



UPDATED Philippine Development Plan 2017-2022

ABRIDGED VERSION





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Philippine
Development Plan
2017-2022

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**Updated Philippine Development Plan 2017-2022
Abridged Version**

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Table of Contents

Part 1	INTRODUCTION	5
	Embracing AmBisyon Natin 2040	5
	A Plan with a Vision: The Philippine Development Plan 2017-2022	5
	Reforms Instituted	6
	Results Delivered	7
	Directive for the Next Two Years: Focus on Recovery and Resilience	8
	Keeping the Long View	9
	Global and Regional Trends and Prospects	9
	Overlay of Economic Growth, Demographic Trends, and Physical Characteristics	12
	Philippine Development Plan 2017-2022 Overall Framework	14
Part 2	BUILDING A HIGH-TRUST SOCIETY (“MALASAKIT”)	18
	Ensuring Responsive, People-Centered, Technology-Enabled, and Clean Governance	18
	Pursuing Swift, Fair, and Humane Administration of Justice	20
	Promoting Philippine Culture and Values towards <i>Bayanihan</i>	21
Part 3	TRANSFORMING TOWARDS EQUITY AND RESILIENCY (“PAGBABAGO”)	23
	Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries and Ensuring Food Security	23
	Expanding Economic Opportunities in Industry	27
	Expanding Economic Opportunities in Services	29
	Expanding Access to Economic Opportunities in I&S for Startups, MSMEs, and Cooperatives	30
	Human Capital Development Towards Greater Agility	32
	Ensuring Food Resiliency and Reducing Vulnerabilities of Filipinos	35
	Building Safe, Resilient, and Sustainable Communities	37

Part 4	INCREASING GROWTH POTENTIAL (“PATULOY NA PAG-UNLAD”)	40
	Reaching for the Demographic Dividend Across All Regions	40
	Vigorously Advancing Science, Technology, and Innovation	42
Part 5	ENABLING AND SUPPORTIVE ECONOMIC ENVIRONMENT	44
	Ensuring Sound Macroeconomic Policy	44
	Promoting Competition	46
Part 6	FOUNDATIONS FOR SUSTAINABLE DEVELOPMENT	48
	Attaining Just and Lasting Peace	48
	Ensuring Security, Public Order, and Safety	50
	Accelerating Infrastructure Development	51
	Ensuring Ecological Integrity, Clean and Healthy Environment	54
Part 7	PROTECTING THE RIGHTS, PROMOTING THE WELFARE, AND EXPANDING OPPORTUNITIES FOR OVERSEAS FILIPINOS	56

1 INTRODUCTION

The long-term vision remains the same, and has become even more pronounced with the emergence of new threats

Embracing AmBisyon Natin 2040



Every Filipino aspires to enjoy a “*matatag, maginhawa, at panatag na buhay.*”

This is *AmBisyon Natin 2040*. The Vision, crafted in 2015 from the results of an extensive nationally-representative survey and various consultations with Filipinos, reveals the many dimensions of well-being that we value the most: strong family and community ties, a comfortable lifestyle, and a secure future.

Sensitive to these aspirations, the Duterte administration has embraced the mission to enable and empower every Filipino to achieve his or her *AmBisyon*. Adopted through Executive Order No. 5, series of 2016, *AmBisyon Natin 2040* now serves as a guide for medium-term development planning across at least four political administrations. (See Annex 1)

A Plan with a Vision: The Philippine Development Plan 2017-2022

The Philippine Development Plan (PDP) 2017-2022 is the first medium-term plan geared towards this long-term vision. The PDP takes off from the Duterte administration's 0 to 10-Point Socioeconomic Agenda. The strategic framework of the plan is guided by *AmBisyon Natin 2040* where the overarching goal is to lay down the foundation for inclusive growth, a high-trust and resilient society, and a globally-competitive knowledge economy.

The strategies to achieve this objective are organized under the three major pillars of “*Malasakit*,” “*Pagbabago*,” and “*Patuloy na Pag-unlad*.”

Malasakit is about building trust. *Pagbabago* is about reducing inequalities. *Patuloy na Pag-unlad* is about sustainable growth and development over the long term.

Supporting these pillars are policies and programs to ensure sound macroeconomic fundamentals and promote healthy competition. These are necessary for sustaining growth and making it equitable.

