features a repeating pattern of stylized, white-outlined arrows. Some arrows point upwards, while others point downwards, creating a sense of movement and connectivity. The arrows are arranged in a grid-like fashion, with some appearing larger and more prominent than others.

Subchapter 2.4

# **Enhancing Transportation Connectivity**



President Ferdinand R. Marcos, Jr. witnessed the signing of the Ninoy Aquino International Airport PPP project concession agreement (CA), which was signed by DOTr Secretary Jaime Bautista, Manila International Airport Authority General Manager Eric Ines, and San Miguel Corporation President and CEO Ramon Ang, at Kalayaan Hall, Malacañang, on March 18, 2024, marking the beginning of the modernization of the country's main gateway.

Source: PCO

## Introduction

Notable achievements in enhancing physical connectivity have been realized like the completion of transport projects in various modes, including the Pangulil Bay Bridge Project (PBBP), LRT Line 1 South Extension Project Phase 1, Batangas Port Passenger Terminal Building Expansion, and the Manila-Cavite Expressway (CAVITEX) to C5 Link Sucat Interchange, Segment 2. Furthermore,

strategic investments and policy reforms were continued to address long-standing challenges in the transportation sector, such as fragmented development across sub-sectors, delays in project implementation, and the need for climate-resilient transport infrastructure.

## Strategy Framework

Integrating transportation networks through local and international linkages and ensuring universal accessibility remain the primary objectives of the transport sector development. Seamless and inclusive

connectivity promotes a cohesive and efficient socioeconomic system that prioritizes the movement of people and goods, economic growth, and social inclusion.



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



### 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

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## Accomplishments for 2024



Universal mobility and  
connectivity needs  
addressed

**The Department of Public Works and Highways reported the completion of a total of 11,495 km of road projects as of July 2024.** These encompass construction, maintenance, widening, and/or upgrading. Moreover, the Department of Public Works and Highways (DPWH) is currently undertaking a total of 15,769 km of road projects. Notably, the CAVITEX to C5 Link Sucat Interchange Segment 2 Project was officially inaugurated and opened for public use on June 21, 2024 (toll-free for a limited time), improving connectivity between two highly urbanized areas of Cavite and Taguig City. The project is expected to reduce travel time from one hour (via existing roads) to just five minutes from CAVITEX R1 to Sucat, Parañaque.

The completion of the Panguil Bay Bridge, the longest sea-crossing bridge in Mindanao at 3.17-km, will significantly reduce land travel time between the provinces of Misamis Occidental and Lanao del Norte. Additionally, the ongoing implementation of six other bridge projects will improve connectivity between key islands, fostering economic integration and regional development.<sup>1</sup>

**LRT L1SE Project Phase 1 started operations on November 16, 2024.** This 6.35-km extension of LRT Line 1 adds five new stations beyond Baclaran Station, serving an additional 80,000 daily passengers.<sup>2</sup> Once the entire L1SE Project is completed, it is estimated to accommodate an additional 300,000 daily ridership (from the current capacity of 500,000 daily ridership) and reduce travel time from Baclaran, Parañaque to Bacoar, Cavite from one hour and 10 minutes to 25 minutes. Also, the total ridership demand for LRT Line 2 increased from 49.43 million in 2023 to 53.29 million in 2024 (an increase of 3.86 million or 7.81%).

<sup>1</sup> Ongoing construction works of the 2.71-km Panglao – Tagbilaran City Offshore Bridge Connector (PTCOBC) Project, 1.2-km Guicam Bridge, and the 3.98-km Samal Island – Davao City Connector Bridge, and ongoing pre-construction works such as the 32-km Bataan – Cavite Interlink Bridge (BCIB), 3.34-km Cebu-Mactan Bridge (4th Bridge), and the 32.47-km Panay – Guimaras – Negros (PGN) Island Bridges Project.

<sup>2</sup> The five Parañaque stations are Redemptorist-Aseana, MIA Road, PITX (Paranaque Integrated Terminal Exchange), Ninoy Aquino Avenue, and Dr. Santos.



President Ferdinand R. Marcos, Jr. and DOTr Secretary Jaime Bautista led the inauguration of the five new stations of the LRT L1SE Project at the LRT-1 Dr. Santos Station (formerly Sucat Station) in Paranaque City, on November 15, 2024.

Source: DOTr

**Ongoing implementation of other road-based mass transportation systems.** This includes the Public Transport Modernization Program (PTMP), which aims to establish an organized, efficient, and responsive public transport system that provides sufficient, comfortable, accessible, safe, sustainable, and affordable mobility for all. Additionally, the EDSA Busway Project features the use of a dedicated median lane for buses, with stations built at the median islands along EDSA. This design ensures more efficient travel by avoiding conflicts with connecting streets, driveways, commercial centers, and curbside drop-off points.



The MMDA and DOTr inaugurated the newly-constructed EDSA-Philam and Kamuning Stations in Quezon City for the EDSA Busway on July 15, 2024. Enhancements were also made to existing stations, and a Smart Traffic Surveillance System was installed to ensure passenger safety and security.

Source: MMDA

**The Philippine Ports Authority opened the expanded Batangas Port Passenger Terminal Building.** This is the largest and most modern inter-island terminal to date, which can accommodate 8,000 passengers daily, up from the previous 2,500 passengers. This expansion increases the annual capacity of the terminal from 4 million to 12.8 million passengers.



President Ferdinand R. Marcos, Jr., together with the DOTr, PPA, and Asian Terminals Incorporated, inaugurated the upgraded and modernized Passenger Terminal Building of the Port of Batangas in Batangas City on April 26, 2024, which marks another significant milestone for the country's maritime sector.

Source: DOTr

The Philippine Ports Authority (PPA) completed 15 more seaport projects at the end of 2024, scaling up regional capacity to accommodate additional cargo and passengers in ports. These projects added seven ramps for Roll-on Roll-off vessels and 4,007 additional passenger seats. For logistics, the upgrades introduced and increased backup area of 86,257.71 sqm and extended berths of 1,168.13 meters.

**Renewed support for the implementation of the Updated Maritime Industry Development Plan (MIDP) 2028** through the signing of Executive Order No. 55 on February 8, 2024, formalizing its adoption. As the country's whole-of-nation roadmap for the integrated development of the maritime industry, the MIDP institutionalizes the coordination mechanism for its implementation, monitoring, and review.

**Tapped the private sector's expertise in the operation and maintenance of airports,** notably including the country's main gateway, the Ninoy Aquino International Airport (NAIA).<sup>3</sup> This change is expected to increase passenger capacity from 35 million to 62 million passengers annually, increase air traffic movement from a maximum of 42 flights per hour to 48 flights per hour, and generate an additional 58,000 jobs due to increased tourism activities and spending by 2027. According to the Official Airline Guide Megahubs Index, NAIA ranked 14<sup>th</sup> out of 50 international airport hubs in terms of international connectivity in 2024, an improvement from its 15<sup>th</sup>-place ranking in 2023.

**The DOTr continues to prioritize the expansion of walkways and bike lanes through its Active Transportation Program.** As of September 2024, the program has established 887.09 kilometers of bike lanes.<sup>4</sup> The DOTr also issued Department Order No. 2024-013, which sets guidelines and protocols for the proper use of active transport infrastructure.<sup>5</sup> This likewise addresses the growing demand for non-motorized and light electric vehicles and includes the integration of pedestrian walkways, cycle lanes, end-of-trip facilities, and improvement of road safety for active transport users.



The DOTr and the Local Government of Bacoor, Cavite led the groundbreaking ceremony for additional active transportation infrastructure on September 25, 2024, which is part of the ongoing expansion of walkways and bike lanes under the Active Transportation Program.

Source: DOTr

## Results Matrix

The MRT-3 experienced an increase in passenger volume, reaching 124.78 million as of 3rd quarter of 2024, nearly at par with the 2023 year-end actual ridership totaling 129.03 million. However, due to various factors such as operational disruptions, LRT Line 2 was unable to meet its annual target ridership in 2023. While in 2024, LRT Line 2 ridership exceeded the target by 2.59 million passengers.

Domestic and international air passenger transport have already met and even surpassed the annual targets for 2024. Similarly, domestic and international passenger sea transport are on track to meet their annual target for 2024.

While the road traffic accident rate increased from 1.78 crash rates in 2023 to 2.21 in 2024, the road safety sector still managed to meet its 2024 target of equal to or less than 3.40.<sup>6</sup>

<sup>3</sup> New NAIA Infra Corporation (NNIC) took over the operations and maintenance of the NAIA on September 14, 2024.

<sup>4</sup> Active Transport Program. Source: <https://dotr.gov.ph/active-transport-program/>

<sup>5</sup> Guidelines on the use of active transport infrastructure, non-motorized vehicles (NMVs) and light electric vehicles (LEVs) issued on September 23, 2024

<sup>6</sup> Number of incidents of crashes per 100,000 population to total number of incidents of accidents.

# Ways Forward

## Priority Strategies



**Move people and goods through modernized and expanded transport infrastructure with active participation of the private sector**

Ensuring the development and implementation of the Philippine Transportation System Master Plan (PTSMP) will address the absence of a unified reference document for the development of various transport sub-sectors—including roads and bridges, railways, civil aviation, maritime, urban transport, and active transport. This plan will harmonize sub-sectoral transport development by providing a connectivity and mobility roadmap at the national backbone level. Initial steps towards the formulation of the PTSMP were taken with the approval of the Facility for Accelerating Studies for Infrastructure by the NEDA Board on May 15, 2024. The NEDA Committee on Infrastructure further affirmed the urgency of formulating the PTSMP by approving its inclusion in the list of priority infrastructure master plans during its meeting on June 5, 2024. The procurement activities for the PTSMP commenced in 2024 and are on track to begin formulation in 2025.

The PTSMP also aims to address the long-standing challenge of fragmented data collection, processing, and monitoring, which hinders the accurate reporting of progress and achievements in the transportation sector. One of its outputs, a central repository for transport data, will aid in establishing the status of the sector at the macro level. This initiative intends to spur digital transformation in the sector through a Monitoring and Statistical Framework that allows for a standardized processing of data collection, monitoring, and analysis.

As espoused in the National Transport Policy (NTP) and its Implementing Rules and Regulation (IRR), mass transportation systems, such as railways and bus rapid transit systems will continue to be prioritized to focus on moving more people rather than vehicles. The continuous implementation and expansion of railways will be pursued to connect regions from north to south and from east to west, as well as to develop inter-city railways in metropolitan areas.<sup>7</sup>



International delegates and participants of the High-Level 16<sup>th</sup> Regional Environmentally Sustainable Transport (EST) Forum in Asia took a technical tour of the Camp Aguinaldo Subway Station on December 12, 2024, to learn about the latest status of the Metro Manila Subway Project (MMSP).

Source: DOTr

7 Including the LRT L1SE Project Phase 2, MRT 7, Metro Manila Subway Project (MMSP), and North-South Commuter Railway (NSCR)

In addition to passenger railways, the development of railways for cargo and freight will also be prioritized. This will focus on enhancing connectivity among key economic zones and industrial parks to streamline the transport of goods. The connection of dry ports with other inland cargo terminals through freight rail will also be developed. To this end, the Subic-Clark-Manila-Batangas Rail is being conceptualized under the Luzon Economic Corridor initiative.

New transport hubs will be established, while existing ones will be upgraded and modernized. A priority project in this regard is the construction of the Taguig City Integrated Terminal Exchange. Intermodality will be integrated into the development and expansion of railways for both passenger and cargo transport to ensure the seamless transfer of people and goods across various modes of transport.

Transit-Oriented Developments (TODs) will be promoted in various areas to help in addressing urban congestion by reducing reliance on private vehicles through the integration of land use and transportation planning. The BCDA conducted TOD studies for New Clark City TOD, which includes the Clark International Airport Hub covering 1.6 hectares (ha), NCC Central Transport Hub covering 25 ha, and NCC North Transport Hub covering 6 ha, with a total coverage of 25 ha of mixed-use development. The BCDA also conducted a study for the Bonifacio Global City Metro Manila Subway Project Station TOD covering 1800 ha and implemented the Project for Capacity Enhancement for TOD in collaboration with other concerned national governed agencies and local government units. The results of these studies will serve as inputs for the ongoing development of the TOD Guidelines, which will provide recommendations on institutional mechanisms for planning and implementing TODs at the subnational and local levels.

The modernization and expansion of key transport hubs, particularly airports and seaports, will leverage private sector expertise and resources to address financing gaps through public-private partnerships (PPP) to accommodate increasing trade and passenger volumes. Strategic investments will focus on enhancing international and regional connections to promote economic integration and support tourism growth. These efforts aim to reduce bottlenecks, improve reliability, and foster resilience in the transport network, which is critical for sustaining the country's economic growth.

The DOTr and Civil Aviation Authority of the Philippines have tapped private sector expertise for the connectivity and digital transformation of the aviation sector. In 2024, the continued development and expansion of three international airport projects were awarded to the private sector, with construction set to commence in 2025. Modernization efforts at airports, such as the Bohol-Panglao International Airport and Laguindingan International Airport, aimed in improving service levels of passengers by ensuring availability of airconditioning and cleanliness of restrooms, among others, and expanding the Passenger Terminal Buildings to accommodate an additional 1.3 million and 2.5 million passengers annually, respectively, are underway.<sup>8</sup> Furthermore, at least eight airport projects are in the pipeline for government approval under the PPP scheme.<sup>9</sup> The procurement of new and back-up Air Traffic Services (ATS) and Communication, Navigation and Surveillance/ Air Traffic Management (CNS/ATM) systems for the aviation sector is also underway to complement the ongoing upgrading and digitalization efforts.

The PPA, through its Port Terminal Management Regulatory Framework, continues to engage the private sector in managing its port terminals as part of

<sup>8</sup> Bohol-Panglao International Airport: The project was approved by the NEDA Board on July 15, 2024. The Notice of Award for the Upgrade, Expansion, Operations and Maintenance of the Bohol-Panglao International Airport Project was issued to the winning proponent on November 18, 2024.

Laguindingan International Airport: The project was approved by the NEDA Board on July 15, 2024. The Notice of Award for the upgrade, Expansion, Operations and Maintenance of the Laguindingan Project was issued to the winning proponent on September 23, 2024.

<sup>9</sup> New Busuanga Airport, Puerto Princesa International Airport, Iloilo International Airport, Kalibo International Airport, Bacolod International Airport, Sayak Siargao Airport, Surigao Airport, and Laoag International Airport

its efforts to streamline operational and regulatory functions. The Philippine Coast Guard (PCG) is also streamlining its major acquisition program through the PCG Modernization Plan (PCGMP), which outlines the necessary material capabilities, facilities, logistics, personnel, and training programs. In addition, the restructuring of the New Cebu International Container Port, a 25-hectare port facility capable of accommodating 2, 2,000-TEU vessels and increasing the annual cargo handling capacity to approximately 450,000 TEUs, was approved by the NEDA Board on June 25, 2024. The project was awarded to the winning bidder on November 11, 2024, with implementation is expected to commence in 2025.

In 2024, five flagship projects under the road sector, with a total length of 136.25 km have been restructured in terms of scope and design to better serve the target beneficiaries.<sup>10</sup> The NEDA Board also approved two new road sector flagship projects, i.e., the Mindanao Transportation Connectivity Infrastructure Project, spanning 438-km to enhance connectivity along the Cagayan de Oro– Davao – General Santos Corridor, and the Accelerated Bridge Construction Project for Greater Economic Mobility and Calamity Response, with an aggregated length of 4,494.72 km, aiming to provide efficient restoration of connectivity and enhance climate-risk resiliency in identified corridors in the country.

Connecting major islands through flagship bridge projects aims to address the geographical fragmentation of the Philippine archipelago. These inter-island bridge projects seek to enhance mobility, reduce travel times, and spur regional economic development. Climate resilience features will be integrated into these inter-island bridges to ensure structural durability against extreme weather events, providing reliable connectivity even during adverse weather conditions.

DOTr, DTI, DA, DPWH, and DILG were directed to formulate a Three-year Agro-Logistics Plan to enhance the food logistics chain, the cold chain industry, ports infrastructure, and farm-to-market roads. The development will be carried out in consultation with the private sector, as part of a collective effort to establish the Philippines as the ASEAN Logistics Hub.



### Address universal mobility and connectivity needs

The development of safe and accessible active transport infrastructure, such as protected bike lanes, pedestrian pathways, and end-of-trip facilities, will be prioritized. Ensuring connectivity between active transport modes and public transportation systems will encourage more sustainable commuting options. Promoting the use of active transportation aims to reduce urban traffic congestion and emissions while improving public health. To this effect, institutionalizing active transport has been prioritized in the Congress.<sup>11</sup> The DOTr's Active Transport Program will continue in major urban areas and aims to expand to other provinces and municipalities nationwide.

Transport infrastructure, such as passenger terminals, transport stations/stops, and pedestrian pathways, will be upgraded using universal design principles and existing laws and conventions related to the right to accessible mobility, ensuring accommodations for mobility-disadvantaged groups. Traffic management systems will be modernized to enhance safety, reduce traffic crashes, and promote efficient transport flows. Additionally, roadside active transport facilities, such as bike lanes and pedestrian pathways, will be designed and constructed to ensure safe passage even during nighttime.

10 The Improving Growth Corridors in Mindanao Road Sector Project (IGCMRSP), the Reconstruction and Development Plan for a Greater Marawi – Stage 2, the Metro Manila Priority Bridges Seismic Improvement Project (MMPBSIP), the Panglao – Tagbilaran City Offshore Bridge Connector (PTCOBC), and the Laguna Lakeshore Road Network (LLRN), Phase 1.

11 A draft substitute bill, entitled “The Philippine Bicycle Act”, has been filed in the 19<sup>th</sup> Congress.

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Subchapter 2.5

# **Ensuring a Sustainable Energy Future**



President Ferdinand R. Marcos, Jr., together with DOE Secretary Raphael P.M. Lotilla and National Grid Corporation of the Philippines (NGCP) President Anthony L. Almeda, led the ceremonial switch-on of the Mindanao-Visayas Interconnection Project at the Malacañang Palace on January 26, 2024.

Source: PCO

## Introduction

In 2024, we awarded new service contracts to industry partners for the establishment of new energy facilities. These efforts were supported by initiatives to foster competition; align investments for the generation, transmission, and distribution of electricity; and ensure the availability of essential supporting infrastructure. Additionally, we continued implementing transformative reforms enacted in the past years.

The modernization of the country's transmission infrastructure continued to ensure the seamless integration of

renewable energy (RE) capacities. Fossil fuels are expected to remain part of the energy mix., with natural gas serving as a key transition fuel through 2050. This will ensure energy security and help mitigate rising energy costs for consumers. Additionally, natural gas can serve as a mid-merit capacity, complementing the intermittency of variable renewable energy (VRE) sources such as solar and wind, thereby enhancing grid stability and reliability.

## Strategy Framework

The major strategies towards the provision of affordable, accessible, reliable, and clean energy include: (a) game-changing reforms that will bring down the cost of electricity; (b) coordination of investments in generation, transmission, and distribution to enhance the delivery of energy; and (c) enactment of policies that will enable the market to deliver

an optimal fuel mix. Further, the government will endeavor to enhance demand-side management and invest in energy innovation to respond to increasing demand and new markets for clean technology goods and services.



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



### PLANNING, PROGRAMMING, AND ASSET MANAGEMENT IN INFRASTRUCTURE ENHANCED

- ✓ Implement integrated master-planning development and convergence 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

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### Coordinated investments in generation, transmission, and distribution

As of November 27, 2024, the Energy Virtual One-Stop Shop (EVOSS) System has registered 2,793 projects and 1,783 proponents, with 7,523 applications currently being processed. Among these, 709 RE contract applications have been approved. Alongside the full operation of the MVIP, three additional transmission line projects have been completed and energized. These include:

- Cebu-Negros-Panay Backbone 230 kV Transmission Line (TL), energized in April 2024;
- Mariveles-Hermosa-San Jose, 500kV TL, energized in June 2024; and
- Cebu-Bohol interconnection, 230kV TL, energized in November 2024.

## Accomplishments for 2024



### Implemented game-changing reforms to bring down the cost of electricity

With the aim of bringing down the cost of electricity, the Mindanao-Visayas Interconnection Project (MVIP) was energized on January 26, 2024, establishing a unified power grid, enabling the sharing of energy resources across the country.

Additionally, the Wholesale Electricity Spot Market's (WESM) integrated Mindanao, maximizing the utilization of available capacities across all grids. This allowed for the uncontracted capacities in the region to be sold in WESM and be dispatched at any time.

These critical transmission projects are essential in integrating new energy sources, strengthening connectivity among the major islands in the Visayas, and enhancing the capacity and reliability of the transmission network.



The President, DOE Secretary Lotilla, and other NGCP officials at the Bacolod Substation during the official energization of the CNP 230-kV Backbone Project on April 8, 2024.

Source: PCO



Enabled the market to deliver an optimal fuel mix

**New avenues for competition were introduced.** The following were introduced in the WESM to create a more level playing field among diverse generation technologies:

- The full commercial operation of the Reserve Market, which commenced on August 5, 2024, has enhanced grid reliability by ensuring sufficient standby capacity to address intermittency from RE generation, unexpected power outages, and demand surges. This fostered competition among generation companies providing ancillary services. It also enabled the co-optimization of energy and reserve scheduling, resulting in an optimal mix of contracted and spot reserve capacities.
- The RE Market (REM), which has been in interim operation since December 2022, is poised for full commercial operation pending the issuance of a circular by the Department of Energy (DOE) in December 2024.

Moreover, programs such as the Competitive Retail Electricity Market (CREM), Green Energy Option Program (GEOP), and Retail Aggregation Program (RAP) have been

instrumental in empowering retail electricity consumers with the ability to choose their energy sources.

In 2024, the Energy Regulatory Commission (ERC) adopted the Omnibus Retail Competition and Open Access (RCOA) Rules through Resolution No. 13, s. 2024. These rules ensure that retail customers have the right to choose their suppliers, have access to transparent billing, and are protected against premature contract terminations.

Additionally, the RAP facilitates the aggregation of demand from retail consumers within the same franchise area, further supporting the development of a competitive retail electricity market.

As of July 2024, the WESM reported 2,603 contestable customers under the CREM, with a total consumption of 1,928 gigawatt-hours (GWh). Meanwhile, 423 end-users participated in the GEOP, with a total peak demand of 148 megawatts (MW). During the same period, the WESM registered 42 Retail Electricity Suppliers (RES), 15 Local Retail Electricity Suppliers (LRES), and 27 Suppliers-of-Last Resort. The current eligibility threshold for contestable customers in the retail electricity market is a monthly average consumption of at least 500 kilowatt-hours (kWh) while participation in the GEOP requires a minimum monthly average consumption of 100 kWh.

**Removed foreign-ownership limitations on RE facilities.** This has encouraged more foreign investments in the energy sector. As of October 30, 2024, a total of 57 wind energy service contracts have been awarded to 22 wholly foreign-owned companies.

Of these, 36 are onshore, 20 are offshore, and one onshore-offshore with potential capacities of 7.6 gigawatts (GW), 18.7 GW, and 0.5 GW, respectively.

### Explored the potential development of new oil and gas fields and other source of energy.

This is to complement the variability of RE and to prepare for the eventual depletion of the Malampaya gas resource. Part of the contract extension of Malampaya Service Contract No. 38 from February 22, 2024 to February 22, 2039 is the conduct of geological and geophysical studies and drill at least two deep water wells. These studies have led to the plan to implement the Malampaya Phase 4 or the “Sinagtala Project”, which aims to drill two new deepwater wells in the Camago and Malampaya East fields and connect these wells to the Malampaya Shallow Water Platform.

Beyond advancing the development of domestic oil and gas resources, the government has issued guidelines and a roadmap for the awarding of Service Contracts for the exploration, development, production, and utilization of native hydrogen. Earlier this year, the government launched the 2024 Philippine Bid Round, which featured two Pre-Determined Areas for native hydrogen in Central Luzon. The DOE is now in the process of awarding these areas to the winning bidders.

Nuclear energy is another fuel being considered in the diversification of the Philippines’ energy mix. In line with this vision, the Philippine Nuclear Energy Roadmap was officially unveiled by the DOE at the 68<sup>th</sup> International Atomic Energy Agency General Conference on September 17, 2024. The roadmap outlines a clear vision for the development of a safe and sustainable nuclear energy sector in the Philippines, reflecting the government’s commitment to diversify energy sources and ensure energy security.



### Enhance demand-side management

#### **Demand-side management in the government sector through the Government Energy Management Program.**

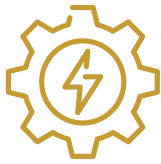
As of October 31, 2024, the Government Energy Management Program (GEMP) has achieved estimated energy savings of PHP407.6 million, with a reduction in electricity consumption of about 32.08 GWh and 576,695.41 liters of fuel.<sup>1</sup>

To further promote energy efficiency and conservation (EEC) through the accelerated implementation of GEMP, the President directed the: (a) conduct of energy audits; (b) submission of inventory of existing energy consuming equipment and timelines for their upgrade; (c) compliance with the Guidelines on Energy Conserving Design of buildings; (d) adopting low-cost EEC measures; and (e) institutionalization of EEC in all government offices. Relatedly, the Inter-Agency Energy Efficiency and Conservation Committee (IAEECC) issued Resolution No. 10 on June 3, 2024, directing government agencies to incorporate EEC considerations into the guidelines for granting Performance-Based Bonuses.

#### **Assisted end-users in utilizing RE for their consumption through the Net-Metering Program (NMP).**

This reduced demand from the grid. On August 19, 2024, the DOE promulgated Department Circular No. 2024-08-0025, which amended DOE DC No. 2020-10-0022 and introduced significant changes such as: (a) qualified end-users can now generate electricity up to the capacity limits set in the RE Act; (b) liberalized rules for net metering credits which allows said credits to be banked without being forfeited; and (c) removal of the requirement for a RE Certificate meter. The changes indicate a more flexible and user-friendly NMP policy in the country.

<sup>1</sup> Calculated based on the average 2024 DOE billing rate of PHP11.62 per kWh from MERALCO and PHP60 per liter for fuel.



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

**Supported the establishment of Electric Vehicle Charging Stations to promote the use of EVs.** The number of Electric Vehicle (EV) plying Philippine roads continue to increase. Based on the sales data from the Chamber of Automotive Manufacturers of the Philippines, Inc. and the Truck Manufacturers Association, 11,186 EVs were sold from January to August 2024, accounting for about 3.7 percent of the total 304,765 vehicles sales during the period.



DOE Undersecretary Felix William B. Fuentebella, alongside representatives from the Electric Vehicle Association of the Philippines (EVAP), and other industry stakeholders, participated in the ceremonial ribbon cutting during the 12<sup>th</sup> Philippine Electric Vehicle Summit held in October 2024.

Source: DOE

In response to the growing number of EVs, the DOE accredited a total of 109 Electric Vehicle Charging Stations (EVCS) Providers as of December 2024. These accredited EVCS Providers are authorized to sell construct, install, maintain, own, or operate EVCS or any of its components for a fee. Currently, there are 833 available charging points nationwide, consisting of 329 Alternating Current (AC) EVCS, 41 Direct Current (DC) EVCS, and 463 Battery Swapping Stations registered with the DOE. Since the industry's inception, the EV sector has generated over 10,407 new jobs and attracted PHP1.99 billion in investments.

**Supported innovative approaches towards clean energy transition.** One of these is the integration of RE facilities with energy storage systems (IRESS). This approach helps mitigate RE intermittency by storing excess energy during peak production times and releasing it during periods of low generation.

The MERALCO Terra Solar Project, which broke ground on November 21, 2024, is an example of IRESS. The project involves the construction of 3,500 MW of solar power capacity with 4,500 MW-hours of battery energy storage. Once fully operational in 2027, it will provide power to about 2 million households and contribute to reducing carbon emissions.



The groundbreaking ceremony for the MTerra Solar Project 3,500-Megawatt Solar Plant Project and 4,500 megawatt-hour Battery Energy Storage System held last November 21, 2024.

Source: PCO

Additionally, as part of the strategic initiative to minimize dependency on imported fuels and mitigate greenhouse gas emissions, the DOE introduced new guidelines for increased biofuel blending.

The issuance of DOE DC No. 2024-05-0014 on May 7, 2024 mandated an increase in coco methyl ester (CME) blending for diesel fuel. Starting October 1, 2024, the blend will be set at 3 percent, incrementally rising to 4 percent by October 1, 2025, and reaching 5

percent by October 1, 2026. The 1 percent mandatory blend increase is also projected to create demand for approximately 900 million additional coconuts, facilitating the production of 100-120 million extra liters of CME.

## Results Matrix

For FY 2021, the proportion of households with access to electricity was 95.41 percent; in the first quarter of 2024, this proportion is at 93.12 percent. The decline is attributed to the consolidation and reconciliation of data from the submission of the local total electrification roadmaps from electric cooperatives and distribution utilities.

Notwithstanding, the government expects to meet the target household electrification level for FY 2024 (94.83%).

## Ways Forward

The government aims to reduce energy costs and improve competitiveness by fully implementing EPIRA reforms, including expanding the RCOA and promoting diversified energy sources like renewable energy, liquified natural gas (LNG), and nuclear power. Additionally, efforts will focus on streamlining regulatory processes, accelerating off-grid electrification, privatizing remaining government-owned power assets, and encouraging investments in low-carbon and advanced energy technologies to enhance energy security and sustainability.

Lowering the cost of electricity remains a challenge due to inefficient and unreliable energy infrastructure, the high upfront cost of RE, geographical and logistical constraints that raise transmission and distribution costs, delays in regulatory approvals, burdensome taxes and cross-subsidies, and heavy reliance on imported fuel and equipment for power generation. Leveraging indigenous energy sources will be a critical step to further reduce electricity costs. In addition, expanding and upgrading the transmission and distribution network are essential to accommodate the integration of various power generation technologies, including RE and nuclear power plants.

The Philippine Ports Authority (PPA), in cooperation with DOE, committed to initiate detailed engineering designs and take immediate steps to repurpose three priority ports to support the construction and operation of OSW facilities: (a) Currimao (Ilocos Norte); (b) Sta. Clara, Batangas City (Batangas); and (c) Jose Panganiban (Camarines Norte).

These ports are critical given their proximity to high-potential OSW service contracts with an aggregate capacity of 41.9 GW. Further, an additional 10 ports are undergoing pre-feasibility studies with assistance from the Asian Development Bank (ADB).

## Priority Strategies



### Pursue the reforms stipulated in the EPIRA

The main strategy for reducing costs and making energy more competitive is to ensure the full implementation of these reforms, particularly by expediting the rollout of RCOA. The ultimate goal is to establish a competitive retail market that serves both households and businesses by easing participation requirements for end-users in RCOA. To enable more consumers to choose their electricity suppliers, increase competition, and potentially lower electricity prices, the ERC plans to lower the RCOA threshold to household level by 2025.

For the RAP, continued expansion and refinement will be pursued, with increased participation from a broader range of consumers, technological integration, regulatory support, and a strong focus on consumer rights and protection.



### Streamline regulatory processes to boost energy sector investments

In addition to its current functions, the EVOSS is being expanded to include additional processes from key agencies such as the DOE, the ERC, the Independent Electricity Market Operator of the Philippines, and the Department of Environment and Natural Resources (DENR). Moving forward, inter-

agency coordination and harmonization of systems will be critical to ensure that EVOSS streamlines regulatory processes and facilitates investments in the energy sector.



### Continue the implementation of power systems in off-grid areas

We aim to accelerate total electrification and pursue sustainable rural development by implementing various electrification strategies and providing quality, reliable, and secure electricity services at reasonable rates in off-grid areas. As part of this commitment, we will continue to conduct competitive selection processes for microgrid systems providers, focusing on delivering electricity services to identified unserved and underserved areas.



### Privatize the remaining government-owned power generating assets

The Power Sector Assets and Liabilities Management Corporation has committed to privatizing the Caliraya-Botocan-Kalayaan Hydroelectric Power Plants by 2025. Additionally, the rehabilitation of the Agus-Pulangi Hydroelectric Power Plants through a concession arrangement is expected to begin by 2025.



### Intensify efforts to diversify energy sources and reduce dependence on fossil fuels

The DOE plans to conduct a Philippine Gradiometry and Seismic Survey which aims to acquire geophysical data over four years. The project will assist the Philippine Government in exploring oil, gas, and native hydrogen, particularly in identifying new fields to replace the Malampaya gas field.

On the other hand, the successful implementation of the Sinagtala Project is expected to result in the delivery of new gas by 2026. Meanwhile, the commercial operation of four LNG projects with a total capacity of 10.7 million tonnes per annum is expected within 2025-2026. These initiatives will help address the concerns on energy supply security.

The DOE will also conduct the third Green Energy Auction, targeting the entry of 4,475 MW of new RE capacity, which will include both Non-Feed-in Tariff (FIT)-eligible and FIT-eligible technologies, within the period from 2025 to 2032. In addition, the DOE, in collaboration with the PPA, will develop the necessary port infrastructure to support the establishment and operation of OSW power plants, ensuring that the country is well-positioned to capitalize on this emerging sector.

To advance the Nuclear Energy Program, the government will prioritize comprehensive training and education focused on nuclear energy safety, security, and safeguards. Furthermore, robust information, education, and communication (IEC) initiatives are essential to enhance public awareness and understanding of these critical aspects, fostering informed support for the program.



### Implement EEC projects to ensure the effective implementation of the EEC Act

IEC campaigns are crucial to informing various sectors, financial institutions, industry groups, and the public different EEC programs and best practices. The Philippine Energy Labelling Program (PELP) will continue to issue labels containing information on the energy performance of energy-consuming products, including vehicles. Meanwhile, the IAEECC will continue to issue EEC-related directives.



### Encourage investments in low-carbon technologies

The government will prioritize investing in new energy technologies to meet the growing demand for cleaner energy and capitalize on emerging opportunities in the clean technology market. This includes the development of advanced energy solutions such as integrated RE (e.g., solar and wind) and battery energy storage systems. The DOE is also supporting the growth of EVs by promoting the establishment of supporting infrastructure, including EVCS, smart grids, and energy efficiency technologies to make the energy system more reliable and cost-effective.

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Subchapter 2.6

# **Advancing Digital Connectivity Across the Country**



President Ferdinand Marcos, Jr., together with DICT Secretary Ivan John Uy, led the launch of the National Fiber Backbone (NFB) Phase 1, a vital component of the DICT's National Broadband Plan, which seeks to improve internet speed and affordability nationwide.

Source: DICT

## Introduction

With commercial investments in network expansions and government efforts to accelerate deployment in geographically isolated and disadvantaged areas (GIDAs), the country's digital connectivity is steadily improving. Policy issuances also reinforce efforts to stimulate market reforms. Nonetheless, significant disparities in the

quality and affordability of broadband services persist, with the country continuing to lag behind its regional counterparts. There is considerable potential to promote greater competition and expand inclusive access.

## Strategy Framework

Digital connectivity is one of the pillars of sustainable, resilient, integrated, and modernized infrastructure facilities and services. Through effective government stewardship and strategic collaborations with market players, we will modernize and

expand the country's digital infrastructure. This will streamline the movement of information, promote digital inclusion, and empower Filipinos to seize opportunities in the digital economy.



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



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

✓ Move people, goods, and information through modernized and expanded transport and digital infrastructure

✓ Invest in advancing and expanding access to digital infrastructure, and support open access through strategic collaboration

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## Accomplishments for 2024



Invested in digital  
infrastructure to expand  
digital connectivity

Public investments to augment the country's digital infrastructure are underway to help address the digital divide and bring digital opportunities across the country. Investments to support the build-up of the government-owned broadband infrastructure and augment broadband capacity across the nation were pursued, especially in areas that are inaccessible and considered unprofitable by the private sector.

As one of the government's flagship programs, the National Broadband Program (NBP) has achieved notable progress across its various components and segments. These encompass backbone, cable landing station, and middle mile to last mile connections:

- a. In April 2024, the government officially greenlighted Phase 1 of the National Fiber Backbone spanning 1,245 km of fiber from Laoag Ilocos Norte down

to Roces District in Quezon City, with 600 Giga bits per second (Gbps) as initial capacity. The NBP Phase 1 has already provided improved digital infrastructure to 346 government agencies, benefitting 11.56 million employees and the transacting public in Luzon and NCR. Phase 2 to 6 extending the fiber backbone from South Luzon and all the way to the Visayas and Mindanao island groups are target for completion by 2025 to 2027, with Phases 2 to 3 progressing with a 59 percent completion rate as of January 2025.

- b. The domestic cable landing station, through the Luzon Bypass Infrastructure, is currently operational serving as the NBP's international gateway. The government is working on the facility operations and maintenance, with plans for commercialization of assets in 2026.
- c. The remaining components of the NBP covering middle to last mile connections are at various stages of completion. The rehabilitation and upgrading of communication towers and installation of fiber connectivity to target government-owned facilities are ongoing. Meanwhile, the expansion of broadband infrastructure through satellite network is being studied.

Under the Free Public Internet Access Program (FPIAP), the government continued to provide free broadband internet access to various municipalities and cities nationwide. From implementation to December 2024, we have installed 15,717 free Wi-Fi access points nationwide from 8,184 sites reported in 2023, ensuring free internet access for 11.6 million unique users. With a total investment of PHP26.1 billion, the program strengthens the government's commitment to bridging the digital divide.



Last April 30, 2024, the Free Wi-Fi for All Program of the DICT - Region VI in partnership with DigiHwy, powered the "Serbisong Tubong: Caravan of Government Services" through the provision of Satellite Internet Connectivity for the National Government Agencies and the public.

Source: DICT

**Supporting policies to facilitate the accelerated rollout of digital infrastructures further strengthened.**

Following the government's Common Tower Policy aimed at improving wireless network coverage through co-location and tower-sharing, 4,423 common towers have been established as of May 2024, from 1,337 reported in 2023, paving the way to improved mobile coverage and access.<sup>1</sup> The President directed the advancement of mobile network coverage in GIDAs, through the Common Towers Project, in collaboration with the private sector.



President Ferdinand R. Marcos, Jr. directed DICT Secretary Ivan John Uy to prioritize the department's Common Tower Program.

Source: PCO

## Results Matrix

The Philippines' broadband market shows continuing improvements but faces quality and affordability challenges compared to its ASEAN peers. The country's broadband market continues to show positive progress, with mobile broadband speed rising to 35.24 Megabits per second (Mbps) while fixed broadband speed reaching 93.85 Mbps as of October 2024, up from 28.12 Mbps and 92.92 Mbps, respectively. Despite these gains, the country's broadband download speed remains slightly below the global average, highlighting the need to expand digital infrastructure for both fixed and mobile networks and to enhance competition.<sup>2</sup> The country's broadband connectivity also falls behind other ASEAN peers in terms of affordability.<sup>3</sup> There is also an apparent affordability gap when compared to our peers.<sup>4</sup> This underscores the need for more competitive pricing to ensure broader access and inclusivity for Filipinos.

1 DICT Department Circular (DC) No. 008, s. 2020: Common Tower Policy | DICT.

2 Speedtest Global Index – as of October 2024.

3 "Affordability" defined by the UN Broadband Commission for Sustainable Development, as the availability of broadband access at a price of less than two percent of the monthly gross national income (GNI) per capita. Affordability of ICT services.

4 International Telecommunication Union (ITU) ICT Price Baskets (2023): IPB (itu.int).

Note: The fixed broadband basket considered the cheapest plan providing at least 5Gbps of monthly high-speed data from the operator with the largest market share in each economy. The mobile broadband basket considered the cheapest plan providing at least 140 minutes of voice, 70 SMS, and 2 Gbps of high-speed data over a 30-day period of time from the operator with the largest market share in each economy.

# Ways Forward

To meet the increasing demand for reliable and accessible digital connectivity, key strategies have been identified to address connectivity gaps, expand access, and build a robust and resilient digital ecosystem. These initiatives are formed by valuable lessons, emphasizing the need to align investments with institutional capacity, and improvement in procurement procedures with necessary supporting tools and information systems to enhance overall operations and business processes.

Aimed at driving inclusive growth and enhancing public service delivery, these strategies also seek to position the country as a strong contender in the global digital economy while addressing challenges such as funding constraints, regulatory hurdles, and the need for greater collaboration among key players in the sector.

## Priority Strategies



**Intensify government efforts in the build-up and expansion of digital infrastructure**

To ensure the timely completion of the NBP across its various components and phases, public investments will be scaled up while enhancing the absorptive capacity of key government agencies. This includes ensuring that agencies are adequately staffed with skilled personnel and equipped with the necessary planning and implementation capabilities. These measures aim to optimize resource utilization, accelerate project execution, and effectively address connectivity gaps to support the country's digital connectivity agenda. The NBP implementation will be complemented by the implementation of the Common Tower Program to address mobile broadband gaps in the unserved and underserved areas, including GIDAs.

In parallel, optimizing frequency spectrum management is a key priority to ensure the efficient use of this finite resource. This involves reviewing and reallocating spectrum to meet current and future connectivity demands, promoting fair and transparent access, and enabling the deploying of emerging technologies.

Leveraging the private sector's financial resources, technological expertise, and market knowledge is vital for the expansion and modernization of the country's digital infrastructure. To further support this effort, the government will actively encourage foreign investments to complement domestic capabilities, fostering innovation, and accelerating project implementation. These initiatives will be guided by a comprehensive study, set for completion in 2025, on the utilization of private sector participation in the development of middle-mile and last-mile segments of the NBP.



**Strengthen resiliency and sustainability of government network infrastructure**

Foremost, the government will set and implement standards to ensure the National Broadband Network is designed to withstand natural disasters. By incorporating resilient infrastructure, the network will maintain functionality during adverse conditions, thereby minimizing service disruptions and ensuring continuous connectivity for critical services.

In collaboration with relevant agencies and stakeholders, protocols will be established to ensure swift and efficient network restoration

during disruptions. This is to ensure that all relevant parties are prepared to respond promptly.

Further, the government will safeguard digital infrastructure from physical and cybersecurity threats by implementing robust security measures and risk management practices, such as enhancing physical security of digital infrastructure and conducting regular vulnerability assessments and audits to identify and address potential risks, among others.



### **Pursue and implement key policies calling for immediate reforms in the ICT sector**

To foster a more robust and competitive ICT sector, key policies to enable urgent reforms in the sector will be put in place. This includes revising the common tower policy to catalyze private sector investment by streamlining regulations and incentivizing the construction and sharing of telecommunications infrastructure. This strategic move is expected to enhance network coverage and quality, particularly in underserved areas.

This will also accelerate the deployment of advanced technologies and ensure that the nation's digital infrastructure keeps pace with global standards.

The government is also studying the feasibility of a Universal Service Fund (USF) to address significant gaps in digital connectivity, particularly in rural areas. This fund will not only expand broadband access to remote communities but also support the rehabilitation of government digital infrastructure. This will enhance the efficiency and reliability of public services and foster a more inclusive and connected society.



# 03

## Ensuring Food and Water Security

Food and water security are fundamental to our country's sustainable development. To address persistent challenges, we have implemented key reforms and initiatives aimed at enhancing food supply systems, modernizing the agriculture and fisheries sector, and optimizing water resource management. These efforts are integral to ensuring resilience, sustainability, and equitable access to essential resources.

Our food security initiatives focus on streamlining policies, supporting local producers, enhancing consumers' access to competitively priced food, and promoting

sustainable practices that protect the environment while increasing productivity. Complementing these, the modernization of agriculture and fisheries leverages digital technologies and infrastructure improvements to boost efficiency and competitiveness. Meanwhile, our water security strategies emphasize integrated management, climate adaptation, and robust infrastructure investments to address emerging risks.

Through a comprehensive and forward-looking approach, we aim to secure the nation's food and water needs for generations to come.



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## Subchapter 3.1

# **Modernizing the Agriculture and Fisheries Sector**



President Ferdinand R. Marcos, Jr. and Agriculture Secretary Francisco P. Tiu Laurel Jr. led the ceremonial rice harvesting using a rice combine harvester during the Harvest Festival in Candaba, Pampanga on February 3, 2024.

Source: Department of Agriculture

## Introduction

The government continues to implement targeted measures to modernize the agriculture, forestry, and fisheries (AFF) sector, aiming to enhance productivity and strengthen market linkages. Notable programs include the Rice Competitiveness Enhancement Fund (RCEF), Farm and Fisheries Clustering and Consolidation (F2C2), Special Area for Agricultural Development (SAAD), and Digital Agriculture Project (DAP). However, the sector remains exposed to multiple shocks,

such as international trade restrictions and hydrometeorological hazards. Challenges also persist in ensuring the efficient targeting and timely delivery of support services, interventions, and assistance to intended beneficiaries, and the aging farming population.

In its efforts to transform the sector into a more sustainable and resilient one, the Department of Agriculture (DA) is harnessing digital and innovative

technologies across the value chain to boost productivity, profitability, and global competitiveness. Initiatives such as mobile and web-based planning and decision-support tools, registry systems and databases, and online platforms have been implemented to improve service delivery, monitor prices and supply, and provide near-real-time data and information to decision-makers and agricultural producers. However, digital tools are project-specific. Integrating and harmonizing digitalization initiatives following a value chain framework is critical to shifting from experience-based practices to data-driven strategies. In addition, risk mitigation for primary producers through robust crop insurance coverage and providing technologies and sustainable practices is scaled up. Infrastructure and logistics improvements are being prioritized to facilitate the efficient movement of production inputs and outputs.

To sustain these gains, there is a pressing need for a paradigm shift in agricultural education and training, focusing on modern farming technologies, and smart and precision agriculture over traditional methods. This aims to equip farmers with the knowledge and skills required to optimize productivity and unlock their full income potential. Additionally, infrastructure and logistics improvements will continue, which include upgrading irrigation systems, improving transportation networks, and constructing modern cold chains, as well as storage and processing facilities. Lastly, key legislative reforms such as the Amendments to the Agricultural Tariffication Act, New Agrarian Emancipation Act, Anti-Agricultural Economic Sabotage Act, and Philippine Salt Industry Development Act are also expected to foster a resilient and competitive agriculture sector for all stakeholders.<sup>1</sup>

## Strategy Framework

We remain committed to modernizing agriculture and agribusiness by (a) enhancing the efficiency of AFF production, (b) expanding access to markets and AFF-based enterprises, (c) improving the resilience of AFF value chains, and (d) strengthening agricultural institutions. Modernization requires long-term solutions that transcend increasing productivity. The interlinkages between AFF productivity and environmental sustainability emphasize the importance of adopting digital and innovative technologies, along with nature-based solutions, to ensure sustainable production and intergenerational equity.