Furthermore, realizing the importance of rectifying or improving initial conditions that are the foundations for sustainable development, the PDP 2017-2022 contains policies and programs to ensure lasting peace, security, and public order and safety; accelerate infrastructure development; and address environmental concerns. These are crucial for all other strategies to work.

This PDP also gives deliberate attention to the special circumstances of Overseas Filipinos and their families. The Plan aims to give them opportunities to actively participate in the country’s development processes and for them to eventually reintegrate into the country.

Reforms Instituted

Running on a platform of change and in order to achieve the overarching goal, the Duterte administration has introduced a number of much-needed and long-awaited reforms, some of which have been institutionalized through legislation.

Under the *Malasakit* pillar, we have the PhilSys Act providing for a National ID system while the Ease of Doing Business and Efficient Government Service Delivery Act; and the Seal of Good Local Governance Act are aimed at better governance. There are also reforms to improve justice administration and promote Philippine culture and values.

For the *Pagbabago* pillar, several game-changing reforms were enacted to make the different sectors of the economy efficient and inclusive and to address the needs of the poor, marginalized, and vulnerable sectors of society.

As for *Patuloy na Pag-unlad*, we now have laws to encourage innovation, to advance Science and Technology, and to manage population growth to ensure

that dependents – children and elderly – can be adequately supported by our productive workforce.

Moreover, we have also enacted reforms to promote peace and security through the Adoption of the National Peace Framework and the Bangsamoro Organic Law, among others. We have made significant strides in policy reforms to address infrastructure challenges, protect the environment and promote ecological integrity, as well as improve disaster prevention and risk management.

These transformational reforms are expected to yield net benefits to society and even provide a robust foundation on which to build resiliency.

Results Delivered

The 2022 promise of lifting 6 million Filipinos out of poverty was achieved in 2018, four years ahead of schedule. The Philippines recorded the lowest poverty incidence (16.7%) as of 2018.

The country had a strong economic growth performance (6.6% average from 2016 to 2019) and low and stable inflation (3% average from 2016 to 2019) enabled by the Rice Tariffication Law. The Philippines had a strong fiscal position—highest revenue (16.1%) and lowest debt (39.6%) as shares of Gross Domestic Product (GDP) in 2019, enabled by tax reform.

The Build, Build, Build infrastructure program doubled as a share of GDP compared to the past five decades (4.5% of GDP or 882 billion pesos in 2019). The country also had the highest ever credit rating in the range of BBB+ to A-. As of January 2020, Philippines had among the lowest unemployment (5.3%) and underemployment (14.8%) rates. The progress in achieving the 10-point socioeconomic agenda is advancing strongly.

With the achievements in the past few years, the Philippines was actually poised to become an upper middle-income country were it not for the pandemic caused by the coronavirus disease 2019 (COVID-19).

Unlike previous experiences with climate-, weather- and human-induced calamities, the immediate interventions that have been proven effective for this pandemic are those that restrict social and economic activities. Quite expectedly, these yielded undesirable social and economic outcomes.

Without doubt, the pandemic and its adverse economic impact are testing the economy like never before. But unlike past crises, the Philippines is now in a much stronger position to address this one.

It is also important to keep in mind that the emergence of new threats has only reinforced the commitment to achieve the Filipino people's collective vision. Our long-term vision, *AmBisyon Natin 2040*, remains the same, and has even become more pronounced now.

We need to manage this crisis and get back on track as quickly as possible. Certainly, it is not an easy task. The challenge, therefore, is to be able to implement well-crafted measures that address the health crisis while steering the economy towards social and economic recovery.

Directive for the Next Two Years: Focus on Recovery and Resilience

The PDP has been updated to focus its strategies towards having a healthy and resilient Philippines, while facilitating economic recovery.

Moreover, the Updated PDP contains five major programs designed to build the resilience of individuals, families, business, government, and society under the new normal. These programs are integrated into the previous strategies and are as follows:

- health system improvement,
- food security and resiliency,
- learning continuity,
- digital transformation, and
- regional development.

While the accomplishments with respect to social, economic, and environmental outcomes have been impressive, the past three years has demonstrated that there are limits to the country's infrastructure and investment capacities.