To drive AFF growth, we aim to strengthen sector linkages, facilitate greater value addition, and promote income diversification. We will create a conducive environment for private sector investments by improving primary producers' access to production requirements (e.g., land, water, renewable energy, and credit), as well as enhancing logistics and market connectivity. Additionally, we will bolster the agri-food system's resilience against global threats through cross-cutting strategies and stronger collaborations among the national government, local government units (LGUs), academe, and the private sector.

<sup>1</sup> Republic Act No. 12078: Amendments to the Agricultural Tariffication Act  
 Republic Act No. 11953: New Agrarian Emancipation Act  
 Republic Act No. 12022: Anti-Agricultural Economic Sabotage Act  
 Republic Act No. 11985: Philippine Salt Industry Development Act

## TRANSFORM PRODUCTION SECTORS TO GENERATE MORE QUALITY JOBS AND COMPETITIVE PRODUCTS

### MODERNIZE AGRICULTURE AND AGRIBUSINESS

#### EFFICIENCY OF AGRICULTURE, FORESTRY, AND FISHERIES (AFF) PRODUCTION ENHANCED

- ✓ Diversify farm and non-farm income
- ✓ Consolidate/cluster farms
- ✓ Create and facilitate adoption of improved technology
- ✓ Improve access of primary producers to production requirements (e.g., land, water, renewable energy, and credit)

#### ACCESS TO MARKETS AND AFF-BASED ENTERPRISES EXPANDED

- ✓ Create opportunities for the participation of primary producers in value adding of AFF products
- ✓ Develop the blue economy
- ✓ Improve physical and digital infrastructure
- ✓ Improve the regulatory system for greater private sector investments
- ✓ Protect local AFF against unfair competition and supply/price manipulation

#### RESILIENCE OF AFF VALUE CHAINS IMPROVED

- ✓ Create and adopt climate- and disaster-resilient technologies
- ✓ Strengthen local food systems
- ✓ Develop and mainstream early warning systems/anticipatory mechanisms
- ✓ Integrate climate and disaster risks in AFF planning and programming
- ✓ Develop innovative insurance schemes
- ✓ Boost local capability on the production of AFF inputs

### AGRICULTURAL INSTITUTIONS STRENGTHENED

- ✓ Improve coordination and convergence of government agencies in planning, programming, and budgeting
- ✓ Enhance support to agricultural education and job-skills matching

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## Accomplishments for 2024



Efficiency of AFF production enhanced

**Productivity-enhancing interventions boosted agricultural production.** From January to September 2024, the RCEF program distributed 1,438 units of machinery and 3.18 million bags of certified inbred rice seeds and conducted 1,984 training sessions for 50,004 participants. It also provided PHP354.83 million in loans to support palay production, milling and trading, re-lending, and acquisition of farm machinery. Meanwhile, the Philippine Coconut Authority, through its Coconut Hybridization Program and Massive Coconut Planting



Agriculture Secretary Francisco P. Tiu Laurel Jr. led the turnover and awarding ceremony of PHP105 million worth of rice production machines, postharvest facilities, and coconut processing facilities in Laoag City, Ilocos Norte on December 1, 2023.

Source: DA

and Replanting Program, has planted 3.6 million coconut seedlings, sowed 1.5 million seednuts in nurseries, hybridized 64,985 coconut palms, and produced 1.11 million hybrid seednuts for planting.

**Livelihood programs were promoted to augment and diversify farmers' income.**

The DA – Bureau of Fisheries and Aquatic Resources (BFAR) implemented various livelihood programs to uplift the economic status of fisherfolk. From January to



Rice farmers in Arayat, Pampanga received certified inbred rice seeds for planting as part of the Rice Competitiveness Enhancement Fund Seed Program on October 2022.

Source: DA

September 2024, the National Shellfish Livelihood Project supported small-scale fishing communities affected by the closed fishing season by distributing oyster rafts and longline modules and establishing technology demonstration sites for oyster culture.

Additionally, the Seaweeds Livelihood Project provided four high-density polyethylene circular seaweed cages for deep-sea seaweed farming in Garchitorena, Camarines Sur, and distributed quality seaweed seedlings. Meanwhile, the Development of Salt Industry Project, as mandated by the Philippine Salt Industry Development Act, delivered 109 sets of production inputs for solar salt production, cooking methods, and artisanal salt production (i.e., *asin tibuok*). To further support this initiative, five storage facilities and eight technology demonstration sites were established.

The DA has also been implementing the SAAD Program-Phase 2, which aims to improve the living conditions of vulnerable farmers and fisherfolk. From January to October 2024, SAAD implemented 599 livelihood projects for 639 groups of farmer beneficiaries. Additionally, 457 fisheries livelihood

packages were delivered under BFAR-SAAD from January to September 2024.

**Clustering and consolidation were adopted to leverage economies of scale.** As of September 2024, the F2C2 Program validated and assessed 1,492 clusters with 603,543 farmers and fisherfolk, covering an aggregate area of 820,329.29 hectares. Meanwhile, the Sugar Industry Development Act (SIDA) Block Farm Program operationalized 21 block farms with 655 farmers, covering 734.51 hectares from January to September 2024.

Similarly, the DA – Philippine Rice Research Institute established the Rice Business Innovations System (RiceBIS) Community Program to develop rice and rice-based enterprises nationwide. As of September 2024, RiceBIS formed 30 rice-based farming communities across 22 provinces with 45 clusters of 70 farmer organizations.

**Various support services continued to improve primary producers' access to production requirements.** From January to September 2024, the DA Banner Programs' Irrigation Network Services constructed, installed, and rehabilitated 791 small-scale irrigation projects and 5,262 linear meters of irrigation canals, benefiting 794 groups. These irrigation projects generated and restored 3,115.83 hectares of irrigation service area nationwide.

In terms of credit facilities, the DA – Agricultural Credit Policy Council granted PHP1.512 billion in loans to 11,802 small farmers and fisherfolk (SFF) and 141 micro and small enterprises borrowers from January to September 2024. Additionally, the Philippine Guarantee Corporation provided guarantees covering loans amounting to PHP4.85 billion, benefiting 54,142 farmers and fisherfolk in the same period. Cash grants amounting to PHP5,000.00 each were also provided to 1.71 million farmers cultivating two hectares or less under the RCEF Rice

Farmers Financial Assistance Program to help offset rising farm input costs.

For extension services, the DA established 73 Province-led Agriculture and Fisheries Extension Centers, mapped out and approved 53 Collaborative Agriculture and Fisheries Extension Programs, and forged 35 co-investment agreements as of September 2024.



### Access to markets and AFF-based enterprises expanded

**Primary producers were linked to potential markets to expand market opportunities.** The DA – Agribusiness and Marketing Assistance Service (AMAS) facilitated various market linkage initiatives from January to September 2024, resulting in 525 transactions amounting to PHP48.33 million, benefiting 141 farmer-suppliers and agri-based processors, and 200 buyers. DA-AMAS also conducted, participated in, and assisted 16 local trade fairs and market-related events, generating PHP16.61 million for 281 exhibitors. Additionally, AMAS participated in six international trade fairs, where 89 exhibitors achieved aggregate sales worth PHP5.60 billion.

Similarly, the Department of Agrarian Reform (DAR) facilitated various marketing arrangements with institutional buyers, benefiting 908 Agrarian Reform Beneficiary Organizations (ARBOs). Through the Village Level Farm-focused Enterprise Development Program, DAR assisted 86 ARBOs with business development services and provided support facilities and equipment to 16 ARBOs. The Enterprise Development Component of the DOST's Agri-Aqua Business Hub also established partnerships with 143 enterprises, primarily producer organizations. In addition, 1,214 farmers and supporting institutions were trained in production practices, value-adding activities, and entrepreneurial skills.

### Investments in fishery infrastructure and support services have boosted the potential of the blue economy.

The DA-BFAR has completed and operationalized 26 of the 57 legislated hatcheries, while 19 are under construction, and 12 are in the pre-construction phase.

Meanwhile, the DA – Philippine Fisheries Development Authority operated and managed nine regional fish ports (RFP) in Iloilo, Davao, Lucena, Camaligan, Sual, Zamboanga, Navotas, General Santos, and Bulan, Sorsogon under the Fisheries Infrastructure Development Program. The rehabilitation and improvement of seven RFPs are ongoing, while the improvement of facilities and utilities at the Navotas Fish Port Complex was completed in June 2024.

In addition, the Philippine Fisheries and Coastal Resiliency (FishCoRe) Project has facilitated the adoption of the Fisheries Management Area (FMA) Framework Plan in FMAs 6 and 9. FishCoRe implements an ecosystem-based approach to fisheries management at the FMA level, aiming to improve production while protecting and enhancing coastal habitats in these areas.

### Transport infrastructure linked agricultural producers and markets.

Under the Farm-to-Market Road Development Program (FMRDP), 259.38 kilometers of FMRs have been completed from January to September 2024, benefiting 51,869 farming communities and households. The Philippine Rural Development Project (PRDP) was also able to complete 33 rural infrastructure subprojects, i.e., 249.52 kilometers of FMRs and 84.37 linear meters of bridges. In addition, the SIDA Infrastructure Program completed four farm-to-mill road projects spanning 2.01 kilometers from January to October 2024.

**Primary producers were protected against unfair competition and supply/price manipulation through inspection activities and market-related portals.** From January to September 2024, the DA conducted anti-agricultural smuggling operations and food safety inspections at ports, cold storage facilities, and warehouses. These efforts led to the apprehension and seizure of alleged smuggled agri-fishery products valued at approximately PHP2.38 billion. Additionally, PHP285.37 million in additional duties and taxes from first-border inspection activities were collected.

To ensure real-time monitoring of prices and supply, market-related portals were established. As of September 2024, 331 major markets nationwide were included in the *Bantay Presyo* Monitoring System, while the inflow and outflow of supply from 32 trading centers and wholesale markets were tracked through the Trading Post Commodity Volume Watch (see *Subchapter 3.2*).



### Resilience of the AFF value chain improved

**Climate-smart agriculture was promoted to enhance primary producers' resilience to climate change.** The Adaptation and Mitigation Initiative in Agriculture Program maintained 187 climate-resilient villages across 61 provinces in the country through collaboration with DA Regional Field Offices (RFOs), LGUs, state universities and colleges, civil society, non-government organizations, and the private sector. These villages regularly receive weather and climate outlooks and advisories to provide expected weather patterns to guide farm actions, prevent input losses, and ensure effective farm management practices.

**Local food systems were strengthened to enhance the production and accessibility of safe food at the local level.** The DOST-PCAARRD is operationalizing the Industry



DA-Western Visayas, under the NUPAP, turned over a PHP3-million smart greenhouse to the Ephrathah Farms in Badiangan, Iloilo City on September 2024. This state-of-the-art, fully automated facility is equipped with advanced hydroponics technology to efficiently grow high-value crops while conserving water and reducing environmental impact.

Source: DA

Strategic Science and Technology Programs for 40 commodities, including crops, livestock, marine resources, and forestry, among others. In 2024, the DOST's Native Animal R&D Program produced native breeds of pig, duck, and chicken from 19 R&D projects. Additionally, the goat embryo transfer technology launched in September 2024, aims to enhance local goat industry by producing superior breeds faster. These DOST initiatives are designed to boost agricultural productivity and ensure food security for local communities.

Under the Philippine Native Animal Development Program of the DA, 74,425 heads of native species of chicken, duck, swine, beef cattle, and goats were distributed from January to September 2024.

**Planning and decision-support tools were adopted to better integrate climate and disaster risks in the AFF plans and programs.**

The enhanced National Color-Coded Agricultural Guide Map incorporated a rice suitability zones layer based on data from the Philippine Rice Information System and the provincial climate risk vulnerability assessment (CRVA). Adopted by the DA, the CRVA is a standardized and evidence-based assessment tool to identify communities that are most vulnerable to the effects of climate change and assist in prioritizing investments for adaptation. As of September 2024, 73 provincial CRVA maps have been developed. The results of the CRVA are being harmonized and integrated with the Expanded Vulnerability and Suitability Assessment tool developed by the PRDP, creating a robust tool for commodity investment planning and prioritization for DA Banner Programs and RFOs.

**Insurance schemes have been implemented to enhance financial risk protection for primary producers.**

From January to September 2024, the DA-Philippine Crop Insurance Corporation (PCIC) provided various agricultural insurance products to 3.13 million farmers and fisherfolk worth PHP105.12 billion. Moreover, 339,003 insured farmers and fisherfolk received PHP1.97 billion in indemnity payments. The LandBank of the Philippines (LANDBANK) and the PCIC have utilized digital solutions to streamline and expedite the disbursement of insurance claims through LANDBANK Prepaid Cards.

**Local production of agricultural inputs helped reduce import dependency.**

As of September 2024, the Bureau of Soils and Water Management established 1,105 hectares of Adaptive Balance Fertilization Strategy demonstration sites for rice, in coordination with the National Irrigation Administration, Small-Scale Irrigation Project cooperators, and the Small Water Irrigation System Association. Additionally, under

the Protein-Enriched Copra Meal (PECM) Commercialization Project of the DA – National Livestock Program, two project sites were completed in 2024, i.e., the Batangas Egg Producers Cooperative in San Jose, Batangas, and the Sta. Catalina Multipurpose Cooperative in President Roxas, North Cotabato. The PECM Commercialization Project aims to commercialize the use of protein-enriched copra meal as a local alternative to imported soybean for swine and poultry raisers.

**Biosecurity measures are actively being implemented to combat livestock diseases.**

The DA – Bureau of Animal Industry initiated the controlled administration of 10,000 doses of the African Swine Fever (ASF) vaccine on August 30, 2024. As of December 6, 2024, 3,038 pigs have been vaccinated in Batangas and Bulacan. Meanwhile, the ASF Program of the DOST, under the Virology and Vaccine Research Program, is conducting 13 research and development (R&D) projects



The DA-Bureau of Animal Industry inoculated healthy pigs in Lobo, Batangas on August 30, 2024, as part of the controlled trial of a Vietnam-developed ASF live vaccine to curb the spread of the disease.

Source: DA

on virology studies of the ASF vaccine. To further bolster R&D on ASF and other animal-borne pathogenic viruses, an Animal Biosafety Level 3 Research Facility has been established at De La Salle University.



### Agricultural institutions strengthened

**Scholarship and internship initiatives supported agricultural education and improved the match between job skills and industry needs.** The DA – Agricultural Training Institute (ATI) continues to implement internship programs in Japan and Taiwan. Under the Young Filipino Farm Leaders Training Program in Japan, 23 young farmers underwent an 11-month internship. Furthermore, 49 interns completed their 11-month internship in July 2024 under the Filipino Young Farmers Internship Program in Taiwan.

Locally, as of September 2024, 6,285 scholars were supported through various programs, including DA-BFAR's Fisheries Scholarship Program, the SIDA Scholarship Program, and the Commission on Higher Education's Coconut Farmers Scholarship Program (CFSP). Moreover, the DA-ATI offers the Educational Assistance for the Youth in Agriculture Program designed to encourage children of SFF to pursue studies and careers related to agriculture. Currently, there are 453 scholars enrolled in the program. Lastly, under the TESDA's CFSP, 10,640 technical and vocational education and training scholars were assisted as of October 2024. The DA also provided financial assistance to 34 scholars for their dissertations and theses, while the DOST supported 13 master's and 10 doctorate students from five Higher Education Institution (HEI) partners.

## Results Matrix

In the first three quarters of 2024, the AFF sector experienced a 1.5 percent contraction in Gross Value Added (GVA), primarily due to reductions in the GVA of crops, livestock, and fisheries. Extreme weather events and the persistent impact of the ASF affected agricultural productivity in fisheries and livestock. The combined effects of El Niño and La Niña-like conditions also exerted downward pressure on palay production, a major contributor to the crop subsector.

Labor productivity in the sector rebounded to 8.1 percent in the first three quarters of 2024 from negative 2.0 percent in 2023. [based on Annex 3.1.] For AFF R&D, the share of budget allocation to total AFF GVA for the first three quarters of 2024 rose to 0.85 percent from 0.79 percent in 2023, surpassing the 0.7 percent target.

Meanwhile, the Emancipation Patent and Certificate of Land Ownership Award (CLOA) coverage of ARBs is at 94.13 percent as of Q3 2024, below the 96.65 percent goal. Moreover, the share of individual ARBs with registered e-titles to the total ARB population of collective CLOAs for subdivision stood at 11.12 percent, falling short of the 49.90 percent target. In terms of investments and exports, the total value of approved investments in agribusiness contracted by 90.7 percent in Q3 2024. Encouragingly, agriculture and fisheries exports posted a year-on-year growth of 15.8 percent as of September 2024.

As of December 2024, 43.96 percent of primary producers registered in the Registry System for Basic Sectors in Agriculture were covered by agricultural insurance.

## Ways Forward

We are committed to advancing digital and innovative interventions to strengthen the resilience of AFF value chains while actively engaging younger generations to drive sector growth. This strategy focuses on integrating modern and smart technologies into agricultural practices to improve productivity, profitability, and sustainability. Furthermore, we emphasize the importance of strengthening collaboration among stakeholders and promoting greater private-sector investments. The following section outlines the priority strategies for each outcome, designed to mitigate potential multidimensional shocks and support proactive responses.

## Priority Strategies



To enhance the efficiency of AFF production

**Expanding the adoption of digital and innovative technologies.** We will capitalize on the potential of digital and innovative tools as powerful instruments for planning and targeting interventions. Accurate, timely, and detailed data is essential for improving productivity, cost efficiency, and service delivery. Leveraging remote sensing technologies such as satellite imagery, drones, and aerial sensors that empower farmers and stakeholders to make informed, data-driven decisions.



To expand access to markets and AFF-based enterprises

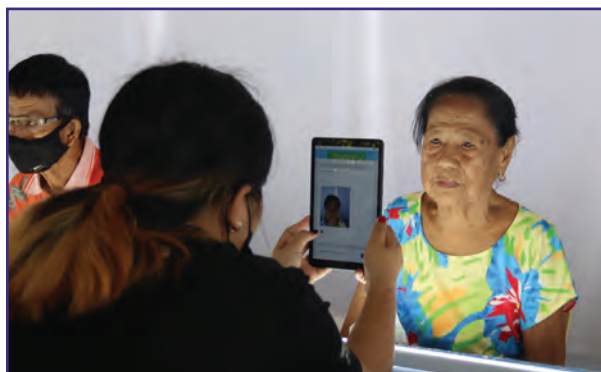
**Optimizing the use of digital platforms.** Mobile applications for real-time price monitoring, supply chain tracking, and market analytics will enable farmers to



The DA - Philippine Rice Research Institute showcased the use of a drone seeder for faster and more efficient crop establishment during the PalaySikatan technology demonstration in Libungan, Cotabato City on November 2023.

Source: DA

make data-driven decisions. To maximize the benefits, a unified framework will be developed to provide clear guidance on the use of these platforms. Establishing online marketplaces and e-commerce platforms will directly connect farmers and agribusinesses with consumers and retailers, streamlining the sales process and expanding market access (see *Subchapter 3.2*).



The DA - Central Luzon facilitated the registration of farmers in the Registry System for Basic Sectors in Agriculture, an electronic database supporting various DA programs and projects.

Source: DA

**Broadening export opportunities.** Access to international markets will be strengthened by pursuing trade agreements and ensuring compliance with export standards. Farmers will be supported in acquiring certifications, such as organic and fair trade, to boost the global competitiveness of their products.



To improve the resilience of  
AFF value chains

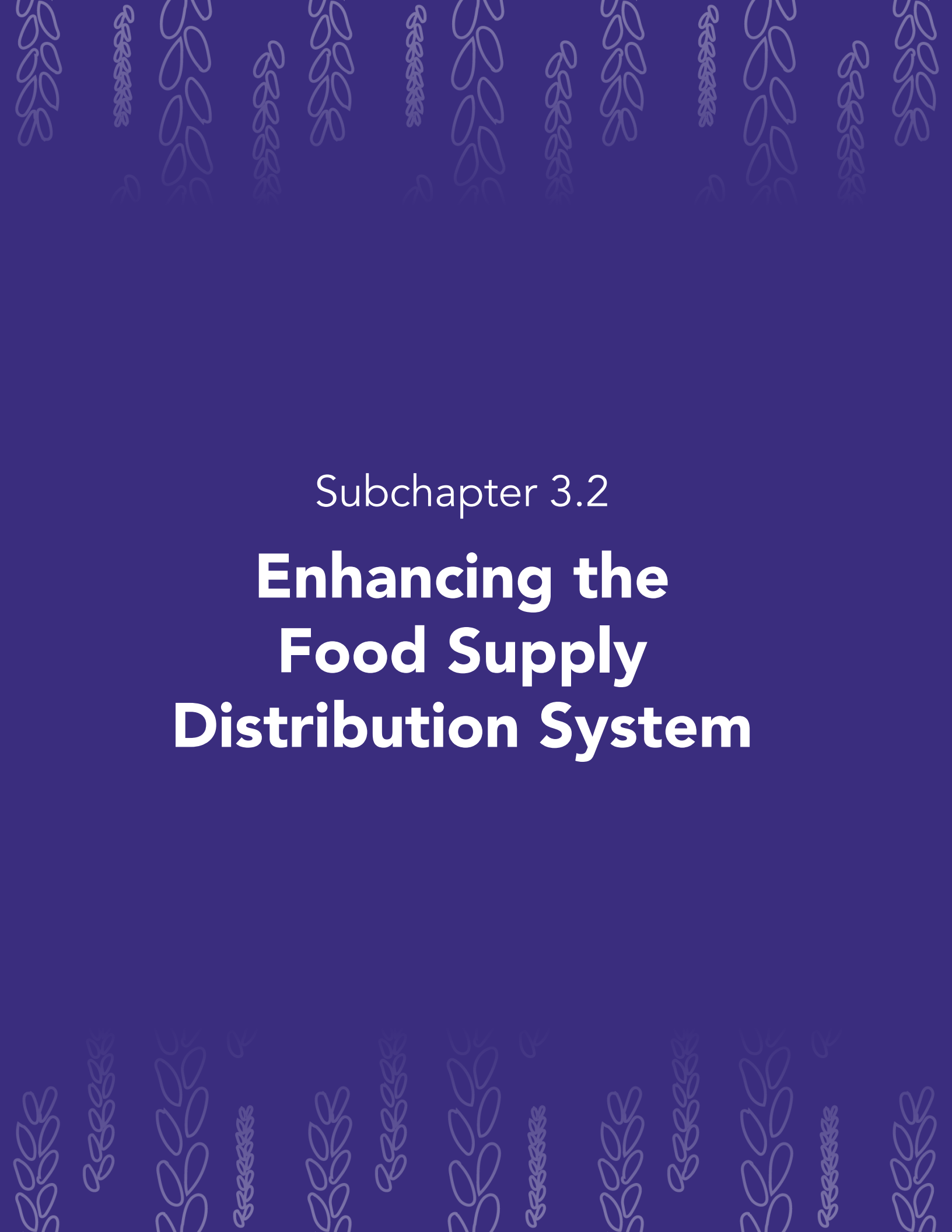
**Enhancing resilience to economic, climate, and disaster risks** by (a) developing and implementing innovative risk insurance models, such as weather index-based and area-based insurance, and (b) providing timely, location-specific weather and climate forecasts, alongside tailored crop management advisories to minimize disruptions in AFF operations.



To strengthen agricultural  
institutions

**Encouraging younger generations to engage in agriculture.** Expanding opportunities within the AFF sector beyond traditional agricultural production is essential. Efforts will be focused on broadening prospects across various segments of the value chain to stimulate entrepreneurial ventures and agribusiness development. Targeted interventions are essential to diversify agricultural production and support both on-farm and off-farm activities. Establishing AFF-based enterprises will drive value-adding initiatives, creating employment opportunities beyond conventional farming activities.

Providing accessible and relevant educational and training programs. The government will develop training modules and revisit the education curriculum on agriculture, to focus on modern farming technologies, as well as smart and precision agriculture over traditional methods.



Subchapter 3.2

# **Enhancing the Food Supply Distribution System**



Agri-support distribution through the *Handog ng Pangulo* caravan for Ilonggo farmers, as well as the simultaneous conduct of 'Kadiwa ng Pangulo' activity. This allows farmers to sell fresh agri-fishery commodities and other necessities at more affordable prices in Iloilo City on September 13, 2024.

Source: DA

## Introduction

The government has implemented key reforms to manage food inflation and ensure food security amid ongoing and emerging global and domestic challenges. Key initiatives include: (a) streamlining administrative procedures and policies and removing non-tariff barriers to agricultural imports; (b) strengthening enforcement measures to combat smuggling and address anti-competitive practices; and (c) augmenting local supply from international sources. The full effects of these policies are expected to become evident in the years ahead, driving improvements in both the efficiency and resilience of the agricultural sector.

Providing support to farmers and fisherfolk is a key component of measures to enhance the food supply distribution system. This includes financial assistance, access to affordable inputs (e.g., seeds, fertilizers, and equipment), and targeted training to enhance resilience against economic shocks

and natural hazards. Sustainability is also a critical focus through efforts promoting farming and fishing practices that protect the environment while boosting productivity. These sustainable practices ensure that agricultural activities do not degrade natural resources, but rather preserve the land and oceans for future generations. By balancing economic growth with environmental stewardship, these initiatives contribute to long-term food security.

In the same vein, reducing market layers has been an effective way to improve market efficiency. Fostering direct market access for farmers and supporting the formation of cooperatives aid in minimizing intermediaries, lowering the costs for consumers and increasing profitability for producers. Direct access helps farmers sell their goods at fairer prices, while cooperatives enable them to pool resources and navigate the market more effectively.

## Strategy Framework

Two years into the implementation of the Philippine Development Plan (PDP) 2023-2028, the national government continues to carry out programs, projects, and activities geared towards: (a) ensuring sufficient and stable food supply; (b)

expanding consumer access to affordable, safe, and nutritious food; and (c) enhancing nutrition across all ages. Moreover, supply- and demand-side measures identified in the 2023 Philippine Development Report (PDR) have been adopted.



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## Accomplishments for 2024



Sufficient and stable food  
supply pursued

The government continues to implement productivity-enhancing interventions to bolster domestic food supply while collaborating with local government units

(LGUs) and private stakeholders to ensure a more resilient and sustainable food system. The Department of Agriculture (DA), through its banner programs, provided interventions to farmers and fisherfolk via the Production Support Services Program (see Subchapter 3.1). From January to September 2024, 782,612 individuals and 13,024 groups nationwide benefited from seeds, planting materials, livestock, fingerlings, fertilizers, pesticides, and fishing equipment. The Bureau of Fisheries and Aquatic Resources (BFAR) also operationalized 12 Management Boards and Science Advisory Groups, developed plans for 12 Fisheries Management Areas (FMAs) and adopted seven, reinforcing its commitment to ecosystem-based fisheries management (see Subchapter 3.1). Additionally, the National Urban and Peri-Urban Agriculture Program expanded projects with government and

private stakeholders.<sup>1</sup> Starter kits and training modules were distributed, and facilities such as indoor farms and hydroponic greenhouses were established.

**Key policy reforms were implemented alongside productivity-enhancing programs to boost domestic supply and optimize rice production.** Executive Order No. 62, s. 2024, maintained reduced tariff rates on key agricultural products, including corn, pork, and mechanically deboned chicken and turkey meat. Notably, this issuance reduced the Most-Favored-Nation (MFN) tariff on rice to 15 percent from 35 percent, effective July 8, 2024. NEDA is mandated to submit a monitoring report as per Section 3 of EO 62, to the Office of the President (OP).

Meanwhile, through the Rice Competitiveness Enhancement Fund (RCEF), various initiatives supported the sector from January to September 2024, including the distribution of 1,438 units of machinery, 3.18 million bags of certified seeds, 1,984 training sessions for 50,004 participants, and PHP354.83 million in loans. Additionally, the RCEF-Rice Farmers Financial Assistance Program provided PHP5,000 to 1.71 million farmers cultivating two hectares or less, disbursing a total of PHP8.57 billion cash grants to help offset rising farm input costs and enhance productivity (see *Subchapter 3.1*).



Rice farmers in Dingalan, Aurora received certified inbred rice seeds for planting as part of the Rice Competitiveness Enhancement Fund (RCEF) Seed Program on July 2022

Source: DA

### **The government is pursuing reforms to streamline trade regulatory measures and strengthen import regulations.**

Regulatory agencies such as the Bureau of Plant Industry (BPI), Bureau of Animal Industry (BAI), and BFAR have committed to updating and optimizing their regulations for the issuance of Sanitary and Phytosanitary Import Clearances (SPSIC) in accordance with Section 2 of Administrative Order No. 20, s. 2024. Such updates will undergo a Regulatory Impact Assessment (RIA) before release.



DA, led by Secretary Francisco P. Tiu Laurel Jr., and in coordination with the Bureau of Customs, seized 144 tons of undocumented shipments of carrots and onions worth PHP21 million at the Port of Subic on September 11, 2024.

Source: DA

Moreover, the DA reported that the following cold storage facilities are already in the pre-implementation stage: Pacific Roadlink Logistics, Inc. in Bulacan, Subic Bay International Terminal Corporation, Manila International Container Terminal, Davao International Container Terminal, and BFAR XII.



Consumer access to affordable, safe, and nutritious food expanded

**KADIWA programs continue to play a vital role in supporting consumers and strengthening the local agricultural sector.** From January to September 2024, the program generated PHP775.75 million in sales through 2,882 activities, benefiting

<sup>1</sup> Department of Health, City Government of Meycauyan, and Megaworld Corporation

676 farmer cooperatives and associations (FCAs) and 1.94 million households. As of September 30, 2024, 280 KADIWA stores are operational nationwide.

Under the KADIWA ng *Pangulo*, there were 952 events which generated an additional PHP151.89 million in sales, supporting 650 FCAs and benefiting 379,735 households. The DA-BFAR further enhanced the program through its Seafood KADIWA initiative, selling 124,051.83 kilograms of fish and fishery products nationwide which generated PHP18.99 million in sales, benefiting 1,285 suppliers and reaching 45,129 buyers.

To complement the KADIWA Program, the DA launched the large-scale trial of the P29 Rice Program, aimed at providing more affordable rice to Filipino households, particularly those in the most vulnerable sectors. From July 5, 2024 to September 30, 2024, the program sold 704 metric tons (MT)

of rice at PHP29 per kilogram, generating PHP20.42 million in sales.

Meanwhile, the Rice-for-All Program was also launched offering well-milled rice at PHP42-43 per kilogram in KADIWA outlets. From July 15 to September 30, 2024, the program sold 118 MT of rice, generating PHP5.3 million in total sales. These initiatives underscore KADIWA's impact in empowering agricultural producers, ensuring affordable food access, and supporting communities nationwide. Moreover, transport infrastructure such as farm-to-market roads improved the linkage of agricultural producers and markets (see *Subchapters 2.4 and 3.1*).

**Existing market-based systems expanded their scope in monitoring the prevailing market prices of goods.** As of September 2024, the *Bantay Presyo* Monitoring System (BPMS) expanded its coverage to 331 from 261 markets across regions. Likewise, the Trading Post Commodity and Volume Watch (TPCVW) now tracks daily supply inflows and outflows from 33 trading centers and wholesale markets (see *Subchapter 3.1*). These systems are essential for consumers, as they provide accessible, real-time information on market conditions, enabling them to make informed purchasing decisions and fosters transparency in the supply chain.

**Government and private stakeholders have strengthened their capacity to meet sanitary and phytosanitary standards, ensuring the implementation of comprehensive and effective food safety measures.** From January to September 2024, the Building Safe Agricultural Food Enterprises (B-SAFE) Project certified 15 government and private farms/firms in Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP), or ISO standards. Additionally, the project developed 35 risk management plans, 21 of which have been successfully implemented, ensuring a proactive measure for more secure and reliable food systems.



Agriculture Secretary Francisco P. Tiu Laurel Jr. together with Mayor Imelda Calixto-Rubiano and other DA officials, visited the KADIWA ng Pangulo kiosks selling rice PHP40/kilo under the Rice-for-All program at the Pasay City Public Market on December 13, 2024. They also inspected the supply and prices of pork, chicken, beef, seafood, and fruits.

Source: DA

These achievements align with the goals of the Food Safety Strategic Plan 2024-2028, which requires Food Safety Regulatory and Support Agencies to focus on five strategic pillars: (a) Rules and regulations, (b) Inspection and certification, (c) Laboratory services, (d) Training and advocacy, and (e) Digital transformation. In April 2024, the DA-BPI inaugurated the country's first-ever mobile plant food safety laboratory which allows rapid screening and testing of plant-based food products for pesticide residue, heavy metals, and microbiological contaminants, marking a significant advancement in ensuring food security.

**Improved logistics and transportation play a crucial role in bringing food closer to consumers.** The Department of Trade and Industry – Board of Investments (DTI–BOI) has supported the development of a roadmap for the Philippine Cold Chain Industry, launched in December 2020. A key strategy outlined in the roadmap is to attract investments in cold storage projects, with a target of adding at least 50,000 pallet positions of new cold storage capacity by 2024. As of September 2024, this goal has already been surpassed, with 55,389 pallet positions created.

In addition, the Foodlane Accreditation Project ensures the smooth transport of agricultural products. In collaboration with the Department of the Interior and Local Government (DILG), the Philippine National Police (PNP), and the Metropolitan Manila Development Authority (MMDA), the DA accredited 76 sole proprietors, 22 FCAs, and 26 corporations, issuing a total of 440 food lane stickers from January to September 2024. Currently, the DA-Agribusiness and Marketing Assistance Service (AMAS) is updating the Implementing Guidelines and Memorandum of Agreement to reflect recent developments and directives related to the Foodlane Project. Furthermore, in partnership with DA-Information and Communications Technology Service, AMAS launched the Online Food Lane

Application System, allowing for online processing of applications by DA-AMAS and Agribusiness and Marketing Assistance Division counterparts in DA-Regional Field Offices. This digital platform has contributed to a significant increase in the number of accredited trucks in 2024 compared to the previous year.

The Toll Regulatory Board (TRB) approved the Guidelines on the Exemption of Trucks Carrying Agricultural Products from Toll Rate Increases, which designates the DA's Food Lane Project as a key requirement for processing toll rebates and exemptions. The Agri-Trucks Toll Rebate The TRB approved the Guidelines on the Exemption of Trucks Carrying Agricultural Products from Toll Rate Increases, which designates the DA's Food Lane Project as a key requirement for processing toll rebates and exemptions. The Agri-Trucks Toll Rebate Program took effect on June 1, 2024. Moreover, the DA-AMAS facilitated a meeting with the Confederation of Truckers Association of the Philippines (CTAP) Inc. to discuss the TRB directive on toll exemptions for vehicles transporting agricultural products.



**Improving nutrition  
across all ages**

**Nutrition-specific interventions were implemented to promote healthy lifestyles among Filipinos through their integration in LGUs.** The National Nutrition Council (NNC) led these efforts through the *Nutriskwela* Community Radio Network Program, which operates 49 licensed community radio stations across 16 regions, reaching approximately 1,923 barangays, with additional audiences via online livestreaming. To enhance data harmonization and monitoring, the NNC developed the National Nutrition Information System (NNIS), which consolidates national and local nutrition databases to monitor the health and nutrition of Filipino children.

In 2024, the NNC conducted joint training for the NNIS and the Early Childhood Care and Development in the First 1000 Days (ECCD F1K) Reporting System in selected areas across eight provinces, which enabled nationwide implementation. Meanwhile, the Milk Feeding Program continues to support child nutrition. From January to October 2024, the Philippine Carabao Center (PCC) supplied 615,107 liters of milk from 45 PCC suppliers to the Department of Social Welfare and Development (DSWD) and the Department of Education. Meanwhile, the National Dairy Authority (NDA) delivered 8.66 million liters of milk from 56 NDA-assisted processors. In total, these efforts benefited 1.8 million children. To combat malnutrition and hunger in low-income households, the DSWD, in partnership with the DA, implemented the Food Stamp Program: *Walang Gutom 2027*. As of



In celebration of Nutrition Month, the DA-National Dairy Authority launched the 'Batang Bibo at Malusog Gatas Caravan' in Muntinlupa City on July 31, 2024, benefiting 200 first-grade students at Muntinlupa Elementary School. This aims to introduce the nutritional benefits of milk to young learners.

Source: DA

October 6, 2024, the program provided food transfers to 81,277 poor households nationwide (see Subchapter 4.1).<sup>2</sup>

## Results Matrix

Adverse weather systems, such as El Niño and tropical cyclones, coupled with restricted food trade, pose disruptions to agricultural productivity, supply chains, and food security. Despite these challenges, the AFF sector managed to meet the country's food needs through strategic interventions and adaptive measures, ensuring a stable supply of essential commodities. However, efficient and effective targeting of interventions remains vital for long-term sustainability.

**The country has experienced periodic spikes in food inflation, driven by various weather systems and disruptions in global supply chains.** As of December 2024, the annual average food inflation rate for 2024 stood at 4.5 percent, slightly above the 4 percent upper-bound target for the year. The strong El Niño event, which peaked in May 2024, posed challenges to supply chains by affecting yields of key

food commodities, contributing to the rise in food inflation until July 2024.

The moderation of rice inflation during the second half of 2024, which has contributed to the slowing down of the food inflation rate, can be attributed to the decline in the landed cost of imported rice following the implementation of EO 62, s. 2024. However, a reversal occurred in October 2024, as rice inflation reached 9.6 percent, driven by a low base effect.<sup>3</sup> Meanwhile, rice inflation stood at 0.8 percent in December 2024.

In addition, persistent weather challenges and the ongoing threat of African Swine Fever (ASF) continue to hinder the local food supply. Despite these challenges, the government remains committed to achieving the target inflation range of 2 to 4 percent for the full year of 2024.

<sup>2</sup> Forging a Stronger, Affordable, and Accessible Healthcare System

<sup>3</sup> Contributing to the uptick in rice inflation in October 2024 is the lower retail prices recorded a year prior following a mandated price ceiling for milled rice in September 2023, pursuant to EO 39, s. 2023, and was subsequently lifted a month later.

**While local palay procurement improved in the first half of the year, the current rice buffer stock remains below the prescribed optimal level of 300,000 MT.**

In April 2024, the National Food Authority (NFA) implemented the Price Range Scheme (PRICERS), which increased palay buying prices—offering higher rates than traders—to strengthen the buffer stock. This measure led to a 99.4 percent surge in the NFA rice stock inventory by May 2024. Although the average monthly volume of NFA rice stocks from January to December 2024 reached 146.9 thousand metric tons (TMT), additional measures are necessary to meet the prescribed optimal level. This gap can be attributed to competition from traders offering higher buying prices and the continued impact of natural hazards (e.g., drought, tropical cyclones) on the quantity and quality of available palay.

**The full-year 2023 accomplishments for nutrition-related indicators were recently released.**

Moderate to severe food insecurity significantly decreased to 31.4 percent last year, from the 33.4 percent recorded in 2021. Moreover, there were improvements in the prevalence of stunting and overweight/obesity in children

under five years old. Both indicators posted reductions of 23.6 percent and 3.7 percent – better than the 2023 targets of 25.2 percent and 3.8 percent, respectively. However, ongoing challenges such as limited access to nutritious food and disruptions in food supply chain, could hinder progress. Sustained efforts and localized interventions will be essential in maintaining this positive outcome.

While some indicators are yet to meet their targets or be reported, these highlight opportunities to enhance the methodologies of nationwide nutrition surveys. For instance, the National Demographic and Health Survey (NDHS), conducted by the Philippine Statistics Authority every five years, did not provide data for Fiscal Year 2023-2024 due to its fixed schedule (see *Subchapter 4.1*).

# Ways Forward

Moving forward, we will prioritize implementing proactive measures to address emerging challenges in the agricultural sector, enhance productivity, and promote long-term sustainability. This strategy will focus on harnessing market intelligence to anticipate trends and needs, providing targeted interventions to improve postharvest facilities, and enforcing existing policies stringently to combat smuggling. By strengthening regulatory frameworks and fostering innovation across the sector, we aim to build a more resilient and competitive agricultural industry capable of adapting to future challenges.

## Priority Strategies



To attain a sufficient and stable supply of food commodities

### **Leverage market intelligence to actively respond to domestic and external shocks.**

Updated market data on commodity prices, consumer behavior, and geopolitical trends will be made available to support well-informed recommendations and decisions. This data will be complemented by the development of robust predictive models capable of simulating potential shocks at both domestic and global levels. Additionally, innovations in existing price monitoring systems, such as the *Bantay Presyo* Monitoring System and the *Bantay Palay* Application, will be utilized to identify emerging anomalies in the market. These advanced tools will enhance the ability to detect and respond to market disruptions in real-time, ensuring timely and effective interventions. Furthermore, the will tap into the expertise of Agricultural Attachés stationed worldwide to gather early intelligence on potential geopolitical developments that could impact the international market.

**Develop a localized market advisory system through mobile application utilizing crowdsourced data.** This platform allows marketgoers to share real-time

prices of agricultural commodities from their local markets. By aggregating this data, it delivers reliable and precise price trends and comparisons across various markets. This system not only enhances market transparency but also promotes community participation in creating a more accessible and accurate source of market information.

### **Expedite the construction of modern postharvest facilities under the *Masagana Agri-Food Infrastructure Modernization Program (MAFIM)*.**

This initiative includes the nationwide establishment of essential infrastructure such as dryers, silos, warehouses, rice mills, corn mills, and handling equipment units. Concurrently, the NFA has allocated budgetary funds to procure rice-related postharvest facilities that will support the national buffer stocking program. This effort also aims to provide continuous support to local farmers through enhanced postharvest mechanisms, particularly during rice cropping seasons, ensuring improved storage, processing, and overall efficiency in the agricultural supply chain.



To expand access of consumers to affordable, safe, and nutritious food

**Ensure complementation between the functions of the Anti-Agricultural Economic Sabotage Enforcement Group and the Surveillance Team.<sup>4</sup>**

Both groups share the critical responsibility of preventing and monitoring illegal activities related to the importation, storage, and distribution of agricultural and fishery products. To maximize their collaboration, their respective roles and responsibilities must be clearly delineated. Establishing coordination mechanisms is essential to enable regular intelligence sharing, which will support the identification and implementation of effective measures against agricultural economic sabotage. This synergy will strengthen enforcement efforts and improve the overall efficiency of monitoring and preventive actions.

**Stringent enforcement of policies targeting anti-competitive practices to ensure fair competition in the agricultural value chain.**

Under EO 62, s. 2024, the import duty on rice is reduced from 35 percent to 15 percent to make prices in the domestic market more affordable. However, while the implementation of this policy resulted in decreased landed costs, retail price in the market remained elevated. The Philippine Competition Commission (PCC) will be vigilant in monitoring and addressing anti-competitive behaviors, including cartels, price-fixing, and market allocation, to safeguard safe trade and promote equitable benefits for consumers and businesses.



To improve nutrition across all ages

**Engage Barangay Nutrition Scholars (BNS) in community-based monitoring of vulnerable children to ensure timely and effective interventions.**

This initiative focuses on collecting accurate and up-to-date data on the health status of the community, such as stunting, wasting, malnutrition, dietary intake, and micronutrient deficiencies. Such information will be consolidated in a registry managed by BNS, enabling them to identify at-risk children and implement evidence-based and targeted interventions. By strengthening community health systems, this approach contributes to mitigating the long-term impacts of malnutrition and other health-related challenges.

<sup>4</sup> Economic Sabotage Enforcement Group: Created by virtue of Section 18 of RA No. 12022, the group consists of NBI, PNP, PCG, and DOF. Surveillance Team: Section 6 of AO 20, s. 2024, reconstituted the Surveillance Team, comprising of DA, DTI, BOC, PCC, DILG, DOJ, NBI, and PNP.



## Subchapter 3.3

# **Promoting Water Security through the Sustainable Management and Optimization of Water Resources**



President Ferdinand R. Marcos, Jr., and NIA Administrator Engr. Eduardo Eddie G. Guillen led the inauguration of the Malitubog-Maridagao Irrigation Project – Stage II on April 29, 2024 in Barangay Bagoinged, Pikit, Cotabato.

Source: NIA

## Introduction

The government continues to take targeted steps to improve the country's water security. The implementation of the Integrated Water Resources Management Plan (IWMP) has enhanced collaboration among water sector agencies, advanced key policy reforms, and supported capacity-building activities. Improvements have been observed in efforts

to achieve zero open defecation. In the irrigation subsector, cropping intensity has exceeded annual targets, with a slight decline compared to the previous year. However, the sector continues to address challenges such as climate change risks, significant infrastructure investment requirements, and persisting institutional fragmentation.

## Strategy Framework

To achieve water security, ensure the ecological integrity of water systems, and enhance resiliency to water-related hazards, the Integrated Water Resources Management (IWRM) process will be applied in planning and managing land, water, and coastal resources. The IWMP outlines key priority actions to achieve these goals. Such actions include addressing institutional fragmentation, enhancing the capacity to conduct

scientific studies, developing decision support systems, collaborating with the academe, and investing in data monitoring systems. Water infrastructure will also be upgraded and expanded, in line with the different master plans for the water sector. Investments in water infrastructure services will be pursued, along with the provision of accessible financing for water supply and sanitation projects.



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



**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

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## Accomplishments for 2024



**Water infrastructure  
upgraded and expanded**

**Water supply and sanitation (WSS) upgrades expanded access to safe and reliable water supply.** Several major region-specific projects in the water supply and sanitation subsector are currently underway, each at varying stages of completion as



DILG, DBM, NEDA, DENR led the launching of the Support and Assistance Fund to Participatory Budgeting (SAFPB) in Cebu City on February 21, 2024, which will give 75 municipalities access to safely managed and resilient water supply and sanitation services.

Source: DBM

shown below. Once completed, these projects are expected to improve access to safe water supply.

In addition to the ongoing region-specific projects, a multi-regional project that is currently under implementation is the

- 1) **Bulacan Bulk Water Supply Project Stage 3 (ongoing)**  
The project will supply 56 million liters of water for 89,000 HHs
- 2) **Laguna Lake East Bay Water Treatment Plant Phase 1 (97% complete)**  
The project will supply 50 million liters of water
- 3) **Laguna Lake East Bay Water Treatment Plant Phase 2 (63% complete)**  
The project will supply 200 million liters of water
- 4) **New Centennial Water Source – Kaliwa Dam Project (25% completion)**  
The project will supply 600 million liters of water
- 5) **Bigte-Novaliches Aqueduct No. 7 (49% completion)**
- 6) **Angat Water Transmission Project Tunnel 5 (96% completion)**
- 7) **Reactivation of Marawi City Water District Project (82% completion)**



Water District Development Sector Project (WDDSP), which has achieved an overall accomplishment rate of 64.92 percent as of October 2024. The WDDSP is a relending facility under the Local Water Utilities

Administration (LWUA) for Water Districts (WDs) to support the rehabilitation of distribution networks, development of raw water supply, improvement of sanitation facilities, and enhancement of operational sustainability.

The LWUA has piloted its Rainwater Catchment Project in five local WDs: Cabuyao WD in Laguna, Morong WD in Bataan, Alitagtag WD in Batangas, San Nicolas WD in Ilocos Norte, and Bacolod City WD in Negros Occidental. The project encompasses three key components to improve water management in select local government units (LGUs): (a) installation of rooftop rainwater collection systems, (b) capacity building for LGU personnel on system maintenance and operation, and (c) establishment of a monitoring and evaluation framework, including water quality testing and management protocols.

Also aligned with the Philippines' commitment to open governance, the Support and Assistance Fund to Participatory Budgeting (SAFPB) program has strengthened the collaboration of the national government, LGU, and civil society organizations (CSOs) to ensure the delivery



LWUA Chair Ronnie Ong with LWUA Advocate Angel Aquino at the Rainwater Catchment Site at the Cabuyao Water District in Laguna.

Source: LWUA

of essential services tailorfit to communities. For Fiscal Year (FY) 2024, the program focused on improving WSS infrastructure in 4<sup>th</sup> to 6<sup>th</sup> income class municipalities. Key accomplishments include the construction, expansion, and rehabilitation of Level III water supply systems, and enhancement of public sanitary toilets and hygiene facilities.<sup>1</sup>

**Irrigation programs have been expanded to improve farmland productivity.** As of September 2024, the National Irrigation Administration (NIA) has implemented 124 irrigation programs for Calendar Year (CY) 2024, including carry-over projects from previous years. These initiatives include 43 projects in Luzon, 25 in Visayas, 20 in Mindanao, and 36 across various provinces nationwide. Collectively, these projects led to the development of 14,091 hectares (ha) of newly irrigated areas and the restoration of 15,336 ha of previously non-operational areas.

NIA also operated and maintained 262 National Irrigation Systems (NIS), covering a total service area of 980,108.68 ha, and a firm-up service area (FUSA) of 876,564.65 ha at the start of the year, reflecting progress compared to the previous year.

On April 29, 2024, the Malitubog-Maridagao Irrigation Project – Stage II (MMIP-II) was inaugurated. This project aims to



President Ferdinand R. Marcos, Jr., led the inauguration of the Integrated Disaster Risk Reduction and Climate Change Adaptation (IDRR-CCA) Measures in Low-Lying Areas of Pampanga Bay - Stage I in the Province of Pampanga on August 7, 2024.

Source: DPWH

irrigate 9,528 ha of farmland, benefiting approximately 4,000 farmers, including former Moro Islamic Liberation Front (MILF) combatants who have transitioned to civilian life. The project covers the municipalities of Pikit and Aleosan in Cotabato, as well as Pagalungan and Datu Paglas in Maguindanao Del Sur.

**Flood management efforts enhanced protection and reduced flood risks for vulnerable areas.** The Flood Risk Improvement and Management Project for Cagayan De Oro River (FRIMP-CDOR) was completed in April 2024. The project is expected to protect 614 ha of commercial and residential areas for a 50-year return period, encompassing 21,700 buildings and 60,900 people.

On August 7, 2024, the Integrated Disaster Risk Reduction and Climate Change Adaptation (IDRR-CCA) Measures in Low-Lying Areas of Pampanga Bay - Stage I was inaugurated. The project aims to reduce flood levels and durations to 17 days from 66 in the municipalities of Macabebe, Masantol, Minalin, and Sto. Tomas in Pampanga, which is expected to protect approximately 16,000 ha and 200,000 residents in the said municipalities.



**Implementation of IWRM strengthened**

**Comprehensive policies and plans have been advanced to promote sustainable water resource management.** Under Executive Order No. 22, s. 2023, the Department of Environment and Natural Resources – Water Resources Management Office (DENR-WRMO) developed the IWMP with contributions from key water sector agencies and development partners. Approved by the National Economic and Development Authority (NEDA) Board on February 27, 2024, the IWMP is the overarching plan that aligns all existing

<sup>1</sup> Level III refers to a water supply facility with a source, a reservoir, a piped distribution network with adequate treatment facility, and household taps. It is generally suited for densely populated urban areas where the population can afford individual connections.

sectoral plans into a unified strategy for managing water resources and achieving the country's water security agenda. In line with the IWMP, multiple policy directives and department memoranda affirm the IWRM strategy of integrating flood management with water supply development.

To support the IWRM framework, various high-level and technical-level trainings were conducted with technical assistance from Official Development Assistance (ODA) partners.

On October 16, 2024, the NEDA Board approved Resolution No. 42, s. 2024, adopting the World Health Organization (WHO)/United Nations Children's Fund (UNICEF) Joint Monitoring Programme (JMP) definition of terms for service levels in drinking water, sanitation, and hygiene. This aims to address the issues arising from the absence of a uniform set of data and classifications being used across all WSS-related agencies in the country. It will enable a more comprehensive assessment of the WSS subsector and monitoring of progress toward achieving the Sustainable Development Goal (SDG) targets.

The National Water Resources Board (NWRB) approved several policies to enhance water service delivery and resource utilization:

- a. **Sanitation as a Key Performance Indicator (KPI):** Sanitation was declared a KPI for water service providers, with guidelines issued to expand sanitation coverage.
- b. **Water Rights for all WDs:** A joint resolution by NWRB and LWUA mandates WDs to acquire water rights for unpermitted sources to ensure accountability in water usage.
- c. **Telemetered Water Meters:** Required telemetered water meters for new

and pending industrial and municipal water permittees to enhance real-time monitoring.

- d. **Bulk Water Supply Agreements (BWSA):** Regulated BWSAs to ensure fair pricing, consumer welfare, and sustainable water use.

NIA has finalized and approved 15 Regional Irrigation Master Plans (RIMPs) for 2023-2030 under the National Irrigation Master Plan (NIMP) 2020-2030, developed in collaboration with the Department of Agriculture (DA), the Bureau of Agricultural and Fisheries Engineering (BAFE), and the Bureau of Soils and Water Management (BSWM).<sup>2</sup> The RIMPs provide technical expertise, coordination, and comprehensive data on irrigation needs at the regional and provincial levels, ensuring effective alignment of irrigation programs with the broader agricultural sector.



**Invested in water infrastructure services provision and provided accessible financing for water supply and sanitation projects**

**Completion of unified frameworks and guidelines for enhanced WSS service delivery.** On October 16, 2024, the NEDA Board approved Resolution No. 41, s. 2024, adopting the Unified Resource Allocation Framework (URAF) for WSS to address the fragmented funding and implementation of WSS projects, as well as the inequitable delivery of basic WSS infrastructure. The URAF-WSS will rationalize resource allocation to expedite the improvement and expansion of WSS services and promote market-based financing and grants/subsidies.

The enrollment of the Program Convergence Budgeting (PCB) for the water sector was

<sup>2</sup> The NIMP provides the national guidelines for the irrigation development of the country.



The JMC establishing PU-LWSS was signed by DOF-BLGF Director Brenda L. Miranda, NEDA Secretary Arsenio M. Balisacan, DENR Secretary Antonia Yulo-Loyzaga, DBM Secretary Amenah F. Pangandaman, and former DILG Secretary Benjamin C. Abalos, Jr. (not in photo).

Source: DBM

also implemented to align, coordinate, and integrate national government programs, activities, and projects (PAPs) across all water-related agencies. In 2024, PCB agencies, led by the DENR-WRMO, submitted 227 approved PAPs under the Water Sector PCB for FY 2025. Notable PAPs include community subprojects (SPs) on water, sanitation, and hygiene (WASH)

## Results Matrix

As of 2024, 17.55 million families, or 92.00 percent of the Metropolitan Waterworks and Sewerage System (MWSS) service area have access to safe water supply. This represents an increase from the previous year's 91.83 percent, or 17.33 million families. The proportion of municipalities certified as zero open defecation (ZOD) areas also rose from 34.88 percent in 2023 to 46.00 percent in 2024.

under the *Kapit-Bisig Laban sa Kahirapan* – Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS), co-implemented by the Department of Social Welfare and Development with the Department of Health (DOH). In 2024, 1,588 WASH SPs were completed, which include hand washing facilities, sanitary toilets, water systems, and rainwater catchment facilities, benefiting 380,009 households.

To continue this initiative, on October 4, 2024, Joint Memorandum Circular (JMC) No. 02, s. 2024, on the issuance of guidelines for the setting-up and operation of Public Utilities for Local Water Supply and Sanitation Services (PU-LWSS) was signed by key signatories from the NEDA, DENR, Department of the Interior and Local Government (DILG), Department of Budget and Management, and Department of Finance. The JMC provides guidelines to help LGUs create financially viable and self-sustaining water and sanitation utilities to improve the efficiency and reliability of LGU-operated systems.

Meanwhile, cropping intensity at the NIS slightly decreased to 181.99 percent in September 2024, down from 183.96 percent in 2023. In contrast, cropping intensity in communal irrigation systems (CIS) increased to 162.77 percent, up from 156.79 percent in 2023.

# Ways Forward

**Continue implementing the IWRM approach to address the challenges in the water resources sector.** This approach focuses on the development of multipurpose projects that integrate irrigation, flood mitigation, and water supply, thereby enhancing the overall management of the country's water resources. By prioritizing multipurpose projects over single-purpose initiatives, we ensure a more holistic and sustainable approach to water resources management, while significantly reducing financial burdens associated with isolated project implementations. To support this transition, policies promoting collaborative planning and implementation across various agencies will be pursued to further strengthen inter-agency cooperation.

## Priority Strategies



To upgrade and expand water infrastructure

**Continue the implementation of water infrastructure projects and improvements to address existing challenges.** Several projects have faced major issues during implementation, such as disputes with property owners, insufficient right-of-way acquisition (ROWA) funds, and setbacks in land acquisition, which resulted in delays, and necessitated project restructuring. Implementing agencies will coordinate closely with concerned national government agencies, LGUs, and project stakeholders, including indigenous peoples, CSOs, and non-governmental organizations (NGOs), to resolve disputes and issues swiftly. Projects that have undergone restructuring (e.g., increase in cost, change in scope, extension of implementation period) will be closely monitored to ensure timely completion and prevent further cost overruns.

**Ensure the long-term impact and sustainability of the water supply and sanitation components of community-driven water projects.** Efforts will focus on empowering communities to manage WSS components by building their capacity in the knowledge and skills required for efficient operation and maintenance (O&M).

Fee collection will be encouraged to cover O&M costs and ensure the sustainability of WSS facilities within the community.

**Pursue the design of water infrastructure projects with multipurpose uses.** In line with the President's directives, the Department of Public Works and Highways (DPWH) issued policy directives to incorporate multipurpose functions, such as for water supply, irrigation, hydropower, aquaculture, and ecotourism, into flood control and management projects.<sup>3</sup> DPWH will coordinate closely with NIA to explore the feasibility of integrating multifunctional designs into irrigation systems and collaborate with DENR on implementing reforestation and land cover restoration in upstream/watershed areas as part of flood control strategies.

Multifunctionality will be actively promoted in priority projects identified in flood control and management master plans and prioritized in investment programming. Water allocation models and operation curves will be developed for multipurpose dams to define optimal storage levels at different times of the year, maximizing their various functions, including water supply, flood control, irrigation, and hydropower generation.

3 Memorandum No. 097-7 dated May 8, 2024 and Department Order (DO) No. 097, s. 2024, dated June 11, 2024.



## To strengthen the implementation of the IWRM

**Pursue the creation of the Department of Water Resources (DWR) and the Water Regulatory Commission (WRC) within the 19<sup>th</sup> Congress.** The establishment of these entities is crucial to strengthening governance in the water sector. In the interim, we will continue to pursue necessary sectoral reforms to ensure the smooth transition of agencies performing water-related functions for the effective and efficient operation of the DWR and the WRC once established, thereby, minimizing disruptions and intensifying regulation of water resources.

**Implement programs and projects identified in the sectoral master plans, pending the enactment of the DWR and the WRC bills.** The IWMP serves as a strategic framework to guide water resource management strategies and actions. Ensuring efficient and effective execution of these initiatives within the proposed timeframe will strengthen the water resources sector's resilience to current challenges and establish a solid foundation for long-term water security. The progress of the RIMPs will be closely monitored to ensure adequate budget allocation and timely implementation of the programs and projects outlined in these plans.

**Optimize water resources utilization to mitigate the effects of future El Niño phenomena.** Water utilities will be directed to reduce water losses or non-revenue water (NRW) and ensure the sustainability and proper management of municipal water supply systems, through improved governance, efficiency, and performance. Addressing NRW will not only help mitigate El Niño impacts but also promote equitable water systems by ensuring reasonable fees and protecting consumers' welfare. WDs operating without water permits will be required to secure

such through site inspections, quarterly reporting, and a comprehensive database. Likewise, compliance with the installation of telemetered water meters meeting the minimum technological requirements will be strictly enforced. Guidelines will also be developed to operationalize the NWRB Resolution on the reservation of waters for future use, in accordance with the principles of greater beneficial use, preferences, and priorities outlined in the Water Code (Presidential Decree No. 1067) and aligned with the IWMP. Furthermore, incentives will be offered for WDs and LGU-run WSPs to develop bulk water supply projects, promoting the shift to surface water sources.

**Address the lack of adequate water resources-related data.** To achieve this, necessary resources will be secured to effectively collect, consolidate, and analyze service data on water, sanitation, and hygiene. Existing surveys conducted by the Philippine Statistics Authority will be revised to adopt the WHO/UNICEF JMP definition of terms for service levels in drinking water, sanitation, and hygiene. This alignment will enable a more accurate assessment and monitoring of water service delivery and public health outcomes, supporting informed decision-making. The NWRB will also intensify its efforts to update and improve the reliability of water resources data by accelerating the conduct of Groundwater Monitoring Programs for critical areas.

**Enhance flood and disaster risk management in line with the President's directive.** The Department of Science and Technology (DOST), in collaboration with the National Disaster Risk Reduction and Management Council (NDRRMC), will establish a standardize procedure for the gradual release of water from multipurpose dams prior to typhoons to mitigate flood risks. In addition, the DPWH, DENR, and other relevant agencies will revisit river basin master plans and expand the capacity

of flood control infrastructure to address increasing flood risks and the worsening impacts of climate change.

Moreover, to ensure the effective implementation of flood control projects, we are pursuing a policy to consolidate flood control efforts within a single river basin as part of a unified flood management program.



To encourage investments in water infrastructure services provision and provide accessible financing for water supply and sanitation projects

**Pursue more responsive and collaborative programs and projects under the Water Sector PCB.** Water Sector PCB projects will prioritize providing WSS to underserved areas, including upland communities, small-island barangays, and regions with the lowest WSS access and the highest incidence of water-borne diseases.

Convergence projects with other agencies will be explored, such as the establishment of sanitation facilities in public spaces and strategic tourism areas. Moreover, collaboration between the DOH in achieving ZOD and the DILG's sanitation initiatives in communities covered under the SAFPB will be pursued.

# 04

## Investing in Social Development

As one of the top priorities of the Philippine Development Plan (PDP) 2023-2028, the government bolstered its investments to improve the country's social protection system to safeguard Filipinos from socioeconomic risks and shocks, enabling them to contribute to the country's progress.

In 2024, initiatives were implemented to enhance the lives of Filipinos both locally and abroad by addressing challenges and improving social services. Key efforts included upgrading the National Health Insurance benefits, advancing the National Learning Recovery Program, providing

decent housing through the *Pambansang Pabahay Para sa Pilipino* Housing Program, expanding the Technical and Vocational Education and Training programs, enhancing services for Overseas Filipinos, passing the *Ligtas Pinoy* Centers Act, and increasing infrastructure for healthcare, education, and waste management.

However, while significant progress was made in 2024, more work lies ahead in sustaining implementation, addressing resource gaps, and ensuring broader stakeholder buy-in to build a resilient and inclusive future.



Subchapter 4.1

**Forging a Stronger,  
Affordable, and  
Accessible Healthcare  
System**



The Philippine Cancer Center is a 20-storey specialty hospital with 230 bed-capacity located at Quezon City held its Groundbreaking Ceremony on March 8, 2024.

Source: DOH

## Introduction

The policies, programs, and activities in the health sector aim to improve the social determinants of health, ensure equitable access to quality care, empower individuals to make healthy choices, and enhance the efficiency and resilience of health systems. In 2024, the health sector made modest strides with the following key accomplishments: (a) increased access to improved and wider benefits through the National Health Insurance Program; (b) fortified the establishment of critical health facilities and other infrastructure; (c) deployment of healthcare workers through the National Health Workforce Support System (NHWSS); and (d) increased the reach and improved service delivery.

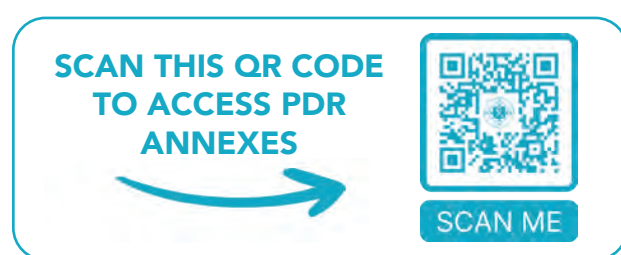
Guided by the PDP 2023-2028, the sector emphasized greater collaboration between local and national governments as espoused in the Universal Health Care (UHC) Act.<sup>1</sup> Major reforms, such as the enactment of the Basic Education Mental Health and Well-Being Promotion Act, enhancement of PhilHealth benefits, and the establishment of the Special Health Fund (SHF), have strengthened the foundation for sustainable health system improvements.<sup>2</sup> However, lessons from this period highlight persistent challenges, including stagnant implementation of major health programs and the need to cultivate broader stakeholder buy-in for UHC reforms. Addressing these gaps is crucial for building a more inclusive and effective health agenda.

<sup>1</sup> Republic Act No. 11223: An Act Institutionalizing the Enterprise-Based Education and Training Framework and Appropriating Funds Therefor.

<sup>2</sup> Republic Act No. 12080: An Act Strengthening the Promotion and Delivery of Mental Health Services in Basic Education Through the Hiring and Deployment of Mental Health Professionals, And Appropriating Funds Therefor.

## Strategy Framework

Building on the momentum gained from post-pandemic health initiatives, the government continued to pursue strategic actions to boost health. These actions prioritize the (a) improvement of social determinants of health, (b) enabling healthy choices and behaviors, (c) improving access, quality, and efficiency of health care; and (d) strengthening health systems.



## Accomplishments for 2024



Social determinants of health improved

**Enactment of a law to foster mental and social well-being in schools.** The Basic Education Mental Health and Well-Being Promotion Act will strengthen mental health programs for learners and school personnel in public and private schools. The law provides for the creation of new Plantilla positions for school counselors, along with other school-based mental health facilities, such as Care Centers and Mental and Well-Being Offices.

**Expanded health promotion interventions to ensure that communities, workplaces, and schools are protective of health.** The Department of Health (DOH) developed various programs through the Health Promotion Playbooks, following the issuance of the National Policy Framework on Promotion and Recognition of Healthy

Communities in 2021 (DOH-DILG Joint Administrative Order No. 2021-0002). These programs aim to foster healthy communities, through conducive physical, social, political, and economic environments.<sup>3</sup> As of October 2024, 93 Province-or City-Wide Health Systems (P/CWHS) implemented at least one playbook since its pilot phase in 2021. For instance, the Healthy *Karinderya* Playbook was issued along with the Health Promotion Program: *Karinderya Para sa Healthy Pilipinas*. This mobilizes local *karinderyas* in preparing nutritious food for dietary supplementation beneficiaries, allowing *Barangay* Nutrition Scholars (BNS) to focus on nutrition counseling and education. This provides beneficiaries with a physically, socially, and culturally close source of dietary supplementation while also reducing food waste. It is currently being implemented in 17 P/CWHS in the country.



Healthy choices and behavior enabled

**Activated health literacy campaigns in local communities.** Central to DOH's Health Promotion Framework Strategy 2021-2030 is advocating the Seven Healthy Habits. The intervention focuses on seven key health areas: (a) diet, (b) physical activity, (c) immunization, (d) mental health, (e) sexual and reproductive health, (f) environmental health, (g) substance use, and (h) violence prevention. In particular, initiatives like the *Biyaheng Kalusugan* activates health literacy campaigns in local communities, while the *PuroKalusugan* and *TruckABATAAN* bring essential health services directly to local districts (i.e., *Puroks*), addressing immunization, maternal health, nutrition, and disease prevention, among other health priorities. These efforts aim to foster a healthier population through accessible, community-based healthcare solutions.

3 Healthy communities as defined by DOH-DILG Joint Administrative Order (JAO) No. 2021-0002



Mobile health facilities dubbed **TRUCKabataan**.

Source: UNICEF Philippines



Ilocos Center for Health Development (CHD) 1 launched Purokalusugan Program in Dagupan City.

Source: City Government of Dagupan



Access, quality, and efficiency  
of healthcare improved

**Expanded PhilHealth's *Konsultasyong Sulit Tama* (Konsulta) to provide comprehensive primary healthcare (PHC) services to millions of Filipinos.** As of December 2024, 3,117 accredited providers are already serving 26.14 million registered beneficiaries nationwide. This package now includes treatments for tuberculosis (TB), animal bites, malaria, and HIV/AIDS. Moreover, coverage has been expanded from 21 to 53 essential medicines through

Guaranteed Accessible Medications for Outpatient Treatment, further demonstrating the program's commitment to providing comprehensive healthcare access.



PhilHealth Konsulta joins the LAB for ALL caravan in Pasig City today where over 1,700 beneficiaries availed themselves of various government services provided on site.

Source: PhilHealth

PhilHealth has also introduced two new benefit packages to address critical health needs and improve specialized care access for beneficiaries. Specifically, the Outpatient Mental Health Package provides consultations, diagnostic follow-ups, psychoeducation, and psychosocial support in accredited mental health facilities. Meanwhile, the Severe Acute Malnutrition Package targets around one million Filipino children under five, offering assessments, medical care, therapeutic foods, and counseling to combat malnutrition.

**Boosted efforts to secure sustainable and equitably distributed health infrastructure and human resources.** The Health Facilities Enhancement Program of the DOH has established 41 additional specialty centers in DOH hospitals, exceeding its 2024 target (see Subchapter 4.7). As of December 2024, there are 40 operational Bagong Urgent Care and Ambulatory Services Centers to further decongest hospitals across the country (see Subchapter 4.7).

To address the healthcare workforce shortage, the NHWSS has deployed 20,309 health workers, including 1,691 rural health physicians through the Doctors to the Barrios Program, effectively covering 99 percent

of doctorless municipalities. Furthermore, 456 scholars benefited from the Local Scholarship Program and 1,415 scholars are enrolled in the Pre-service Scholarship Program (PSSP). This ensures a pipeline of future healthcare professionals as the PSSP requires a one-year return of service obligation per year of scholarship availed. Several capacity-building programs have also been rolled out to enhance the development of local human resources for health. The DOH Academy's eLearning platform has provided

accessible training to 221,044 learners through its 155 online courses. As of October 31, 2024, the Nurse Certification Program produced a total of 3,528 nurses in 11 nursing specialty areas. During the same period, a total of 49 LGU midwives have also been enrolled at the Leadership Development for Midwives, in partnership with the University of the Philippines College of Nursing.



### National Human Resources for Health Master Plan 2020-2040

The National Human Resources for Health Master Plan (NHRHMP) 2020-2040 guides the development of the Philippine health workforce according to the goals of UHC. It focuses on key priorities such as improving data systems, making health education more responsive by incorporating PHC principles, managing the migration of health workers, enhancing workforce welfare and career development, aligning local HRH plans, and fostering teamwork through an expanded HRH network.

The NHRHMP 2020-2040 highlights retaining health workers through improved compensation, career growth, and supportive work environments. It proposes salary standardization and enacting the Magna Carta for Private Health Care Workers to ensure fair pay and benefits. Career development is emphasized with policies on pathing and growth opportunities, alongside an integrated Philippine HRH recruitment and selection system. Efforts to ensure decent work conditions include tax incentive schemes, monitoring frameworks, and integrated information systems for public and private health facilities. To strengthen retention, the plan also fosters supportive reintegration mechanisms for returning health workers and promotes collaboration with other agencies to address migration challenges.

Moving forward, these strategies could improve the health labor market by increasing retention, filling gaps in underserved areas, and enabling stronger collaboration with local government units (LGUs) to ensure local health programs are well-supported and effective.<sup>4</sup>

4 NHRHMP 2020-2040; Memorandum Circular No. 72, Adopting the NHRHMP 2020-2040 of the Department of Health



## Health system strengthened

**Advanced local health financing through the Special Health Fund (SHF).** Key policy issuances were released to define the fund's use, management, accounting, and reporting processes. To date, 88 percent of LGUs in UHC Integration Sites (64 out of 73) have opened SHF depository bank accounts, facilitating operationalization.<sup>5</sup> To support fund utilization, DOH developed a comprehensive Manual of Procedures and transferred funds to LGU SHF accounts. Monitoring of SHF utilization is conducted in collaboration with the Department of Finance Bureau of Local Government Finance, the Department of the Interior and Local Government, and other relevant stakeholders. This coordinated effort ensures accountability, transparency, and alignment with UHC goals, thereby reinforcing the efficient and equitable use of the SHF to improve health service delivery at the local level.

**Developed robust and data-informed health systems through the implementation of the Local Investment Plan for Health (LIPH).** Currently, 65 percent of provinces, highly urbanized cities (HUCs), and independent component cities (ICCs), along with all 17 Centers for Health Development (CHDs) and the MOH-BARMM, are actively using the LIPH Information System, promoting data-driven decision-making. A total of 116 out of 120 provinces, HUCs, and ICCs secured concurrence for their 2023-2025 Local Investment Plans for Health, demonstrating robust alignment with the UHC agenda.

The country also initiated strategic investments in the health sector through Official Development Assistance. One of these is the World Bank funded Health System Resilience Project, a five-year project aimed at improving health services

and boosting the country's ability to respond to health emergencies. The HSRP will focus on building climate-resilient provincial health systems, strengthening health emergency response systems, and advancing digital health transformation.

## Results Matrix

**Boosting Health.** Notable changes were observed in key impact indicators related to boosting health. The incidence of TB showed a slight improvement over recent years, decreasing from a baseline of 650 cases per 100,000 population in 2021 to 643 cases per 100,000 in 2023. Based on the recent results of the 2023 National Nutrition Survey (NNS), the prevalence of stunting among children under five years of age improved from its baseline of 26.7 percent to 23.6 percent, reflecting progress in addressing child malnutrition. However, the prevalence of binge drinking among adults aged 20 years and above increased from 45.4 percent in 2022 to 58.7 percent in 2023. There has also been a significant increase in prevalence of binge drinking among adolescents 10-19 years old, from 26.7 percent in 2022 to 51.8 percent in 2023, highlighting a growing concern in alcohol consumption behavior.

Other key impact indicators, including average life expectancy, maternal mortality ratio, and various mortality rates, remain unavailable as they are contingent upon the results of the 2025 National Demographic and Health Survey.

**Improving access, quality, and efficiency of health care.** In 2024, significant progress was made in achieving the targets for the Local Health Systems Maturity Levels (LHS ML) under the UHC program. Notably, a total of 69 UHC Integration Sites (UHC-IS) comprised of where 56 out of the original 58 UHC-IS and all 13 newly added sites under Level 1 successfully achieved 100 percent

<sup>5</sup> Per 2024 LHS ML Midyear report.

of the Key Results Areas (KRAs).<sup>6</sup> On the other hand, 63 UHC-IS accomplished at least 70 percent of the KRAs under Level 2, surpassing the 2023 target of 58 sites.<sup>7</sup> However, progress toward the Level 3 target remains a challenge, with only two UHC-IS (Sorsogon and La Union) achieving 70 percent of the Level 3 KRAs against the 2024 target of 58 sites.<sup>8</sup>

In terms of health expenditure, significant trends were observed. The affordability of essential medicines improved, as evidenced by the decrease in the median consumer price ratio for selected essential medicines in national government hospitals that dropped to 1.21 in 2024 from 1.52 in 2021, and in drug retail outlets to 2.47 from 3.78 over the same period.

However, the burden on households increased, with out-of-pocket (OOP) spending as a percentage of Current Health Expenditure rose to 44.4 percent in 2023 from 41.5 percent in 2021, according to the 2023 Philippine National Health Accounts.

Meanwhile, the country's total health expenditure reached PHP1.44 trillion in 2023, marking a 17 percent increase from the previous year. This expenditure was driven by household OOP payments, followed by government schemes, compulsory contributory healthcare financing, and voluntary healthcare payment schemes.

## Ways Forward

Five years since the passage of the UHC Act, the country is still far from achieving the goals of UHC. While significant policy groundwork has been laid to support its attainment, including the issuance of policies, plans, and playbooks focused on improving service delivery, advocacy, and partnerships, progress in achieving UHC goals has been slow. The sector continues to face challenges in implementing and sustaining programs, as well as in coordinating efforts across different agencies, which hinders effective program follow-through. As such, targeted measures to address these gaps will be pursued to prevent reversing the long-term impact of health initiatives.

## Priority Strategies



To improve  
social determinants  
of health

### **Amplify implementation of health promotion programs in communities.**

Initiatives such as Healthy Communities Playbook, FIT-tools for Healthy Workplaces, and Healthy Learning Institutions will need to reach communities, workplaces, and schools with capacity-building interventions

to support broader implementation by 2025. Recognition programs will spotlight exemplary practices, inspiring healthier environments and further advancing local health promotion efforts.

The DOH and DepEd will fully implement the revitalized *Bakuna Eskwela* or School-Based Immunization program. The program aims to safeguard school children and vaccinate 3.8 million Grade 1 and Grade 7

<sup>6</sup> Preparatory Level (Level 1) covers KRAs relating to preparatory works and other supporting mechanisms needed for the integration.

<sup>7</sup> Organization Level (Level 2) covers KRAs that are important for organization and management of the integrated LHS. Other UHC Act reforms that have effects on integration.

<sup>8</sup> Functional Level (Level 3) covers KRAs to monitor functionality of the integrated management support systems.

students with Measles-Rubella and Tetanus-Diphtheria boosters, and 973,930 Grade 4 girls with HPV vaccines to prevent cervical cancer. While the program effectively tackles declining vaccination rates and promotes health equity, its success hinges on strong stakeholder collaboration and persistent efforts to combat vaccine hesitancy.



To enable healthy choices and behavior

**Scale up multisectoral health promotion interventions to reach broader populations.** The National Nutrition Council, in collaboration with DOH, DepEd, and its partners, will continue to intensify its efforts using multimedia platforms in amplifying the implementation of the Philippine Plan of Action for Nutrition 2023-2028 and the Health Promotion Framework Strategy 2021-2030. Programs, such as *Purokalusugan* and the *Nutriskwela* Community Radio Network, *Biyaheng Kalusugan* Regional Community Engagements and monthly community playbook, will remain to strengthen health advocacy, promote behavior change, and contribute to building healthier and more resilient communities nationwide (see Subchapter 3.2).

**Strengthen regulation against alcohol consumption, particularly among adolescents.** In view of the alarming rise of binge drinking among adolescents and adults, the government will implement programs aimed at preventing alcohol consumption among the youth and reducing risk factors for non-communicable diseases (NCDs).

To achieve this, adoption of the National Strategic Framework on Alcohol Use Prevention and Control must be expedited. Community-level interventions stipulated in the strategic framework include mitigating demand and supply, enforcing restrictions on advertising and sponsorship, scaling up

public awareness campaigns, preventing negative externalities, and facilitating access to cessation services.

**Promote healthy food marketing.** The increasing share of OOP spending as a percentage of CHE highlights the need to address its key drivers, including NCDs which remain the leading cause of mortality in the country. Since most NCD care is financed through OOP expenses and significant income losses associated with chronic disabilities, the rising NCD burden poses both health and economic challenges. Furthermore, unhealthy diets and lack of physical activity aggravate metabolic risk factors that lead to NCDs. To mitigate these risks, the government shall strengthen the implementation of nutrient labeling for processed foods, through mechanisms such as the Philippine Nutrient Profile Model. This approach includes front-of-pack labeling to guide healthier consumer choices and restricting unhealthy food availability in school and hospital settings.



To improve access, quality, and efficiency of health care

**Fortify PHC interventions.** A more proactive approach to strengthen PHC is needed to increase primary care uptake. With the majority of UHC-IS now at Level 2 and transitioning to fully functional P/CWHS, the DOH will intensify its technical assistance, capacity building, and other support mechanisms to address gaps in implementation, financing, management, infrastructure, and human resources.

Moreover, national government agencies, including PhilHealth, will need to explore innovative mechanisms to incentivize and encourage the uptake of primary care services. Local governments will need to ensure that their health facilities are equipped with the minimum primary health

care service package and that health workers are adequately trained to deliver these interventions. Additionally, harmonized referral manuals and guidelines need to be issued to support the operationalization of provincial referral systems. Information dissemination campaigns must be intensified to improve public awareness and acceptance of primary care to increase registration of beneficiaries and motivate the public to access primary care services.



**Bolster multistakeholder engagement for buy-in for UHC reforms.** Effective UHC implementation necessitates a shift in governance mechanisms, requiring strong motivation from provincial governments to adopt UHC interventions and manage their local health systems effectively. To this end, the DOH, through its CHDs, will need to actively engage local chief executives to secure their commitment and foster collaboration for UHC reforms. This effort can be complemented by continuous technical assistance from the DOH central office to enhance local capacities for implementing appropriate mechanisms. Moreover, engaging the private sector can also enhance participation and strengthen stakeholder buy-in, ensuring a cohesive whole-of-government and whole-of-society approach to UHC implementation. To reinforce accountability, mechanisms, such as the UHC Coordinating Council, should regularly monitor CHD activities and progress in integration sites. Formalizing this through an Executive Order or similar directive would ensure sustained oversight and alignment of UHC initiatives.

**Accelerate digital health integration for enhanced service delivery.** While there have been advancements in the digitalization of health systems, efforts must be accelerated

to achieve full implementation across all provinces. As such, the DOH needs to further migrate the health information systems of public hospitals to Integrated Hospital Operations and Management Information Systems (iHOMIS) Plus from the iHOMIS in 2025-2026.<sup>9</sup> Building on the digital health innovations driven by the COVID-19 pandemic, telemedicine services must be further expanded and integrated into the P/CWHS.

Meanwhile, PhilHealth's Electronic *Konsulta* (e-Konsulta) will have to be fully implemented, promoted, and interconnected with iHOMIS and other data systems of the DOH for seamless integration of medical records across facilities and agencies to enhance efficiency and coordination.

**Strengthen disease surveillance and response.** Increasing public health threats, including emerging and re-emerging infectious diseases and antimicrobial resistance, require an integrated approach incorporating surveillance, diagnostics, data sharing, capacity building, and research. The Philippine National Action Plan on Antimicrobial Resistance 2024-2028 recognizes that close collaboration among the health, agriculture, and environmental sectors is essential to strengthen surveillance and laboratory capacity at the national and local levels. Through the recently completed second Joint External Evaluation last November 29, 2024, the country will identify critical health security needs, prioritize opportunities to improve preparedness, detection, and response, and allocate resources based on the findings.

<sup>9</sup> iHOMIS Plus is web-based system accessible via web browser, tablet, or phone within the network of the hospital, and with additional modules that can be integrated with other health information systems.



Subchapter 4.2

# **Providing Relevant and Quality Education and Training**



Learners listened as their teacher holds a storybook session at the National Development Learning Center in Cainta, Rizal, last May 23, 2024.

## Introduction

The Philippine education sector showed improvements in terms of elementary students' proficiency levels, secondary teacher licensure passing rates, global competitiveness of higher education institutions (HEIs), and skills certification rate. However, overall progress remained slow with some indicators lagging.

To address the country's poor learning outcomes evident in the performance in international and national assessments, the government introduced reforms to improve the quality of education. The Revised K to 12 Curriculum for Kinder to Grade 10 was piloted in school year (SY) 2023-2024, and the phased rollout started for kindergarten, grades one, four, and seven in SY 2024-2025. Recognizing the critical role of teachers, the Department of Education (DepEd) reduced administrative tasks and streamlined teaching workload, optimizing working hours for classroom teaching and lesson planning.<sup>1</sup> Further, the

teaching allowance was increased in SY 2024-2025 as mandated by the *Kabalikatan sa Pagtuturo Act*.<sup>2</sup> Meanwhile, to accurately reflect literacy levels, the operational definition and methodology for estimating basic and functional literacy was revised and used in the 2024 Functional Literacy, Education, and Mass Media Survey.

Moreover, the recently signed laws, Academic Recovery and Accessible Learning (ARAL) and Enterprise-Based Education and Training (EBET) Framework Act will serve as an instrument in ensuring quality, inclusive, and competitive education for all.<sup>3</sup>

This year underscores the need to sustain gains and achieve consistent improvements across all educational indicators. Adoption of more effective strategies is essential to foster a more inclusive and efficient education system.

1 Reduction of Administrative Tasks: DepEd Order No. 2 series 2024, Immediate removal of administrative tasks of public school teachers.  
Rationalization of teaching workload: DepEd Order No. 005, S. 2024 – Rationalization of Teachers' Workload in Public Schools and Payment of Teaching Overload  
2 Republic Act No. 11997: An Act Institutionalizing The Grant Of A Teaching Allowance For Public School Teachers And Appropriating Funds Therefor.  
3 Republic Act No. 12028: An Act Establishing an Academic Recovery and Accessible Learning (ARAL) Program and Appropriating Funds Therefor.  
Republic Act No. 12063: An Act Institutionalizing the Enterprise-Based Education and Training Framework and Appropriating Funds Therefor.

## Strategy Framework

The strategy framework focuses on: (a) achieving quality, inclusive, adaptive, resilient, and future-ready basic education for all; (b) pursuing globally competitive and inclusive Technical, Vocational, and Education and Training (TVET) and higher education and research output for a broader knowledge economy; and (c) improving governance for human capital development. To realize this, the government will conduct capacity building for teachers, improve the learning environment, and enhance access to education and skills development to accelerate learning recovery and facilitate lifelong learning.

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## Accomplishments for 2024

The following programs, activities, and projects conform with the transformational agenda:

(a) local and national government role in development; and (b) digitalization.



Quality, inclusive, adaptive, resilient, and future-ready basic education for all pursued

**Implemented programs to address learning gaps.** Under the National Learning Recovery Program (NLRP) of DepEd, the second-year implementation of the National Learning Camp (July 1 to July 19, 2024) benefited 2,707,914 learners in 35,748 schools nationwide.

Moreover, the expansion of the *Tara Basa!* Tutoring Program engaged 62,418 learners in the National Capital Region, Central Luzon, CALABARZON, Central Visayas, Eastern Visayas, Northern Mindanao, and SOCCSKSARGEN. Based on the Comprehensive Rapid Literacy Assessment and Quick English Reading Assessment, learners who participated in the tutoring program showed improvement in English reading proficiency and Filipino grade readiness.

As of September 12, 2024, initial data on *Tara Basa!* showed that there was a 15 percent increase in learners with English reading proficiency and a 32 percent reduction in learners needing full intervention. Meanwhile, in the Filipino assessment, there was a 25 percent increase in learners with grade readiness and a 36 percent decrease in learners needing a full refresher.



A learner from Pinagbuhatan Elementary School in Pasig City actively participated in a weekly reading exercise to improve functional literacy rates.

Source: DepEd

**Facilitated the accessibility and availability of educational resources through the procurement of learning tools, equipment, and materials.** As of October 2024, DepEd procured over seven million pieces of science and math equipment (SME) and over 200,000 pieces of technical-vocational and livelihood (TVL) equipment. Moreover, the agency also procured over 49 million textbooks and instructional materials, particularly for essential subjects such as Science, *Araling Panlipunan*, and Math. Under the DepEd Computerization Program, 1,655 e-learning carts, 5,942 smart televisions, 5,898 laptops for teachers, and 4,451 laptops for non-

teaching staff were procured in FY 2024 (see *Subchapter 4.7*).



To improve Science competencies, learners of Rizal High School in Pasig City conducted lab experiments to enhance their STEM learning experience.

Source: DepEd

**Implemented programs that enhance the competencies of teachers.** The three-year Induction Program for Beginning Teachers provided a systematic and comprehensive support system to 50,480 beginning teachers from school years 2022-2023 to 2024-2025, as of October 2024.<sup>4</sup> This helped teachers seamlessly immerse into the teaching profession in the public school system. In 2024, DepEd issued guidelines for regional, division, and school-developed professional development programs to ensure equitable access to National Educators Academy of the Philippines quality-assured and Professional Regulation Commission-accredited training.<sup>5</sup>



Globally competitive and inclusive TVET and higher education pursued, and research output attained for a broader knowledge economy improved

**Strengthened EBET through the EBET Framework Act.** The law strengthens enterprise-based learning programs, including apprenticeship, dual training systems, and on-the-job training, as key strategies to enhance workforce competencies and align

skills development with industry needs. Key features of the law include better incentives for enterprises, provision of scholarship to EBET trainees, set maximum training duration based on the complexity of the competencies, and clearer categorization of programs i.e., general EBET, apprenticeship, and upskilling program (see *Subchapter 4.4*).<sup>6</sup>

**Implemented policies to expand academic progression.** The Philippine Credit Transfer System (PCTS) guidelines were launched in 2024 and highlighted seamless transition across programs, credit transfer, and recognition of prior learning as components of academic progression. Under PCTS, a ladderized education program integrates TVET with higher education, enabling TVET graduates to earn college degrees by recognizing their prior competencies. As of September 2024, the program recorded 19,520 enrollees, a 30.31 percent increase from 2023.

Furthermore, recognition of prior learning was strengthened with the implementation of the Expanded Tertiary Education Equivalency and Accreditation Program (ETEEAP). In 2024, a total of 111 HEIs offered ETEEAP programs, which provide diverse and flexible opportunities for adult learners and working professionals to earn degrees based on their prior learning and experiences.

**Implemented career development support program (CDSP) to support student success.** The Department of Labor and Employment (DOLE), in collaboration with the Public Employment Service Office (PESO) and various institutions, conducted 3,130 advocacies on Labor Market Information under CDSP benefitting 554,952 students and parents and 2,538 universities and colleges in 2024. In addition, 68,086 employment counseling were conducted by PESO for job applicants in 2024, higher than 60,425 in 2023.

<sup>4</sup> <https://www.deped.gov.ph/2024/10/04/induction-program-for-beginning-teachers-ipbt/>

<sup>5</sup> DM-OUHROD-2024-1576 Guidelines on the Conduct of Regional Office-, Schools Division Office-, and School-developed Professional Development Programs

<sup>6</sup> Retrieved from EDCOM 2: Clearer framework, better incentives: Enterprise-based education and training bill passes 3rd reading



Education Secretary Sonny Angara led the turnover ceremony of a school building at Kinanao Pamalihi Elementary IP School, a last-mile school in Misamis Oriental, last October 11, 2024.

Source: DepEd

## Results Matrix

**Achieving quality, inclusive, adaptive, resilient, and future-ready basic education for all.** DepEd classifies learners who achieve at least a "Proficient" as those scoring between 50 and 100 mean percentage score.<sup>7</sup> At this level, students meet the minimum level of skills in problem-solving, managing and communicating information, and analyzing and evaluating data to comprehend ideas.

In the recent SY 2023-2024 National Achievement Test (NAT), 66.49 percent of Grade 3 learners achieved at least "Proficient" in Reading and 49.89 percent in Mathematics.<sup>8</sup> Among Grade 6 learners, 69.33 percent achieved at least "Proficient" in Reading and 55.84 percent in Mathematics. Further, for Grade 12 learners, 15.07 percent and 10.63 percent achieved at least "Proficient" in Reading and Mathematics, respectively.

While the completion rate (92.77%) and cohort survival rate (93.48%) in SY 2023-2024 at the elementary level surpassed 2024 targets, figures declined from the previous school year. Other key indicators such as

net enrollment in all levels, secondary level completion rate, and cohort survival rate worsened and fell short of 2024 targets.

In addition, junior and senior high school dropout rates grew substantially in SY 2023-2024 from the previous school year, from 1.60 percent to 5.68 percent and from 5.77 percent to 6.21 percent, respectively. Notably, widened gender gaps were observed at this education level, where male dropout rates reached 7.44 percent in junior high school compared to 3.85 percent for females, and 6.91 percent in senior high school compared to 3.81 percent for females. This highlighted stronger retention of female students in education.

The participation rate in kindergarten slightly increased to 77.53 percent in SY 2023-2024 from 76.32 percent in SY 2022-2023 but still fell short of the 2024 targets.

**Pursuing globally competitive and inclusive TVET and higher education, and improving research output attained for a broader knowledge economy.** TVET certification rate and licensure examination for teachers pursuing secondary education surpassed 2024 targets. TVET certification rate slightly increased (93.30% in 2023 to 93.90% as of November 2024). Meanwhile, the licensure examination passing rate for teachers in secondary education also improved, increasing from 56.27 percent in 2023 to 58.78 percent in the first half of 2024. However, the passing rate for teachers in elementary education in the first half of 2024 fell short of the target. On the other hand, the faculty with PhDs in higher education (17.59% in 2024) surpassed the target (16.00%).

<sup>7</sup> Learners achieving at least "Proficient" are those categorized as Nearly Proficient (50–74 Mean Percentage Score), Proficient (75–89 Mean Percentage Score), and Highly Proficient (90–100 Mean Percentage Score).

<sup>8</sup> DepEd Memorandum No. 016 s. 2024 Administration of the Early Language, Literacy, and Numeracy Assessment, National Achievement Test for Grade 6, and National Achievement Test for Grade 12 for School Year 2023–2024 defines Early Language, Literacy, and Numeracy Assessment (ELLNA) as an assessment administered at the end of Grade 3.