To address these limitations, the PDP will pursue the enactment of reforms to:

- ease financial capital constraints resulting from the pandemic,
- increase strategic investments, including Foreign Direct Investments (FDI),
- ease human capital constraints,
- improve governance over the management of resources,
- improve governance over the environment, and
- expand market linkages for micro, small, and medium enterprises (MSMEs).

Keeping the Long View

We now realize that twenty years until 2040 is a long time and many challenges may come at any time and place obstacles along the way; COVID-19 may just be one of these. It is important to quickly recover lost ground, ensure sustainability of the gains by building resilience, then get back on track towards *AmBisyon Natin 2040*.

In the remaining Plan period, the Duterte administration is renewing its commitment to enable and empower every Filipino to enjoy a *matatag, maginhawa, at panatag na buhay*.

Global and Regional Trends and Prospects



While some of the trends identified three years ago remain relevant, the COVID-19 pandemic is expected to exert an unprecedented impact on global and regional developments over the next few years. The Philippines will have to nimbly maneuver through various health, environmental, economic, social, political, and technological trends as it pursues development towards a healthy and resilient Philippines.

Health and Environmental Trends

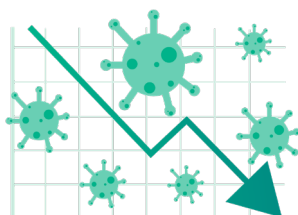
Since the COVID-19 outbreak was first reported in China in December 2019, arresting its spread and impact has been at the forefront of policymakers' priorities.

As public health and economic concerns are closely intertwined, we need to carefully monitor the pandemic's evolution here and abroad, subsequent lockdowns, and vaccine development. Currently, several countries are reintroducing restrictions, especially due to new strains detected among patients. Nonetheless, there has been positive news with several vaccines being developed and some already being rolled out.



Meanwhile, climate change remains a primary concern with more extreme temperatures, emissions reaching record highs, and sea levels rising. Human activities are estimated to have resulted in a 1.0 degree Celsius (°C) global warming above pre-industrial levels. If it continues to increase at current rates, the world is expected to be warmer by 1.5°C between 2030 and 2052. Indeed, our country is one of the most vulnerable given our exposure to extreme weather events and long coastlines.

Economic Trends



In terms of economic growth, the International Monetary Fund (IMF) expects global growth to enter recession with a plunge of 4.4 percent in 2020, before rebounding by 5.2 percent in 2021. Economies across the region are expected to contract, with exceptions such as China and Vietnam, while it will take up to 2021 or even 2022 before other countries are

able to return to pre-pandemic levels.

Global trade had already been slowing since 2019, but this will be compounded by weaker external demand, terms-of-trade losses, and supply chain disruptions as a result of COVID-19-related economic restrictions. At the same time, protectionist tendencies are at an all-time high, with United States-China tensions expected to persist even under the Biden administration. Sectors with more complex value chains and services trade are among the most vulnerable.

The United Nations (UN) forecasts that it will take several years before global FDI flows can return to pre-pandemic levels, as the pandemic is expected to accelerate existing trends of economies turning inwards via rationalization of international operations, reshoring, nearshoring, and regionalization.

Governments across the world have injected “unprecedented” fiscal stimulus to arrest the economic hit of the Great Lockdown Recession. With slowing economies and falling revenue collections, the IMF thus expects budget deficits and sovereign debt-to-GDP ratios to increase over the medium-term.

Lastly, there has been broad-based monetary easing bias across central banks as inflation remains low and especially as countries experience slowing growth.

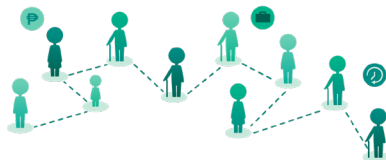
Political Trends

On the political side, countries have been turning inwards with the rise of populism, separatism, and geopolitical tensions. The shift away from multilateralism has gathered steam and may persist over the next three years. This shift has had a substantial impact on international policy discussions in the areas of trade, migration, environment, and security, among others.



Global uncertainty has thus increased – consequently dampening investor and business sentiment, as well as the outlook for global growth moving forward.

Social and Demographic Trends



As for social and demographic trends, long-term global demographic trends are expected to persist despite the pandemic outbreak.

Namely, a growing but varying population in terms of growth rates, improving life expectancies, and falling fertility rates. Total dependency ratios will be influenced by ageing population trends in East Asia, and growing working age populations for certain Southeast Asian countries. International migration will continue – driven by demand for migrant workers, widening income gaps, or trends of violence, insecurity, and armed conflict within the home countries.

On the other hand, the pandemic has highlighted and exacerbated existing social vulnerabilities and inequalities. In this situation, unemployment rates are expected to increase, while progress in reducing global poverty will be delayed by over three to four years. The World Bank expects 88 to 115 million people will be pushed into extreme poverty, with majority to come from middle-income countries.

Technological Trends

Lastly, in terms of technological trends, the trend of Production Revolution and Industry 4.0 – with advancements in Artificial Intelligence (AI),



automation, blockchain, and the Internet of Things (IoT) – will continue to make progress.

Indeed, this may be further fast-tracked as a result of COVID-19's needed “new normal” with the increased demand for contactless digital services. At the same time, these technological advancements carry underlying risks for infrastructure, employment, privacy, and cybersecurity, which must be carefully assessed and managed.

Overlay of Economic Growth, Demographic Trends, and Physical Characteristics

Economic and Demographic Trends

The population size and distribution determine the magnitude and structure of an economy. This can result in varying concentrations of production and consumption in cities and municipalities, and in their respective regions. For the Philippines, the noticeable trends are as follows:

- Total population continues to increase, projected to be at 110.1 million in 2021. This is expected to increase to 115 million by 2025. While the overall growth rate is decreasing, population will remain high given the large base population of the country.
- The National Capital Region (NCR) has the highest share in GDP, but its growth is slower compared to some other regions.
- Most regions with larger populations also have larger gross regional domestic product (GRDP), with few exceptions. The cities or group of cities within these regions contribute largely to the regions' population size and economic development.

These imply that certain locations tend to generate more economic activities as they attract establishments and people looking for opportunities. Thus, economic growth also tends to be concentrated in few locations, leaving other areas behind. Yet growth in urban areas can also cause pollution and congestion, as seen in NCR despite the slowdown in its population growth in recent years.

The National Spatial Strategy

The national spatial strategy (NSS) sets the direction of future growth, recognizing population, geography, and the role of cities as engines of economic growth, with infrastructure as the one providing the efficient connected networks of sustainable urban and rural communities.



The three component strategies under the NSS are as follows:



Regional agglomeration

This seeks to build on the efficiencies and maximize the benefits of scale and agglomeration economies. It encourages the development of key urban centers where growth potentials are higher and can be realized faster. It will be supported by suitable physical and human infrastructure, other social and economic services, and efficient urban management.



Connectivity

This strategy aims to (a) connect the settlements to form an efficient network; (b) equalize opportunities across space; and (c) address socioeconomic inequalities by linking lagging regions with leading ones.



Reduction of vulnerability

The NSS aims to make vulnerability reduction an integral part of development to reduce the impact of climate change and disasters on the community. This includes physical development interventions such as redundant infrastructure, river basin management, and other disaster-mitigating measures.

Providing the spatial directions to the *Balik Probinsya, Bagong Pag-asa* (BP²) Program

The BP² program was established in May 2020 through Executive Order No. 114. The program aims to promote balanced regional development and equitable distribution of wealth, resources, and opportunities.

The program, which will have short-, medium- and long-term components, will provide the mechanism for convergence among regional agencies and local governments in investing in sustainable rural development projects. Specifically, the BP² program is expected to evolve from government-assisted relocation to voluntary relocation of people from congested urban communities to more progressive rural communities. This can be achieved through empowering local industries, enhancing agricultural productivity, providing quality and efficient social services, and upgrading infrastructure.

The NSS will guide the implementation of the BP² program by providing the trends in settlements development and the roles of various urban centers in the country.

Philippine Development Plan 2017-2022

Overall Framework

In the first three years of PDP implementation, critical reforms were put in place to ensure that development is steered to enable all Filipinos to attain their *Ambisyon* and that economic growth is inclusive and sustainable to improve quality of life. At the midterm of Plan implementation, the world experienced the COVID-19 pandemic, which will have an indelible effect on the socioeconomic development of the country. The PDP has thus been updated to build on the gains in recent years and consider the imperatives for recovery and adapting to the new and better normal state of affairs. Moving forward, the health and resiliency of Filipinos will be prioritized as the foundation for achieving *AmBisyon Natin* 2040. As such, we will pursue the following in the remaining Plan period:

- The Philippines will be an upper middle-income country by 2022.
- Growth will be more inclusive as manifested by a lower poverty incidence – from 23.5 percent in 2015 to 14 percent in 2022.
- The Philippines will maintain an increasing high level of human development by 2022.
- The unemployment rate will be managed between 7 to 9 percent in 2021 and 2022.
- There will be greater trust in government and in society.
- There will be expanded access to opportunities and individuals and communities will be more resilient.
- Filipinos will have greater drive for innovation.