# Ways Forward

While the education sector implemented key reforms, challenges persist in achieving consistent improvement across all educational outcomes. This highlights the need for more effective strategies in key aspects, such as teacher professional development and support, implementing learning recovery programs, providing learning resources, streamlining processes, and strengthening the monitoring of institutions.

## Priority Strategies



Achieving quality, inclusive, adaptive, resilient, and future-ready basic education for all

**Prioritize teacher's professional development and support teachers with updated teaching materials that align with the revised curriculum.** DepEd will continue training school leaders and teachers on the Revised K to 12 Curriculum alongside its phased implementation to ensure smooth and systematic integration across all grade levels. Further, training for school leaders needs to incorporate coaching strategies that will enable them to effectively mentor teachers in instructional strategies, classroom management, and student engagement. For the roll-out of the Revised K to 12 Curriculum, DepEd will procure and deliver teaching-learning materials including lesson exemplars and worksheets.

**Harmonize learning recovery programs with the ARAL Program Act.** DepEd's umbrella initiative for learning recovery programs will be the ARAL Program Act. The draft policy covering the National Reading Program and the National Mathematics Program, which are collectively referred to as *Nasa Pagbasa at Pagkuwenta ang Pag-asa* (P3), will undergo revision to support the provisions of the law. The program will focus on foundational literacy and numeracy skills for kindergarten and prioritize reading, mathematics, and science for higher grades.

**Continuous provision of learning resources and internet access to schools, community learning centers (CLCs), and inclusive learning resource centers (ILRCs).** DepEd will provide schools, CLCs, and ILRCs with appropriate resources to support the implementation of the Revised K to 12 Curriculum. For 2025, the agency will provide SME Packages, digital learning packages, and TVL packages to public schools to sustain effective instruction and learning. DepEd, in coordination with DICT and partners, will also determine the appropriate Internet connectivity strategy for each of the schools in the country.

**Leverage technology in teaching and learning.** DepEd will continue to enhance its digital learning modules, and will provide access to electronic textbooks and teacher's manuals in the Learning Resource Portal. It will also continue to roll out the use of educational technologies to enhance teaching and learning. Meanwhile, DOST and DepEd will actively promote the adoption of the 21<sup>st</sup> Century Learning Environment Model (CLEM), which modernize classrooms with advanced technology including robotics kits, 3D modeling and printing equipment, virtual and augmented reality systems, and interactive ICT tools.<sup>9</sup> Investments in technology will enable schools to implement hybrid learning during emergencies and may be considered as an option while the construction of new school buildings is yet to be completed (see *Subchapter 4.7*).

9 Retrieved from <https://opengovasia.com/2024/08/21/the-philippines-hi-tech-classrooms-set-to-transform-cavite/>

**Strengthen and promote the Alternative Learning System (ALS) as a pathway for out-of-school youth to complete basic education.** The government will need to improve the quality of lessons and teaching in ALS by revisiting the instructional time, providing supplementary learning materials, and implementing regular assessments, including developing alternative performance measures to evaluate competencies. Further, information dissemination will be strengthened to increase awareness on ALS. This can be done through social media platforms and local newspapers or radio, community information sessions in partnership with local governments, and tapping parent-teacher associations in schools.

**Revisit class suspension protocols.** DepEd, in collaboration with local government units, the Philippine Atmospheric, Geophysical and Astronomical Services Administration, and relevant Disaster Risk Reduction and Management Offices, will need to improve the accuracy and timeliness of information dissemination by establishing clearer criteria, timelines, and strengthened communication for issuing suspension announcements. This will enable schools to decide on actions to take to ensure learning continuity. Relatedly, the government will need to develop comprehensive policies and guidelines to institutionalize hybrid learning, particularly during emergencies.



**Pursuing globally competitive and inclusive TVET and higher education, and improving research output attained for a broader knowledge economy**

**Strengthen implementation of EBET.** In 2025, the Technical Education and Skills Development Authority (TESDA) will increase the number of EBT Implementers to expand access to EBET opportunities. The agency will

need to revisit the incentive documentation processes with the goal of simplifying requirements and eliminating redundancies to attract more industry players.

**Expand coverage of seamless academic transition and progression.** The Commission on Higher Education (CHED) will formulate PCTS guidelines for other courses, such as nursing, early childhood education, industrial technology, nutrition and dietetics, and game development and animation.

**Improve the quality of Teacher Education Institutions (TEIs).** Consistent with the Excellence in Teacher Education Act, CHED will continue to monitor the performance of TEIs in teachers' licensure examinations and carry out orders for phasing out or closure of low-performing institutions.<sup>10</sup> Furthermore, CHED, through its technical panel, will review the policies, standards, and guidelines for Teacher Education to ensure alignment with the Revised K to 12 Curriculum.



**Improving governance on human capital**

**Revive discussion on developing lifelong learning pathways and adult education.** DepEd, CHED, and TESDA need to revive the discussion on developing the lifelong learning framework and adult education in the country. Local-led initiatives, such as the City of Balanga's barangay learning and information hubs and Valenzuela City Academic Center for Excellence (ValACE), can serve as an example to encourage cities or municipalities to invest in infrastructure and programs that support adult education and lifelong learning.<sup>11</sup>

<sup>10</sup> Republic Act No. 11713: Excellence in Teacher Education Act

<sup>11</sup> City of Balanga learning and information hub: <https://www.uil.unesco.org/en/learning-cities/balanga>  
ValAce: <https://valenzuela.gov.ph/article/news/14743>



Subchapter 4.3

# **Providing Decent Housing**



The NEDA team visited the San Mateo LGU housing site in Brgy. Guitnang Bayan II, part of the 4PH Program. Currently, 17 buildings (5- and 10-storey) with 24–27 sqm units are under construction, aiming to house 4,100 low-income LGU staff and informal settler families. The 4PH Program, a flagship program of the Marcos Administration, addresses the housing backlogs by providing quality homes in sustainable communities for Filipino families.

## Introduction

The national government, in collaboration with local government units (LGUs), aims to provide decent housing and establish livable communities for Filipinos. To address the housing backlog, the *Pambansang Pabahay Para sa Pilipino* Housing (4PH) Program was designated as a flagship program by the administration under Executive Order No. 34, s. 2023. Likewise, other housing initiatives are being implemented to complement the 4PH. At the local level, cities and municipalities have developed risk-informed plans and

established local housing boards (LHBs). Several barangays have institutionalized collecting key data through the Barangay Information System (BIS) to enhance and transform service delivery, support, and data-driven governance. Furthermore, a number of barangays were also trained on the Registry of Barangay Inhabitants and Migrants (RBIM) implementation. The government is also making utilities available to almost all households by providing access to electricity.

## Strategy Framework

This chapter highlights efforts to ensure decent housing through the following key outcomes: (a) upgrading built environment; (b) promoting social environment; and (c) advancing responsive

governance. These outcomes underscore a whole-of-society approach in delivering housing solutions and developing local plans aimed at achieving a livable Philippines.

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## Accomplishments for 2024



Built environment  
upgraded

**Continued implementation of the 4PH Program.** Around 162,381 housing units (13.39%) of the revised total target of 1.21 million housing units are currently under construction. Further, 745,966 units (62.27%) are in the pre-production phase (i.e., planning and design stage, securing necessary approvals). The remaining 295,112 housing units (24.34%) are still in the initial stages of project development (i.e., proposed/in the pipeline).

**Financed the 4PH Program through the Direct Development Loan Program (DDLDP).** As of October 31, 2024, the Home Development Mortgage Fund (HDMF or Pag-IBIG) has approved PHP6.57 billion of development loans under the DDLDP-4PH. Of this, PHP2.75 billion (41.89%) has been released for the construction of 6,467 units across various 4PH projects in Nueva Ecija, Ilocos Norte, Bacolod City, Bulacan, San Mateo (Rizal), Davao City, Pampanga, and Misamis Oriental.

**Implemented other housing initiatives to complement the 4PH program.** The national government has collaborated with the LGUs to build sustainable and resilient communities. In particular, the National Housing Authority (NHA) completed a total of 5,790 housing units under its Resettlement

Program. These are provided to informal settler families (ISFs) residing in danger zones, and those affected by infrastructure projects, the Manila Bay rehabilitation, regional resettlement initiatives, and calamities. Moreover, the Social Housing Finance Corporation also completed 1,363 housing units through its Community Mortgage Program to support residents of blighted or depressed areas, enabling them to own the lots they occupy or relocate to chosen sites. Furthermore, the Department of Health (DOH) also launched its Healthy and Resilient Homes Program in Ubay, Bohol as part of its Healthy Communities Program. The program, in partnership with the Ateneo School of Government and TAMPEI Inc., features a prototype for sustainable and disaster-resilient housing. This initiative sets nationwide standards while encouraging collaboration among government agencies, local communities, and experts.



The Palayan City Township Development highlights government housing initiatives under President Ferdinand R. Marcos, Jr.'s 4PH Program, led by the DHSUD. This project levels with private condominiums, featuring open parks and amenities.

Source: DHSUD



People's Ville in Calinan District, Davao City is poised to provide safe housing for over 7,000 families, including those residing in danger zones and residents affected by government infrastructure projects within the city.

**Sustained the implementation of the Total Electrification Program (TEP).** As of March 2024, the household electrification level in the Philippines stands at 93.12 percent, which translates to 26 million energized households. (refer to Chapter 2.5)

**Pursued investment in the National Broadband Program (NBP) and Free Wi-Fi for All.** In April 2024, Phase 1 of the National Fiber Backbone (1,245 km, 600 Gbps) was launched, with further phases extending to Visayas and Mindanao by 2027. The Luzon Bypass Infrastructure is operational as an international gateway, with asset commercialization planned for 2026. Free Wi-Fi installations have reached 13,462 access points as of June 2024, expanding internet access nationwide (see *Subchapter 2.6*).



Social environment  
promoted

**Conducted social preparation activities and training on resilience through the Urban Poor Coordination and Support Program.** The Presidential Commission for the Urban Poor (PCUP) conducted social preparation activities for 992,628 families nationwide. Of these, 255,374 families received various government programs and services. The PCUP also conducted 50 capacity-building activities related to Climate Change Adaptation and Disaster Risk Reduction Preparedness and Management in urban poor communities nationwide, with 1,964 participants.



Responsive  
governance  
advanced

**Enhanced local data collection through the RBIM and the BIS.** The Department of the Interior and Local Government (DILG) conducted a series of training sessions for barangays, enabling them to gather key demographic data to improve service delivery, ensure data-driven governance, and support planning and policy-making. As of November 2024, around 5,607 barangays (13.35%) of the total barangays have available demographic information in the BIS. The Commission on Population and Development (CPD) also conducted training on the RBIM implementation for 3,407 barangays (8.11%) as of the same period. DILG and CPD are collaborating towards the convergence of the BIS and RBIM.

## Results Matrix

The latest data show continuous progress in providing decent housing and establishing livable communities. In terms of upgrading built environment, 68,750 housing units were started or financed, surpassing the 2024 revised target of 61,000 housing units.

Significant strides were also made in advancing responsive governance through the LGUs' adoption of risk-informed planning. The proportion of LGUs with risk-informed Comprehensive Land-Use Plans (CLUPs) increased to 54 percent in 2024 from 51 percent in 2023.

# Ways Forward

The housing sector strives to provide decent housing despite persistent challenges in affordability and accessibility. To overcome these hurdles, it is crucial to prepare communities through education and engagement, and local governments and private developers for policy support and expertise. Regular evaluation and adjustments will be essential to optimize the program's effectiveness and responsiveness to evolving community needs.

## Priority Strategies



Improve delivery  
of current housing  
programs

### Address bottlenecks to accelerate the implementation of the 4PH program.

DHSUD will have to identify bottlenecks encountered in the implementation of the 4PH Program. With the majority of the 4PH units still in pre-production phase, the implementation of the program must be fast-tracked. To do this, various pre-program implementation requisites need to be installed. These include complete land inventory and guidelines on the 4PH program and interest subsidy. LGUs hosting the 4PH program will have to update their CLUPs to accommodate the new housing development. DHSUD will have to develop innovative financing (i.e., microfinancing, public-private partnership, and impact investing) to ensure the sustainability of the 4PH program.

### Streamline processes for housing-related licenses, permits, and loans.

DHSUD will have to strengthen its function of developing systems and procedures to centralize and streamline the processing and issuance of all housing-related permits, licenses, and loans. This will help developers, LGUs, stakeholders, and beneficiaries to efficiently secure the necessary approvals to reduce delays.

### Use innovative practices and quality housing materials.

Innovative and quality housing materials will be used in housing projects to ensure that housing units/projects are resilient to heat, typhoons, and earthquakes, among others. Advanced construction techniques and technologies, such as pre-built wall panels, reinforced concrete, and locally sourced eco-friendly options will enhance efficiency, reduce waste, and lower costs.



Provide other  
housing program  
interventions

### Explore other housing program options for ISFs and low-income households.

Key Shelter Agencies and LGUs may explore other housing program options (i.e., slum upgrading, community mortgage programs, public rental housing, and rent subsidy) to ensure that those who need assistance in housing, such as the ISFs and low-income households, are provided with such. For instance, expanding public rental housing and introducing rental subsidies can provide affordable and accessible housing options for low-income households, young professionals, and newly formed families that are unable to afford homeownership or are still constructing their houses. LGUs may also include them as potential beneficiaries under the 4PH Program.

**Encourage membership and availment of housing loans through Pag-IBIG.** Self-employed and minimum-wage earners will be encouraged to become members of Pag-IBIG. Information sessions on the implementation of the 4PH program and credit score will be conducted for LGUs, and relevant stakeholders (i.e., eligible/potential beneficiaries), particularly to improve availment of housing loans through Pag-IBIG. Additional support, such as streamlined processes and flexible housing loan options, will be provided to eligible 4PH beneficiaries and Pag-IBIG members.

**Coordinate housing initiatives.** Housing initiatives implemented by DOH's Healthy and Resilient Homes Program will be consolidated under a unified framework. This integration aims to streamline efforts, maximize resource efficiency, and eliminate overlapping programs. By aligning these initiatives with DHSUD, the government can adopt a comprehensive approach to addressing diverse housing needs across various sectors. The consolidation will enhance strategic planning, ensure fair distribution of resources, and improve the accessibility of housing programs for the intended beneficiaries, fostering a more cohesive and effective housing delivery system.



**Connect households to reliable auxiliary services**

**Provide utilities to all households.** Auxiliary services and utilities will be provided to households. In particular, the Department of Energy will continue the implementation of the TEP to achieve 100 percent household electrification nationwide by 2028. This will be done through regular household electrification connections, distribution line extensions, stand-alone home systems, and microgrid solutions (see *Subchapter 2.5*). Further, the government will intensify efforts to ensure the timely completion of the NBP

to provide efficient, secure, accessible, and reliable internet connections across the country. The government will also establish and implement standards to ensure the National Broadband Network is resilient to natural disasters, minimizing disruptions and maintaining connectivity for critical services (see *Subchapter 2.6*).



**Lead with adaptive governance**

**Involve LGUs and communities in housing program delivery.** The LGUs will have to establish functional LHBs and implement housing programs based on their constituents' needs. LSPs will be mainstreamed in risk-informed CLUPs. Communities will be engaged in social preparation activities and capacity-building, to help them access housing programs, and involve them in housing design and estate management.



**Transform local governance through digitalized data systems**

Moreover, the DILG and CPD will work on the integration of the RBIM with the BIS to create a single responsive data system. The demographic data under the BIS – Barangay Profiling System will be updated to include internal migration. The DILG will conduct a national orientation on the enhanced BIS, with a focus on new features, additional indicators, and operational guidelines. A series of consultations will be held in 2025 and 2026 to continuously refine the BIS and incorporate more relevant datasets. The merged RBIM and BIS data system will include modules to be used for profiling, support for planning, and service/facility delivery needs (e.g., number of doctors/teachers, number of hospitals/classrooms). Integration of the merged RBIM, BIS, and the Community-Based Monitoring System will also be explored.



Subchapter 4.4

# **Fostering Secure Employment and Livelihood**



President Ferdinand Marcos, Jr. signed the Enterprise-Based Education and Training Framework Act, as witnessed by TESDA Director General, Secretary Jose Francisco Benitez and legislative members, to align the current workforce with today's rapidly evolving, technology-driven job market.

Source: TESDA

## Introduction

The labor market showed sustained improvement in 2024, with year-on-year gains in various indicators. This reflects the government's efforts to increase employability, enhance access to employment opportunities, and forge partnerships with relevant social partners. However, employment quality indicators fell short of the set targets, which highlight the need to create more and better-quality employment for Filipinos.

Moving forward, it is crucial to enable investments in sectors that produce high-

quality employment to ensure that the Philippine Development Plan (PDP) targets for 2025-2028 are met. To support this, there is a need to enhance policies and programs on upskilling and retooling, and to strengthen partnerships among educational institutions, industries, and local government units (LGUs). Additionally, it is vital to pass reforms such as the Lifelong Learning Bill, and the Enterprise Productivity Act, along with the implementation of the Enterprise-Based Education and Training (EBET) Framework Act.<sup>1</sup>

<sup>1</sup> Republic Act No. 12063: Enterprise-Based Education and Training (EBET) Framework Act

# Strategy Framework

To ensure that all Filipinos have access to quality employment and livelihood, the government needs to improve employability by ensuring that the skills and competencies of the labor force align with the current and emerging demands of the labor market. Moreover, it is essential to expand existing employment facilitation services and enhance shared

labor market governance among relevant stakeholders.

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## DEVELOP AND PROTECT CAPABILITIES OF INDIVIDUALS AND FAMILIES



## INCREASE INCOME-EARNING ABILITY



### EMPLOYABILITY INCREASED

- ✓ Align development objectives for basic, TVET, and higher education based on labor market requirements
  - ✓ Update contents of training standards, modules, and curricula for human capital development based on emerging, in-demand, and hard-to-fill occupations in identified key employment generators
  - ✓ Develop modern and responsive TVET, apprenticeships, and higher education aligned with emerging trends or demands in the labor market
  - ✓ Increase investments in TVET human resources, higher education, digitalization initiatives, and innovation facilities
  - ✓ Develop and promote a national policy for lifelong learning
  - ✓ Establish skills assessment mechanisms and certification programs to recognize prior learning
  - ✓ Strengthen collaboration with industry boards and industry associations in TVET
  - ✓ Align professional standards and licensure examinations with international standards
- 
- ✓ *Strengthen government-private partnership on TVET*
  - ✓ *Increase awareness of PQF and PSF*
  - ✓ *Intensify participation in youth employability programs*



### ACCESS TO EMPLOYMENT OPPORTUNITIES EXPANDED

- ✓ Integrate and strengthen all employment facilitation services, including career development support
  - ✓ Strengthen technical capacity to develop dynamic and responsive labor market information systems
  - ✓ Anticipate skills needs in priority sectors
  - ✓ Intensify employment programs for the youth, marginalized, disadvantaged, and vulnerable sectors
  - ✓ Develop programs and policies that address all forms of labor market discrimination in work, education, and training
  - ✓ Provide emergency employment and training support to displaced workers due to human-induced disasters and natural calamities
- 
- ✓ *Maximize the utilization of PESO*
  - ✓ *Provide updated labor market information to PhiljobNet*
  - ✓ *Share and disseminate information on emerging, critical, and in-demand skills*



## SHARED LABOR MARKET GOVERNANCE ACHIEVED

- ✓ Harmonize skills development programs in the government
  - ✓ Strengthen linkages and collaboration among government and industry associations, enterprises, and social partners to emphasize shared responsibility in promoting and implementing employment policies and strategies
  - ✓ Advocate and strengthen tripartite and bipartite social dialogue
  - ✓ Design mechanisms to ensure inclusive participation and equitable access to education and skills development programs
  - ✓ Ensure effective and efficient use of existing tripartite wage and productivity mechanisms
  - ✓ Mainstream gender and green competencies
- 
- ✓ *Integrate lifelong learning processes in human resource development programs*
  - ✓ *Create awareness of TVET programs implemented by the government*
  - ✓ *Actively participate in government-industry associations promoting and implementing employment and skills development policies and strategies*

## Accomplishments for 2024



Increased  
employability

**The passage of the EBET Framework Act strengthened the connection between education and industry.** The EBET Framework Act, signed into law on November 7, 2024, rationalizes the various competency-based and industry-driven training modalities to enhance the quality of training programs, aligning them with industry skills requirements.<sup>2</sup> The framework also allows for flexible training duration and the provision of training allowance and insurance for EBET trainees. Meanwhile, to encourage firm participation and commitment, tax deductions are offered.<sup>3</sup>

**More TVET competency standards and micro-credentials for in-demand skills are being developed to enhance and update the government's training programs.** Led by the Philippine Qualifications Framework-National Coordination Council (PQF-NCC), the government developed the Level Alignment Matrix (LAM) Guidebook, which provides detailed procedures to align Technical and Vocational Education and Training (TVET) qualifications with specific PQF levels, ensuring a seamless transition to various career pathways.<sup>4</sup> The Technical Education and Skills Development Authority (TESDA) also conducted several learning sessions on PQF and Micro-Credentialing in the construction sector. TESDA, in collaboration with the private sector, also developed 23 competency standards in the first three quarters of 2024,

bringing the total competency standards to 122 since 2018. These new competency standards on priority sectors will establish proficiency benchmarks and encourage the private sector to offer dynamic training opportunities, effectively transforming the country's skills ecosystem.

**The TESDA Online Program (TOP) was expanded, while additional TVET innovation centers were built to ensure inclusivity in skills development.** From January to December 2024, TOP registered a total of 1.4 million enrollees and 1.0 million completers, mostly in courses relevant to the following sectors: Human Health (23%), 21<sup>st</sup> Century Skills (16%), Entrepreneurship (14%) and Tourism (12%). In 2024, TOP offered financial education modules to foster entrepreneurial thinking and emphasize financial literacy's pivotal role in the Filipino TVET learners' journey. In addition, TESDA has started constructing four Regional TVET innovation centers in Batangas, Puerto Princesa, Albay, Sarangani, and Agusan del Sur, aiming to offer industry-responsive and higher-level TVET programs in the regions.

**Stronger ties with the industry ensured a more dynamic, high-quality, and responsive TVET.** As of September 2024, a total of 3,321 partnerships were forged with various non-government organizations, academe, and industry partners. From January to December 2024, a total of 32 TVET Industry Boards were established.<sup>5</sup>



Expanded access  
to employment  
opportunities

**Employment facilitation services aided more jobseekers.** Under its Career

<sup>2</sup> EBET Training Modalities include Apprenticeship, Learnership, and Dual Training System Programs.

<sup>3</sup> Section 20 of the EBET Framework Act, an enterprise implementing a registered EBET Program shall be qualified to avail of an additional deduction from taxable income equivalent to fifty percent (50%) of actual training expenses up to December 31, 2027. Starting January 1, 2028, the additional deduction shall increase to seventy-five (75%) of the actual training expenses, provided, that such deduction shall not exceed five percent (5%) of the total direct labor expenses, or Twenty-five million pesos (PHP25,000,000.00) a year, whichever is lower.

<sup>4</sup> The members of the PQF-NCC are composed of the Department of Education, the Commission on Higher Education, the Professional Regular Commission, the Department of Labor and Employment, and TESDA.

<sup>5</sup> The total number of TVET Industry Boards established is 76. Thirty-two (32) of which were established from January to December 2024 in the following sectors: Agri-Fishery (23), Tourism (12), Construction (6), Information and Communication Technology (12), Manufacturing (9), Garments (1), Transport and Logistics (2), Creatives (4), Health and Wellness (3), Retail (1), Metalworks Sector (1), and Weaving (2).

Development Support Program (CDSP), the Department of Labor and Employment (DOLE) has conducted 2,949 advocacy campaigns for career guidance to 501,872 students and provided employment coaching to 664,309 job applicants including those assisted in the Public Employment Service Offices (PESOs), reducing asymmetric information between jobseekers and employers. At the same time, DOLE developed the CDSP module and conducted capacity-building programs in career counseling for 342 Network of Guidance Counselors and Career Guidance Advocates.

DOLE's PhilJobnet, the government's automated job and applicant matching system, recorded an additional 4,847 employers and 4,126 accredited establishments. As of Q3 2024, the number of jobseekers registered in PhilJobnet improved to 49,491 individuals, up from 29,024 in 2023. Meanwhile, the number of individuals reached through the Labor Market Information increased to 4.6 million, exceeding the 4.5 million PDP full-year target.

**More young people are equipped with foundational work skills through the employability programs.** As of Q3 2024, the number of youth beneficiaries in the Government Internship Program (GIP) reached 65,999, JobStart had 1,759, and Special Program for Employment of Students (SPES) recorded 88,203 beneficiaries, exceeding the respective PDP targets for 2024. By December 2024, DOLE will issue the integrated guidelines for the implementation of DOLE's Youth Employability Programs, aiming to streamline the process of availing the programs for both the beneficiaries and employers.

**Existing scholarship programs are expanded to broaden opportunities and improve employability.** TESDA's Training for Work Scholarship Program (TWSP)

provides scholarships grants for courses identified in priority industries and key employment generators to produce skilled and certified workers. As of October 2024, TWSP registered a completion rate of 75.1 percent and 97.5 percent certification rate, higher than the past year's 67.3 completion and 94.9 certification rates. Likewise, Special Training for Employment Program's (STEP's) completion and certification rates improved to 68.9 percent and 97.8 percent, respectively.<sup>6</sup>

### **Impact evaluation of flagship employment programs was launched, promoting evidence-based program implementation.**

The National Economic and Development Authority (NEDA) has been working with concerned agencies to assess DOLE's Integrated Livelihood Program (DILP) and *Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced* (TUPAD) Program, as well as TESDA's TWSP under the United Nations Strengthening Evaluation for Evidence-based Development Project. The impact assessments are expected to be finalized by mid-2025, serving as inputs for updating the PDP 2023-2028.



Achieved shared  
labor market  
governance

### **Strengthened linkages and collaboration with industry associations, enterprises, workers' organizations, and other social partners accelerated the implementation of key employment policies and strategies.**

The government held various stakeholder engagements for the formulation of the *Trabaho Para sa Bayan* (TPB) Implementing Rules and Regulations and Plan. From June to October 2024, NEDA conducted regional consultations for the TPB Plan, the country's comprehensive labor market development plan which creates a cohesive and strategic framework to improve job opportunities and skills of the workforce.

<sup>6</sup> From January to October 2023, STEP recorded 56.6 percent completion rate and 96.5 percent certification rate.

Through the Regional Tripartite Wages and Productivity Boards, the government continues to engage in social dialogue with employers and workers. In 2024, wage was adjusted in 16 regions. The National Tripartite Industrial Peace Council approved the Omnibus Guidelines on the Exercise of Freedom of Association and Civil Liberties, streamlining the roles of law enforcement relative to the exercise of workers' rights to collective bargaining, concerted actions, and other trade union activities.<sup>7</sup>

**LGU-backed emergency employment and training programs further cushioned the impact of human-induced disasters and natural calamities on workers.** DOLE provided emergency employment (i.e., cash-for-work wages) for displaced workers under the DILP and TUPAD programs. DOLE, in coordination with the LGUs, implements TUPAD to provide short-term jobs to displaced workers and ensure that all TUPAD beneficiaries receive their full compensation.

## Results Matrix

The government made steady progress and achieved many of its headline and core targets in 2024, including the unemployment and underemployment rates, which declined to 4.3 percent and 13.3 percent, respectively. Meanwhile, the female labor force participation rate reached 51.7 percent in 2024, well within the PDP target of 51.5 to 53.5 percent.

The TESDA Certification Rate in priority sectors reached 93.7 percent as of November 2024. Additionally, the number of training regulations, curricula, and courses with green core competencies increased to 124 as of December 2024, exceeding the 2024 target.<sup>8</sup> Additionally, the number of training

regulations, curricula, and courses with green core competencies increased to 108 as of October 2024, exceeding the 2024 target. Based on January to September 2024 data, the placement rate of public employment service offices also increased to 92 percent, higher than the 91 percent target for 2024.

Meanwhile, the percentage of youth-at-risk remained within target at 12.8 percent in 2024. Similarly, the employment rate of TVET graduates increased to 95.0 percent, achieving the 94 to 96 percent target of the government.

Although the proportion of employed college graduates in elementary occupations declined to 3.12 percent, it remains above the target range of 1.50 to 1.73 percent. Meanwhile, the proportion of employment in middle- and high-skilled occupations improved to 72.8 percent but fell short of the 73.0 percent target for the year. Meanwhile, the share of unemployed individuals with college education increased to 40.8 percent, failing to meet the target of 35 to 37 percent.

In terms of achieving shared labor market governance, the core indicators showed mixed results in 2024. The share of establishments provided with technical assistance that installed or enhanced their productivity-based incentive schemes increased to 19 percent as of October 2024, surpassing the 10 to 12 percent target for the year.<sup>9</sup> Meanwhile, the share of trained micro, small, and medium enterprises that implemented productivity improvement programs, including skills training, client satisfaction measurement, and others, was at 61 percent as of October 2024, behind its target of 69 to 70 percent.<sup>10</sup>

<sup>7</sup> The NTIPC is composed of the DOLE and representatives from the labor and employer sector.

<sup>8</sup> Ten (10) National Technical Education and Skills Development Plan (NTESDP) priority sectors are: Agriculture, Fisheries and Forestry, Manufacturing, Tourism, Health and Wellness, Creative, Information and Technology and Business Management, Automotive, Transport and Logistics, Education, and Energy

<sup>9</sup> Pertains to program with gain-sharing schemes.

<sup>10</sup> Client Satisfaction Measurement refers to the assessment of performance from the customer's point of view.

# Ways Forward

## Priority Strategies



Increased  
employability

**Ensure seamless career transition and enhancing agility of workers.** The government, through TESDA, will develop a Lifelong Learning Development Framework for integration into the education and workforce systems, improving workforce agility.

Moreover, PQF-NCC will develop a harmonized policy framework for micro-credentials and develop competency standards and training regulations for new and higher-level qualifications. Further, TESDA plans to institutionalize the guidelines for the LAM guidebook and provide capacity development, aligning qualifications with industry standards.

**Leverage digitalization to streamline labor market information systems.** TESDA will upgrade the Philippine Qualifications Register to make it user-friendly, expand its accessibility, and implement quality assurance mechanisms to attract industry collaboration.<sup>11</sup>



Expanding access  
to employment  
opportunities

**Harness digital technologies to upgrade labor market systems.** Digital technologies can be leveraged to enhance the features of PhilJobNet, expand its coverage to include quality jobs and increase its usage among jobseekers and employers. DOLE,

in partnership with LGUs, businesses, and educational institutions, will continuously advance the digitalization of PESOs to further expand its reach. LGUs will be incentivized to host their own employment facilitation portals and modified skills training facilities that cater specifically to local constituents.

DOLE will continue to collaborate with the International Labour Organization to develop an effective labor market anticipation mechanism for employment and skills forecasts, informing career choices in key employment generating sectors, as well as decision-makers towards evidence-based policymaking.

**Accelerate the adoption of inclusive alternative work arrangements to reduce barriers to labor force participation.** The government will promote and facilitate the implementation of flexible work arrangements (FWA), including remote work, output-based work, and flexible shifts, in both public and private sectors. FWAs foster a more inclusive and responsive labor market by empowering individuals from diverse backgrounds to remain economically active, such as women with caregiving responsibilities, persons with disabilities who may struggle in traditional settings, indigenous people facing language or cultural barriers, and younger workers seeking to pursue lifelong learning or varied interests.

**Facilitate in-depth assessment of more labor market programs.** The government will complete the ongoing assessment of DILP, TUPAD, and TWSP to ensure their effectiveness and relevance in improving

<sup>11</sup> The current PhQuaR, the national database of quality assured qualifications authorized under PQF, provides information (i.e., qualification title, qualification descriptors, PQF Level, and among others) to employers, education, training providers and students

labor market outcomes. Regular impact evaluations may also be conducted for other key employability programs such as SPES and GIP.



### Achieving shared labor market governance

#### **Enhance delivery of TVET programs and services through shared responsibility.**

TESDA will continue to forge partnerships with the academe, private sector, and LGUs to promote TVET programs, realign skills training with industry standards, increase access to global best practices, and facilitate productive employment opportunities for TVET graduates. NGAs may partner with LGUs in providing additional support (e.g., housing or transportation assistance) to TVET students to ensure course completion.

**Leverage the salient features of the EBET Framework.** To ensure the effective implementation of the EBET Framework Act, the government will conduct information

and advocacy campaigns to raise awareness on its key provisions to concerned agencies, enterprises, and training providers. TESDA will help enterprises in compensating trainers, improving facilities, and upgrading equipment for their EBET programs, using funds from TESDA scholarship grants such as TWSP and the *Tulong Trabaho* Fund.

#### **Explore alternative wage models to accelerate the upskilling and increase in productivity of low-income workers.**

There is a need to explore international best practices on minimum wage-setting, particularly for low-paying sectors. The government, through the National Wages and Productivity Commission, will continue to study the implementation of Singapore's Progressive Wage Model and how it can be adapted to the Philippines in redesigning the pay scales in the construction industry to link skills and productivity with wages.



Subchapter 4.5

**Promoting the  
Welfare and Interest of  
Overseas Filipinos**



OWWA Regional Welfare Office I conducted an orientation to ready-to-leave OFWs through the Pre-Departure Orientation Seminar.

Source: OWWA

## Introduction

The Philippines remains committed to protect and promote the welfare and interest of the 10.68 million Overseas Filipinos (OF).<sup>1</sup> In line with this commitment, the country upholds the objectives of the global compact for safe, orderly, and regular migration (GCM) as a pillar of its foreign policy.

In 2024, notable advancements were made in the migration sector's transformation agenda, marked by the improvements in the programs and services provided to Overseas Filipino Workers (OFWs) and the emergence of new employment opportunities in non-traditional destinations.<sup>2</sup>

In particular, the country sustained the OF reintegration programs and services, particularly for migrants coming from countries experiencing geopolitical tensions such as those in Russia-Ukraine, Israel-Palestine, and Syria. Moreover, collaboration in the implementation of

the National Reintegration Program was improved through formulated agreements and negotiations with the private sector. Furthermore, Bilateral Labor Agreements (BLAs) were formed and renegotiated to ensure safe, orderly, and regular migration.

In terms of digitalization, the creation of the Department of Migrant Workers (DMW) and the Overseas Workers Welfare Administration (OWWA) mobile applications leveraged technology to improve service delivery to OFWs. In addition, significant improvements were made in immigration and border control systems.

Migration governance was enhanced through major policy reforms such as the enactment of the Magna Carta for Filipino Seafarers, and the ratification of International Labour Organization (ILO) Convention 190.<sup>3</sup> To combat human trafficking, Executive Order No. 74, s. 2024 was issued, ordering the immediate

<sup>1</sup> Figures are as of the first semester of 2023

<sup>2</sup> Australia, New Zealand, Germany, Hungary, and South Korea.

<sup>3</sup> ILO C190 aims to protect workers, regardless of their employment status, from violence and harassment including gender-based discrimination in the workplace and ensures that awareness-raising campaigns against violence and harassment are in place.

ban against all Philippine Offshore Gaming Operators operations in the country. Despite these developments, the migration sector still faces challenges such as discrimination, withholding of wages, and

insufficient support systems. Additionally, OFWs often endure unintended consequences (e.g., displacement) during times of conflicts, further exacerbating their difficulties.

## Strategy Framework

Mainstreamed in the Philippine Development Plan (PDP) 2023-2028, Migration and Development is a necessary component in various outcomes envisioned in the PDP. The continuous protection and promotion of the welfare and interest of OFs can be summarized into three outcomes: (a) improved protection of OFs' rights and well-being; (b) facilitated society reintegration and participation in the country's development; and (c) protection of rights and improved well-being of foreign nationals in the country.

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## Accomplishments for 2024

*With its commitment to the GCM, the government sustained its efforts in promoting the welfare and interests of OFs.*



Protected and promoted  
the rights and well-being  
of OFs

**Increased access to healthcare services through OFW wards.** The Department of Health's (DOH) Department Order No. 2023-0003 provided guidelines for the establishment of a dedicated hospital ward for inpatient care of OFWs and their qualified

dependents. As of November 2024, there are 41 Level 3 hospitals directly under the DOH that have established OFW wards. These wards, along with the OFW Hospital in Pampanga, provide accessible healthcare to OFWs and their families. Further, along with these healthcare facilities, a Bagong Pilipinas Cancer Care Center is targeted to be built in the OFW Hospital and be completed by 2025, thereby expanding the services offered to OFWs and their dependents.<sup>4</sup>



President Ferdinand R. Marcos, Jr. and DMW Secretary Hans Leo J. Cacdac led the groundbreaking ceremony for the OFW Hospital-Bagong Pilipinas Cancer Care Center in San Fernando, Pampanga.

Source: PCO

### Sustained labor cooperation through the formation and renegotiation of BLAs.<sup>5</sup>

Formal agreements like BLAs detail areas of cooperation to: (a) ensure the protection of the rights and welfare of OFWs in host countries; (b) facilitate knowledge exchange; and (c) conduct matching of skills and qualification. Meanwhile, other BLAs focused on the recruitment of specific job categories (i.e., domestic workers, and healthcare workers).

4 Presidential Communications Office. PBBM inaugurates 'Bagong Pilipinas Cancer Care Center' in Pampanga. Accessed December 13, 2024. [https://pco.gov.ph/news\\_releases/pbbm-inaugurates-bagong-pilipinas-cancer-care-center-in-pampanga-3/](https://pco.gov.ph/news_releases/pbbm-inaugurates-bagong-pilipinas-cancer-care-center-in-pampanga-3/)

5 According to DMW, there are 48 signed BLAs maintained, and 39 BLAs are pending.

In 2024, BLAs were signed with Czech Republic, Germany, Singapore, and Croatia, which underscored cooperation on ethical recruitment, enhancing employment opportunities, and human resource development. Moreover, the country is also finalizing the Joint Memorandum Circular on Strengthening BLAs for all Healthcare Workers (HCWs), which will facilitate smoother deployment.



Migrant Workers Offices in Taiwan, Singapore, and Japan conducted training and familiarization sessions of the DMW Mobile App with OFW Pass Volunteer Teachers.

Source: DMW

### Enhanced border controls and access to services through digitalization initiatives.

The country upgraded its systems to strengthen border control and immigration process through the Border Control Information System, E-travel system and E-gates. These efforts enable the country to prevent human trafficking and improve safety and security for travelling passengers. As of October 2024, the Bureau of Immigration (BI) intercepted 196 travelers from January to October 2024 due to presentation of irregular employment documents.

Moreover, OFWs can now secure their Overseas Employment Certificate through the DMW Mobile app and renew their OWWA membership through the OWWA app. For 2023 and 2024, the DMW recorded more than 100,000 downloads and generated 20,000 exit passes.



Facilitated OFWs' participation in the country's development and their reintegration in Philippine society

**Expanded BaLinkBayan and local government partnership.** As of October 2024, a total of 56 local government partners fostered collaboration with the Commission on Filipinos Overseas (CFO) in the development of BaLinkBayan portal in each of their websites which will expand the entry points by which OFs can reconnect with the Philippines. This enables OFs to become development partners through opportunities in investments, philanthropy, technology expertise and skills exchange, and special government services.

**Served and assisted returning OFWs and their dependents through the National Reintegration Program.** As of August 2024, the DMW provided various livelihood and financial assistance through its core reintegration initiatives.<sup>6</sup> In particular, these initiatives benefited: (a) 534 undocumented OFW returnees through the Livelihood Development Assistance Program which provided PHP10,000 in livelihood support; (b) 994 displaced or distressed female OFW returnees under the *Balik Pinay, Balik Hanapbuhay* program; (c) 1,913 individuals who attended the Financial Awareness Seminar-Small Business Management Training; and (d) 493 licensed OFW teachers employed through the *Sa Pinas, Ikaw ang Ma'am at Sir* program.

**Established partnerships with the private sector to enhance the comprehensive support from the National Reintegration Program.** In 2024, the DMW signed various memoranda of agreement and memoranda of understanding (MOU) to facilitate the implementation of OFW programs and financial literacy initiatives. For instance, a MOU with the Philippine Stock Exchange was signed on February 29, 2024 to facilitate collaboration on financial initiatives for

<sup>6</sup> Core programs included in the national reintegration program include: (1) Livelihood Development Assistance Program; (2) Balik Pinay Balik Hanapbuhay; (3) Financial Awareness Seminar-Small Business Management Training; and (4) Sa Pinas, Ikaw ang Ma'am at Sir

OFWs. This MOU covers the conduct of learning sessions for OFWs and their families as well as development of materials intended for migrant workers.<sup>7</sup>

Furthermore, the National Reintegration Program also leverages the skills and expertise of returning OFW professionals to contribute to national development. As of November 2024, the *Balik Scientist Program* has engaged with 50 Filipino Scientists who were encouraged to share their expertise and knowledge to foster innovation and growth within the country. Of the 50 scientists, 18 were engaged in industry, energy and emerging technologies, 16 in health, and 16 in the agriculture, aquatic and natural resources sector.



Protected the right and improved the well-being of foreign nationals in the country

### **Sustained protection and promotion of the rights and well-being of foreign nationals and Persons of Concern (POCs).**

The government continuously strives to implement Executive Order 163, s. 2022 through the Inter-Agency Committee on the Protection of Refugees, Asylum Seekers, and Stateless Persons. In 2024, the Guidelines on the Protection of Personal Data of POCs was finalized. This allowed refugees, classified as resident aliens, to register in the Philippine Identification System. Nevertheless, naturalization and birth registration remain a viable channel for POCs to be able to integrate in the country and access other government services.

Also, the Philippine BI now allows registered foreign nationals to file their annual report virtually, eliminating the need for in-person visits. This initiative aims to streamline the process and ensure convenience for

foreign residents while adhering to existing legal requirements and further solidifies the government's commitment to the GCM. The BI recorded more than 153,000 foreign nationals for the annual reporting of registered foreign nationals.<sup>8</sup>

Along with this initiative, the Department of Labor and Employment (DOLE) continuously processes and issues Alien Employment Permits (AEPs) to foreign nationals, thereby regulating their employment in the country. As of October 2024, a total of 53,753 new AEPs were issued by the Department.



President Ferdinand R. Marcos, Jr. officially signed RA 12021, also known as the Magna Carta of Filipino Seafarers during a ceremonial signing at the Malacañang Palace.

Source: PLLO

### **Conducted capacity-building activities to enhance support to refugees and stateless individuals.**

The government continued to conduct targeted training programs to enhance the ability of its agencies and personnel to support refugees and stateless individuals. In particular, as of October 2024: (a) 35 staff from the BI Warden's Facility were trained in asylum procedures; (b) 16 staff from the National Housing Authority were trained on managing temporary housing; (c) over 100 focal persons from DOLE at regional and provincial levels were trained to improve access to livelihood opportunities; and (d) 99 judges received training on ruling in cases involving the facilitated naturalization of refugees and stateless persons.

7 Philippine Stock Exchange. PSE and Department of Migrant Workers ink MOU for financial literacy initiatives. Accessed December 13, 2024. <https://www.pse.com.ph/pse-and-department-of-migrant-workers-ink-mou-for-financial-literacy-initiatives/>

8 Bureau of Immigration. BI says 153k aliens took part in 2024 annual report. Accessed December 16, 2024. <https://immigration.gov.ph/bi-says-153k-aliens-took-part-in-2024-annual-report/#:~:text=In%20a%20statement%2C%20Immigration%20Commissioner,their%20annual%20report%20in%202023.>

## Results Matrix

Based on the most recent data, several key observations were made:

Firstly, the share of active to total members of the OWWA stood at 21 percent as of September 2024.<sup>9</sup>

Secondly, the percentage of documented OFs were estimated to be at 89.20 percent of the total number of OFs as of June 2023, increasing by 0.3 percentage points compared to the previous year.

There are 10.68 million OFs globally, with 48.95 percent being permanent migrants, 40.24 percent documented/temporary migrants, and 10.80 percent irregular/undocumented migrants according to 2023

first semester Report to Congress of the Department of Foreign Affairs.

Thirdly, the average cost of sending USD200 from the US to the Philippines declined to 4.37 percent (approx. USD8.74) in the 2nd quarter of 2024, from 4.58 percent (approx. USD9.16) in the same quarter a year ago, based on the World Bank Remittance Price data.

While the annual PDP target for the average remittance cost from US to PH of less than or equal to 4.0 percent was not met, the average cost of sending money to the Philippines across all remittance corridors/source was 4.0 percent in the first half of 2024, according to the same World Bank report.

## Ways Forward

Building on the developments in the migration sector, the government will boost its efforts to protect the rights and promote the welfare of OFs and foreign nationals. This entails strengthening services and increasing access to resources within the National Reintegration Program. Moreover, the government shall maintain its commitment to align the deployment of OFWs with the thrust and priorities of the administration.

## Priority Strategies



**Protect the rights and promote the welfare of overseas Filipino seafarers through the Magna Carta of Filipino Seafarers**

President Ferdinand R. Marcos, Jr. signed into law the Magna Carta of Filipino Seafarers on September 23, 2024, aiming to protect the rights and overall welfare of domestic and overseas Filipino Seafarers, as well as promote their full employment.<sup>10</sup> Moreover, overseeing maritime education will now be led by the Maritime Industry Authority in consultation with the Commission on Higher

Education. The DMW, along with maritime stakeholders and government agencies are currently formulating the Implementing Rules and Regulation of the said Act.



**Bolster OWWA membership participation**

To further enhance the social protection for OFWs, OWWA must intensify its initiatives to maintain and retain its membership base. These initiatives should include sustaining information campaigns, targeted outreach

<sup>9</sup> The cost of OWWA membership is USD 25, valid for two years.

<sup>10</sup> Republic Act No. 12021

programs, and mobile application based streamlined membership renewal process, which will ensure that OFWs are aware and able to access the support and services available to them.

Nonetheless, other social welfare and benefit agencies such as the SSS, PhilHealth, and HDMF may also launch similar initiatives. The government may also utilize migrant worker offices in strengthening information dissemination on social security among OFWs.



### Capitalize on digital platforms and initiatives to reduce cost on cross-border remittances

To lower the cost of cross-border remittance transfers and promote financial literacy among OFWs, the government will leverage existing digital platforms.<sup>11</sup>

Moreover, Project Nexus, which is expected to go live in the coming years, aims to enhance cross-border payments by connecting multiple domestic instant payment systems globally.<sup>12</sup>

These initiatives will contribute to the digital transformation agenda of the administration, streamline remittance processes, and reduce costs, contributing to greater financial inclusion and economic empowerment for OFWs.

Furthermore, it will be supported by the BSP through the integration of the *Pinansyal na Talino at Kaalaman* (PiTaKa) program into the pre-migration orientation seminar provided to OFWs. This will ensure that migrant workers are well-versed in financial management, which will increase their financial literacy.



### Encourage investments by OFs in government-issued bonds

The Bureau of Treasury (BTr) will continue to conduct financial literacy to OFs and inform them of available forms of investment (i.e., bonds) in the country. Online ordering platforms (e.g., Overseas Filipino Bank, LandBank and Bonds.PH mobile application) were also developed to enhance the convenience and efficiency of transactions. Currently, the BTr has engaged with OFs from over 70 locations across Asia, North and South America, Europe, Australia, Africa, and the Middle East.



### Expand partnerships with countries and stakeholder engagement towards mitigating irregular migration

To address irregular migration, the government will enhance dialogue, cooperation, and partnerships with concerned countries (i.e., origin, transit, and destination). It will be complemented by interventions such as pre-departure education program for OFs and border control measures of the Philippines.

In parallel, the government will leverage existing networks of private recruitment agencies (PRAs), embassies, consulates, and private-public partnerships. This includes engaging OF circles and diaspora communities to ensure the safety and well-being of OFs. Emphasizing ethical recruitment practices, the government will work closely with PRAs to ensure that recruitment processes are fair, transparent, and protect the rights of migrants. These are aligned with the GCM objective of fostering international cooperation and ensuring safe, orderly, and regular migration.

11 According to the World Bank's Remittance Prices Worldwide Report Issue No.50 (June 2024), in 2nd quarter of 2024, the global average for digital remittance was recorded at 5.29 percent, while the global average for non-digital remittances was 7.23 percent.

12 Bangko Sentral ng Pilipinas. Media and Research-Press Releases: Project Nexus. Accessed December 10, 2024. <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=7149>



Subchapter 4.6

**Strengthening  
Social Protection  
and Expanding  
Social Services**



The Visayas Disaster Resource Center in Mandaue City actively engaged in the preparation of family food packs on October 23, 2024 to replenish supplies in various warehouses in response to the impact of Tropical Storm Kristine.

Source: DSWD

## Introduction

In 2024, the government has undertaken significant reforms to ensure the effective and timely delivery of social protection (SP) programs and services, particularly for vulnerable groups such as the poor, women, children, senior citizens, persons with disabilities, the informal sector, and internally displaced persons, among others. By continuously improving the design of existing SP programs, expanding the coverage of social services, leveraging the role of the private sector, and embracing digital transformation, the government aims to create a more resilient and inclusive SP system.

Landmark initiatives in 2024 include the recent passage of *Ligtas Pinoy Centers Act*, the institutionalization of Executive Order

Nos. 52, 76, and 79, and the approval of the 4th National Plan of Action for Children 2023-2028.<sup>1</sup> The latter specifically focuses on child protection, child participation, and the mitigation of the adverse impact of climate change on children.

Some of the chapter's targets were achieved or even surpassed, demonstrating notable progress in improving well-being and providing livelihood assistance to beneficiaries. However, intensive efforts are still needed to enhance access, broaden coverage, and improve the targeting of SP programs to fully address the needs of vulnerable groups.

<sup>1</sup> Republic Act No. 12076: An act establishing evacuation centers in every city and municipality and appropriating funds for their implementation.  
Executive Order No. 52: Institutionalizing the Pag-Abot Program, Constituting an Inter-Agency Committee therefor, and other purposes  
Executive Order No. 76: Declaring the *Tara, Basa! Tutoring Program* as a Flagship Program of the National Government  
Executive Order 79: Establishing the *Mahalin at Kalingain ating mga Bata (MAKABATA)* Program, and Institutionalizing the MAKABATA Helpline 1383

## Strategy Framework

This strategy framework is organized based on the risks faced by vulnerable groups in implementing a rationalized and integrated SP system. To attain this, the Philippine Development Plan (PDP) outlined strategies to mitigate: (a) individual and life cycle risks; (b) economic risks; (c) natural, health, climate, and human-induced hazards; and (d) governance and political risks. Moreover,

the government will continue recalibrating the SP system towards becoming a more universal, modern, and integrated system that is accessible to everyone at all times.

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## Accomplishments for 2024



A universal, modern, and integrated social protection system pursued

### Updated Individual- and household-level data through the nationwide Community-Based Monitoring System (CBMS).

Commencing in July 2024, the 2024 Census of Population (POPCEN) and CBMS are being jointly conducted to improve efficiency in using government resources, harmonize the data items collected, and reduce the response burden. As of October 31, 2024, data collection for the 2024 POPCEN-CBMS is still ongoing, covering 23.6 million households in the country, of which 97.5 percent have provided responses to the CBMS. Data collection is expected to be completed by the end of December 2024.

### Pursued efforts to promote financial literacy towards better awareness and use of financial instruments.

The Department of Social Welfare and Development (DSWD) began the transition from traditional cash cards to electronic money or wallets under the *e-Panalo ang Kinabukasan* Program. Launched in May 2024, the program prioritized *Pantawid Pamilyang Pilipino* Program (4Ps) beneficiaries in regions with

geographically isolated and disadvantaged areas. This initiative aims to bring financial literacy and digital inclusion to 4Ps beneficiaries, as well as eradicate 'cash card pawning' practice. The program helps realize this by equipping 4Ps beneficiaries with the necessary tools to manage their finances digitally.



DSWD Field Office XI, through 4Ps, conducted the "e-Panalo ang Kinabukasan" Caravan on August 27, 2024, at the Provincial Capitol Gymnasium, Brgy. Central, City of Mati, Davao Oriental, featuring mobile banking or e-wallet applications to pitch their respective digital financial services.

Source: DSWD

### Promoted social insurance products by providing an alternative and convenient way to access Social Security System (SSS) services.

As of September 2024, the SSS has established 164 digital branches and 2,354 SSS e-Centers sa *Barangays*, enabling more individuals, particularly in underserved areas, to efficiently access the online social insurance services of SSS.



Individual and life cycle  
risks mitigated

**Strengthened the implementation of laws protecting women and children by extending interventions to disadvantaged individuals, children, and families.**

Institutionalized under EO 52, s. 2024, the DSWD's *Pag-Abot* Program aims to support disadvantaged and vulnerable individuals, children, and families living in street situations. The program offers nine key assistance packages, including financial aid, relocation, shelter, livelihood, employment, psychosocial support, and capacity-building for communities and local government units (LGUs).

As of September 12, 2024, the program has profiled 7,103 individuals in street situations, with 2,891 receiving interventions such as financial aid, reintegration to provinces, care facilities, and referrals to LGUs. Furthermore, as of November 28, 2024, 38,981 out of 41,610 (93.68%) assessed barangays have established barangay violence against women (VAW) desks with designated Barangay VAW desk officers. The establishment of these VAW desks ensures that every barangay fosters safety, respect, and dignity, especially for and among women and their children.

**Continued interventions to safeguard children from physical and mental harm caused by violence and other harmful practices.**

Under the Department of Labor and Employment's (DOLE) Child Labor Prevention and Elimination Program, 166,972 child laborers were monitored from January to September 2024. Among these children, 100,259 were referred for interventions, 38,445 received services, and 78,353 were removed from child labor. Parents of child laborers were also provided with livelihood assistance, supporting efforts to eliminate child labor and improve family welfare.

Meanwhile, 1,264 cases (97.31%) out of the 1,299 reports received through the MAKABATA Helpline 1383 were resolved as of November 12, 2024.

Furthermore, the Virtual Situation Analysis of Children in the Philippines was launched on October 21, 2024, providing a web-based platform as a central hub for exchanging children-related data, knowledge, and evidence to inform child-focused interventions for the improvement of well-being.



Economic risks  
managed

**Strengthened livelihood and cash-for-work programs.**

EO 76, s. 2024, declared the Tara, Basa! Tutoring Program as a flagship national initiative to improve reading skills among elementary learners with difficulties while offering short-term work for financially challenged tertiary students. In 2024, the program expanded to six regions (i.e., Regions III, CALABARZON, VII, VIII, X, and SOCCSKSARGEN) benefiting 134,831 individuals, including 8,174 tutors, 2,434 youth development workers, 62,418 learners, and 61,805 parents.



Initiatives to mitigate natural,  
health, climate, and other  
human-induced hazards  
undertaken

**Integrated mental health and psychosocial services in the disaster response package.**

The Department of Health (DOH) actively delivers essential health service packages to affected populations during public health emergencies in collaboration with Health Cluster partners and LGUs. Additionally, the DOH also provides technical assistance and conducts capacity-building interventions for the public health management of incidents and enhancement of skills in saving lives. On

the other hand, as of November 2024, the Philippine National Police (PNP) established 925 Women and Children Protection Desks in evacuation centers to ensure the safety of communities during disasters and calamities.



A tutoring session at Potrero Elementary School in Malabon City, part of the *Tara, Basa!* Tutoring Program, on July 17, 2024.

Source: DSWD

**Implemented anticipatory delivery mechanisms to address the immediate needs of families and individuals affected by calamities.** The *Buong Bansa Handa* Project, which employs two parallel supply chain mechanisms for disaster preparedness and response, was able to procure 728,366 family food packs (FFPs) as of October 31, 2024.<sup>1</sup> Five 'hubs', each with the capacity to produce 10,000 to 15,000 FFPs per day, have also been established to simultaneously serve as FFP production areas and central storage facilities.

The DSWD, in collaboration with the DOST through the Food and Nutrition Research Institute launched its ready-to-eat food (RTEF) packs on December 2, 2024, with plans for a full roll-out in 2025. This initiative aims to address the critical need for immediate sustenance in disaster-affected areas where traditional cooking facilities are unavailable or inaccessible. The RTEF packs will be distributed to affected and displaced families within 24 to 48 hours following the occurrence of a disaster.



## Addressing governance and political risks

**Continued interventions to strengthen the implementation of the Special Protection of Children in Situations of Armed Conflict Act.**<sup>2</sup> The PNP continuously conducts information drives on the Special Protection of Children in Situations of Armed Conflict Act, organizing webinars and online lectures on the PNP Child Safeguarding and Protection Against Child Abuse (PNP-CSAC) framework and the PNP Child Protection Policy. Moreover, the United Nations – Armed Forces of the Philippines (UN-AFP) Strategic Plan Extension was signed this year, reinforcing their commitment to key initiatives. Under this agreement, the AFP continues to disseminate the PNP-CSAC and the AFP Handling Protocol.

Furthermore, in March 2024, the Department of Education (DepEd) issued the Guidelines on the Protocols on the Handling of Children in Situations of Armed Conflict (CSAC) Learners to guide all DepEd personnel and its stakeholders on the appropriate handling and treatment of CSAC learners, ensuring that their rights are protected in times of armed conflict.<sup>3</sup>

## Results Matrix

Overall, the data shows that progress varied within the sector. Some targets were met or exceeded while some were not achieved. These reflect the government's commitment and effort to establish an inclusive and responsive SP framework, as well as areas that require further attention and improvement. However, it is important to note that this assessment is limited by the availability of data due to the schedule of release of designated statistics.

<sup>1</sup> The first mechanism features a national and local government-driven supply chain, while the second supply chain forges partnerships with established large and small groceries, supermarkets, manufacturers, and distributors to leverage on their technical expertise and resources to create a private sector-driven supply chain.

<sup>2</sup> Republic Act No. 11188: An Act Providing for the Special Protection of Children in Situations of Armed Conflict and Providing Penalties for Violations Thereof

<sup>3</sup> DepEd Office of the Undersecretary Memorandum 2024-05-01167

As of the fourth quarter of 2024, efforts to mitigate individual and life cycle risks resulted in 74.31 percent of poor households with members aged 18 and below benefiting from 4Ps, and 27.35 percent of 4Ps households achieving improved well-being—both surpassing the 2024 targets. The DSWD successfully achieved 100 percent of its targets in serving women in especially difficult circumstances, child abuse victims, and addressing VAW cases. However, the economically active population contributing to the SSS stood at 37.47 percent, senior citizens receiving pensions at 63.42 percent, and Conditional Cash Transfer beneficiaries at 4,277,320—each falling short of the 2024 targets.

On managing economic risks, the number of beneficiaries provided with livelihood

assistance exceeded the 2024 target, reaching 86,139 beneficiaries, while the target for the number of beneficiaries served by emergency employment and cash-for-work program is expected to be met by the end of the year.

On mitigating natural, health, climate, and other human-induced hazards, mixed results were observed. As of the fourth quarter of 2024, 100 percent of disaster-affected families were provided with disaster response services. Further, all emergency loan applications submitted by calamity-affected members and pensioners of the Government Service Insurance System were approved, successfully meeting this year's target. In contrast, the percentage of disaster-affected families provided with early recovery service is lagging at 96.1 percent.

## Ways Forward

The sector made considerable strides in addressing issues within the SP system in 2024. However, much work remains to further enhance and transform the effective and timely delivery of SP programs and services, especially to the most vulnerable and disadvantaged populations. The adoption of digital technologies, greater engagement with the private sector, and strengthened collaboration between the national and local governments will be crucial in driving these changes forward.

## Priority Strategies



Achieving a universal, modern, and integrated social protection system

**Reduce leakage and under-coverage of 4Ps by utilizing data from the 2024 CBMS and an updated targeting system.** By 2025, the National Economic and Development Authority, in coordination with the Philippine Statistics Authority and the DSWD, will finalize the recalibration of the Proxy Means Test (PMT) model as the single system of classification for beneficiary targeting. Data collected from the CBMS will be used to

run the PMT model, identify SP program beneficiaries, and subsequently provide data to the DSWD. Additionally, preparatory activities for the conduct of the 2027 CBMS will begin in 2026.

**Ensure the efficient and timely updating of new and existing social registries.** The DSWD's dynamic social registry *i-Registro*, which allows self-service registration and data authentication of potential SP program beneficiaries, will be expanded and fully implemented by 2025. Meanwhile, the DOH Philippine Registry for Persons with

Disability's (PRPWD) Manual of Operations will be enhanced to address updates in the categorization of disabilities to align with current standards and requirements. Furthermore, once the transition plan is finalized, the operationalization of the PRPWD will be transferred to the National Council on Disability Affairs to act on its mandate of maintaining a data bank on disability under EO 709, s. 2008.

**Integrate the nutritional needs of children within the first 1,000 days into SP programs.** To ensure that children, particularly those from low-income households, receive the necessary nutrients during their critical early development period, the 4Ps will be expanded to include beneficiaries with pregnant and lactating mothers and children aged 0-2 years. The implementing guidelines, which outline the set of conditionalities, shall be finalized for the grants' roll-out by January 2025.



Individual and  
life cycle risks

**Harness digital technology to ensure timely reporting of and response to cases of gender-based violence (GBV).**<sup>4</sup> Efforts to inform and encourage the public to report cases of violence against women and children (VAWC) will be intensified through the 'e-Report' component of the Department of Information and Communications Technology's eGovPH mobile application.<sup>5</sup> This new reporting mechanism will enable users (i.e., witnesses or victim survivors) to instantly report women and child abuse cases, notify the nearest PNP station (within the 10-km radius) real-time, and enable the police to immediately respond and prevent further escalation of incidents.

Under EO 79, s. 2024, the MAKABATA Helpline 1383, will also be implemented 24 hours a day, seven days a week. Reports concerning children in need of special protection, received through the hotline number "1383," text messages, emails, and social media, will be promptly addressed or referred to relevant government agencies, LGUs, and private sector partners for appropriate and necessary intervention/s.

The Inter-Agency on VAWC, in collaboration with the UN Population Fund, will improve the GBV data systems across all concerned agencies to ensure that databases are interoperable and are human rights-based, survivor-centered, and gender-responsive. This will also ensure that victim-survivors are referred and provided with appropriate interventions. Moreover, the DOH is updating Administrative Order 2013-0011 to scale up and expand Women and Children Protection Units in government hospitals, aiming to establish at least one unit in every province and highly urbanized city by 2025–2026.

**Develop and adopt a national Child Protection Systems Strengthening (CPSS) Strategy for further modeling at the local level.** The government will develop and implement a CPSS strategy to mitigate the high prevalence of violence against children, especially online sexual exploitation, which the country is identified as among the largest known sources. The CPSS strategy shall outline the policies, interventions, and services needed to support prevention and respond to child protection-related risks. This will ensure that the country develops a mature and fully functioning child protection system at all levels to protect all Filipino children from violence, abuse, neglect, and exploitation.

4 Gender-based violence (i.e. violence against women and children [VAWC], Anti-Online Sexual Abuse or Exploitation of Children [OSAEC] and Anti-Child Sexual Abuse or Exploitation Materials [CSAEM])

5 The eGovPH mobile application can be downloaded through these links:  
Android: <https://play.google.com/store/apps/details?id=egov.app&hl=en-US>  
iOS: <https://apps.apple.com/ph/app/egovph/id6447682225>

### Strengthen the implementation of the 4Ps

**Act.** The DSWD is currently crafting proposed amendments to the 4Ps Act to address the evolving needs of its beneficiaries. A key component of these amendments is the integration of a formula for adjusting cash grants, which will take into account factors such as inflation rates and household purchasing power. This initiative aims to ensure that the cash grants remain relevant and sufficient to meet the basic needs of beneficiaries amidst economic fluctuations.



Managing  
economic risks

### Adopt a convergence budgeting approach to rationalize existing livelihood and cash-for-work programs.

DOLE, in collaboration with agencies that implement livelihood and employment programs, will coordinate closely with the Department of Budget and Management to streamline and integrate these interventions under a unified framework to be undertaken by different government agencies. This aims to address the fragmented implementation of similar programs, activities, and projects (PAPs) and harmonize service delivery standards and beneficiary profiles. Selected SP programs will be strengthened at each stage, from targeting to enrollment to delivery.



Mitigating natural, health,  
climate, and other  
human-induced hazards

### Construct permanent and climate-resilient evacuation centers under the Ligtas Pinoy Centers Act.

With the recent passage of Republic Act No. 12076, the Department of Public Works and Highways is mandated to ensure the timely construction of evacuation centers in every city and municipality

nationwide, prioritizing LGUs with high-risk and hazard-prone areas. This new law aims to reduce reliance on schools as temporary shelters. It will ensure that the evacuation centers to be established are fully equipped with sleeping quarters, healthcare stations, sanitation facilities, food preparation and storage areas, women- and child-friendly spaces, and amenities accessible for persons with disabilities and senior citizens.

### Implement and operationalize the Adaptive and Shock Responsive Social Protection (ASRSP).

Following the completion of the ASRSP Roadmap in 2024, the DSWD, in collaboration with the United Nations Children's Fund, the Food and Agriculture Organization, and the United Nations Development Programme, will formulate an ASRSP Action Plan in 2025. This plan will define the specific roles and responsibilities of key agencies in operationalizing the ASRSP, ensuring its seamless integration into existing government mechanisms, and addressing the escalating and intensifying impacts of climate change and extreme weather events.



Addressing governance  
and political risks

### Capacitate child protection actors and stakeholders on handling and treating CSAC to strengthen the protection and promotion of child rights.

Under the UN-AFP Strategic Plan Extension, the AFP will develop a comprehensive training module on the CSAC Law and AFP Handling Protocol to be integrated into the curriculum of all AFP academic programs. The Commission on Human Rights is currently developing the CSAC e-course, which, upon finalization, will be embedded into the Human Rights Institute Program of the Online Human Rights Academy Platform.



### Cross-cutting strategies

#### **Conduct of periodic evaluations and assessments of SP programs and services.**

To ensure the effective and efficient implementation of the above-mentioned PAPs, periodic evaluations and assessments will be conducted. These regular reviews will help track progress, identify implementation gaps and areas for improvement, and ensure that the programs achieve their intended outcomes while maintaining accountability and resource efficiency.



Subchapter 4.7

# **Supporting Social Development through Infrastructure**



The new Central Intensive Care Unit (top-left and right), robotic gait trainer (lower-left), and PET-CT scan (lower-right) acquired in 2024 for the UP-PGH.

Source: UP-PGH

## Introduction

Initiatives to support social development saw progress in improving access to healthcare and education, as well as increasing the solid waste management (SWM) capacity of local government units (LGU).

In particular, the healthcare sector made significant progress in increasing the quantity and quality of healthcare facilities, including new medical equipment that helped expand services.

In the education sector, while efforts were made to address classroom shortages and unsupportive learning environments, development was hampered by issues

in procurement and implementation. These hindered the achievement of targets for classroom construction, facility improvements, and delivery of learning equipment.

On the other hand, the SWM capacity of LGUs improved through the support provided in establishing and operating materials recovery facilities (MRF) and sanitary landfills (SLF).

## Strategy Framework

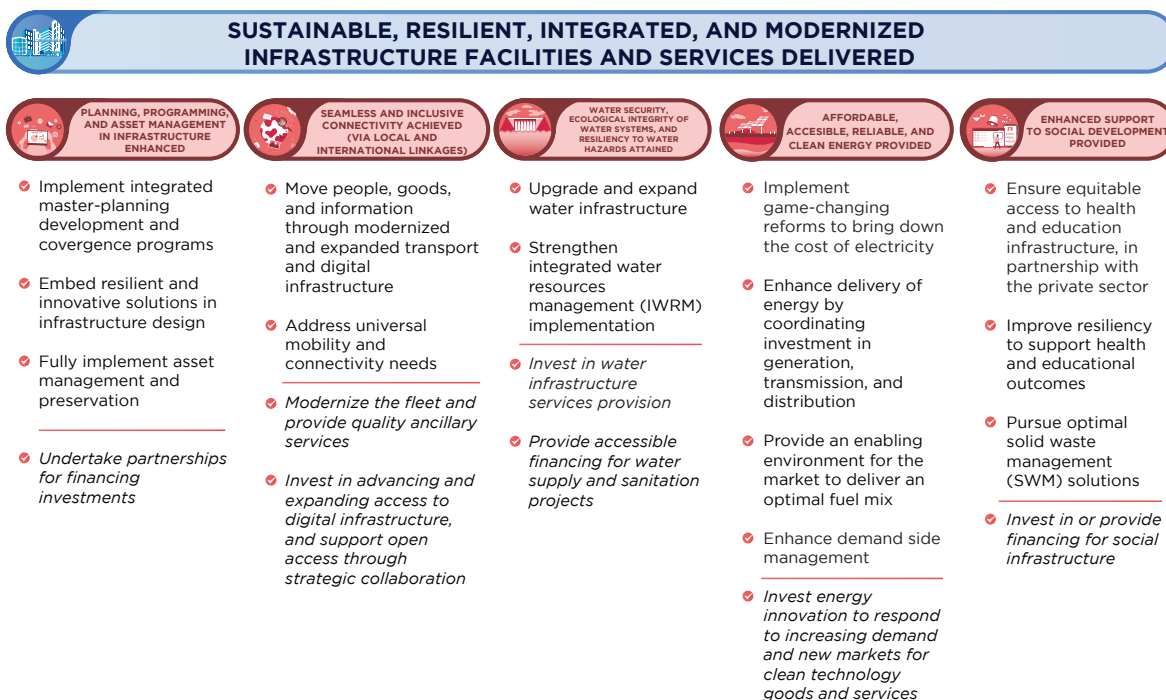
Anchored on enhancing support to social development, the strategy framework for the social infrastructure subsector is focused on the following strategies: (a) ensuring equitable access to health and education infrastructure; (b) improving resiliency to support health and

educational outcomes; and (c) pursuing optimal SWM solutions.

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## Accomplishments for 2024



Provided enhanced support to social development

**Efforts to improve access to health facilities continued.** The Health Facilities Enhancement Program (HFEP) is the primary program of the Department of Health (DOH) to improve access to quality healthcare facilities and services. It provides for the construction, expansion, and upgrading of

health facilities, as well as the purchase of medical equipment.

As of October 2024, a total of 225 health facilities were constructed and repaired under HFEP for 2024, including Barangay Health Stations, Rural Health Units, LGU hospitals, DOH hospitals, polyclinics, and other health facilities.

Moreover, 41 functional specialty centers were completed, exceeding the 21 targeted additions for the year. Notably, Bagong Urgent Care and Ambulatory Services Centers were established, 36 out of the 37 of which are currently operational.

### Improvement of access to quality learning facilities pursued.

To achieve the overarching objective of improving access to a safe and conducive learning environment, the Department of Education (DepEd) is given a yearly allocation under the Basic Education Facilities Fund (BEFF) for the construction of school infrastructure and improvement of education facilities. As of October 2024, only 236 have been completed, while 3,576 remain under construction. This falls short of the 2024 target of 5,076 classrooms. Additionally, two workshop buildings for technical and vocational learning have been completed for the year, with 48 under construction out of the 69 targets.

Under the DepEd Computerization Program (DCP), 17,946 Information and Communication (ICT) packages were procured in 2024, falling short of the 44,638 targets. As of October 2024, 249 e-learning carts (eLC), 174 smart television (STV), 907 laptops for teachers (L4T), and 168 laptops for non-teaching staff (L4NT) packages have been delivered. Delivery is ongoing for 1,406 eLC, 5,768 STV, 4,991 L4T, and 4,283 L4NT packages.

### Technical capacity of LGUs strengthened.

Solid waste generation is expected to increase from 60,639.86 tons per day in 2023 to 61,700.24 tons per day in 2024, which brings the need to pursue optimal SWM solutions. In response to this, the Department of Environment and Natural Resources (DENR) continuously provides technical assistance to LGUs, particularly in the establishment and operations of MRFs and in site assessment, clustering, and conceptual design of SWM facilities. As of October 2024, the DENR has assisted 4,436 LGUs in establishing and operationalizing barangay MRFs or junkshops converted to MRFs and 88 LGUs in the conduct of site assessment of proposed SLF for clustering.<sup>1</sup>

## Results Matrix

Despite the accomplishment under HFEP, the 2024 targets for the percentage of provinces with adequate bed-to-population ratios (40%) and adequate primary care facilities (PCF) (30%) remain unmet. Furthermore, the data on the percentage of provinces with adequate bed-to-population has been declining, dropping from 33.3 percent in 2021 to 30.86 percent in 2023, and further to 26 percent in 2024.

Provinces with adequate PCF and bed-to-population ratio remain below the targets as there are still gaps in health facilities due to delays in procurement and implementation of projects. There are also issues regarding the equitable provision of support to LGUs and their absorptive capacity.

In January 2024, the classroom backlog was estimated at 165,443. While the targets for classroom-to-pupil ratios for the junior high school and senior high school levels, at 1:42 and 1:40, respectively, were exceeded, primary school classrooms remain overcrowded.

Meanwhile, with regard to basic facilities, the targets for water and sanitation facilities-to-pupil ratio and proportion of public schools with access to internet and electricity for all levels have been achieved or exceeded. However, internet access is mostly limited to faculty rooms. For public schools with functional computers, the primary level exceeded the target, while the 2024 targets for junior and senior high school levels will not be met.

The number of operational SLFs increased to 317, raising the number of cities and municipalities with access to SLF from 675 (45%) to 701 (46%), which surpassed the 2024 target of 38 percent.<sup>2</sup> The proportion of barangays served by MRFs also increased from 47 percent in 2023 to 49 percent in 2024, exceeding the 45 percent target.

<sup>1</sup> Commission on Audit Performance Audit Report (PAO-2023-01): Solid Waste Management Program.

<sup>2</sup> Except BARMM

# Ways Forward

To address the challenges that hinder the attainment of targets under the subsector, improvements in procurement, implementation, and inter-agency coordination will be undertaken. Adopting alternative technologies, solutions, and financing options will also be considered to pursue optimal SWM. The following are priority strategies to further improve the performance in the sector:

## Priority Strategies



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

### Continue Implementation of the HFEP.

In support of the Philippine Health Facilities Development Plan 2020-2040 and the Universal Health Care Act, the implementation of the HFEP will be sustained if not further expanded, especially for primary care facilities.<sup>3</sup> Financing sources to implement health infrastructure will be expanded to include support from development partners and/or the private sector. For example, the following projects are being implemented using Public-Private Partnership (PPP): (a) University of the Philippines – Philippine General Hospital Manila Cancer Center Project; (b) Baguio General Hospital & Medical Center Renal Center Facility – Dialysis Center.

The DOH shall determine its investment in health facilities following the National Allocation Framework. To promote equity, a higher allocation shall be given to low capacity compared to high-capacity areas, and high gaps compared to low gaps. The LGUs shall be categorized based on capacity parameters such as resources of the local government, the presence of geographically isolated and disadvantaged areas (GIDA), and

the level of household income.<sup>4</sup> Meanwhile, to address the low disbursement rates for HFEP and other DOH programs and activities, mechanisms for stronger public financial management in health, including planning, budgeting, execution, and procurement of primary care commodities or services, will be instituted.<sup>5</sup> Systems for digitalization to support management and health service provision will also be developed.<sup>6</sup>

### Effectively and efficiently deliver school buildings and classrooms.

To address the growing classroom backlog and ensure efficient allocation of resources, DepEd shall prioritize areas with high classroom shortages and those located in GIDA.<sup>7</sup> Design for high- and mid-rise school buildings will be introduced in highly urbanized areas to maximize the use of available land. PPP arrangements will be explored for the procurement, construction, and maintenance of classrooms and school buildings. To ensure support for Last Mile schools, coordination with LGUs will be initiated to provide logistical support, foster local engagement, and implement strategies to incentivize contractor participation.

By 2025, DepEd will conduct early procurement of DCP packages to address logistical challenges posed by bulk

3 Republic Act No. 11223: An act instituting universal health care for all Filipinos, prescribing reforms in the health care system, and appropriating funds for its implementation.

4 Source: <https://law.upd.edu.ph/wp-content/uploads/2022/03/DOH-Administrative-Order-2019-0032.pdf>

5 Source: <https://p4h.world/app/uploads/2024/06/Health-Care-Financing-Strategy-the-Philippines-2023-2028.x23411.pdf>

6 Ibid

7 Source: [https://legacy.senate.gov.ph/press\\_release/2024/1011\\_edcom1.asp](https://legacy.senate.gov.ph/press_release/2024/1011_edcom1.asp)

purchases.<sup>8</sup> Procurement and delivery processes will also be reformed, allowing suppliers to deliver directly to schools to streamline the delivery process and reduce delays caused by reliance on a single logistics company.<sup>9</sup> In addition, DepEd will refine its targeting strategies to ensure a more efficient and equitable distribution of ICT resources.<sup>10</sup> The Program Support Fund (PSF) for monitoring, repairing, and maintenance of the DCP packages, network infrastructure, and training-related activities will also be downloaded to DepEd field offices.

Among the reasons for the poor performance of the BEFF are procurement issues such as delays from modifications, failed bidding, and contract cancellations. This was further exacerbated by poor inter-agency coordination between the Department of Public Works and Highways (DPWH) and DepEd. Particularly, the Last Mile Schools Program (LMSP) suffered from unsuccessful bidding due to its remote location being a deterrent to interested contractors. Moreover, even successfully bid out projects from selected contractors were unable to complete projects.

To address procurement and inter-agency coordination issues, DepEd will explore decentralized procurement, empowering its local units to manage procurement directly and reduce reliance on the DPWH. This approach aims to streamline the process, mitigate coordination issues, and better adapt procurement strategies to the unique geographical and logistical challenges of areas, especially in GIDAs, potentially attracting more contractors and ensuring project completion for programs like the LMSP.



Improve resiliency to support health and educational outcomes

### **Strengthen climate resilience and environmental sustainability of schools and health facilities.**

New schools and health facilities will be designed to withstand risks associated with natural or environmental hazards while adhering to green building standards and practices to minimize environmental impacts. For instance, the Infrastructure for Safer and Resilient Schools project, approved by the NEDA Board, will repair, rehabilitate, retrofit, and reconstruct schools outside Metro Manila damaged by disasters from 2019 to 2023. This is expected to improve the learning environment for 741,038 students. Among the functional improvements under the ISRS is the provision of solar panels for schools without power connections.



Pursue optimal solid waste management solutions

### **Adopt alternative technologies, solutions, and financing options.**

Recognizing that solid waste is among the causes of flooding in the country, the President has called for immediate passage of the Waste-to-Energy (WtE) Bill.<sup>11</sup> Hence, WtE and other alternative technologies shall be considered viable solutions for the treatment and disposal of solid wastes.

However, some LGUs have limited financial and technical capacity to establish, operate, and maintain SWM facilities. For LGUs that do not have their own SWM facility, the cost of transporting waste to an operational facility is one of the main challenges. Other persistent issues in the sector include the: (a) high investment requirement involved in

<sup>8</sup> Source: <https://edcom2.gov.ph/edtech-digital-push-in-schools-difficult-without-computers-electricity-edcom-2/>

<sup>9</sup> *Ibid*

<sup>10</sup> *Ibid*

<sup>11</sup> Source: [https://pco.gov.ph/news\\_releases/pbbm-seeks-immediate-passage-of-waste-to-energy-bill-to-address-flooding/](https://pco.gov.ph/news_releases/pbbm-seeks-immediate-passage-of-waste-to-energy-bill-to-address-flooding/)

establishing, maintaining, and operating such facilities; (b) lack of suitable sites to establish SLFs; and (c) lack of funding support (e.g., SWM Fund).

To address these concerns, a framework for clustering LGUs to undertake SWM facilities will be formulated to achieve economies of scale. Moreover, LGUs shall be encouraged to engage with the private sector to finance the establishment and operation of SWM facilities.

# 05

## Protecting the Integrity of the Environment Toward a Climate-Resilient Nation

To further develop the climate and disaster resilience of the Philippines, we took measures to safeguard the integrity of the environment and strengthen our capacity – especially that of local government units (LGUs) – to prepare and respond to natural hazards.

In 2024, we increased the resources mobilized for environmental conservation and management and promoted natural resource-based enterprises to intertwine the conservation and management of the environment with the economic development of communities. We also implemented a plan to reduce our greenhouse gas emissions and increase investments in low-carbon technologies. Moreover, many LGUs incorporated climate considerations in their resilience planning efforts, particularly in their risk-informed plans.

To enhance our environmental conservation and management efforts, we will promote the expansion of natural resource-based enterprises and other biodiversity friendly enterprises. We will also address the lack of comprehensive and robust data needed for the effective monitoring and accounting of natural resources through the Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Act.

To further improve our climate and disaster resilience, we will strengthen the partnership between subnational and LGUs in building resilience and implementing our climate commitments. NEDA, in partnership with the UNDP, will develop a resilience index, which will provide a comprehensive assessment of LGUs' capacity to withstand, adapt to, and recover from disasters.



Subchapter 5.1

# **Safeguarding the Integrity of the Environment**



**Apo Reef Natural Park, along with two other Philippine sites, makes the list in the ASEAN Heritage Parks Programme, underscoring the country's leadership in biodiversity conservation and climate action within the region.**

Source: Department of Tourism, Department of Environment and Natural Resources

## Introduction

The intensifying impacts of climate change remain a significant threat to the country's development progress, as evidenced by six consecutive tropical cyclones hitting the Philippines within a month.<sup>1</sup> As the nation strives to achieve upper-middle-income status, balancing economic growth and environmental sustainability will be critical. The government's transformation agenda seeks to propel the efforts of the national government, LGUs, private sector, and civil society organizations towards this convergence point to boost environmental resilience.

In 2024, our collective endeavors centered on increasing resource mobilization for conservation and management activities. These initiatives sustained progress in terrestrial and marine protected area management and wildlife conservation and protection. Having well-functioning ecosystem services also fostered livelihood and employment generation from resource-based enterprises and industries, contributing to enhanced socioeconomic welfare of local communities.

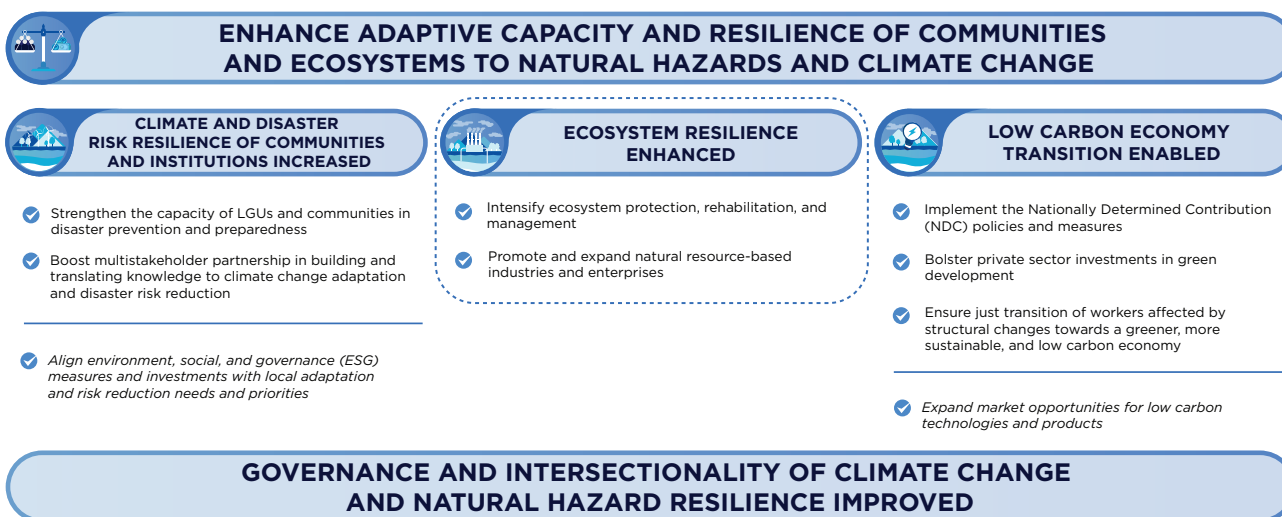
<sup>1</sup> Severe Tropical Storm Trami (Kristine), Super Typhoon Kong-Rey (Leon), Tropical Cyclone (TC) Yinxing (Marce), TC Toraji (Nika), TC Usagi (Ofel), TC Man-yi (Pepito). Retrieved from <https://reliefweb.int/report/philippines/philippines-six-tropical-cyclones-humanitarian-snapshot-20-october-present-13-november-2024>.

# Strategy Framework

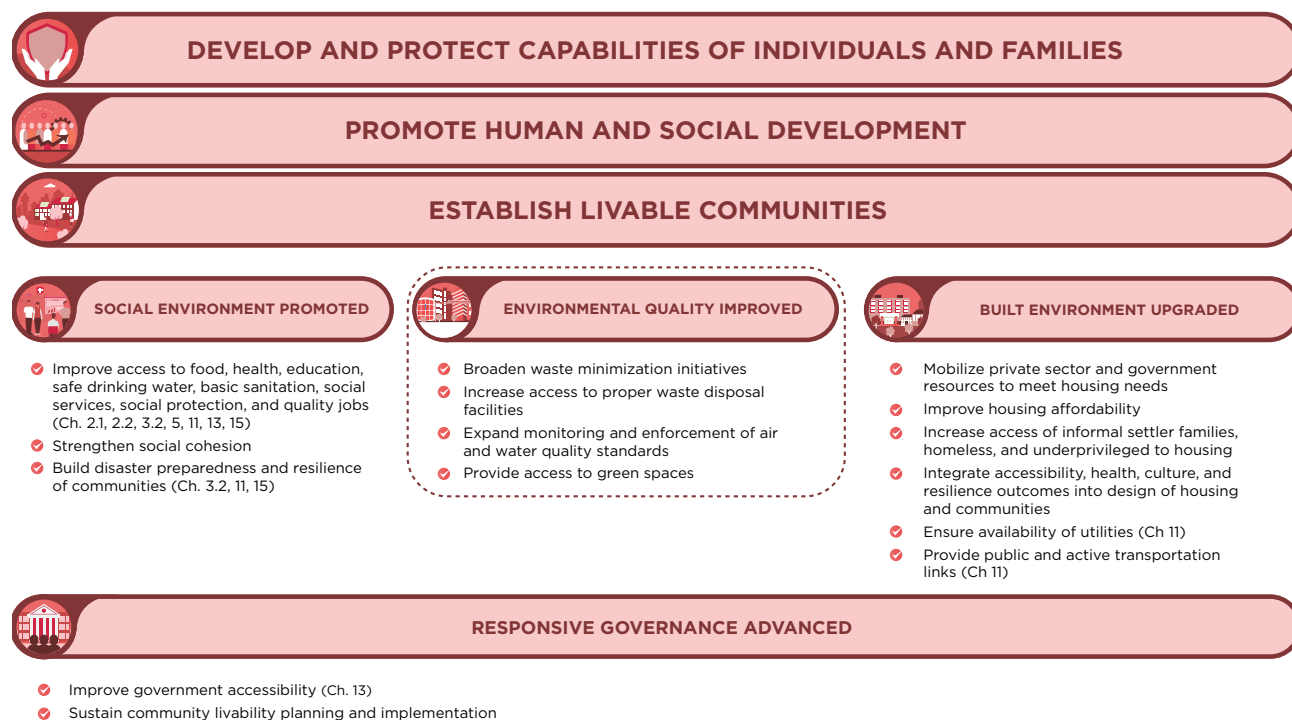
The strategy framework emphasizes maintaining the ecological functionality of landscapes and seascapes while maximizing their socioeconomic benefits to human well-being. It outlines the following outcomes: (a) ecosystem resilience enhanced, and (b) environmental quality improved. To achieve this, the chapter advocates a comprehensive and cross-cutting approach that integrates

policy, science, and community action to help address the country's longstanding environmental challenges and secure long-term ecosystem resilience.

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Note: Strategies above the dashed lines require action by government entities, and those below by non-government entities.



## Accomplishments for 2024



Ecosystem rehabilitation, management, and protection intensified

### Consistent gains from flagship programs for conserving and protecting the environment and natural resources (ENR).

The Enhanced National Greening Program of the Department of Environment and Natural Resources (DENR) facilitated the maintenance and protection of approximately 64,000 hectares (ha) of established plantations on denuded lands. Meanwhile, the Forest Protection Program significantly reduced illegal logging hotspot municipalities by 37.50 percent.<sup>2</sup>

On the seascape front, the Coastal and Marine Ecosystems Management Program (CMEMP) continues to enhance the management of the country's Marine Protected Areas (MPA), encompassing 3.08 million ha. Another significant accomplishment under this program is the establishment of MPA Networks to promote ecological connectivity and advance integrated seascape management.

These undertakings translated to international recognitions, with two additional Ramsar Sites (wetlands of international importance)<sup>3</sup> and three ASEAN Heritage Parks<sup>4</sup> declared in the Philippines. Such recognitions will catalyze funding influx for conservation and community programs in these sites and the rest of the country.

**Integration of environmental parameters into local governance promotes the expansion of urban green spaces nationwide.** In 2024, a total area of 9,462.86 ha of green spaces has been profiled and assessed, marking a 38-percent increase from the reported figure in the previous year

for development. This progress is largely attributed to directives influencing LGU investments towards national conservation targets and climate resilience initiatives. These include the integration of environmental indicators (e.g., park and green space development) into the Department of the Interior and Local Government's (DILG) 2024 Seal of Good Local Governance (SGLG).

### Sectoral framework and enabling mechanisms are in place to support long-term ecological resilience and sustainable management of ecosystems and species.

DENR is in the process of finalizing the updated Philippine Biodiversity Strategy and Action Plan (PBSAP) 2024-2040, which outlines priority reforms to address the threats and pressures to biodiversity and ecosystems. The PBSAP would require adequate financial resources to fulfill the country's international commitment under the Kunming-Montreal Global Biodiversity Framework (KM-GBF), which targets the protection and sustainable use of 30 percent of the global terrestrial and marine ecosystems by 2030.

The development of the National Action Plan on Ecosystem Restoration and Species Extinction Prevention (NAPERSEP) further supplements our efforts to address habitat loss and halt species extinction through collaboration between the government, private sector, academe, and civil society organizations. To support these initiatives, the Biodiversity Finance Initiative (BIOFIN) Philippines is implementing a range of finance solutions that have mobilized PHP1.96 billion from public and private funding sources.

Complementing this, the DENR developed and pilot-tested the Green Assessment and Recovery Framework (GARF) to evaluate ecosystem health, biodiversity, and communities in post-disaster scenarios. The assessment findings will inform the development of the Green Recovery Plans to help LGUs prepare for future disaster risks.

<sup>2</sup> 16 illegal municipality hotspots to 10

<sup>3</sup> Sibugay Wetland Nature Reserve in Zamboanga Sibugay and the Del Carmen Mangrove Reserve (DCMR) in Siargao Island Protected Landscape and Seascape (SIPLAS) in Surigao Del Norte

<sup>4</sup> Apo Reef Natural Park, Turtle Islands Wildlife Sanctuary, and Balinsasayao Twin Lakes Natural Park

Similarly, the DENR initiated the formulation of the Blue Carbon Quantification Protocol to provide a standardized methodology for assessing carbon sequestration from blue carbon ecosystems (e.g., mangroves, and seagrass). This protocol aims to support the sustainable management of blue ecosystems and incentivize their conservation through innovative financing mechanisms, such as carbon markets (see *Subchapter 5.2*).

### **Integrating environmental sustainability into the country's economic framework through a data-driven approach.**

The recently enacted PENCAS Act mandates the use of environmental-economic accounting in policy and decision-making. This enables us to assess and evaluate the environmental benefits and tradeoffs of economic activities. Meanwhile, the DENR, through the Sustainable Interventions for Biodiversity, Oceans, and Landscapes (SIBOL) Project, formally launched the Sukat ng Kalikasan toolkit this year, which will serve as a localized methodology for establishing site-specific ecosystem accounts in protected areas.



**Resource-based entrepreneurship/enterprises promoted**

### **Natural resource-based enterprises and industries generate substantial socioeconomic wealth for local communities.**

The DENR, through its flagship programs (e.g., ENGP, CBFM, CMEMP), bolstered employment opportunities for vulnerable upland and coastal communities (e.g., seedling production, agroforestry, timber production, seaweed farming). Tangible benefits from these livelihoods involved financial subsidies for necessary equipment and technical assistance to capacitate resource-dependent communities.

Meanwhile, the Access and Benefit Sharing (ABS) Project facilitated the approval of four agreements between private sector partners, and Indigenous Peoples and Local Communities (IPLC). These contracts will help demonstrate the monetary and non-

monetary benefits arising from the utilization of genetic resources of Banaba and Pili for pharmaceutical and cosmetic purposes.