Strategic outcomes

The PDP 2017-2022 strategic framework was updated to align it with the imperatives for recovery and the new and better normal within the overall goal of a healthy and resilient Philippines.

We have maintained the overall original structure of the strategic framework, but have tweaked some strategies so that we include those that will build the resilience of the country.

The major strategic outcomes are the following:



Pillar 1. Building a high-trust society (*Malasakit*): This is to regain people's trust in public institutions and cultivate trust among fellow Filipinos. It covers issues on governance, justice, and culture and values so that citizens can eventually trust government and trust each other.

Pillar 2. Transforming towards equity and resiliency (*Pagbabago*): This is to ensure economic and social opportunities for all, to transform society, and achieve equity and resiliency. The pillar consists of strategies to expand economic opportunities, accelerate human capital development, reduce vulnerability, and build safe and secure communities.

Pillar 3. Increasing growth potential (*Pag-unlad*): This is to accelerate and sustain future growth. It covers population and demographic issues and consists of strategies to promote science, technology, and innovation.

Enabling and supportive economic environment: The strategies included will support the *Pagbabago* and *Patuloy na Pag-unlad* pillars, and covers macroeconomic and competition issues to allow businesses to flourish.

Foundations for sustainable development: These are the bedrock strategies that support all the three pillars of the PDP. These include strategies to attain peace; ensure security, public order, and safety concerns; accelerate infrastructure development; and address environmental concerns.

Protecting the rights, promoting the welfare, and expanding opportunities for overseas Filipinos: The PDP also gives deliberate attention to the special circumstances of overseas Filipinos (OFs) and their families, with the aim of empowering them to achieve their aspirations towards their eventual reintegration and active participation into the country's development processes.

Structure of the Updated PDP Document

The PDP document is organized into seven parts following the Overall Strategic Framework. The full document can be accessed online at pdp.neda.gov.ph

Part 1 provides the overall context for the plan.

Part 2 is about building a high-trust society (*Malasakit*).

Part 3 stresses the importance of ensuring economic and social opportunities for all (*Pagbabago*).

Part 4 focuses on accelerating and sustaining future growth (*Patuloy na Pagunlad*).



Part 5 calls for a supportive economic environment and promotes competition.

Part 6 is about establishing strong foundations for inclusive and sustainable development.

Finally, Part 7 lays out the strategies needed to protect the rights, promote the welfare, and expand opportunities for OFs in order for them to contribute to the country's development and reintegrate into our society upon their return.

The PDP also contains a set of reforms requiring legislation. A section on Legislative Agenda is added to each chapter to be submitted to the Legislative-Executive Development Advisory Council for consideration.

2 BUILDING A HIGH-TRUST SOCIETY (“MALASAKIT”)



The *Malasakit* pillar is about building a high-trust society—for the people to trust in government institutions and for Filipinos to trust in each other. In order to do this, strategies to fast-track the digital transformation of government, especially its public-facing transactions, are included. There are also strategies for promoting values for the common good, supporting creativity, and strengthening cultural identity.

Ensuring Responsive, People-Centered, Technology-Enabled, and Clean Governance

The Plan aims to build transparent, accountable, and effective institutions resulting in efficient delivery of public services and high public trust. Over the past three years, major reforms in the governance sector increased the access to and quality of frontline services. The next step is to expedite the implementation of these laws. The government will accelerate its shift to digital platforms for citizen engagement, service delivery, capacity building, and accountability and anti-corruption mechanisms.



Strategies

The revised strategies maintain a culture-sensitive perspective, gender-sensitive paradigm, and rights-based approach to public service. The framework has been expanded to mainstream technology across all subsector outcomes and to improve the agility of the government to adapt to the

new normal. Further, a whole-of-society approach will be implemented to strengthen convergence in achieving the sectoral outcomes.