On the other hand, the recently approved National Ecotourism Strategy and Action Plan 2024-2028 is envisioned to build a responsible tourism industry that protects its natural and cultural heritage while providing income and employment opportunities. The increased adoption of environment and sustainability indicators in the Philippine National Accommodation Standards is likewise expected to influence more green practices and investments in hotels and accommodation businesses.



**Environmental quality improved**

### **Collaborative, innovative, and nature-based solutions facilitate zero-waste to nature initiatives.**

The DENR continued to provide technical assistance to cities and municipalities in developing and operationalizing their 10-year Solid Waste Management Plans (SWMP). This raised the total percentage of LGUs with approved SWMPs to 87 percent.

Additionally, DILG's *Kalinga at Inisyatiba para sa Malinis na Bayan* (KALINISAN) sa Bagong Pilipinas Program mobilized around 54 percent or 21,605 barangays in clean-up activities and environmental stewardship. Complementing these subnational feats was diligent private sector compliance with the Extended Producers Responsibility (EPR) Act. Registered enterprises helped divert plastic waste leakage into the environment by recovering 23.7 percent of rigid plastic packaging and 45.9 percent of flexible plastic packaging across 947 EPR programs in 2024.

### **Increasing partnerships and innovative approaches to air quality monitoring.**

To address the perennial problem of limited data collection on air quality due to obsolescence and wear and tear of monitoring instruments, the DENR, together with Philippine Space

Agency, has partnered with National Aeronautics and Space Administration (NASA) in the conduct of airborne and satellite-based data collection across regions. The partnership significantly enhanced air quality monitoring and forecasting by strengthening the integration of satellite-based observations with ground-level data, leading to a more robust and comprehensive understanding of air pollution patterns.

## Results Matrix

Both marine and terrestrial protected areas under the Expanded National Integrated Protected Areas System (ENIPAS) have been successfully maintained with improved coverage tagged as having excellent conditions.

In terms of job creation, the ENGP facilitated the employment of 17,446 individuals in resource-based enterprises and industries nationwide. Relatedly, *Minahang Bayan* declarations are on track to reach its 2024 target, promising economic benefits to local communities through regulated resource extraction.

Meanwhile, the pilot testing of the *Sukat ng Kalikasan* accelerated the number of sites with ecosystem accounts, jumping from none in 2023 to five in 2024.<sup>5</sup> The passage of the PENCAS Act will further drive up these numbers, magnifying the presence of natural resources in national economic accounts.

As for environmental quality, the proportion of local communities served by waste diversion facilities increased to 49 percent (see *Subchapter 4.1*).

## Ways Forward

While these accomplishments offer an encouraging overview of the sector, persisting challenges continue to jeopardize the significant strides made in ensuring long-term ecological resiliency. For instance, the lack of comprehensive and robust data hampers the effective and comprehensive assessment and monitoring necessary for shaping sound policy and decision-making. The PENCAS Act seeks to address this longstanding problem by introducing innovative tools for systematic data collection to enhance data-driven and science-based natural resources management.

The development of resource-based industries promises employment opportunities for IPLC, but the livelihood trajectory may stagnate with limited market integration. Enhancing value chains of biodiversity products will spur servicification pathways towards improved productivity and competitiveness in the sector.

Moreover, there is still more to be done to address issues of overexploitation and the unsustainable use of natural resources, as these increasingly compromise the natural barriers that serve as critical defenses against climate-induced disasters. Moving forward, the government will further intensify ecosystem protection, rehabilitation, and management.

The government will also continue to pursue the implementation of innovative strategies geared towards fortifying the resilience of our environment and natural resources to future multi-dimensional shocks (e.g., climate change and natural hazards). To enable this, strengthened multi-stakeholder participation will be promoted to enhance their contribution towards improved natural resource management.

<sup>5</sup> These include: (a) Masinloc-Oyon Bay Protected Landscape and Seascape; (b) Puerto Princesa Subterranean River National Park; (c) Cleopatra's Needle Forest Reserve; (d) Mt. Mantalingahan Protected Landscape; and (e) Siargao Island Protected Landscape & Seascape.)

## Priority Strategies



**Intensify ecosystem protection, rehabilitation, and management**

**Scale up the conservation and sustainable management of critical ecosystems.** We will further advance the accomplishments of flagship conservation programs to optimize economic and sustainability benefits in the long run. For instance, the DENR will promote private sector participation by encouraging investment flow towards the development of 1.2 million hectares of potential forest areas. The government will also mobilize green financing modalities (e.g., carbon markets) to support forest rehabilitation efforts (see *Subchapter 5.2*). For the marine sector, CMEMP implementation will target to establish an additional nine MPANs to harness the greater socioeconomic potential of integrated seascape management for coastal-dependent communities.

The DENR will scale up the adoption and application of novel tools and technologies, such as PRECISION, LAWIN, and WildALERT, to further strengthen the enforcement and monitoring of ecosystems and wildlife species.<sup>6</sup> The Philippine Coast Guard will likewise procure cutting-edge technologies to effectively respond to oil spill incidents and strengthen marine protection activities across the archipelago.

Support for research and development will buoy the momentum of these initiatives and elevate their data for strategic use in policy decisions and interventions. For instance, the DENR will strengthen ocean science and resource management by establishing eight marine scientific research stations in the

country's major marine biogeographic areas.<sup>7</sup> Meanwhile, the Department of Science and Technology's (DOST) Biodiversity Science and Technology Program will spearhead resource assessments and develop in-situ conservation protocols to inform policies that foster sustainable resource utilization within ecological limits.



**Scale up natural capital accounting and valuation of ecosystem services**

**Enhance compilation and utilization of natural capital accounts.** Under the Philippine Economic-Environmental and Natural Resources Accounting (PEENRA) framework, the Philippine Statistics Authority (PSA) will continue developing new asset and ecosystem accounts (e.g., land asset account, material flow) to provide comprehensive data for evidence-based policymaking. To support the development of natural accounts, DENR will ensure the availability of comprehensive and robust ENR data through its National Natural Resource Geospatial Database. These accounts will offer valuable insights that will guide the sustainable use of natural resources and inform the design of innovative financing mechanisms (e.g., payment for ecosystem services) to ensure the conservation and equitable utilization of the country's natural capital.



**Promote and expand natural resource-based industries and enterprises**

**Develop value chain to invigorate biodiversity-friendly enterprises' (BDFE) access to markets.** The increasing generation

<sup>6</sup> PRECISION: Protected Resources Environmental Crimes Index and Synchronized Intelligence-Oriented Networks (PRECISION) Enforcement Tool  
LAWIN: Lawin Forest and Biodiversity Protection System  
WildALERT: Wildlife Agency and Citizen Law Enforcement Reporting Tool

<sup>7</sup> These include: (a) Punta, Aparri, Cagayan, (b) Brgy. Dibacong, Casiguran, Aurora, (c) Brgy. Ngolos, Calicoan, Island, Guiuan, Eastern Samar, (d) Brgy. Lumbal, V.Sagun, Zamboanga del Sur, (e) Brgy. Kawas, Alabel, Sarangani Province, (f) El Nido, Palawan (co-managed), and (g) Pag-asa Island, Palawan (co-managed), and (g) Nasugbu, Batangas (co-managed).

of resource-based livelihood presents a prime entry point for coordinated and harmonized interventions from DENR, DILG, and DTI in terms of value chain development and market matching. Stronger private sector participation likewise offers opportunities to stimulate value addition, scale up operations, and encourage commercialization of biodiversity-based products for greater economic returns.

Critical factors in ensuring the continued success of this initiative include: (a) empowering the capacities of IPLC to participate in enterprise development and decision-making; (b) augmenting resource support and funding for research and development, and technological innovations, particularly those under DOST's Biodiversity Science and Technology Program; (c) practicing rigorous stocktaking and monitoring to document the resources extracted, assess the equity of benefit sharing, and evaluate industry impact to socioeconomic welfare of beneficiaries; and (d) demonstrating potential socioeconomic benefits through policies and agreements on genetic resource utilization under DENR's ABS Project.



Improve  
environmental  
quality

### **Intensify promotion of urban green spaces and circular economy initiatives as prerequisites for livable communities.**

Efforts to improve environmental quality come at an opportune time as urban dwelling areas grapple with compounding impacts of climate change. Policy support from the DENR, DILG, the Department of Human Settlements and Urban Development, and the Department of Budget and Management will be paramount in streamlining open and green spaces in the local land use planning processes. These include: (a) their proposed Joint Administrative Order on Urban Green

Space; (b) Manual on Blue and Green Infrastructures; (c) Green Green Green program; and (d) PlanSmart for Sustainable Human Settlements. Scaling up the conduct of urban carrying capacity assessments (UCCA) using available tools (e.g., NEDA's UCCA Manual and its accompanying Excel-based calculator) can further provide sound guidance in facilitating sustainable urban development.

Supplementary to the above initiatives are coordinated stakeholder actions to advance sustainable consumption and production. For instance, the national government seeks to implement incentive mechanisms for LGUs based on Barangay Environmental Compliance Audits (BECA) and for the private sector, following their EPR compliance.

Meanwhile, the continuous implementation of the Green Economy Programme in the Philippines (GEPP) will improve the policy environment and investment climate, supporting the country's transition towards a green economy. Through this initiative, the private and financial sectors will help strengthen LGUs' capacity to scale up their waste reduction practices, and circular solutions anchored on the National Circular Economy Framework currently being formulated by the DENR.



### PENCAS Implementation

The recent enactment of the Philippine Ecosystem and Natural Capital Accounting System Law (RA 11995) marks a pivotal step in creating the enabling framework for the nationwide implementation of NCA.<sup>8</sup> This landmark legislation positions the Philippines as a global leader in harmonizing environmental stewardship with sustainable economic development.

PENCAS provides a system for the collection, compilation, and development of natural capital accounts, including the valuation of ecosystem services for integration into planning, policymaking, and investment programming. The law promotes adherence to internationally accepted environmental-economic accounting standards such as the United Nations System of Environmental-Economic Accounting (UN-SEEA) to monitor the dynamic interaction and intersections of the environment, economy, and society.

To operationalize the law, the Philippine Statistics Authority (PSA) is spearheading the formulation of the Implementing Rules and Regulations (IRR) detailing the institutional arrangements and regular funding for NCA activities. In particular, the IRR will define the role of relevant interagency bodies (e.g., PSA Board, Interagency Committee on Environment and Natural Statistics [IACENRS], and Technical Working Group on NCA) to oversee, monitor, and evaluate the implementation of NCA activities.

8 RA 11995: Philippine Ecosystem and Natural Capital Accounting System Law



Subchapter 5.2

# **Strengthening Climate and Disaster Resilience**



**DENR Secretary Maria Antonia Yulo Loyzaga with the Primary Board Members of the Board of the Fund for responding to Loss and Damage during the Fourth Meeting of the Board on December 2-5, 2024 at Philippine International Convention Center, Pasay City, Metro Manila, Philippines.**

Source: DENR

## Introduction

The Philippines remains as one of the most disaster-prone country in the world according to the 2024 WorldRiskIndex Report, highlighting the urgency to enhance resilience against natural hazards and climate change. In response, the country integrated disaster risk reduction and climate action into development planning and investment programming to significantly reduce loss and damage from natural hazards and foster a climate-smart and disaster-resilient society.

In 2024, significant progress was made in strengthening local governments' capacity for climate and disaster risk management. Particularly, an increasing number of local government units (LGUs) incorporated climate change considerations in their local plans. Many LGUs also have operational early warning systems to better prepare and respond to natural hazards.

At the national level, the government adopted the National Adaptation Plan (NAP) 2023-2050 and the Nationally Determined Contribution Implementation Plan (NDCIP) in

April 2024 to further advance the resilience and sustainability agenda.

Furthermore, the Philippines was selected as the host country of the Board of the Fund for Responding to Loss and Damage (FrLD). This underscores the country's commitment to climate justice and its solidarity with other vulnerable nations that are affected by climate change. It also reflects the country's dedication to global efforts to address climate-related losses and damages.

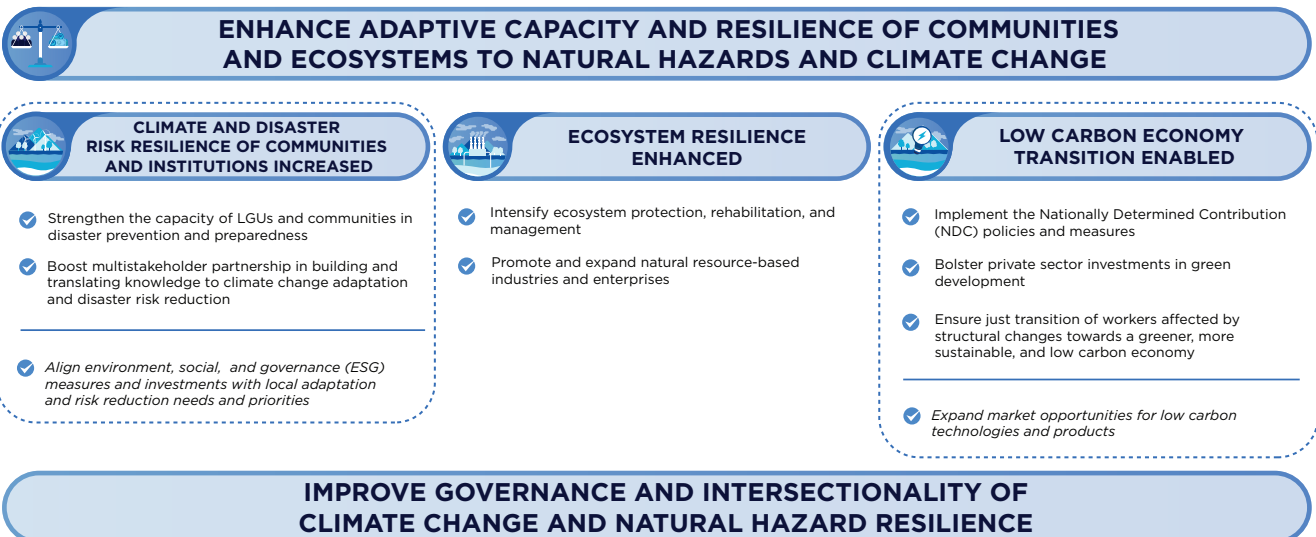
However, despite these advancements, significant challenges on both the local and national levels remain. Primarily, effective utilization of climate data in the planning and decision-making processes of LGUs is crucial for fostering risk-informed actions. There is also a need to reduce casualties and minimize disaster-related damages in the ongoing effort to build the country's resilience against the intensifying frequency and severity of climate change impacts and natural hazards.

## Strategy Framework

The Philippine Development Plan (PDP) 2023-2028 outlines a comprehensive strategy to enhance climate and disaster resilience while facilitating the transition to a low carbon economy. To achieve this, the strategy framework focuses on building the resilience of communities and institutions by strengthening capacities in disaster preparedness and climate action. This entails improving early warning systems, enhancing disaster response capabilities, and empowering local governments to address risks. The government will also foster greater private sector engagement

in climate change mitigation by promoting green technologies and implementing transformative emissions reduction policies while ensuring a just transition of the workforce. To support these initiatives, the government will scale up the mobilization of sustainable finance and improve climate and risk data management systems.

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Note: Strategies above the dashed lines require action by government entities, and those below by non-government entities.

## Accomplishments for 2024



Enhanced resilience to natural hazards and climate change impacts

**Continued support for local resilience planning.** The Climate Change Commission (CCC) and the Department of the Interior and Local Government (DILG) continued assisting LGUs in their resilience planning efforts, particularly in the formulation of

their risk-informed local plans (e.g., Local Climate Change Action Plans [LCCAPs] and Community Comprehensive Development Plans [CDP]). Meanwhile, the Department of Environment and Natural Resources (DENR) is working with various localities to optimize resource allocation and maximize the impact of adaptation initiatives. This includes developing resilience roadmaps and investment portfolios that are designed to strengthen preparedness and enhance climate resilience of provinces with high exposure to climate risk. At the regional level, the Philippine Government, in coordination with the United Nations Office

for Disaster Risk Reduction, hosted the 2024 Asia-Pacific Ministerial Conference on Disaster Risk Reduction (APMCDRR) on October 14-18, 2024, the first regional gathering since the Sendai Framework Midterm Review. A key output of the Conference was the five priorities for "Call to Action" which supports the Asia Pacific Action Plan for the Implementation of the Sendai Framework for the period 2024-2027. These priority actions include: early warning for all by 2027, private sector engagement, financing disaster prevention, strengthening legal foundation of DRR and enhancing understanding of disaster risks.



The Philippine Government, in coordination with the United Nations Office for Disaster Risk Reduction, hosted the 2024 Asia-Pacific Ministerial Conference on Disaster Risk Reduction (APMCDRR) on October 14-18, 2024 at the PICC, Pasay City.

The conference brought together global leaders to strengthen cooperation on the implementation of the Sendai Framework for DRR 2015-2030 in the Asia-Pacific Region.

Source: DENR

**Integrated risk knowledge in resilience policies and programs.** The "Multi-Hazard Impact-Based Forecasting and Early Warning System" is the country's first project under the Green Climate Fund. The project utilized cutting-edge technology and scientific expertise in risk knowledge production to advance community preparation and response to climate-related hazards. In 2024, the project generated new data on landslide risks and produced methodologies to assess the impact of severe wind events. Moreover, the project conducted capacity-building to integrate new information and tools in disaster preparedness and response. It also established collaborative mechanisms among government agencies and LGUs for risk management.



Enabled low carbon transition

### **Adopted and operationalized the Nationally Determined Contribution Implementation Plan (NDCIP).**

In 2024, the CCC formally adopted the NDCIP 2020-2030 through CCC Resolution No. 2024-004. This plan outlines priority policies and measures to reduce greenhouse gas (GHG) emissions across critical sectors such as agriculture, waste, industry, transport, and energy. The NDCIP is designed to help the Philippines achieve its target of 75 percent reduction and avoidance of GHG emissions by 2030, of which 2.71 percent is unconditional and 72.29 percent is conditional on external support. To meet this target, approximately PHP4.1 trillion in investments is required.

### **Strengthened private sector engagement to implement sectoral NDC policies and measures and increase investments in low-carbon technologies.**

The DENR is working with cement manufacturers to revise the standards for blended cement and establish a reporting system to track emissions reduction in the sector. The DENR is also collaborating with the Philippine Refrigeration and Air Conditioning (RAC) sector to promote the adoption of low Global Warming Potential (GWP) refrigerants. Additionally, the DENR has conducted a series of consultations and site visits with food and beverage companies to scale up the implementation of mitigation measures for the waste sector. To accelerate investments in offshore wind (OSW) energy, the DENR issued interim guidelines on the issuance of Environmental Compliance Certificates (ECC) for OSW energy projects. Moreover, the Department of Energy (DOE) has signed a Memorandum of Agreement with DENR, granting rights for the use of offshore areas for wind energy projects under offshore wind energy service contracts (see *Subchapter 2.5*).

### **Prioritized green skills development to help workers affected by the transition to a low carbon economy.**

The Technical Education and Skills Development Authority (TESDA) has developed 13 training regulations and competency standards related to green occupations to prepare Filipino workers for emerging jobs in green industries. Likewise, TESDA identified several successful models and best practices of Industry-Technical and Vocational Education and Training (TVET) partnerships in green skills development (i.e., energy-efficient and low GWP refrigeration technologies in the RAC sector). The DOE is also working with TESDA and the Commission on Higher Education on the right-skilling of the Filipino workforce and international accreditation for green jobs (see *Subchapter 4.2*).



Improved response  
to loss and damage

### **Demonstrated leadership in climate justice through active engagement in the FrLD Board.**

Following the establishment of the FrLD and the Philippines' nomination to its Board in 2023, the country was selected to host the Board in July 2024. The FrLD is a financial mechanism under the United Nations Framework Convention on Climate Change (UNFCCC) to support developing countries facing economic and non-economic losses due to climate change, including from extreme weather and slow-onset events.



Cross-cutting  
strategies

### **Continued efforts to improve risk and climate information systems.**

The CCC is actively working to improve the existing measurement, reporting, and verification (MRV) systems. Moreover, the CCC pursued efforts to develop the first Philippines' Biennial Transparency Report (BTR) using domestic resources and the best available information.

### **Mobilized financing for local resilience initiatives.**

With further streamlining of the People's Survival Fund (PSF) project approval process, the Fund's remaining balance was fully committed following the approval of two additional projects in 2024. These projects, which are located in Ilocos Norte and Surigao Del Sur, amount to PHP431.98 million. This brings the total funds allocated by the PSF Board to PHP1.322 billion since 2016 for climate change adaptation projects to better equip vulnerable communities to deal with the impacts of climate change.

### **Encouraged private sector involvement by adopting various policies and measures in sustainable finance.**

The flow of capital into sustainable investments is expected to increase following the issuance of the Philippine Sustainable Finance Taxonomy Guidelines (SFTG) in February 2024.<sup>1</sup> The first iteration of the SFTG focused on two environmental objectives – climate change adaptation and mitigation – guiding investments toward projects that reduce vulnerability to climate impacts and those that contribute to GHG emissions reduction, respectively. In addition, the Bangko Sentral ng Pilipinas (BSP) introduced transitory measures to support growth of the sustainable finance market. These measures include expanding the lending capacity of banks and reducing the reserve requirement for both new and existing sustainable bonds issued by financial institutions (see *Section 2.1.2*).

## **Results Matrix**

In 2024, 7.93 percent of the national budget, amounting to PHP457.41 billion was allocated to climate change expenditures, a slight decrease from 8.82 percent or PHP464.50 billion in 2023. However, further refinements in the climate-tagged budget are expected to result in a revised upward adjustment of the reported figures, putting the country on track to meet its target of 8 percent by 2024.

1 As implemented by BSP Circular No. 1187 dated February 21, 2024 and SEC Memorandum Circular No. 05, Series of 2024 dated February 23, 2024.

Moreover, the deployment of early warning systems in LGUs accelerated to 86 percent from 78 percent last year. These improvements significantly enhanced

their ability to anticipate, prepare for, and respond to natural hazards, thereby strengthening overall resilience to climate change and natural disasters.

## Ways Forward

Drawing upon the gains and challenges encountered in 2024, the government will strengthen national and local convergence in averting, reducing, and addressing the impacts of climate change. This will entail greater involvement of subnational and local governments in resilience-building efforts and implementation of climate commitments outlined in the NDC. Additionally, the government will leverage private sector investments to drive the transition toward a low-carbon, climate-resilient economy.

### Priority Strategies



To increase climate and disaster risk resilience of communities and institution

**Strengthen capacity to implement resilience actions.** The government will implement better-informed measures on disaster prevention, mitigation, and preparedness by making use of local risk-informed plans, enhanced multi-hazard impact-based forecasting and early warning systems, and risk information platforms. Continuous capacity-building initiatives on the project design, implementation, and monitoring will operationalize these measures. LGUs will also build the capacities of communities to take early actions to protect the population, livelihood, and assets from disaster and climate change impacts.

**Operationalize the National Adaptation Plan.** The government will prioritize the development of investment cases that highlight the financial viability and bankability of adaptation projects to stimulate private sector investment. On the other hand, the government will identify and facilitate access to climate finance through grants to support sub-national and community-level adaptation initiatives, particularly in regions where

loans may not be viable. This dual strategy will ensure broader implementation and inclusive participation in the implementation of priority adaptation actions.



To enable low carbon transition

**Leverage private sector investment in low-carbon technologies.** To create a market signal for low-carbon investments, the Department of Finance (DOF) with support from the World Bank and other government agencies, is spearheading a study to assess the viability and potential impacts of proposed carbon pricing instruments in the country.

The findings will help inform the design of a carbon pricing framework that incentivizes sustainable investments. The DENR is also working to establish carbon market mechanisms, including the development of a carbon registry, to facilitate private sector investments in mitigation activities that will drive low-carbon transition. Recognizing the vital role of critical minerals in the development of low-carbon technologies, the DENR is crafting a holistic national

mining policy. This policy aims to promote responsible development of the critical minerals industry and create an enabling environment for private sector engagement.

### **Update NDC to scale up climate action and ambition.**

The NDC will be updated to reflect evolving national development priorities and international climate commitments. This will be spearheaded by the NDC Technical Working Group (TWG), supported by a Development Partners Coordination Group (DPCG). The process will involve revisiting baseline scenarios, conducting in-depth sectoral assessments, and potentially expanding the scope of the NDC to include additional sectors (e.g., forestry, and other nature-based solutions). Cross-cutting analysis will also be conducted to identify potential synergies and trade-offs among the identified policies and measures (see *Subchapter 5.1*).

In parallel, a long-term strategy for climate action is also being developed, offering a clear vision to guide short- and medium-term actions. This will link the decarbonization and resilience pathways to the development agenda, outline long-term transformative actions, and establish a framework for future updates to the Philippines' NDC and NAP.

### **Develop a Just Transition Framework and Program.**

To ensure fair and inclusive sustainable development and shift to a low-carbon economy, a Just Transition Framework will be formulated by the DENR and CCC, with assistance from the ADB. This initiative will focus on minimizing the negative impacts on sectors affected by the transition (e.g., energy, transport) while facilitating the right-skilling of the workforce to take advantage of emerging opportunities in green industries. The framework will prioritize equity, ensuring that vulnerable communities and workers are supported through the transition with sustainable livelihoods and new, climate-smart employment opportunities (see *Subchapter 2.5*).



To respond to loss and damage

### **Enhance advocacy for loss and damage through the FrLD Board.**

The FrLD is expected to start financing projects in 2025. In this context, the government will leverage its role in the FrLD Board to advocate for the needs of vulnerable developing countries, including the Philippines. The Philippines will focus on advocating for the effective, fair, transparent, and timely utilization of funds to address the adverse impacts of climate change, particularly for communities experiencing significant losses and damages. Through its active participation in the Board, the Philippines will play a key role in shaping the FrLD's priorities and operational mechanisms, ensuring that it delivers meaningful support as necessary.



To scale up the mobilization of sustainable finance

### **Develop a Climate Finance Strategy to enhance coordination and implementation of climate finance.**

The DOF will finalize a cohesive strategy that builds on the Philippine Sustainable Finance Roadmap and the Sustainable Finance Taxonomy Guidelines. It will outline clear directions for the government and its development partners to operationalize the country's climate finance initiatives, ensuring alignment with national priorities and international commitments. Additionally, the strategy will assess existing gaps in climate funding mechanisms and identify innovative solutions to address challenges in mobilizing and deploying climate finance effectively.



To improve climate risk data and information management system

**Improve transparency of climate action.** The CCC will continue to enhance the capacity of the government to develop national climate

reports consistent with the reportorial obligations based on the UNFCCC and COP decisions, thereby improving data accuracy and effectiveness of climate action. NDC-TWG will also improve the existing MRV systems to facilitate effective progress tracking of NDC implementation and reporting of domestic and international climate finance, including the establishment and monitoring of carbon trading under Article 6 of the Paris Agreement.

**Finalize and adopt a resilience index.** NEDA, with support from the UNDP Strengthening Institutions and Empowering Localities Against Disasters and Climate Change in the Philippines Program, will develop a resilience index aimed at providing a comprehensive assessment of LGUs' capacity to withstand, adapt to, and recover from disasters. The index will evaluate key dimensions critical to local resilience such as social, economic, environmental, institutional, and infrastructure aspects.



### The Philippines' Hosting of the FrLD Board

The Philippines' hosting of the FrLD Board marks a pivotal moment in the country's climate leadership, demonstrating its commitment to climate justice and equity by advocating for the needs of vulnerable developing nations least equipped to cope with the impacts of climate change.

To enable the effective operation of the fund, the Philippine government recently enacted The Loss and Damage Fund Board Act, granting juridical personality and legal capacity to the FrLD Board, enabling it to independently negotiate, manage financial resources, and carry out its mandates.<sup>2</sup> This legal framework enhances the Board's ability to respond effectively to the climate crisis, facilitating the flow of vital resources to those most in need.

The co-chairs of the Board have also signed the Host Country Agreement (HCA) on November 12, 2024, formalizing its partnership with the Philippines. The agreement outlines the privileges and immunities granted to the Board, ensuring its effective operation within the country. The HCA is set to undergo ratification by the Philippine Senate, which will further solidify the country's commitment to hosting and supporting the Board's work in addressing climate-related losses and damages.

2 Republic Act No. 12019



# 06

## Ensuring Peace and Order and National Security

Two years into the implementation of the Philippine Development Plan (PDP) 2023–2028, peace and order, along with national security, remain top priorities of the Marcos Administration in pursuit of a prosperous, inclusive, and resilient society. This chapter highlights the country's socioeconomic transformation through key reforms, policy enactments, program implementation, and strong collaboration under a whole-of-government approach to ensure safe and secure communities for all Filipinos while safeguarding the country's interests.

In 2024, sustained efforts to strengthen the justice sector were realized through improved systems, strong coordination among justice sector institutions, and initiatives to improve the quality of life for persons deprived of

liberty (PDL). Likewise, notable progress was made toward ensuring national security through strengthened collaboration between local and national government, the smooth transition in the Bangsamoro region, and the modernization of the security sector.

Despite the achievements made, more work is needed to achieve lasting peace and security for every Filipino. This requires enhancing the justice and security sectors, fostering stronger cross-sector collaboration, addressing threats to national security, and pursuing essential governance reforms.



Subchapter 6.1

# **Maintaining Peace and Security**



USS Mobile, JS Akebono, HMAS Warramunga, BRP Antonio Luna, and BRP Valentin Diaz sailed in formation during a multilateral maritime cooperative activity between the Philippines, Australia, Japan, and the United States within the Philippines Exclusive Economic Zone.

Source: Royal Australian Navy

## Introduction

In line with the commitment to maintaining the country's peace and security, the Philippine Development Plan 2023-2028 outlines the strategies aimed at ensuring safe and secure communities, fostering peaceful and stable relations in the region, and establishing a self-reliant and credible defense posture. Major strides were taken to attain the national security vision through strengthened partnerships between local and national government and greater collaboration with international partners. To sustain just and lasting peace, mechanisms were laid down to ensure the smooth transition in the Bangsamoro region. Notably, critical legislations were enacted to safeguard national security, including the modernization of the security sector.

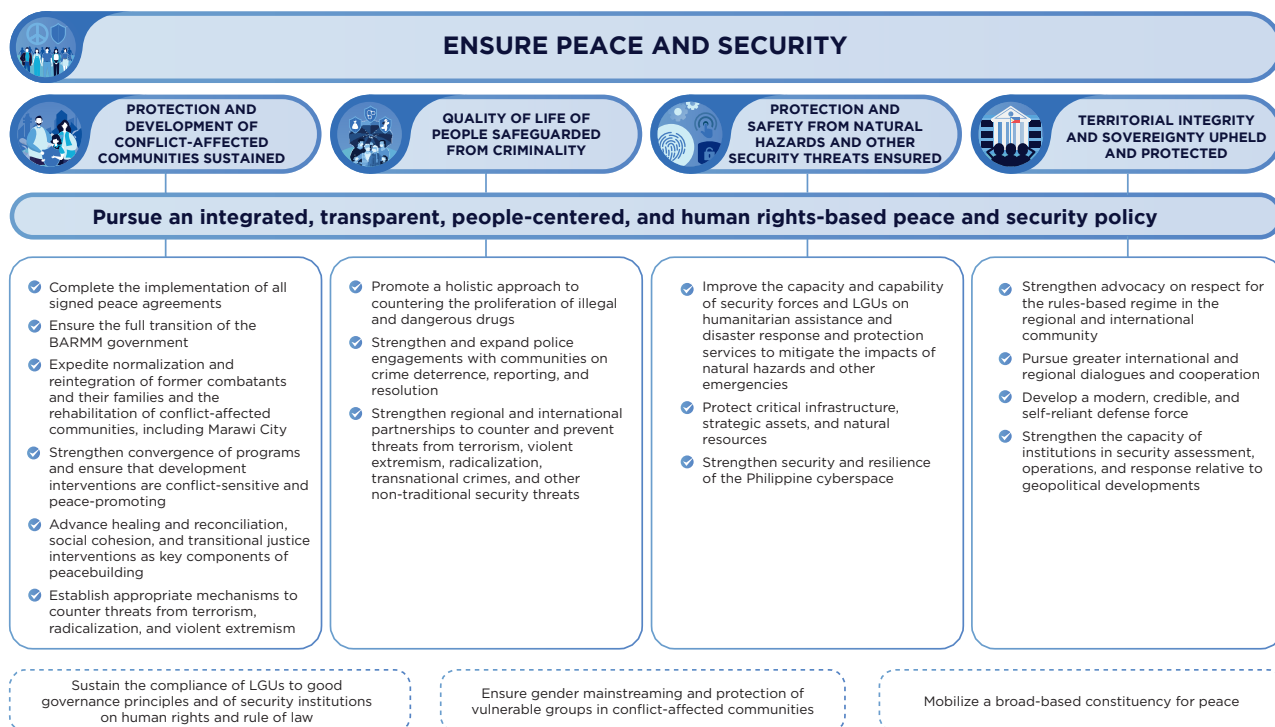
However, threats and challenges to sustain initiatives on peace, security, and public order persist. Delays in the implementation of commitments from various peace agreements undermine the progress in transforming conflict-affected areas into productive communities. Meanwhile, the growing sophistication of threats to public safety, maritime security, and territorial integrity remains a challenge to national security. Moving forward, governance reforms shall be pursued to align with the administration's thrusts on external defense.

## Strategy Framework

Maintaining peace and security is integral to sustaining prosperity, building community resilience, and safeguarding national interests and its people. To achieve this, the government will expedite the resolution of issues in implementing peace agreements to sustain the transformation of conflict-affected areas into thriving and resilient communities, prioritize the modernization and transformation of the security sector

to align with the administration's thrust on bolstering external defense capability to ensure public order and safety, and secure territorial integrity and national sovereignty.

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## Accomplishments for 2024



Protection and development of conflict-affected communities sustained

**The National and Bangsamoro Governments established key mechanisms and institutions and resolved critical issues leading to Bangsamoro's transition into a fully-functioning autonomous regional government.** All eight Intergovernmental Relations mechanisms significantly addressed some critical issues between the

National Government and the Bangsamoro Government, including socioeconomic, fiscal, and governance matters. The Intergovernmental Fiscal Policy Board recently issued the guidelines on the Official Development Assistance loans to BARMM, which clarifies the processes and responsibilities to efficiently implement foreign assistance projects in the region.

The Intergovernmental Relations Body (IGRB) turned over its Third Progress Report to the President, which highlights the sustained partnerships of the two governments in bringing long-term peace and socioeconomic development in the

region. The report lays out accomplishments in fulfillment of the operationalization of the seven IGRB mechanisms in less than two years. Key accomplishments include: the qualification and commissioning of former 396 qualified MILF and MNLF members into the Philippine National Police; successful turnover of various national government properties and assets within the BARMM to the BARMM government; the signing of the Intergovernmental Energy Board Circular on the Joint Award on Petroleum Service Contracts and Coal Operating Contracts in the Bangsamoro region; among others.

### **Transformation of conflict-affected areas into productive communities is progressing.**

The Normalization Program in the Bangsamoro implemented socioeconomic and infrastructure projects amounting to PHP3.6 billion for MILF communities. The program has decommissioned around 65 percent of MILF combatants and disbanded 15 Private Armed Groups. To date, around 400 former MILF and MNLF members were successfully integrated into the police force. Partnerships with the provinces of Basilan, Lanao del Norte, Lanao del Sur, Maguindanao del Norte, and Maguindanao del Sur were also established to implement the Localizing Normalization Implementation Program. Meanwhile, Marawi City's recovery and compensation efforts continue under the Marawi Compensation Board with more than 1,000 claims approved amounting to more than PHP840 million in November 30, 2024.

**Appropriate mechanisms were established to counter violent ideologies and strengthen community resilience against conflict and violent extremism.** Localized peace engagements (LPEs) have remained effective in encouraging active rebels to surrender, resulting to 142 local peace agreements signed this year. The LPEs consist of community consultations, problem-solving sessions, and local peace dialogues with communist insurgents. To promote peace and development in the geographically isolated and disadvantaged areas, the Retooled Community Support Program was utilized

to serve as a platform for convergence among government bodies, particularly at the grassroots level. This program enhances barangay development plans which facilitated the prioritization of programs and projects through the convergence mechanism. Additionally, community empowerment sessions and capacity development for barangay-based institutions were also conducted to strengthen their resilience against conflict and violence.



OPAPRU Secretary Carlito G. Galvez, Jr. led the turnover of farm equipment worth over PHP25 million to former rebels of the MNLF on December 3, 2024.

Source: OPAPRU

**Socioeconomic assistance were implemented to support transformation of families of former violent extremists.** In 2024, the BARMM Government aided 100 vulnerable widows and 152 orphans to reintegrate them into society and transition from violent extremism to peaceful and productive lives.

### **Convergence programs were implemented to transform and reintegrate former communist insurgents back into society.**

Provision of basic services to former communist insurgents contributed to the dismantling and weakening of rebel groups and the reintegration of around 18,000 former rebels. For 2024, the National Task Force to End Local Communist Armed Conflict led the Barangay Development Program. This supported 864 barangays (each with PHP7.5 million budget allocation) to implement support programs which include farm-to-market roads, school building, water and sanitation systems, health stations and electrification.

In 2024, the *Payapa at Masaganang Pamayanan* (PAMANA) Program provided socioeconomic

services (PHP64 billion) to conflict-affected and vulnerable communities. This will strengthen the convergence of programs and ensure that development interventions are conflict-sensitive and peace-promoting.

**Amnesty, healing, and reconciliation efforts and initiatives were actively pursued to protect vulnerable groups.**

The National Amnesty Commission (NAC) issued the implementing rules and regulations granting amnesty to rebels and insurgents. As of November 2024, the NAC has processed 985 amnesty applications from members of communist insurgency groups (CPA-CPLA, RPA-RPMP-ABB, CPP-NPA-NDF), MILF, and MNLF. At the local level, some LGUs formulated their Local Transformation Programs into their respective Local Development Plans to institutionalize efforts to assist the reintegration of former rebels. Community healing, reconciliation, and conflict resolution initiatives were also conducted to facilitate the practice of *bodong* and resolution of *rido*.

**Conflict sensitive and peace promoting (CSPP) approaches and gender-responsive programs have afforded the essential development opportunities to women, youth, and vulnerable groups.**

The government has actively worked to mainstream CSPP approaches and gender-responsive programs through capacity-building initiatives aimed at enhancing gender and conflict sensitivity. As part of broader peace efforts, programs such as the National Action Plans on Women, Peace, and Security (NAPWPS) and Youth, Peace, and Security (NAPYPS) are being actively implemented through the Transformation and Normalization Programs for former combatants and their families. The NAPWPS and NAPYPS for 2023-2033 were updated to include monitoring, evaluation, accountability, and learning framework. In addition, projects like the DAYAW and Women in Transformation (WIT) programs offered livelihood trainings, at the same time MNLF women received socioeconomic packages and capacity-building support.

**Peacebuilding initiatives were advanced through dialogue and cooperation on issues concerning peace and security.**

The government actively organized and conducted an International Conference on Women, Peace, and Security, by bringing together experts, practitioners, and stakeholders to discuss the role of women in peacebuilding and security efforts. Additionally, the government led Peace Education summits and fora to promote understanding and hold dialogues on peace initiatives, conflict resolution, and social cohesion.



Quality of life of people safeguarded from criminality

**The police have strengthened partnerships with communities to deter, report, and resolve crimes.**

The PNP revitalized the *Pulis sa Barangay* Program,<sup>1</sup> strengthening the presence of the PNP in communities and expanding intelligence networks within 95,429 zones/*puroks*/*sitios* across the country to serve as a deterrent to threats. Moreover, the strengthened partnership between the



PNP Chief General Rommel Francisco D. Marbil with DILG Secretary Benhur Abalos, Jr. led the simulation of the Revitalized 911 Emergency Hotline system at the PNP Command Center, Camp Crame, Quezon City on August 16, 2024.

Source: PNP

police and prosecutors in case build-ups ensured the success of law enforcement operations. These efforts contributed to the reduction in the average monthly index crime rate to 2.37 in October 2024 from 2.87 in 2023, below the 2021 baseline of 3.01.

**The National Government strengthened its partnerships and collaborations with LGUs to sustain a holistic,**

<sup>1</sup> PNP Memorandum Circular 2024-006 dated January 25, 2024.

### **humane, rights-based, and health-centered campaign against anti-illegal drugs.**

Partnerships between national and local governments were strengthened through the Anti-Drug Abuse Councils. These were supported by community-based rehabilitation programs, including aftercare interventions and reintegration for graduates. Close collaboration with LGUs was also maintained to sustain anti-illegal drug advocacies by promoting awareness on the ill-effects of illegal drugs and providing participants with jobs and livelihood opportunities. To significantly reduce the flow of illegal drugs in the market, law enforcement agencies successfully sustained their strategic operations through the continuous conduct of joint validation and adjudication of the watch list and conduct of high-impact operations and arrests of high-value illegal drug personalities.

### **Collaboration and partnerships were actively sought at all levels to improve public safety and counter non-traditional security threats.**

The government pursued a “whole-of-nation” approach to counter terrorism, prioritizing collaborative efforts with civil society, the academe, and the private sector. Law enforcement operations were intensified in support of military operations against terrorist groups and private armed groups, including joint internal security operations and simulation exercises to improve interoperability. Moreover, collaboration among bilateral, regional, and international partners<sup>2</sup> was enhanced to strengthen capacity on crime prevention, investigation, and victim support. In 2024, the Philippines and the United States conducted *Exercise Tempest Wind*, which enhanced the countries’ ability to counter terrorism at the strategic policy and tactical response levels.



**Protection and safety from natural hazards and other security threats ensured**

### **Partnerships with local stakeholders and regional platforms for maritime protection and safety were expanded.**

The Philippine

Coast Guard (PCG) has partnered with civil society organizations, the academe, and fisherfolks to strengthen community awareness on maritime protection and safety, disaster preparedness and response, and humanitarian activities. In partnership with the Japan Coast Guard and the Indonesian Directorate General of Sea Transportation, the government has actively participated in the conduct of the 2024 Regional Marine Pollution Exercises, which supported efforts to promote rules-based order and enhanced interoperability in joint search and rescue, firefighting, and oil control operations.

### **Disaster preparedness and response of public safety and emergency responders were strengthened at all levels.**

Public safety institutions continued to provide support for disaster preparedness, search and rescue, and retrieval operations through the deployment of personnel, protection of evacuation centers, and standby support. Capacity development of law enforcement agencies and LGUs were enhanced in crisis and consequence management of human-induced incidents, particularly on terrorism. Notably, the Philippines recently hosted the Asia-Pacific Ministerial Conference on Disaster Risk Reduction to review regional disaster risk reduction efforts, share innovative solutions to disaster and climate challenges, and commit actions to accelerate risk reduction by 2030.

### **Awareness and preparedness on the risks of chemical, biological, radiological, and nuclear (CBRN) materials were improved at the national and local levels.**

Awareness seminars and simulation exercises on CBRN risk mitigation were undertaken in strategic cities that involved first responders from the national and local governments. Additionally, advocacies for non-proliferation, disarmament, and arms control were driven at the national and international levels to fulfil the Philippines’ obligations under international law.

### **Safe and secure cyberspace ensured.**

The Philippines' ranking in the 2024 Global

<sup>2</sup> This includes but is not limited to the United Nations Office for Counter-Terrorism (UNOCT), the United Nations Office on Drugs and Crime (UNODC), the International Criminal Police Organization (INTERPOL), the Organization for the Prohibition of Chemical Weapons, and other ASEAN bodies.

Cybersecurity Index (GCI), published by the United Nations' International Telecommunication Union, improved from 61st in 2020 to 53rd in 2024. This reflects the significant progress gained in securing the country's cyberspace, specifically the improvements in key areas such as international collaboration and capacity-building to address and counter cyber threats. These efforts were guided by the National Cybersecurity Plan (NCSP) 2023-2028.

**Security institutions strengthened their capabilities to secure the digital environment and enhance cybersecurity.**

The PNP pursued bilateral partnerships to digitize and integrate its criminal investigation systems.<sup>3</sup> In collaboration with INTERPOL, law enforcement agencies and the military were trained in cybersecurity and were supplied with equipment to upgrade and strengthen their capabilities.

**National security environment awareness was integrated in foreign investments review.**

To assess foreign investments, a Foreign Investment Review manual was developed particularly for sectors critical to national security, such as military-related industries and cyber infrastructure. This manual establishes a systematic framework for evaluating potential national security risks associated with foreign investments, ensuring that economic development does not compromise the integrity of the nation's critical information infrastructure.



**Territorial integrity and sovereignty upheld and protected**

**The government is revitalizing the country's defense industry to support military modernization.**

The Self-Reliant Defense Posture Revitalization Law focuses on strengthening the country's ability to produce advanced weapons and equipment locally. This is done through technology sharing, partnerships with private companies, and

support for local industries. This initiative plays a key role in modernizing the Armed Forces of the Philippines (AFP) by improving its ability to protect the country. It enhances tools for surveillance, communication, and intelligence gathering to ensure a more effective defense system. Additionally, the program is supported by the country's allies and security partners who contribute funding, technology, and specialized equipment. This aids the AFP in staying prepared for modern challenges while strengthening national security.

To strengthen the country's national defense, the Philippine Space Agency (PhilSA) led the *Pangsisiyasat Pangseguridad*: Space Security R&D Project. This project processes satellite images and other space-borne information by generating series of maps and images to enhance awareness and monitoring of air and maritime domain. The project also promotes the sharing of space science and technology applications, knowledge, and skills development through capacity-building activities for the security and defense sectors.



President Ferdinand R. Marcos, Jr. with US President Joe R. Biden, and Japan Prime Minister Fumio Kishida during the the Philippines-Japan-United States Trilateral Summit held last April 11, 2024.

Source: U.S. Embassy to the Philippines

**Greater international and regional defense cooperation was pursued.**

In 2024, the Philippines pursued International Defense and Security Engagements, such as the conduct of the first Philippines-Japan-United States Trilateral Summit. This affirmed the shared commitment of like-minded nations to uphold regional peace, security, and the rules-based international order. Notably, the Philippines also signed the Philippines-Japan Reciprocal Access Agreement, which facilitates deeper

3 Korean National Police-Korea International Cooperation Agency-Philippine National Police (KNP-KOICA-PNP) joint project on the establishment of a Criminal Investigation Data Management and Analysis System.

defense cooperation by providing legal frameworks for visiting forces and joint activities.



Defense Secretary Gilberto Teodoro Jr. and Japanese Foreign Minister Kamikawa Yoko signed the PH-Japan Reciprocal Access Agreement during the latter's courtesy call with President Ferdinand R. Marcos, Jr. who witnessed the signing ceremony at Malacañang Palace on July 8, 2024.

Source: Presidential Communications Office

**Advocating for respect for the rules-based regime was central to safeguarding the sovereignty of the State and the integrity of its national territory.** The passage of the Maritime Zones Law and the Archipelagic Sea Lanes Law symbolized the government's commitment in protecting its maritime domain and upholding its obligations under international law.<sup>4</sup> In addition to these laws, the Philippine Soft Power Roadmap was crafted to enhance the country's global standing and influence through non-coercive means and by leveraging Philippine soft power assets, such as people, ideas, values, and culture. Diplomatically, the government continued to advocate for and assert the 2016 Arbitral Award on the South China Sea as a legitimate source of international

law. In 2024, the Philippines submitted a claim to the United Nations Commission on the Limits of the Continental Shelf (UNCLOS) to register the country's entitlement to an extended continental shelf in the West Palawan Region of the South China Sea. Moreover, the government reaffirmed the country's commitment to the full and effective implementation of the 2002 ASEAN-China Declaration on the Code of Conduct and the early conclusion of an effective and substantive ASEAN-China Code of Conduct in the South China Sea in accordance with international law, particularly the UNCLOS.

## Results Matrix<sup>5</sup>

**The average monthly index crime rate declined from 3.01 in 2021 to 2.37 in Q3 2024.** The government was able to sustain its efforts in suppressing and preventing criminality, which also includes non-index crimes, cybercrimes, and other non-traditional crimes.

Meanwhile, the government is enhancing efforts to monitor public safety, particularly on perception of safety in the communities. To improve the indicator performance and reporting, the PSA aims to conduct a Crime Victimization Survey in 2026. Additionally, NAPOLCOM is conducting its own survey on personal safety, fear of crime, and violence. With these efforts, the security sector can effectively address criminality and public safety threats, especially underreported criminality.

<sup>4</sup> **Maritime Zones Law:** RA 12064 defines the maritime zones of the Philippine archipelago and prescribes the rights, responsibilities, and duties of all parties inside these zones, under international law specifically the United Nations Convention on the Law of the Sea (UNCLOS).

**Archipelagic Sea Lanes Law:** RA 12065 defines the lanes for passage of foreign vessels in the country's archipelagic waters and prescribes the rights and responsibilities of vessels when passing through the sea lanes.

<sup>5</sup> Other indicators in the chapter are considered confidential.

# Ways Forward

As the PDP implementation nears its midterm, the government will continue to build on initiatives from the previous year. Strategies shall focus on the complete transition of the Bangsamoro Government aligned with recent developments affecting the political and governance systems in BARMM. Aside from capacity-building, strengthening the partnerships of security sector institutions with local communities and international stakeholders is critical to curb criminality and illegal drugs. The security sector shall shift the focus of the AFP modernization towards external defense and revitalize the national defense industry while pursuing the modernization of the PCG to ensure maritime safety and security.

## Priority Strategies

### **Strengthen the monitoring of the progress and the resolution of issues under the Intergovernmental Relations mechanisms.**

To address this, the National and the Bangsamoro Governments shall fast track the resolution of issues and monitor compliance with agreements. Moreover, the approval and signing of the proposed guidelines on BARMM's foreign engagements will be expedited to foster international relations and secure further support for the region's development.

### **Gearing towards full transition of BARMM in 2025.**

Efforts are underway to implement policies for the successful BARMM elections in 2025, including the conduct of consultations with key leaders and communities. The Bangsamoro Government is expediting the enactment of the remaining priority codes, such as the Revenue Code to strengthen the revenue system in the region; and the Indigenous Peoples' Code, which is critical in protecting, promoting, and preserving their collective rights in BARMM. The National and the Bangsamoro Governments shall also prioritize the governance and parliamentary issues that resulted from the recent Supreme Court ruling finalizing the exclusion of Sulu from BARMM.<sup>6</sup> These include revenue sources, budget reallocation, development and spatial planning, and continued delivery of services. Additionally, the prompt passage of legislation to establish a new province for the 63 barangays

and eight municipalities that joined BARMM during the 2019 plebiscite is essential for their smooth integration into the new governance structure.

### **Sustain transformation of conflict areas into peaceful and productive communities.**

To fully-harness the gains established through sustained peace in communities, particularly the reintegration of former rebels, EOs for the creation of local peace engagement teams and peace panels will be reissued while more provincial peace and development centers will be established. In addition, provision of tenurial instruments for settlement sites of former rebels will also be pursued.<sup>7</sup> Additionally, the implementation of the localizing normalization implementation programs in the Bangsamoro will be ramped up to foster peace and development. Efforts will also focus on supporting the operationalization of the GPH-MNLF Peace Implementing Committees (Misuari Group) and Management Committee (Sema Group) to facilitate the peace process.

### **PNP to assume primary responsibility for internal security operations through a mutually agreed transition.**

The PNP will maintain internal security and uphold law and order via the Revitalized-*Pulis sa Barangay*.<sup>8</sup> The success of this transition will depend on enhancing the PNP's capability on key areas such as combat operations, strategic planning, intelligence gathering, and overall operational

<sup>6</sup> Province of Sulu vs. Hon. Salvador C. Medialdea, et al., G.R. Nos. 242255, 243246, 243693, September 9, 2024.

<sup>7</sup> Particularly in the Negros Island Region.

<sup>8</sup> Pursuant to PNP Memorandum Circular 2024-006 dated January 25, 2024.

coordination, among others. This will ensure that the police force is well-prepared to address the evolving security landscape. The strategy will also allow the AFP to shift its resources and efforts toward external defense.

**Enhance the capacity of law enforcement agencies to adequately address the increasing incidents and complexity of transnational crimes.** This necessitates the upgrading of the security sector institutions' organizational structure and provision of necessary equipment and budgetary resources. Efforts to digitalize, centralize, and integrate systems shall be supported to enhance the capabilities of law enforcement on crime investigation and detection. This includes participation in local and internationally recognized trainings on cybercrime investigation and detection for police officials and personnel.

**Heighten national crisis and risk management.** The National Risk Assessment, currently in its initial stages, will be developed to systematically identify and prioritize malicious threats to national security. This will serve as a structured framework to evaluate significant risks, offering outputs such as risk matrices, detailed risk cards, and scenario-based playbooks. This foundational work is also a critical step in updating the National Crisis Management Manual, ensuring the nation's readiness for a coordinated and proactive response to evolving security challenges.

**Reinforce the country's cybersecurity posture following a whole-of-government approach.** Critical cybersecurity infrastructure shall be strengthened, including the recalibration of GovNet to ensure it is secure-by-design and fortified with integrated cybersecurity systems. National data centers will be upgraded in adherence to international standards to ensure protection of sensitive government data. The capacity of the cybersecurity workforce will be expanded through the establishment of an ICT Academy with a Cybersecurity Center of Excellence to foster a competitive talent pool. Robust policies and standards, including a risk-based approach to identify and protect Critical Information Infrastructure (CII) will be

promulgated. Collaboration with the PCG and other agencies will be pursued to secure submarine cables. Additionally, international engagements with institutions such as the ASEAN and the Interpol will be strengthened to enhance capacity building, intelligence sharing, and the adoption of global norms for responsible state behavior in cyberspace.



Launching of BRP Albert Majini (PG909), the first locally assembled fast interdiction craft-missile highlighting the commitment to advancing the self-reliant defense posture program and revitalization of the country's shipbuilding capabilities.

Source: Philippine Navy

**Expedite security sector transformation efforts.** The DND shall undergo significant organizational transformation to address the need for a highly skilled workforce in its full transition to focus on external defense. Central to this shift is the Comprehensive Archipelagic Defense Concept (CADC), which sets the framework for strengthening the AFP's ability to protect the nation's entire territory and safeguard its sovereignty against emerging external threats. The CADC focuses on protecting the country by securing its air and maritime domains. It ensures control over important maritime routes and defends the nation from any attack. Recognizing the vital role of space technologies to defense and security, measures will be undertaken to protect the country's space assets and satellite systems from physical threats and interference.



Launching of BRP Miguel Malvar (FF06), the first of the two vessels under the Philippine Navy's Corvette Acquisition Program on June 18, 2024.

Source: DND



Subchapter 6.2

**Enhance  
Administration  
of Justice**



Supreme Court (SC) Chief Justice Alexander G. Gesmundo, Justice Secretary Jesus Crispin C. Remulla, and the former Interior and Local Government Secretary Benjamin C. Abalos, Jr. signed the commitment wall at the launch of the JSCC's Tri-City Special Anti-Online Sexual Abuse or Exploitation of Children Justice Zones in Cagayan de Oro on September 3, 2024.

Source: SC

## Introduction

In 2024, the government remained committed to achieving desired outcomes outlined in the Philippine Development Plan 2023-2028 in the justice sector: (a) improved quality and efficiency of case disposition; (b) increased access to quality, free, or affordable legal services by Filipinos; and (c) ensured welfare and reintegration of persons deprived of liberty (PDLs) into the community.

Building on the gains achieved in 2023, efforts focused on the establishment of more Justice Zones, strengthening the prosecutors' and law enforcers' capacity on active case build-up, augmentation of the human resource pool, advancements in the use of alternative dispute resolution

(ADR) mechanisms, expansion of digital capabilities in the justice sector, construction and repair of penal facilities, and facilitation of the reintegration of PDLs.

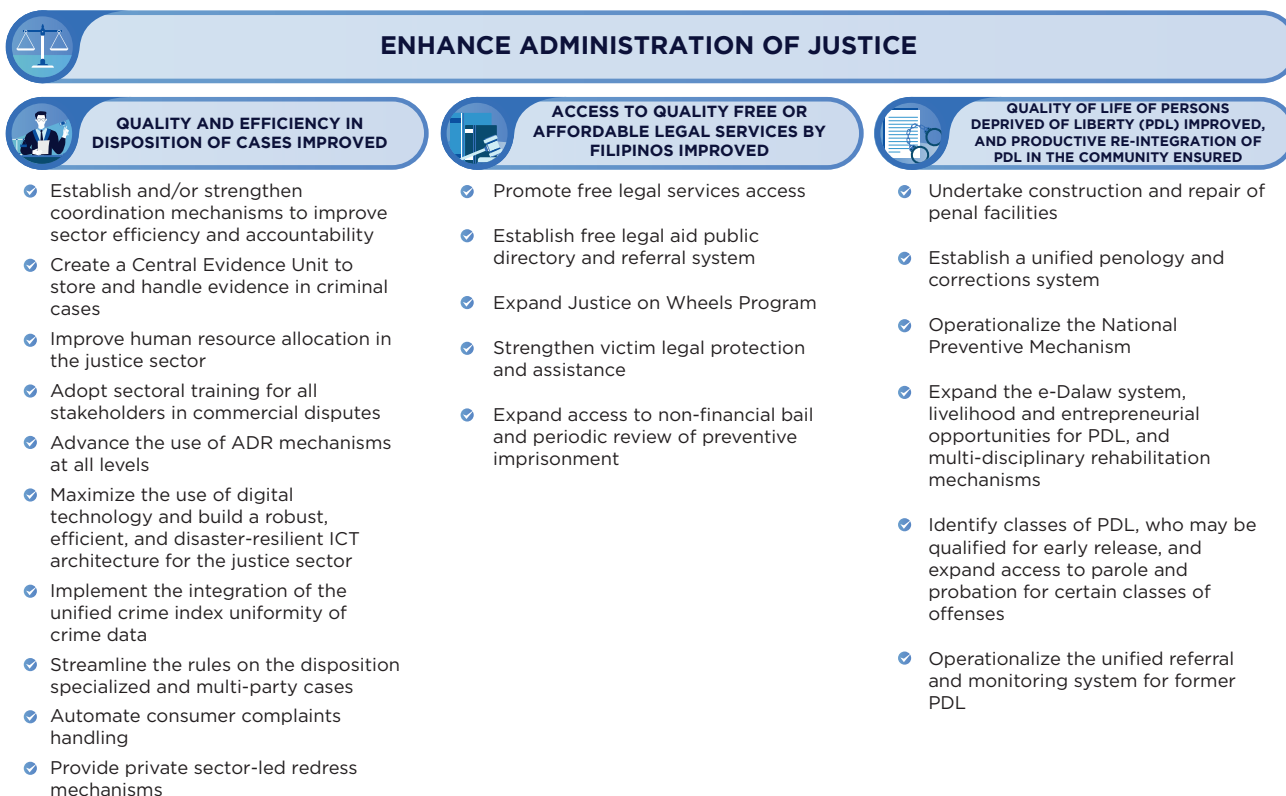
By adopting the administration's transformation agenda on digitalization and through strong collaboration between national and local governments, these initiatives collectively foster a more efficient and cohesive justice system. However, challenges remain, such as inadequate funding for initiatives to improve the quality of life of PDLs and gaps in data collection on public attorney-to-court ratio.

## Strategy Framework

To enhance the quality and efficiency in disposition of cases, the administration will strengthen coordination among justice sector agencies, centralize evidence storage, improve human resources, and leverage ADR mechanisms and digital technology. Meanwhile, improving access to quality, free, and affordable legal services for Filipinos entails promoting free legal assistance, establishing a robust referral system, expanding the Justice on Wheels Program, and strengthening victim legal protection and assistance. In addition, the welfare and

reintegration of PDLs will be ensured through the construction and repair of penal facilities, a coordinated and integrated approach to the management and rehabilitation of PDLs, and an expanded access to parole and probation for certain classes of offenses.

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## Accomplishments for 2024



Quality and efficiency in disposition of cases improved

### Four new Justice Zones were established.

The Justice Sector Coordinating Council (JSCC) met its annual target of establishing four new Justice Zones in 2024. The 13th Justice Zone was launched in Dagupan City while a Tri-City Special Anti-Online Sexual Abuse or Exploitation of Children Justice Zone was established in Cagayan de Oro City, Iligan City, and Ozamiz City.



SC Associate Justice Maria Filomena D. Singh, Chairperson of the JSCC-TWG on Processes and Capacity Building, delivered a message during the launch of the Dagupan City Justice Zone on March 20, 2024.

Source: SC

### **Pro-active involvement of prosecutors in case build-up was strengthened through policy issuances and capacity building.**

In January 2024, the PNP issued Investigative Directive No. 2024-001, mandating all investigators and other relevant PNP personnel, units, or offices to utilize the services and legal expertise of the prosecutors, in accordance with Department of Justice's (DOJ) Policy on Pro-Active Involvement of Prosecutors in Case Build-up.<sup>1</sup> To support this, the DOJ organized 14 training sessions for the PNP and the PCG, led by National Prosecution Service (NPS) volunteer subject matter experts. This resulted in a higher percentage of successful prosecution.

### **Data management systems of the police force have been operationalized.**

The PNP has institutionalized and fully operationalized its Case Information Database Management System. The system stores digital copies of case folders from investigators nationwide, serving as a verification system to determine if an applicant has an existing case filed against them.

### **Human resources in the justice sector were augmented.**

For the prosecution service, the

Department of Budget and Management (DBM) approved plantilla positions for 106 prosecutors and 100 prosecution attorneys for the DOJ-NPS. The DBM approved to split the Provincial Prosecution Office (PPO) for Maguindanao Del Norte and Maguindanao Del Sur with one PPO established for the latter. This resulted in the creation of 13 prosecutorial and support staff positions, improving the prosecutor-to-court ratio to 69 percent from the baseline (45.6%), surpassing its 55 percent target. To complement these, 178 new public attorney positions were also created for the Public Attorney's Office (PAO). In the judiciary, new special courts were established including four family courts, 19 commercial/cybercrime/competition courts, 32 expropriation courts, and 13 anti-terrorism courts. In addition, 80 judges were appointed for regional trial courts and 73 for various types of municipal trial courts.

### **ADR mechanisms were advanced through the promotion of the *Katarungang Pambarangay* (KP) and expansion of court-annexed mediation (CAM) in all areas with first- and second-level courts nationwide.**

The recognition of Best Performing *Lupons*, through the *Lupong Tagapamayapa* Incentives Awards, led to a marked improvement in the *barangays'* engagement with conflict resolution, ensuring that disputes are handled more efficiently, without overburdening the formal judicial system.<sup>2</sup>

The Department of the Interior and Local Government (DILG) launched training materials on the enhanced KP, covering topics such as Violence Against Women and Gender-based Violence cases; Comprehensive Local Juvenile Intervention Program and Child Rights-based Local Ordinances; and gender-responsive, child-friendly, and Indigenous Peoples'-relevant KP. To complement these efforts, the DOJ-Office for Alternative Dispute Resolution

<sup>1</sup> DOJ DC No. 20, s. 2023 aims to reduce the number of dismissed cases by giving prosecutors the role of ensuring the existence of a prima facie case and a reasonable certainty of conviction based on available documents, witness/es, real evidence, and the like.

<sup>2</sup> Performing *Lupons*: The *Lupon* is made up of the Punong Barangay (Barangay Captain) and other members of the community chosen by the Punong Barangay. They serve as intermediaries (mediators, conciliators, and, sometimes, arbitrators).

trained 1,279 members of *Lupong Tagapamayapa* from various regions and LGUs on ADR mechanisms. Additionally, fundamental and comprehensive ADR courses were provided to 452 participants from the public and private sectors. In total, 1,732 ADR practitioners and implementers were trained by the executive branch, significantly surpassing its 2024 target. On the part of the judiciary, the Supreme Court (SC) expanded CAM<sup>3</sup> in Kalinga and Apayao (CAR), Aparri (Cagayan Valley), Bais, Guihulngan, and Tanjay (Negros Oriental), Gingoog City and Medina (Misamis Oriental), and Camiguin (Northern Mindanao).

**A Memorandum of Agreement (MOA) on the National Justice Information System (NJIS) was signed by the JSCC principals (DOJ, SC, and DILG).** The MOA will facilitate data sharing between courts and NJIS implementing agencies to reduce data redundancy, enhance coordination, and minimize delays in investigations and court proceedings. Under the agreement, the DOJ shall provide the web application platform for NJIS to ensure interoperability between justice sector agencies.

**Consumer Complaints Assistance and Resolution (CARE) System was launched.** The Department of Trade and Industry (DTI) launched a dedicated platform for filing consumer complaints involving online transactions. The CARE System provides a streamlined and centralized reporting and resolution system for cases filed by the public. The system will address complaints within the jurisdiction of the DTI and refer other concerns to the appropriate government office or LGU for further action. In addition, the enactment of the Internet Transactions Act of 2023 (RA 11967) paved the way for the launching of the “eReport” function of the DICT’s eGov PH application, allowing consumers to immediately report e-commerce concerns.



Access to quality, free, or affordable legal services by Filipinos improved

### Access to legal services was expanded through various programs.

The PAO expanded its on-the-job training to 82 law students completing their internship in September 2024. In addition, PAO has assisted 10,538,543 clients with free legal services. Meanwhile, the DOJ launched the *Katarungan Caravan* to provide legal services to PDLs, including drafting of legal documents for qualified PDLs eligible to the Good Conduct Time Allowance (GCTA), parole and executive clemency, indorsements and referrals to the Bureau of Corrections (BuCor), Board of Pardons and Parole (BPP), PAO, and other government agencies.

The first and second waves of the Caravan were held at the New Bilibid Prison Medium Security Compound in Muntinlupa City.



DOJ Undersecretary Margarita N. Gutierrez supervised the provision of legal aid to qualified male and female PDLs under the custody of the BuCor, as part of the DOJ Action Center’s *Katarungan Caravan* and BuCor’s effort to decongest prison facilities.

Source: BuCor

The SC rolled out the Remote Hearings and Equal Access to Law and Justice (REAL Justice) Program, an offshoot of the Enhanced Justice on Wheels Program. The REAL Justice Program involves the deployment of mobile courts to remote areas, and the provision of alternative modes of transportation, such as speedboats and

3 Court-annexed mediation (CAM) is a confidential process that helps parties in a legal dispute resolve their differences outside of court. The goal of CAM is to reduce case backlogs and promote access to justice by encouraging parties to reach a compromise agreement.

motorcycles, and technological equipment and support. These mobile courts are staffed with local court personnel, a prosecutor, and a PAO lawyer, where necessary. Notably, this program will facilitate court hearings to alleviate the burden of extensive travel for parties and witnesses and will preside over bail proceedings during instances when the court is not in session.

**Legal protection and assistance were accorded to victims through inter-agency agreements and programs.** The Commission on Human Rights (CHR) and the DOJ-Board of Claims (BOC) forged a MOA establishing a referral system and mechanism for the Victims Compensation Program. This will grant compensation to victims of extrajudicial killings, torture, enforced disappearance, unjust imprisonment, human trafficking, and online sexual exploitation, in accordance with RA 7309.

Meanwhile, the PNP implemented programs, such as the Quality Assurance Support to Victims and Complainants to ensure that investigators properly handle cases involving victims and complainants and Project Aleng Pulis Everywhere, a nationwide initiative to protect women and children from violence. The latter led to the establishment of 2,026 Women and Children Protection Desks and the deployment of over 6,300 designated personnel in Women and Children Protection Centers across the country. Meanwhile, the DOJ also developed the Multi-year Strategic Plan on Online Sexual Abuse and Exploitation of Children (OSAEC) and revised the Child Protection Case Management Protocol. Various agencies, such as the Department of Social Welfare and Development (DSWD), Department of Health (DOH), Department of Education (DepEd), Department of Labor and Employment (DOLE), and the National Bureau of Investigation (NBI) also provided various forms of assistance to the victims.



Quality of life of PDLs improved and productive reintegration of PDL in the community ensured

**Penal facilities were constructed to decongest prison facilities, leading to the transfer of PDLs outside Metro Manila.**

The construction of a jail facility for high-risk and high profile PDLs has been completed at the Bureau of Jail Management and Penology (BJMP) compound at Camp Bagong Diwa. Meanwhile, the establishment of new prison facilities in the Davao Prison and Penal Farm is fully complete, the Iwahig Prison and Penal Farm is nearing completion and the construction of the Leyte Regional Prison is halfway complete. These initiatives led to the transfer of an additional 6,086 PDLs to penal facilities outside Metro Manila from January to September 2024. While the number of transferred PDLs comprised only 39 percent of the 15,500 PDLs targeted for 2024, lower congestion rates in jail and prison facilities exceeded its 2024 targets.



The BuCor transferred PDLs from the New Bilibid Prison in Muntinlupa City to other operating prison and penal farms to ease prison congestion and enhance the living conditions of PDLs.

Source: BuCor

**Legal assistance was provided to PDLs.**

The CHR assisted 756 PDLs through case follow-up and status monitoring while 1,252 PDLs were referred to concerned government agencies for the review of the length of detention and the determination of the eligibility for early release.<sup>4</sup> PAO also assisted 5,099 PDLs, of which 559

<sup>4</sup> By virtue of its role as the independent national human rights institution, the CHR serves as the country's National Preventive Mechanism (NPM), in the absence of a dedicated NPM, which is a body that monitors and recommends improvements to the treatment of people in detention.

were released by virtue of the petition, in consonance with RA 10951.<sup>5</sup> In addition, 66,794 more PDLs were released due to recognizance after service of minimum sentence, provisional dismissal of case, preventive imprisonment, complete service of sentence, and other legal causes for release.

**Requirements for parole were streamlined and a MOA on the Unified Aftercare Referral/Monitoring System for former PDLs was signed.**

The DOJ-BPP visited ten local jails and three national penitentiaries, assessing 4,506 PDLs for qualified parole or executive clemency review, or eligible for early release under extraordinary circumstances. BPP Resolution No. OT-08-02-2023 was issued, granting the release of detainees aged 70 years old and beyond for those having served at least ten years of their sentence, and/or with terminal illnesses or severe disabilities. Additionally, the MOA on the Unified Aftercare Referral/Monitoring System and Program was signed, including the operational and data sharing agreement between DOJ, DILG, BuCor, and other stakeholders. The DSWD, DOLE, DepEd, Technical Education and Skills Development Authority, Juvenile Justice and Welfare Council, and National Police Commission - Technical Committee Crime Prevention and Criminal Justice will also collaborate to implement the said program.

## Results Matrix

The 2024 accomplishments for the core and aggregate output indicators reflect a positive performance for the justice sector.

The government steadily progressed in its 2024 targets under Outcome 1, particularly on the disposition and clearance rate of all courts; percentage of criminal complaints resolved on preliminary

investigation; number of prosecution office buildings constructed, prosecutor-to-court percentage ratio; number of Halls of Justice; number of ADR practitioners and implementers trained by the executive branch; number of Justice Zones established; number of Management Information Systems and Information and Communications Technology systems for the justice sector established; and percentage of successful prosecution improved in relation to convictions vis-à-vis acquittal. As for the indicator on the settlement rate of ADR cases by the executive branch, national oversight data only becomes officially available by June of the ensuing year. Thus, the 2024 data is not yet available.

Meanwhile, indicators under Outcome 2 were also met, except for the public attorney-to-court ratio which remains at 1:2 vis-à-vis the target of 1:1. The indicators under Outcome 3 similarly reflect the justice sector's progress, with the government significantly exceeding or meeting its targets on reducing the average congestion rate in jail and prison facilities, increasing the number of prison and jail facilities, improving the percentage of parolees and pardonees not recommitted into prison, and improving the average participation rate of PDLs in reformation programs by BuCor and BJMP. However, data on the targets for the unsentenced detainees as a proportion of overall prison population (SDG Indicator 16.3.2) is not yet available from the PSA.

<sup>5</sup> RA 10951 made significant amendments to the Revised Penal Code of the Philippines, specifically adjusting the fines and periods of imprisonment for various crimes.

# Ways Forward

The justice sector seeks to sustain existing coordination mechanisms and foster new collaborations. Further efforts will be made to accelerate digitalization, augment the human resource pool, and expand the capacity of personnel. Initiatives to improve penal facilities and reintegration efforts for PDLs will also be undertaken.

## Priority Strategies



To improve quality and efficiency in disposition of cases

**Establish more Justice Zones across the country.** The JSCC will establish more Justice Zones in 2025 in selected LGUs nationwide to serve as one-stop venues for criminal justice. This will foster continued collaboration for a more efficient and responsive administration of justice.

**Further strengthen prosecution and case build up.** The DOJ will update and finalize the implementation of Pro-Active Involvement of Prosecutors in Case Build-up,<sup>6</sup> including the establishment of a monitoring tool on the periodic mandatory submission of case build-up reports. To improve successful prosecution indicators, the DOJ will focus on strengthening cases before filing in court. The DOJ will also continue the Training and Educational Program for Law Enforcement Officers to strengthen collaboration between prosecutors and law enforcers in building airtight cases and increasing certainty of conviction. Capacity-building activities incorporating the New Rules on Preliminary Investigations<sup>7</sup> will also be conducted.

**Pursue further human resource augmentation in the justice sector.** For CY 2025, the DOJ will request an additional 435 *plantilla* positions to augment the prosecution staff in the NPS and seek the creation of new offices in the Negros Island Region and Cordillera Administrative Region

upon approval of the Draft DC on NPS Reorganization. PAO will also coordinate with the DBM for the creation of additional *plantilla* positions to ensure the adequacy of personnel handling pending cases in trial courts and other courts and quasi-judicial bodies.

**Maximize digital technology and ICT architecture for justice sector and consumer complaints handling.** BuCor will develop a Data Exchange Platform for NJIS. Meanwhile, the NBI, PNP, and BJMP will continue to develop interoperability layers for NJIS data producer agencies. On commercial consumer complaints handling, the DTI will pursue the nationwide rollout of the CARE System. Moreover, the PNP, with assistance from the Korean National Policy Agency and the Korea International Cooperation Agency, will develop Criminal Investigation Data Management and Analysis System, set for completion in 2028. This system will integrate investigations, establish a cloud-based Data Center with the appropriate equipment and technologies, and enable PNP personnel to support evidence-based decision-making in police mobilization, implementation of new policies and programs, and other law enforcement concerns.



To improve access to quality free of affordable legal services by Filipinos

**Expand access to legal services among the underprivileged.** The third and final

<sup>6</sup> DOJ DC No. 20, s. 2023 dated March 31, 2023.

<sup>7</sup> DOJ DC No. 15, s. 2024 dated July 16, 2024.

pilot test of the REAL Justice program will be conducted in Palawan in the first quarter of 2025. The results of the pilot tests will enable the SC Sub-Committee on REAL Justice to promulgate rules to optimize the program's mechanisms, including identifying the most efficient location and manner of equipment allocation.



SC Chief Justice Alexander G. Gesmundo, along with Senior Associate Justice Marvic M.V.F. Leonen, Associate Justices Jhosep Y. Lopez, Japar B. Dimaampao, Jose Midas P. Marquez, Antonio T. Kho, Jr., and Court Administrator Raul B. Villanueva were welcomed by local officials at the Boncao Hall of Justice at the launch of the Remote Hearing and Equal Access to Law and Justice (REAL Justice) program in Tawi-Tawi.

Source: SC

**Mandate the creation of equivalent plantilla positions for public attorneys and prosecutors.** With the expansion of the NPS, a corresponding increase in PAO *plantilla* positions is needed to complement shortages in public attorneys.



To improve the quality of life of PDLs and ensure productive reintegration of PDLs in the community

**Expand Prison and Penal Farms (PPFs).** Despite surpassing 2024 targets for congestion rate in jail and prison facilities indicators, overcrowding remains high at 310 percent and 242 percent, respectively. To address this, BuCor will construct two units of two-storey PDL dormitories each at Davao

PPF in Davao del Norte and Iwahig PPF in Palawan, and one unit at San Ramon PPF in Zamboanga City.

**Promote PDLs' reintegration into society.**

The DOJ will implement a comprehensive framework to support the reintegration of released PDLs. This will ensure a seamless reintegration process and enhance the Referral and Monitoring System to track the performance of released PDLs across participating agencies.

**Improve implementation readiness of priority programs and projects for inclusion in the national budget.**

To sustain programs and projects for the reformation, rehabilitation, and reintegration of PDLs, the sector shall ensure the timely submission of all required documents and that projects are ready for implementation. This will help secure necessary funding and support for the implementation of justice sector reforms.



# 07

## Pursuing Digital Transformation and Good Governance Toward Inclusive Progress

As outlined in the Philippine Development Plan 2023-2028, the Marcos Administration remains steadfast in promoting transparency and good governance as part of its commitment to fostering a prosperous, inclusive, and resilient society through comprehensive digital transformation and reforms across both the public and private sectors.

In 2024, the government made significant steps in advancing reforms to improve public accountability, encourage citizen participation, enhance government systems, and strengthen the civil service. This progress has been achieved through the enactment of key legislations and the implementation of impactful programs and projects designed to enhance institutional integrity and efficiency.

Despite its significant achievements, the government remains determined to fully realize the goals of bureaucratic efficiency and inclusive governance. Moving forward, the government will prioritize fostering collaboration between its citizens and public institutions to enhance transparency, streamline government processes and systems, and modernize the civil service. These efforts will ensure that digital transformation and good governance serve as catalysts for inclusive and sustainable progress.



A decorative background featuring a light red circuit board pattern on a darker red background. The pattern consists of thin, interconnected lines and small circular nodes, resembling a microchip or a network diagram, running vertically and horizontally across the entire page.

Subchapter 7.1

# **Making Government Services More Efficient and Accessible**

## Subchapter 7.1

# Making Government Services More Efficient and Accessible



The NEDA Board approved the Philippine Civil Service Modernization Project on August 29, 2024.

Source: PCO

## Introduction

In line with the commitment to good governance and bureaucratic efficiency, the strategies outlined in the Philippine Development Plan (PDP) 2023-2028 focus on promoting participatory governance, enhancing public accountability, streamlining government systems, and strengthening the civil service.

Two years into PDP implementation, notable progress has been made in fostering public accountability and reinforcing the civil service, highlighted by the passage of the New Government Procurement Act (NGPA) and the approval of the Philippine Civil Service Modernization Project. The government also elevated its digitalization efforts with its updated E-Government Master Plan and the launch of the Budget and Treasury Management System.

However, key institutional and structural reforms to further improve bureaucratic efficiency are yet to be completed. Critical measures, such as the legislation of the government optimization program and the full devolution of certain functions and services to local government units (LGUs), are still pending. With the 2025 midterm elections on the horizon, there may be changes in the political landscape and priorities. Despite this, the government is committed to ensure that enacted reforms are effectively implemented and begin delivering tangible benefits while continuing to push forward the remaining reform agenda.

## Strategy Framework

To enhance responsiveness and accessibility for the public, the government will sustain efforts to promote good governance and improve bureaucratic efficiency. Specifically, the following outcomes will be achieved: (a) participatory governance deepened; (b) public accountability and integrity bolstered;

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(c) government functions, systems, and mechanisms rationalized and strengthened; and (d) competent, motivated, agile, and resilient public servants supported.



### PRACTICE GOOD GOVERNANCE AND IMPROVE BUREAUCRATIC EFFICIENCY



#### PARTICIPATORY GOVERNANCE DEEPEINED

- ✓ Ensure sufficient and functional participatory spaces
- ✓ Broaden public access to information
- ✓ Improve the quality of participation
- ✓ Increase inclusivity and accessibility of elections



#### PUBLIC ACCOUNTABILITY AND INTEGRITY BOLSTERED

- ✓ Enhance public feedback loops
- ✓ Intensify transparency in public spending
- ✓ Strengthen implementation and monitoring of anti-corruption laws and programs
- ✓ Improve national governance assessments



#### GOVERNMENT FUNCTIONS, SYSTEMS, AND MECHANISMS RATIONALIZED AND STRENGTHENED

- ✓ Pursue rightsizing and the whole-of-government approach in re-engineering systems and procedures
- ✓ Accelerate digital transformation in government
- ✓ Raise the productivity performance of agencies



#### COMPETENT, MOTIVATED, AGILE, AND RESILIENT PUBLIC SERVANTS SUPPORTED

- ✓ Guarantee complete and capable human resources in government
- ✓ Promote conducive working environments

## Accomplishments for 2024



### Participatory governance deepened

**Opportunities for citizen engagement are being expanded.** Initiatives on participatory governance were scaled up to make governments more responsive, transparent, and open to citizens. The Philippines further cemented its commitment to transparency and citizen participation as it started its first term on the Open Government Partnership (OGP)<sup>1</sup> Global Steering Committee in October 2024. Moreover, the OGP Local program welcomed four additional LGU members, which passed a meticulous selection process, reflecting an increased emphasis on open governance at the local level.<sup>2</sup> In alignment with these initiatives, the Stakeholders' Chamber's Indicator and Strategy Framework for the Sustainable Development Goals (SDGs) was approved by the Subcommittee on SDGs,

strengthening collaboration between the civil society organizations (CSOs) and the government. As a key commitment under the Philippines' 6th OGP National Action Plan, the framework will be utilized by the Chamber as a guiding tool in monitoring its contributions to the SDGs and in formulating work plans. Furthermore, to amplify the call for open governance throughout the country, the DBM went to nine regions and engaged 4,000 stakeholders for OGPinas! Campaign.



DBM Secretary Amenah F. Pangandaman, PH-OGP Chairperson, hosted a diplomatic reception at Ayuntamiento, Intramuros, to highlight the country's commitment to open governance and strengthen international partnerships.

Source: DBM

<sup>1</sup> The OGP is a voluntary global initiative aimed at building trust and fostering collaboration between governments and their citizens to improve development outcomes.

<sup>2</sup> Baguio City, Quezon City, Tagbilaran City, and the Municipality of Larena.

In terms of ensuring public access to information, more than half or 65.8 percent of government agencies (624 out of 949) have been onboarded to the e-Freedom of Information (eFOI) portal. To scale-up the platform's use, the eFOI portal integrated Artificial Intelligence (AI) tools such as the Agency Recommender System by referring users to the appropriate agency in addressing FOI concerns and the Automated Redactor to secure processing of sensitive data of users.

With the 2025 midterm elections fast approaching, the Commission on Elections (COMELEC) improved voter accessibility through enhanced overseas voting and intensified voter's education and information campaigns. COMELEC collaborated with Pre-Departure Orientation Seminar-accredited manning agencies, ensuring that departing overseas workers could register before leaving the country. Locally, voter education and registration drives, including satellite registrations and the Register Anywhere Program, were conducted in higher education institutions, significantly boosting participation. These initiatives may have contributed to the successful processing of 7.44 million applications as of September 2024, surpassing its initial target of 1.86 million new registrants for the year. To ensure a more inclusive electoral process and promote higher voter turnout, COMELEC finalized its guidelines to expand early voting hours and establish accessible voting centers nationwide for persons deprived of liberty, indigenous peoples, and senior citizens.

Aside from expanding initiatives on participatory governance, the government is also assessing the quality of participation in local development councils (LDCs). Using the Participatory Governance Metrics tool, a baseline study on the quality of LDC participation in LGUs is currently underway across all regions and is expected to conclude by December 2024. The evaluation will establish a baseline on the state of participation of CSOs and LGU functionaries,

their capacities, and the clarity of their roles and outcomes.



The Freedom of Information-Program Management Office (FOI-PMO) of the Presidential Communications Office (PCO) concluded the 2024 FOI Receiving Officers' Hangouts in General Santos City on August 1, 2024, updating 43 Executive Branch FOI Officers on the latest developments in eFOI Portal upgrades, FOI requirements, and compliance status.

Source: PCO



### Public accountability and integrity bolstered

**The government remains steadfast in advancing anti-corruption efforts and strengthening public accountability.** The Philippines climbed eight spots to the 111th place out of 194 countries in the 2024 Bribery Risk Matrix,<sup>3</sup> reflecting the nation's ongoing commitment to strengthening anti-corruption measures. A key milestone in this effort was the enactment of the NGPA in July 2024. This standardized electronic bidding and payment systems through the modernized Philippine Government Electronic Procurement System

<sup>3</sup> The Bribery Risk Matrix measures the likelihood of bribe demands in 194 jurisdictions. It aggregates relevant data obtained from leading public interest and international organizations.

(mPhilGEPS). By promoting transparency and open access to procurement processes and contract implementation, the law reduces corruption risks, establishes a more detailed audit trail, and ensures the efficient and judicious use of public funds. As of October 2024, 38 out of 50 (76%) pilot agencies have been using the mPhilGEPS.

Aside from this legal framework, the government is also implementing anti-corruption programs. Through the *Bantay Korapsyon* (BK) Program, the Department of the Interior and Local Government (DILG) provided legal and technical assistance for complaints lodged. As of October 2024, 100 percent of these complaints were thoroughly assessed and appropriately acted upon. Seeking to reinvent the BK Program, DILG conducted various workshops and focus group discussions on the development of a strategic roadmap for 2025-2030. Additionally, the Office of the Ombudsman (OMB) conducted anti-corruption drives and implemented prevention measures through its Anti-Corruption Law Seminar, Integrity, Transparency, and Accountability in Public Service, and *Sikhang Laban sa Korapsyon*.



Employees from various government agencies attended the one-day Integrity, Transparency and Accountability in Public Service (ITAPS) Program of the Office of the Ombudsman, aimed at promoting a corruption-free public service.

Source: OMB

Moreover, public accountability is exacted through ongoing government assessments. Signifying local governments' commitment to good governance, awardees of the Seal of Good Local Governance (SGLG) increased to 714 provinces, cities, and municipalities (PCMs) from 493 in 2023. Notably, a total of 22 LGUs are eight-time winners, while 135 are SGLG first timers. On the other hand, on October 2024, the Anti-Red Tape Authority (ARTA) recognized 64 government institutions with an "Excellent" rating (95% to 100%) in the 2023 Report Card Survey Awards, marking the first such recognition since 2020. Out of 7,401 agencies surveyed, these 64 institutions demonstrated outstanding compliance with the law and excellence in service delivery.

Meanwhile, feedback mechanisms and community support systems are steadily expanding. The number of LGUs with CSO desks increased to 1,453 in November 2024 from 1,371 in December 2023. Additionally, 38,981 (93.7%) of barangays have established violence against women helpdesks to address gender-based concerns at the grassroots level. DILG further strengthened citizen engagement by deploying the Citizen Satisfaction Index System<sup>4</sup> in nine cities and conducting fieldwork training for 32 field officers and stakeholders. The Commission on Audit also completed 166 out of 175 Citizen Participatory Audits engagements (94.9%) for CY 2023-2024.



The ARTA's Report Card Survey Awards for 2023 held on October 30, 2024 at the Conrad Hotel in Pasay City, recognizing government offices that demonstrated excellence in delivering quality government services and compliance with the Ease of Doing Business (EODB) Law.

Source: ARTA

4 The Citizen Satisfaction Index System is a set of data tools designed to collect and generate relevant citizens' feedback on local governments' service delivery performance and on the citizens' general satisfaction.



DBM Secretary and Public Financial Management (PFM) Committee Chairperson Amenah F. Pangandaman turned over the PFM Reforms Roadmap 2024-2028 to President Ferdinand R. Marcos, Jr. on September 17, 2024.

Source: DBM



**Government functions, systems, and mechanisms rationalized and strengthened**

**The government is actively pursuing digital and institutional transformation to enhance bureaucratic efficiency.**

The updated E-Government Masterplan aims to strengthen the country's digital infrastructure and improve citizen access to government services. Central to these efforts, the Department of Information and Communications Technology (DICT) has implemented 20 digital platforms through the eGovernment Data Exchange Platform which includes eGovPH App, eNGAs, eLGU, eTravel, and eGovPay, enabling over 410 million secure transactions and improving the efficiency, accessibility, and inclusivity of public services. Meanwhile, more relying parties (RPs) are utilizing the Philippine Identification System (PhilSys) authentication services to verify the identities of their clients and beneficiaries. As of November 2024, eight out of the 15 target RPs were integrated to the PhilSys. Notably, the *Pantawid Pamilyang Pilipino Program* (4Ps) now uses PhilSys authentication for identity verification during family development sessions, enabling seamless validation of beneficiaries' identities and compliance with attendance requirements.

The Executive branch streamlined processes to optimize its performance and service delivery. For instance, the government issued Executive Order No. 59, s. 2024, simplifying the regulatory and compliance requirements for the National Economic and Development

Authority (NEDA) Board-approved list of Infrastructure Flagship Projects. Meanwhile, the Public Financial Management (PFM) Reforms Roadmap 2024-2028 was accepted by the President in September 2024, outlining strategies to streamline and strengthen PFM policies and operational frameworks. In line with this initiative, the DBM is providing capacity development interventions on PFM to promote financial accountability and effective resource management among national government and LGUs. In addition, the DBM launched the Budget and Treasury Management System in December 2024, providing up-to-date information on financial transactions across all government agencies, and streamlining the processes involved in the collection and use of funds in the Bureau of the Treasury.

To enhance bureaucratic efficiency, the government continued to implement and strengthen its performance management and productivity frameworks. As of December 2024, the Government Quality Management Program has supported 241 beneficiary agencies through capability-building grants. Demonstrating ongoing efforts to enhance the quality and effectiveness of government services, 72.5 percent of agencies directed under EO 605, s. 2007, have adopted the Quality Management System. Meanwhile, EO 61, s. 2024, was issued to streamline the government's performance management and incentive systems. The government will release the updated policies, following the EO 61 Technical Working Group's (TWG) review and study of the Results-Based Performance Management and Performance-Based Incentive Systems.

Structural reforms to improve bureaucratic efficiency are still underway. With the law on government optimization still pending, the DBM is studying the feasibility of issuing an EO to implement organizational optimization initiatives in the Executive Branch. On devolution, the Committee on Devolution prepared an EO amending EO 138, s. 2021, based on the policy recommendations arising from the results of their study as directed

by the President. The amendment seeks to: (a) extend the transition period for full implementation of devolution, with due consideration of LGUs' technical and financial capacities; (b) continue and further strengthen the capacity development of LGUs; and (c) maintain a growth equity fund to address development inequalities and fiscal disparities among LGUs, as needed.



**Competent, motivated, agile, and resilient public servants supported**

**Efforts to modernize the Philippine civil service are underway.** To advance human capital development and harmonize capacity-building initiatives, the Development Academy of the Philippines (DAP) and the Civil Service Commission (CSC) started discussions to align competency frameworks across government agencies. In addition, DAP has initiated an inventory and mapping process to compile a comprehensive database of agencies with established competency frameworks. In parallel, the Career Executive Service Board is developing an updated competency profile for career executives, ensuring they are better equipped to adapt to the demands of an evolving landscape. Recognizing the critical role of digitalization, DAP has also drafted module syllabi on digital transformation for its Public Management Development Program, which will be offered to middle managers to enhance their capacity in driving innovation and modernization within the public sector.



Former CSC Chairperson Karlo Nograles and Commissioners Aileen Lourdes Lizada and Ryan Alvin Acosta unveiled the CSC Learning Management System's microlearning sessions and Civil Service Digital Exam (CSDEx) during the 2024 Leaders and Human Resource Symposium (LHRS).

Source: DBM

As part of the Program to Institutionalize Meritocracy and Excellence in Human Resource Management (PRIME-HRM), one agency has attained the Gold level, while 762 agencies have earned the Bronze level, representing a 20 percent increase from 632 agencies in 2023.

To maintain a competent and healthy workforce, EO 641, s. 2024 updated the salary schedule for civilian government personnel for the period of 2024 to 2027. The revised schedule includes an average salary increase of 18.20 percent across all tranches, bringing the market comparative ratio to 82.12 percent. Additionally, the DBM issued Budget Circular No. 2024-6 on December 12, 2024, outlining the guidelines, rules, and regulations for granting medical allowance to eligible civilian government personnel.

## Results Matrix

With the expansion of citizen engagement mechanisms, participatory governance indicators continue to improve. The country achieved a score of 0.76 in the United Nations E-Participation Index,<sup>5</sup> surpassing the global average of 0.64 and climbing to 49th out of 193 countries, a significant improvement from its 80th rank in 2022. However, this progress fell slightly short of the 2024 target of 0.79, indicating the need for intensified efforts in deepening citizen participation using government's online tools. Signifying progress towards gender parity in local decision-making, the percentage of PCMs with at least 40 percent women representation in LDCs increased to 34 percent in 2024, up from 27 percent in 2023. As a result of the 2025 local elections, local chief executives may prioritize other legislative initiatives, impacting the focus on certain governance reforms. Reflecting this shift, only 11 LGUs adopted FOI ordinances this year, falling short of the target of 30.

Government efforts in strengthening public accountability were also reflected in both

5 A country's E-Participation Index reflects the e-participation mechanisms that are deployed by the government as compared to all other countries.

global and local indicators. In May 2024, the Philippines ranked first in Asia for transparency in the 2023 Open Budget Survey, this was achieved through the DBM's publication of key budget documents, demonstrating its commitment to open government and accessible budget information, resulting in a score of 75 and surpassing its 2023 and 2025 targets of 71 and 72, respectively. The country also ranked 6th globally in budget oversight with a score of 83, recognizing

strong collaboration between the legislature and COA.

For instance, 52.33 percent of Career Executive Service (CES) positions were occupied by CES officers and eligibles this year, exceeding the target of 51 percent. In addition, the number of PMDP trained local executives and managers reached 151 in 2024, exceeding its target of 105.

## Ways Forward

As the PDP implementation nears its midterm, efforts must be intensified to ensure that enacted reforms are effectively implemented and start delivering results. For the next two years, the government will build on the initiatives from the previous year, such as fostering collaboration between the government and the public, enhancing transparency, streamlining government functions and systems, and modernizing the civil service.

New initiatives will also be pursued, building on the lessons learned from the past year. Drawing from the implementation of the Mandanas-Garcia Ruling, targeted capacity-building programs for LGUs and robust communication and coordination mechanisms across all levels of government will be established to ensure a clear delineation of functions and responsibilities. The reinvention of the BK program will be prioritized to enhance its impact in addressing corruption at the local level.

Moreover, a new performance and incentive management system will be developed to ensure stronger alignment with sectoral and societal outcomes.

## Priority Strategies



**To deepen participatory governance**

**Maximize PH-OGP as a platform to enhance citizen engagement.** The DBM in partnership with DILG will strengthen its localization efforts by actively engaging LGUs to adopt open government practices, ensuring alignment with regional development priorities. Moreover, commitments under the 6<sup>th</sup> PH-OGP National Action Plan will be regularly monitored and evaluated to ensure its responsiveness and measurable impact.

**Cultivate an environment for citizen-centered engagement and advocacy.** It is essential to create an environment that empowers citizens to participate meaningfully,

thereby ensuring their appreciation of governance reforms. This can be created by: (a) establishing accessible and inclusive platforms for dialogue; (b) communicating policies and programs in clear and understandable language; and (c) collaborating effectively with other sectors to amplify citizen involvement.



**To bolster public accountability and integrity**

**Fully implement the New Government Procurement Act.** The government will finalize the implementing rules and regulations of the NGPA, ensuring comprehensive guidance and clarity for procuring entities, suppliers, and other stakeholders.

**Scale-up the Bantay Korapsyon Program.**

The DILG will roll out its roadmap for reinventing the BK Program, expanding its role beyond data collection and corruption analysis. The program will be enhanced by transforming these insights into actionable policy recommendations and capacity-building initiatives. This approach will help bridge the gap between data gathering and policy implementation, leading to a more effective anti-corruption campaign.

**Enhance national governance assessments.**

To address the need for effective and timely governance assessments towards enhancing public accountability and transparency, the government will expedite the development of a National Governance Index. Additionally, the government will strengthen evidence-based decision-making and governance by issuing the revised National Evaluation Policy Framework through a joint memorandum circular by NEDA and DBM, while also formulating a comprehensive list of priority programs and projects for impact evaluation in FY 2025.



To strengthen government functions, systems, and mechanisms

**Empower LGUs to perform devolved functions and services.**

The government will issue the amendment to EO 138 along with its corresponding implementing guidelines and roll out the updated policies governing the full devolution effort. The Devolution Transition Plans will also be updated for more coherent devolution strategies between the national government and LGUs, towards effective implementation of this reform. Capacity development activities for LGUs and NGAs will also continue to be strengthened to foster better transfer of knowledge and expertise to the LGUs and address the apparent gaps in their technical and financial capacities.

**Lay the groundwork for the new government performance management and incentives systems.**

Building on the study by

the EO 61 TWG, the government will kickstart the implementation of a new government performance management and incentives system, which may be introduced through a legislative measure or an executive issuance for the purpose.

**Fast-track the passage of the e-Governance Bill.**

Led by the DICT, this bill will ensure that the government has an overall framework for developing systems, addressing cybersecurity, and tapping technology. This measure is a crucial legislative reform that will advance digital transformation in the government.



To support competent, motivated, agile, and resilient public servants

**Lay the groundwork for the full implementation of the Philippine Civil Service Modernization Project.**

This project will streamline and simplify human resource information systems across government agencies. Key initiatives include establishing a project management unit and developing a PRIME-HRM e-portal for agency self-assessment and CSC validation.

**Expedite harmonization of competency frameworks.**

The process will be accelerated through collaboration among relevant government bodies, such as DAP and the CSC, with a clear focus on aligning competencies with the needs of modern governance. By harmonizing these frameworks, the government can better identify skill gaps, improve career progression, and foster a more agile workforce that can adapt to evolving public service demands. As part of this effort, sector-specific continuing education programs will be implemented to provide professionals with targeted learning opportunities. These programs will address the unique requirements of each sector, equipping employees with the knowledge and skills necessary to remain competitive and effectively contribute to their fields.

# LIST OF ACRONYMS

<b>3D</b>	Three Dimensional
<b>4PH</b>	Pambansang Pabahay Para sa Pilipino
<b>4Ps</b>	Pantawid Pamilyang Pilipino Program
<b>ABC</b>	Accelerated Bridge Construction
<b>ABFS</b>	Adaptive Balanced Fertilization Strategy
<b>ABS</b>	Access and Benefit Sharing
<b>AD ASTRA</b>	Advanced Degrees for Accelerating Strategic Space R&D and Applications
<b>ADAC</b>	Anti-Drug Abuse Councils
<b>ADB</b>	Asian Development Bank
<b>ADR</b>	Alternative Dispute Resolution
<b>AEP</b>	Alien Employment Permit
<b>AFASA</b>	Anti-Financial Account Scamming Act
<b>AFF</b>	Agriculture, Forestry and Fisheries
<b>AFP</b>	Armed Forces of the Philippines
<b>AI</b>	Artificial Intelligence
<b>AIDS</b>	Acquired Immunodeficiency Syndrome
<b>ALS</b>	Alternative Learning System
<b>AM</b>	Additive Manufacturing
<b>AMAS</b>	Agribusiness and Marketing Assistance Service
<b>AMCEN</b>	Advanced Manufacturing Center
<b>AMO</b>	Account Management Office
<b>AR</b>	Augmented Reality
<b>ARAL</b>	Academic Recovery and Accessible Learning
<b>ARBO</b>	Agrarian Reform Beneficiaries Organizations
<b>ARP</b>	Annual Regulatory Plan
<b>ARTA</b>	Anti-Red Tape Authority

<b>ARTEMIS</b>	Anti-Red Tape Electronic Management Information System
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>ASF</b>	African Swine Fever
<b>ASRSP</b>	Adaptive and Shock Responsive Social Protection
<b>ASTERisC*</b>	Advance Suptech Engine for Risk-based Compliance
<b>ASTHRDP</b>	Accelerated Science and Technology Human Resource Development Program
<b>ASTM</b>	American Society for Testing and Materials
<b>ATI</b>	Agricultural Training Institute
<b>ATP</b>	Assembly, Testing, and Packaging
<b>ATS</b>	Air Traffic Services
<b>AVP</b>	Audio-visual presentations
<b>B2B</b>	Business-to-business
<b>BAFE</b>	Bureau of Agricultural and Fisheries Engineering
<b>BCDA</b>	Bases Conversion and Development Authority
<b>BCIB</b>	Bataan – Cavite Interlink Bridge
<b>BCP</b>	Business Continuity Plan
<b>BDFE</b>	Biodiversity-friendly Enterprises
<b>BDP</b>	Barangay Development Program
<b>BECA</b>	Barangay Environmental Compliance Audits
<b>BEFF</b>	Basic Education Facilities Fund
<b>BELA</b>	BSP E-Learning Academy
<b>BFAR</b>	Bureau of Fisheries and Aquatic Resources
<b>BGC</b>	Bonifacio Global City
<b>BGHMC</b>	Baguio General Hospital and Medical Center
<b>BI</b>	Bureau of Immigration
<b>BIOFIN</b>	Biodiversity Finance Initiative
<b>BIR</b>	Bureau of Internal Revenue
<b>BiRST</b>	Bid Rigging Screening Tool
<b>BIS</b>	Barangay Information System

<b>BJMP</b>	Bureau of Jail Management and Penology
<b>BK</b>	Bantay Korapsyon
<b>BLA</b>	Bilateral Labor Agreement
<b>BLGF</b>	Bureau of Local Government Finance
<b>BNS</b>	Barangay Nutrition Scholars
<b>BOC</b>	Bureau of Customs/Board of Claims
<b>BOI</b>	Board of Investments
<b>BOM</b>	Budget Operations Manual
<b>BPO</b>	Business Process Outsourcing
<b>BPP</b>	Board of Pardons and Parole
<b>B-Ready Report</b>	Business Ready Report
<b>BRT</b>	Bus Rapid Transit
<b>B-SAFE</b>	Building Safe Agricultural Food Enterprises
<b>BSFI</b>	BSP-Supervised Financial Institutions
<b>BSP</b>	Bangko Sentral ng Pilipinas
<b>BTMS</b>	Budget and Treasury Management System
<b>BTr</b>	Bureau of Treasury
<b>BuCor</b>	Bureau of Corrections
<b>BWSA</b>	Bulk Water Supply Agreement
<b>CAAP</b>	Civil Aviation Authority of the Philippines
<b>CAB</b>	Civil Aviation Board
<b>CADC</b>	Comprehensive Archipelagic Defense Concept
<b>CAIR</b>	Center for Artificial Intelligence Research
<b>CALABARZON</b>	Cavite, Laguna, Batangas, Rizal, and Quezon
<b>CAM</b>	Court-Annexed Mediation
<b>CAMPI</b>	Chamber of Automotive Manufacturers of the Philippines, Inc.
<b>CAP</b>	Competition Advocacy Pledge
<b>CAR</b>	Cordillera Administrative Region
<b>CARe</b>	Consumer Complaints Assistance and Resolution

<b>CAVITEX</b>	Manila-Cavite Expressway
<b>CBA</b>	Cordillera Bodong Administration
<b>CBFCP</b>	Capacity Building to Foster Competition Project
<b>CBFM</b>	Community-Based Forest Management
<b>CBFMA</b>	Community-Based Forest Management Agreement
<b>CBK</b>	Caliraya-Botocan-Kalayaan
<b>CBMS</b>	Community-Based Monitoring System
<b>CCA</b>	Climate Change Adaptation
<b>CCC</b>	Climate Change Commission
<b>CDA</b>	Cooperative Development Authority
<b>CDSP</b>	Caree Development Support Program
<b>CES</b>	Consumer Expectations Survey/Career Executive Service
<b>CFIS</b>	Consumer Finance and Inclusion Survey
<b>CFO</b>	Commission on Filipinos Overseas
<b>CHAMP</b>	Central Hub on Additive Manufacturing in the Philippines
<b>CHD</b>	Centers for Health Development
<b>CHED</b>	Commission on Higher Education
<b>CHEPP</b>	Casecnan Hydroelectric Power Plant
<b>CHIPS</b>	Creating Helpful Incentives to Produce Semiconductors
<b>CHR</b>	Commission on Human Rights
<b>CIA</b>	Competition Impact Assessment
<b>CIR</b>	Commodity Industry Roadmaps
<b>CIS</b>	Communal Irrigation System
<b>CLAN</b>	Competition Local Advocacy Network
<b>CLC</b>	Community Learning Center
<b>CLEM</b>	Century Learning Environment Model
<b>CLOA</b>	Certificate of Land
<b>CLUP</b>	Comprehensive Land-Use Plan
<b>CMCI</b>	Cities and Municipalities Competitiveness Index

<b>CME</b>	Coco Methyl Ester
<b>CMEMP</b>	Coastal and Marine Ecosystems Management Program
<b>CMO</b>	Customs Memorandum Order
<b>CMP</b>	Community Mortgage Program
<b>CNS/ATM</b>	Communication, Navigation and Surveillance/Air Traffic Management
<b>COC Program</b>	Champions of Competition Program
<b>ComDev</b>	Committee on Devolution
<b>COMELEC</b>	Commission on Elections
<b>COOP</b>	Competition Orientation Outreach Program
<b>CPD</b>	Commission on Population and Development
<b>CPLA</b>	Cordillera People's Liberation Army
<b>CPMS</b>	Client Profile and Monitoring System
<b>CPSS</b>	Child Protection Systems Strengthening
<b>CRADLE</b>	Collaborative Research and Development to Leverage Philippine Economy
<b>CRD</b>	Credit Risk Database
<b>CREATE</b>	Corporate Recovery and Tax Incentives for Enterprises
<b>CREATE MORE</b>	Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy
<b>CREM</b>	Competitive Retail Electricity Market
<b>CRVA</b>	Philippine Rural Development Project
<b>CSAC</b>	Children in Situations of Armed Conflict
<b>CSAEM</b>	Child Sexual Abuse or Exploitation Materials
<b>CSC</b>	Civil Service Commission
<b>CSF</b>	Credit Surety Fund
<b>CSO</b>	Civil Society Organizations
<b>CSP</b>	Competitive Selection Process
<b>CTAP</b>	Confederation of Truckers Association of the Philippines, Inc.
<b>CTC</b>	Competency Training Course

<b>CTRP</b>	Comprehensive Tax Reform Program
<b>CY</b>	Calendar Year
<b>DA</b>	Department of Agriculture
<b>DAP</b>	Development Academy of the Philippines
<b>DBCC</b>	Development Budget Coordination Committee
<b>DBM</b>	Department of Budget and Management
<b>DC</b>	Department Circular
<b>DCP</b>	Design Center of the Philippines/DepEd Computerization Program
<b>DDL P</b>	Direct Development Loan Program
<b>DENR</b>	Department of Environment and Natural Resources
<b>DENR-WRMO</b>	DENR - Water Resources Management Office
<b>DepEd</b>	Department of Education
<b>DFA</b>	Department of Foreign Affairs
<b>DHSUD</b>	Department of Human Settlements and Urban Development
<b>DICT</b>	Department of Information and Communications Technology
<b>DILG</b>	Department of Interior and Local Government
<b>DILP</b>	DOLE's Integrated Livelihood Program
<b>DMW</b>	Department of Migrant Workers
<b>DND</b>	Department of National Defense
<b>DO</b>	Department Order
<b>DOE</b>	Department of Energy
<b>DOF</b>	Department of Finance
<b>DOH</b>	Department of Health
<b>DOJ</b>	Department of Justice
<b>DOJ-OFC</b>	Department of Justice - Office for Competition
<b>DOLE</b>	Department of Labor and Employment
<b>DOST</b>	Department of Science and Technology
<b>DOST-PCAARRD</b>	DOST - Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development

<b>DOST-PCIEERD</b>	DOST - Philippine Council for Industry, Energy, and Emerging Technology Research and Development
<b>DOT</b>	Department of Tourism
<b>DPTR</b>	Digital Payments Transformation Roadmap
<b>DPWH</b>	Department of Public Works and Highways
<b>DRR</b>	Disaster Risk Reduction
<b>DRRM</b>	Disaster Risk Reduction and Management
<b>DSWD</b>	Department of Social Welfare and Development
<b>DTI</b>	Department of Trade and Industry
<b>DTI-BOI</b>	Department of Trade and Industry - Board of Investments
<b>DWR</b>	Department of Water Resources
<b>EBET</b>	Enterprise-Based Education and Training
<b>eBidding</b>	Electronic Bidding
<b>eBOSS</b>	Electronic Business One-Stop Shop
<b>EBT</b>	Enterprise-based Training
<b>ECC</b>	Environmental Compliance Certificate
<b>ECCD F1K</b>	Early Childhood Care and Development in the First 1000 Days
<b>EDSA</b>	Epifanio de los Santos Avenue
<b>EEC</b>	Energy Efficiency and Conservation
<b>EEZ</b>	Exclusive Economic Zone
<b>eFOI</b>	e-Freedom of Information
<b>EFT</b>	Electronic Fund Transfer
<b>EIA</b>	Environmental Impact Assessment
<b>EIS</b>	Electronic Invoicing/Receipting Sales Reporting System
<b>eLC</b>	e-Learning Cart
<b>eMarketplace</b>	Electronic Marketplace
<b>ENGP</b>	Enhanced National Greening Program
<b>ENIPAS</b>	Expanded National Integrated Protected Areas System
<b>EO</b>	Executive Order
<b>EOPT</b>	Ease of Paying Taxes Act

<b>ePay</b>	Electronic Payment Portal System
<b>EPDC</b>	Electronics Product Development Center
<b>EPIC</b>	Empowering, Promoting, and Invigorating the Digital Creative Industry Program
<b>EPIRA</b>	Electric Power Industry Reform Act
<b>EPR</b>	Extended Producer Responsibility
<b>ERC</b>	Energy Regulatory Commission
<b>eReverse Auction</b>	Electronic Reverse Auction
<b>ESG</b>	Environmental, Social, Governance
<b>eSPARC</b>	Electronic Simplified Processing of Application for Registration of Company
<b>ESS</b>	Energy Storage System
<b>ETEEAP</b>	Expanded Tertiary Education Equivalency and Accreditation Program
<b>EV</b>	Electric Vehicle
<b>EVCS</b>	EV Charging Station
<b>EVOSS</b>	Energy Virtual One-Stop Shop
<b>F/S</b>	Feasibility Study
<b>F2C2</b>	Farm and Fisheries Clustering and Consolidation
<b>FASTRAC</b>	Funding Assistance for Spin-offs and Translation of Research in Advancing Commercialization
<b>FBF</b>	Fair Business Forum
<b>FCA</b>	farmer cooperatives and associations
<b>FDA</b>	Food and Drug Administration
<b>FDI</b>	Foreign Direct Investments
<b>FFP</b>	Family Food Pack
<b>Fintech</b>	Financial Technology
<b>FIPMP</b>	Foreign Investment Promotion and Marketing Plan
<b>FIRB</b>	Fiscal Incentives Review Board
<b>FIRST</b>	Foreign Investment Registration Station
<b>FishCoRe</b>	Philippine Fisheries and Coastal Resiliency

<b>FIT</b>	Feed-in Tariff
<b>FLEMMS</b>	Functional Literacy, Education, and Mass Media Survey
<b>FMA</b>	Fisheries Management Area
<b>FMRDP</b>	Farm-to-Market Road Development Program
<b>FOI</b>	Freedom of Information
<b>FR</b>	Former Rebel
<b>FRIMP-CDOR</b>	Flood Risk Improvement and Management Project for Cagayan De Oro River
<b>FrLD</b>	Fund for Responding to Loss and Damage
<b>FTA</b>	Free Trade Agreement
<b>FUSA</b>	Firmed-Up Service Area
<b>FWA</b>	Flexible Work Arrangement
<b>FY</b>	Fiscal Year
<b>G Mark</b>	Good Design Award Japan
<b>GAMOT</b>	Guaranteed Accessible Medications for Outpatient Treatment
<b>GARF</b>	Green Assessment and Recovery Framework
<b>Gbps</b>	Giga bits per second
<b>GBV</b>	Gender-Based Violence
<b>GCF-APA</b>	Green Climate Fund
<b>GCI</b>	Global Competitiveness Index
<b>GCM</b>	Global Compact for Safe, Orderly, and Regular Migration
<b>GCTA</b>	Good Conduct Time Allowance
<b>GDP</b>	Gross Domestic Product
<b>GEMP</b>	Government Energy Management Program
<b>GEMS</b>	Geostationary Environment Monitoring Spectrometer
<b>GEOP</b>	Green Energy Option Program
<b>GEPP</b>	Green Economy Programme in the Philippines
<b>GHG</b>	Greenhouse Gas
<b>GIDA</b>	Geographically Isolated and Disadvantaged Areas
<b>GII</b>	Global Innovation Index

<b>GIP</b>	Government Internship Program
<b>GMP</b>	Good Manufacturing Practices
<b>GNI</b>	Gross National Income
<b>GOCC</b>	Government-Owned or -Controlled Corporation
<b>GPH</b>	Government of the Philippines
<b>GPPB-TSO</b>	Government Procurement Policy Board-Technical Support Office
<b>GPRA</b>	Government Procurement Reform Act
<b>GSEDs</b>	Government Securities-Eligible Dealers
<b>GSS</b>	Green, Social, and Sustainability
<b>GVA</b>	Gross Value Added
<b>GVC</b>	Global Value Chain
<b>GW</b>	Gigawatt
<b>GWh</b>	Gigawatt-hour
<b>GWP</b>	Global Warming Potential
<b>HACCP</b>	Hazard Analysis and Critical Control Points
<b>HC</b>	Healthy Communities
<b>HCA</b>	Host Country Agreement
<b>HDMF</b>	Home Development Mutual Fund/Pag-IBIG
<b>HEI</b>	Higher Education Institutions
<b>HFEP</b>	Health Facilities Enhancement Program
<b>HIV</b>	Human Immunodeficiency Virus
<b>HRH</b>	Human Resources for Health
<b>HSRP</b>	Health System Resilience Project
<b>IACENRS</b>	Interagency Committee on Environment and Natural Resources Statistics
<b>IAEECC</b>	Inter-Agency Energy Efficiency and Conservation Committee
<b>IC</b>	Insurance Commission
<b>iCLP</b>	Online Learning Hub on Competition Law and Policy
<b>ICM</b>	integrated coastal management
<b>i-CRADLE</b>	Industry-Level CRADLE

<b>ICT</b>	Information and Communications Technology
<b>ID</b>	Identity
<b>IDP</b>	Institution Development Program
<b>IDRR-CCA</b>	Integrated Disaster Risk Reduction and Climate Change Adaptation
<b>IEMOP</b>	Independent Electricity Market Operator of the Philippines
<b>iHOMIS</b>	Integrated Hospital Operations and Management Information System
<b>iLEAP</b>	International and Local Exposure Assistance Program
<b>ILO</b>	International Labour Organization
<b>ILRC</b>	Inclusive Learning Resource Centers
<b>IMD</b>	Institute for Management Development
<b>IMPACT</b>	IP Management Program for Academic Institutions Commercializing Technologies
<b>IMT</b>	Industrial, Manufacturing, and Transport
<b>INCENTIVISE</b>	Introducing Non-Geostationary Satellite Constellations Test Deployments to Improve Internet Service
<b>INFA-NET</b>	Investments Facilitation-Network
<b>INTERPOL</b>	International Criminal Police Organization
<b>IoT</b>	Internet-of-Things
<b>IP</b>	Intellectual Property
<b>IPAs</b>	Investment Promotion Agencies
<b>IPB</b>	ICT Price Baskets
<b>IPLC</b>	Indigenous Peoples and Local Communities
<b>IPOPHL</b>	Intellectual Property Office of the Philippines
<b>IRESS</b>	Integrated Renewable Energy and Energy Storage System
<b>IRR</b>	Implementing Rules and Regulations
<b>ISF</b>	Informal Settler Family
<b>ISM</b>	International Safety Management
<b>ISO</b>	Internal Security Operations/International Organization for Standardization

<b>ISPS</b>	International Ship and Port Facility Security
<b>ISRS</b>	Infrastructure for Safer and Resilient Schools
<b>iSTART</b>	Innovation, Science, and Technology for Accelerating Regional Technology-based Development
<b>iStation</b>	Investigation Station
<b>ITA</b>	Internet Transactions Act
<b>IT-BPM</b>	Information Technology and Business Process Management
<b>ITSI</b>	International Technology, Security, and Innovation
<b>ITSO</b>	Intellectual Property and Technology Transfer Offices
<b>ITU</b>	International Telecommunication Union
<b>IWMP</b>	Integrated Water Resources Management Plan
<b>IWRM</b>	Integrated Water Resources Management
<b>JICA</b>	Japan International Cooperation Agency
<b>JMC</b>	Joint Memorandum Circular
<b>JMP</b>	Joint Monitoring Programme
<b>JSCC</b>	Justice Sector Coordinating Council
<b>K4F-PH</b>	Kids for the Future of Philippine Industrialization
<b>KALAHI-CIDSS</b>	Kapit-Bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services
<b>KALINISAN</b>	Kalinga at Inisyatiba para sa Malinis na Bayan
<b>KIST</b>	Knowledge, Innovation, Science and Technology
<b>KM-GBF</b>	Kunming-Montreal Global Biodiversity Framework
<b>KNP</b>	Korean National Police
<b>KOICA</b>	Korea International Cooperation Agency
<b>KP</b>	Katarungang Pambarangay
<b>KPI</b>	Key Performance Indicator
<b>KSA</b>	Key Shelter Agency
<b>KTI</b>	Knowledge-and-technology Intensive Industries
<b>kWh</b>	Kilowatt-hour
<b>L1SE</b>	LRT Line 1 South Extension

<b>L4NT</b>	Laptops for Non-Teaching Staff
<b>L4T</b>	Laptops for Teachers
<b>LAM</b>	Level Alignment Matrix
<b>LANDBANK</b>	LandBank of the Philippines
<b>LAWIN</b>	Lawin Forest and Biodiversity Protection System
<b>LBI</b>	Luzon Bypass Infrastructure
<b>LCCA</b>	Life Cycle Cost Analysis
<b>LDC</b>	Local Development Councils
<b>LFS</b>	Labor Force Survey
<b>LGRP</b>	Local Governance Reform Project
<b>LGSF-GEF</b>	Local Government Support Fund-Growth Equity Fund
<b>LGU</b>	Local Government Unit
<b>LHB</b>	Local Housing Board
<b>LIPH</b>	Local Investment Plan for Health
<b>LMI</b>	Labor Market Information
<b>LMSP</b>	Last Mile Schools Program
<b>LNI</b>	Localizing Normalization Implementation
<b>LPE</b>	Localized Peace Engagement
<b>LRES</b>	Local Retail Electricity Suppliers
<b>LRT</b>	Light Rail Transit
<b>LSP</b>	Local Shelter Plan
<b>LTER</b>	Local Total Electrification Roadmap
<b>LTFRB</b>	Land Franchising and Regulatory Board
<b>LWUA</b>	Local Water Utilities Administration
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MAF</b>	Movable Asset Financing
<b>MAFIM</b>	Masagana Agri-Food Infrastructure Modernization Program
<b>MAKABATA</b>	Mahalin at Kalingain ating mga Bata Program
<b>MARINA</b>	Maritime Industry Authority

<b>MARRIS</b>	Maritime Route Rationalization and Information System
<b>MBNRE</b>	Modern Basic Needs and Resilient Economy
<b>Mbps</b>	Megabits per second
<b>MC</b>	Memorandum Circular
<b>MCB</b>	Marawi Compensation Board
<b>MCLE</b>	Mandatory Continuing Legal Education
<b>MEET</b>	Mapping, Engagement, and Enrollment Training
<b>MFN</b>	Most-Favored-Nation
<b>MGRP</b>	Modernizing Government Regulations Program
<b>MHIBFEWS</b>	Multi-Hazard Impact-Based Forecasting and Early Warning System
<b>MIDP</b>	Maritime Industry Development Plan
<b>MILF</b>	Moro Islamic Liberation Front
<b>MMDA</b>	Metropolitan Manila Development Authority
<b>MMIP-II</b>	Malitubog-Maridagao Irrigation Project – Stage II
<b>MMSP</b>	Metro Manila Subway Project
<b>MMSU</b>	Mariano Marcos State University
<b>MNLF</b>	Moro National Liberation Front
<b>MOA</b>	Memorandum of Agreement
<b>MOU</b>	Memorandum of Understanding
<b>MPA</b>	Marine protected area
<b>mPhilGEPS</b>	Modernized Philippine Government Electronic Procurement System
<b>MRF</b>	Materials Recovery Facility
<b>MRV</b>	Monitoring, Reporting, and Verification
<b>MSMEs</b>	Micro, Small, and Medium Enterprises
<b>MT</b>	Metric tons
<b>MTCIP</b>	Mindanao Transportation Connectivity Infrastructure Project
<b>MTPA</b>	Million Tonnes Per Annum
<b>MUP</b>	Military and Uniformed Personnel
<b>MVIP</b>	Mindanao-Visayas Interconnection Project

<b>MVRUT</b>	Motor Vehicle Road User's Tax
<b>MWSS</b>	Metropolitan Waterworks and Sewerage System
<b>NAC</b>	National Amnesty Commission
<b>NAIA</b>	Ninoy Aquino International Airport
<b>NAP</b>	National Adaptation Plan
<b>NAP WPS</b>	National Action Plans on Women, Peace, and Security
<b>NAP YPS</b>	National Action Plans on Youth, Peace, and Security
<b>NAPERSEP</b>	National Action Plan on Ecosystem Restoration and Species Extinction Prevention
<b>NAS</b>	National Accommodation Standards
<b>NAT</b>	National Achievement Test
<b>NBI</b>	National Bureau of Investigation
<b>NBP</b>	National Broadband Program
<b>NCA</b>	Natural Capital Accounting
<b>NCC</b>	New Clark City
<b>NCD</b>	Noncommunicable Disease
<b>NCICP</b>	New Cebu International Container Port
<b>NCP</b>	National Competition Policy
<b>NCs</b>	Negosyo Centers
<b>NDA</b>	National Dairy Authority
<b>NDCIP</b>	Nationally Determined Contribution Implementation Plan
<b>NDHS</b>	National Demographic and Health Survey
<b>NDP</b>	National Design Policy
<b>NDRRMC</b>	National Disaster Risk Reduction and Management Council
<b>NEDA</b>	National Economic and Development Authority
<b>NEHEMIA</b>	National Effort for the Harmonization of Efficient Measures of Inter-related Agencies
<b>NESAP</b>	National Ecotourism and Strategy Action Plan
<b>NFA</b>	National Food Authority
<b>NGA</b>	National Government Agency

<b>NGO</b>	Non-Governmental Organization
<b>NGPA</b>	New Government Procurement Act
<b>NGRP</b>	National Government Rightsizing Program ( <i>now known as the Government Optimization Program</i> )
<b>NHA</b>	National Housing Authority
<b>NHMFC</b>	National Home Mortgage Finance Corporation
<b>NHRHMP</b>	National Human Resources for Health Master Plan
<b>NHWSS</b>	National Health Workforce Support System
<b>NIA</b>	National Irrigation Administration
<b>NIASD</b>	National Innovation Agenda and Strategy Document
<b>NIC</b>	National Innovation Council
<b>NIMP</b>	National Irrigation Master Plan
<b>NIS</b>	National Irrigation System
<b>NJIS</b>	National Justice Information System
<b>NLRP</b>	National Learning Recovery Program
<b>NMP</b>	Net-metering Program
<b>NNC</b>	National Nutrition Council
<b>NNIS</b>	National Nutrition Information System
<b>NPRMS</b>	National Policy on Regulatory Management System
<b>NPS</b>	National Prosecution Service
<b>NRCP</b>	National Research Council of the Philippines
<b>NRI</b>	National Resilience Index
<b>NRPS</b>	National Retail Payment System
<b>NRW</b>	Non-revenue Water
<b>NSTEP</b>	National Research Council of the Philippines S&T Expert Pool
<b>NTA</b>	National Tax Allotment
<b>NTC</b>	National Telecommunications Commission
<b>NTF-ELCAC</b>	National Task Force to End Local Communist Armed Conflict
<b>NWRB</b>	National Water Resources Board
<b>O&amp;M</b>	Operations and Maintenance

<b>OAG</b>	Official Airline Guide
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OF</b>	Overseas Filipino
<b>OFW</b>	Overseas Filipino Worker
<b>OGP</b>	Open Government Partnership
<b>OneLab for TED</b>	OneLab for Industry 4.0 Through Testing and Calibration, Education, and Discovery
<b>OOP</b>	Out-of-Pocket
<b>OP</b>	Office of the President
<b>ORUS</b>	Online Registration and Update System
<b>OSAEC</b>	Online Sexual Abuse and Exploitation of Children
<b>OSW</b>	Offshore Wind
<b>OTOP</b>	One Town, One Product
<b>OWWA</b>	Overseas Workers Welfare Administration
<b>P/CWHS</b>	Province/City-Wide Health Systems
<b>PA</b>	Protected Area
<b>PAM</b>	polices and measures
<b>PAMANA</b>	Payapa at Masaganang Pamayanan
<b>PAO</b>	Public Attorney's Office
<b>PAPGAPI-PAN</b>	Pan-Asia Partnership for Geospatial Air Pollution Information and the Pandora Asia Network
<b>PAPs</b>	Programs, Activities, and Projects
<b>PBBM</b>	Progressive Budgeting for Better and Modernized
<b>PBBP</b>	Pangul Bay Bridge Project
<b>PBH</b>	Philippine Business Hub
<b>PBSAP</b>	Philippine Biodiversity and Strategy Action Plan
<b>PCA</b>	Philippine Competition Act
<b>PCAARRD</b>	Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development

<b>PCB</b>	Program Convergence Budgeting
<b>PCC</b>	Philippine Carabao Center/Philippine Competition Commission
<b>PCCN</b>	Philippine Creative Cities Network
<b>PCEM</b>	Protein-Enriched Copra Meal
<b>PCESA</b>	Philippine Creative Economy Satellite Accounts
<b>PCF</b>	Primary Care Facilities
<b>PCG</b>	Philippine Coast Guard
<b>PCGMP</b>	PCG Modernization Plan
<b>PCIC</b>	Philippine Crop Insurance Corporation
<b>PCID</b>	Philippine Creative Industries Development
<b>PCIDC</b>	Philippine Creative Industries Development Council
<b>PCIM</b>	Philippine Creative Industries Month
<b>PCM</b>	Provinces, Cities, and Municipalities
<b>PCTS</b>	Philippine Credit Transfer System
<b>PCUP</b>	Presidential Commission for the Urban Poor
<b>PDL</b>	Persons Deprived of Liberty
<b>PDOS</b>	Pre-Departure Orientation Seminar
<b>PDP</b>	Philippine Development Plan
<b>PEAS</b>	Philippine Environmental Assessment System
<b>PEDP</b>	Philippine Export Development Plan
<b>PEENRA</b>	Philippine Economic-Environmental and Natural Resources Accounting
<b>PEIS</b>	PESO Information System
<b>PELP</b>	Philippine Energy Labelling Program
<b>PEMU-Palawan</b>	Provincial Environmental Management Unit of Palawan
<b>PENCAS</b>	Philippine Ecosystem and Natural Capital Accounting System
<b>PEOS</b>	Pre-Employment Orientation Seminar
<b>PEP</b>	Philippine Experience Program
<b>PERA</b>	Personal Equity and Retirement Account Program
<b>PESO</b>	Public Employment Service Office

<b>PEZA</b>	Philippine Economic Zone Authority
<b>PFM</b>	Public Financial Management
<b>PFMCP</b>	Public Financial Management Competency Program
<b>PGN</b>	Panay – Guimaras – Negros
<b>PHC</b>	Primary Health Care
<b>PHILGUARANTEE</b>	Philippine Guarantee Corporation
<b>PhiliFINNO</b>	PhiliFintech Innovation Office
<b>PhilSA</b>	Philippine Space Agency
<b>PH-OGP</b>	Philippine Open Government Partnership
<b>PHP</b>	Philippine Peso
<b>PhQuaR</b>	Philippine Qualifications Register
<b>PIFITA</b>	Passive Income and Financial Intermediary Taxation Act
<b>PiTaKa</b>	Pinansyal na Talino at Kaalaman
<b>PITX</b>	Paranaque Integrated Terminal Exchange
<b>PMDP</b>	Public Management Development Program
<b>PMOS</b>	Pre-Migration Orientation Seminar
<b>PMT</b>	Proxy Means Test
<b>PNP</b>	Philippine National Police
<b>PNS</b>	Philippine National Standards
<b>PO</b>	People's Organization
<b>POC</b>	Persons of Concern
<b>PPA</b>	Philippine Ports Authority
<b>PPAN</b>	Philippine Plan for Action on Nutrition
<b>PPFs</b>	Prison and Penal Farms
<b>PPO</b>	Provincial Prosecution Office
<b>PPSCC</b>	Public Procurement Specialist Certification Course
<b>PQF-NCC</b>	Philippine Qualifications Framework–National Coordinating Council
<b>PRA</b>	Private Recruitment Agency
<b>PRDP</b>	Philippine Rural Development Project

<b>PRECISION</b>	Protected Resources Environmental Crimes Index and Synchronized Intelligence-Oriented Networks Enforcement Tool
<b>PRICERS</b>	Price Range Scheme
<b>PRIME-HRM</b>	Program to Institutionalize Meritocracy and Excellence in HRM
<b>PRISM</b>	Policy Reform, Innovation, and Streamlining Management
<b>PRPWD</b>	Philippine Registry for Persons with Disability
<b>PS</b>	Procurement Service
<b>PSA</b>	Philippine Statistics Authority
<b>PSALM</b>	Power Sector Assets and Liabilities Management Corporation
<b>PSF</b>	People's Survival Fund/Program Support Fund
<b>PSG</b>	Policies, Standards, and Guidelines
<b>PSOFT</b>	Public Schools of the Future in Technology
<b>PTCOBC</b>	Panglao - Tagbilaran City Offshore Bridge Connector
<b>PTIC</b>	Philippine Trade and Investments Centers
<b>PTMP</b>	Public Transport Modernization Program
<b>PTMRF</b>	Port Terminal Management Regulatory Framework
<b>PU-LWSS</b>	Public Utilities for Local Water Supply and Sanitation Services
<b>PUP</b>	Polytechnic University of the Philippines
<b>R&amp;D</b>	Research and Development
<b>RA</b>	Republic Act
<b>RAC</b>	Refrigeration and Airconditioning
<b>RAFT</b>	Run After Fake Transactions
<b>RAP</b>	Retail Aggregation Program
<b>RBE</b>	Regional Business Enterprises
<b>RBIM</b>	Registry of Barangay Inhabitants and Migrants
<b>RCC</b>	Revised Corporation Code
<b>RCEF</b>	Rice Competitiveness Enhancement Fund
<b>RCOA</b>	Retail Competition and Open Access
<b>RCSP</b>	Retooled Community Support Program
<b>RDI</b>	Research and Development Institutes

<b>RE</b>	Renewable Energy
<b>REAL Justice</b>	Remote Hearings and Equal Access to Law and Justice
<b>REM</b>	Renewable Energy Market
<b>RES</b>	Retail Electricity Supplier
<b>ReSEED</b>	Regional Startup Enablers for Ecosystem Development
<b>RFINL</b>	Regular Foreign Investment Negative List
<b>RFO</b>	Regional Field Offices
<b>RFP</b>	Regional Fish Ports
<b>RIA</b>	Regulatory Impact Assessment
<b>RiceBIS</b>	Rice Business Innovations System
<b>RIIC</b>	Regional Inclusive Innovation Centers
<b>RIMP</b>	Regional Irrigation Master Plan
<b>RLMS</b>	Regulatory Learning Management System
<b>RoRo</b>	Roll-on Roll-off
<b>ROWA</b>	Right-of-Way
<b>RP</b>	Relying Parties
<b>RPA</b>	Revolutionary Proletarian Army
<b>RPM-P/RPA/ABB</b>	Rebolusyonaryong Partido ng Manggagawa ng Pilipinas/ Revolutionary Proletarian Army/Alex Boncayao Brigade
<b>RPVAR</b>	Real Property Valuation and Assessment Reform
<b>RQMS</b>	Regulatory Quality Management System
<b>RRP</b>	Risk Resiliency Program
<b>RSE</b>	Researchers, Scientists, and Engineers
<b>RTB</b>	Retail Treasury Bond
<b>RTEF</b>	Ready-to-eat Food
<b>S&amp;P</b>	Standard & Poor's Global Ratings
<b>S&amp;T</b>	Science and Technology
<b>S4CP</b>	Science for Change Program
<b>SAAD</b>	Special Area for Agricultural Development
<b>SAFPB</b>	Support and Assistance Fund to Participatory Budgeting

<b>SC</b>	Supreme Court
<b>SCORE</b>	SRC and RCC Compliance of Regulated Entities
<b>SDG</b>	Sustainable Development Goals
<b>SEC</b>	Securities and Exchange Commission
<b>SEC CAMPAIGN Network</b>	SEC's Capital Market Promotion and Awareness Inter-Agency Network
<b>SEC CAN</b>	SEC Communication Advocacy Network
<b>SETUP</b>	Small Enterprise Technology Upgrading Program
<b>SFF</b>	Small Farmers and Fisherfolk
<b>SFP</b>	Scholarships and Fellowships Program
<b>SFTG</b>	Sustainable Finance Taxonomy Guidelines
<b>SGLG</b>	Seal of Good Local Governance
<b>SHF</b>	Special Health Fund
<b>SHFC</b>	Social Housing Finance Corporation
<b>SIBOL</b>	Sustainable Interventions for Biodiversity, Oceans, and Landscapes
<b>SIDA</b>	Sugarcane Industry Development Act
<b>SIM-SMS</b>	Suppliers Information Management and Sales Monitoring System
<b>SIPP</b>	Strategic Investment Priority Plan
<b>SLF</b>	Sanitary Landfill
<b>SM</b>	Shoemart
<b>SMART Link</b>	Strategic MSME and Startup Link
<b>SMARTER</b>	Sustainable Economy, Market Competence, Able Human Capital, Responsive S&T Support Infrastructure, Technology and Innovation, Enterprise Support, and Resiliency and Continuity
<b>SME</b>	Science and Math Equipment/Small and Medium Enterprises
<b>SMLE</b>	Small and Medium Industries and Large Enterprises
<b>SoLR</b>	Suppliers-of-Last Resort
<b>SP</b>	Subproject/Social Protection
<b>SPES</b>	Special Program for Employment of Students
<b>SPSIC</b>	Sanitary and Phytosanitary Import Clearances

<b>SRC</b>	Securities Regulation Code
<b>SRDP</b>	Self-Reliant Defense Posture Revitalization
<b>SRIF</b>	Sustainable and Responsible Investment Fund
<b>SSF</b>	Shared Service Facilities
<b>SSS</b>	Social Security System
<b>STEM</b>	Science, Technology, Engineering, and Mathematics
<b>STEP</b>	Special Training for Employment Program
<b>STI</b>	Science, Technology, and Innovation
<b>STTP</b>	Scholars Technopreneurship Training Program
<b>STV</b>	Smart Television
<b>SUC</b>	State Universities and Colleges
<b>suptech</b>	Supervisory Technology
<b>SWM</b>	Solid Waste Management
<b>SWMP</b>	Solid Waste Management Plans
<b>SY</b>	School Year
<b>TB</b>	Tuberculosis
<b>TCP</b>	Technical Cooperation Program
<b>TEI</b>	Teacher Education Institutions
<b>TEP</b>	Total Electrification Program
<b>TEPLEO</b>	Training and Educational Program for Law Enforcement Officers
<b>TESDA</b>	Technical Education and Skills Development Authority
<b>TEU</b>	Twenty-foot Equivalent Unit
<b>TIEZA</b>	Tourism Infrastructure Enterprise Zone
<b>TIN</b>	Tax Identification Number
<b>TL</b>	Transmission Line
<b>TOD</b>	Transit-Oriented Development
<b>TOP</b>	TESDA Online Program
<b>TPB</b>	Trabaho Para sa Bayan
<b>TPCVW</b>	Trading Post Commodity and Volume Watch

<b>TPM</b>	Third-Party Monitoring
<b>TRB</b>	Toll Regulatory Board
<b>TTBDO</b>	Technology Transfer and Business Development Offices
<b>TUPAD</b>	Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced
<b>TVET</b>	Technical and Vocational Education and Training
<b>TVL</b>	Technical-vocational and Livelihood
<b>TWSP</b>	Training for Work Scholarship Program
<b>UCCA</b>	Urban Carrying Capacity Assessment
<b>UHC</b>	Universal Health Care
<b>UHC IS</b>	Universal Health Care Integration Sites
<b>UN</b>	United Nations
<b>UN-CLCS</b>	UN - Commission on the Limits of the Continental Shelf
<b>UNCLOS</b>	United Nations Convention on the Law of the Sea
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UNICEF</b>	United Nations Children's Fund
<b>UNOCT</b>	United Nations Office of Counter-Terrorism
<b>UNODC</b>	United Nations Office on Drugs and Crime
<b>UN-SEEA</b>	UN - System of Environmental-Economic Accounting
<b>UP</b>	University of the Philippines
<b>UP-PGH</b>	UP - Philippine General Hospital
<b>URAF</b>	Unified Resource Allocation Framework
<b>USA</b>	United States of America
<b>USF</b>	Universal Service Fund
<b>ValACE</b>	Valenzuela City Academic Center for Excellence
<b>VALUES</b>	Valuation and Accounting of Ecosystem Services
<b>VAT</b>	Value-added Tax
<b>VAW</b>	Violence against Women

<b>VAWC</b>	Violence against Women and Children
<b>VR</b>	Virtual Reality
<b>VS</b>	Virtual Store
<b>WASH</b>	Water, Sanitation, and Hygiene
<b>WD</b>	Water District
<b>WDDSP</b>	Water District Development Sector Project
<b>WEF</b>	World Economic Forum
<b>WESM</b>	Wholesale Electricity Spot Market
<b>WGI</b>	Worldwide Governance Indicators
<b>WHO</b>	World Health Organization
<b>WildALERT</b>	Wildlife Agency and Citizen Law Enforcement Reporting Tool
<b>WIPO</b>	World Intellectual Property Organization
<b>WIT</b>	Women in Transformation
<b>WMIM</b>	WESM Mindanao Implementation Meetings
<b>WRC</b>	Water Regulatory Commission
<b>WSP</b>	Water Service Provider
<b>WSS</b>	Water Supply and Sanitation
<b>WtE</b>	Waste-to-Energy
<b>ZOD</b>	Zero Open Defecation





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32<sup>nd</sup> and 34<sup>th</sup> Floors, Mega Tower, EDSA Corner

Julia Vargas Avenue, Ortigas Center, Mandaluyong City

Trunkline: +632 8631 0945 to 56

Email: [devinfo@neda.gov.ph](mailto:devinfo@neda.gov.ph)

Website: [neda.gov.ph](http://neda.gov.ph)

   NEDAhq