To broaden participatory governance

- Proactively seek citizens' perspectives for responsive government interventions.
- Ensure public access to transparent, strategic risk communication.
- Intensify organizational and electoral reforms.



To ensure seamless service delivery

- Strengthen the whole-of-government approach in the delivery of key services.
- Enhance regulatory quality.
- Boost capabilities of local government units (LGU) as first responders and frontline service delivery units.



To develop smart and resilient public organizations and future-ready public servants

- Strengthen competencies for innovation, anticipatory planning, risk management, and emergency response.
- Continue training and capability advancement of government executives and high-level civil servants.
- Promote shared public sector values.
- Integrate risk assessment and anticipatory response in human resource (HR) policies, programs, and systems.



To strengthen public accountability and integrity

- Engage citizens in anti-corruption drives.
- Integrate anti-corruption measures in risk reduction and management framework for disasters and other forms of crisis.
- Strengthen monitoring and enforcement mechanisms for accountability.

Pursuing Swift, Fair, and Humane Administration of Justice



The focus is on adopting a sector approach from a fragmented mode of delivering justice, thus streamlining and harmonizing processes across the different agencies in the executive and judiciary branches of the government. Justice sector agencies will maximize the use of digital platforms in ensuring swift, fair, and humane administration of justice amidst such disruptions. Coordination and cooperation among justice sector agencies will further be strengthened and the agencies will continuously streamline and improve processes within the different pillars of the justice system.

Strategies

The revised strategies support the pursuit of a whole-of-sector approach and streamlined interdependence among the justice sector institutions. Additional emphasis is given to the pursuit of a more humane justice system. The government will sustain current reforms being undertaken and strengthen existing structures and systems.



To streamline ICT-enabled criminal, civil, and economic justice processes

- Streamline processes for speedy resolution of criminal and civil cases.
- Ensure access to justice by the poor, vulnerable, and marginalized groups.
- Pursue jail decongestion and corrections reform.



To improve sector efficiency and accountability

- Strengthen justice sector coordination.
- Enhance sector efficiency.
- Increase transparency, accountability, and citizen engagement.

Promoting Philippine Culture and Values towards *Bayanihan*



The government's greater awareness and recognition of the role of culture in the country's socioeconomic development prompted significant foundational efforts in the sector. Moving forward, the government will ensure that the initial gains will be sustained to eventually establish sustainable mechanisms for cultural development from the national to local levels. The Filipino spirit of bayanihan will be invoked to enable the whole-of-government and whole-of-society response and recovery from the pandemic.

Strategies

This will be done by raising awareness and understanding of our diverse cultures, implementing a National Values Formation Program based on our shared values, nurturing Filipino creativity for social impact, and mainstreaming culture-sensitivity in governance and development.



To inculcate values for the common good

- Implement a whole-of-government and whole-of-society National Values Formation Program.



To value our diverse culture

- Adopt resilience measures in the design and use of cultural assets across the country, including historic and cultural infrastructures, to address the new normal.
- Intensify the development, production, dissemination, and liberalization of access to information on Filipino culture.
- Strengthen cultural diplomacy and promotions overseas.



To advance pagkamalikhain or creative excellence

- Promote a resilient and inclusive Philippine creative economy.
- Create platforms and mechanisms to support Filipino creativity for collaboration and *bayanihan*.



To strengthen culture-sensitive governance and development

- Pursue institutional and policy reforms for cultural development.
- Strengthen the protection of the right to access cultural resources by whole-of-society, with special attention to the needs of vulnerable sectors (indigenous peoples, women, youth and children, persons with disability, senior citizens, and Muslim Filipinos).
- Strengthen mechanisms to measure, evaluate, coordinate, and consolidate efforts towards cultural development.
- Institutionalize and intensify heritage conservation and management in cultural and tourism development plans and programs.

3 TRANSFORMING TOWARDS EQUITY AND RESILIENCY (“PAGBABAGO”)



Under the *Pagbabago* pillar, economic and social opportunities will be ensured for all in order to transform society and achieve equity and resiliency, and in particular, towards the digital economy. Hence, this will also include digital transformation of the agriculture, industry, and services sectors as well as increase the provision of training on digital skills to the workforce. Safe, secure, and resilient communities

will be built, with emphasis on community-led implementation to develop affordable and accessible human settlements.

Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries and Ensuring Food Security



The updated Plan targets small farmers, fisherfolk, and micro, small, and medium enterprises (MSMEs) to ensure that the groups that lag behind will benefit from these opportunities. The first half of Plan implementation was focused on improving the delivery of support services prioritizing small farmers and fisherfolks (SFFs) on financing, insurance, technologies, and intensified market matching, complemented by major policy reforms that created opportunities to pursue diversification and overall rural development. Table 8.1 in the full PDP document presents the targets corresponding to the sector outcome indicators under this chapter. Targets for outcome indicators on food security shall be cross-referred to Chapter 11.

Strategies

The COVID-19 pandemic and community quarantine has put greater emphasis on food security in the transition to the new and better normal. Thus, to contribute to the goal of achieving a healthy and resilient Philippines, the agriculture, forestry, and fisheries (AFF) sector will adopt a holistic value chain approach, guided by science-based decision support tools, towards ensuring availability, accessibility, and affordability of nutritious food while continuously addressing persistent challenges faced by the sector.

Sustainable and resilient production and food availability will be ensured.
To do so, the government will:



Improve AFF productivity within ecological limit

- Optimize the use of science-based decision support tools and methodologies to improve resilience and productivity within ecological limit and increase the income of farmers and fisherfolk.
- Pursue an ecosystems approach to fisheries management, including operationalizing fisheries management areas (FMA) to provide for a science-based, participatory, transparent governance framework and mechanism to sustainably manage fisheries.
- Strengthen the promotion of intercropping and integrated farming systems.
- Intensify the promotion of urban agriculture, backyard/household gardening of edibles and backyard animal raising, and community gardening.
- Effectively implement the Rice Competitiveness Enhancement Fund (RCEF) in a timely manner to assist rice farmers during the transition period given the removal of the quantitative import restrictions (QR) on rice.



Intensify development and adoption of modern, climate- and disaster-resilient production technologies

- Accelerate irrigation development, especially the construction of disaster- and climate-resilient small-scale irrigation systems and retrofitting of existing ones, to be guided by a National Irrigation Master Plan (NIMP).
- Intensify research and development (R&D) activities for AFF, including the development and commercialization of appropriate technologies to improve productivity, reduce post-harvest losses, and enhance risk resilience.

- Intensify the provision of appropriate farm and fishery machineries, equipment, and facilities.
- Enhance the capacity of farmers and fisherfolk to adopt new and better technologies.
- Strengthen the AFF extension system as a whole.



Increase and protect access of small farmers and fisherfolk to land and water resources

- Fast-track and complete the parcelization of collectively-titled awarded lands and generation of individual titles to address investor uncertainty and facilitate investments in agrarian reform areas.
- Strictly enforce and monitor the implementation of existing laws, rules, and regulations on land reclassification and conversion.
- Issuance of the guidelines by the Bureau of Fisheries and Aquatic Resources (BFAR) on the delineation of municipal waters for LGUs with off-shore islands (*see Chapter 20*).
- Establish a regulatory framework and formulate specific guidelines on implementing usufruct arrangement for AFF purposes.

Access to markets of small farmers and fisherfolks will be expanded. This will be achieved through the following strategies:



Increase AFF-based enterprises

- Strengthen AFF sector linkage to industry sector through innovative production, processing, value-adding, and marketing schemes.
- Capacitate small farmers, fisherfolk, and MSMEs in diversifying into commodities with high value-adding and market potential.
- Adopt Geographic Indications (GIs) to improve the marketability and traceability of products and ensure quality standards.
- Establish and/or update, and increase access of SFFs and other AFF stakeholders to timely and reliable agricultural market information systems.
- Encourage the private sector to invest in agri-based enterprises.
- Strengthen community-based enterprises in upland communities.



Increase access to innovative, affordable, and adequate financing

- Provide access to affordable formal credit to start, restore, sustain, and expand AFF-based livelihood activities and businesses.
- Continue to implement credit programs with low interest and flexible terms for SFFs and AFF-based enterprises.
- Expand agricultural insurance coverage.



Increase access to digitally-supported value chains

- Provide efficient transport and logistics systems to link production areas to markets and ensure unhampered movement of agriculture and fisheries (A&F) goods and services.
- Strengthen online marketing of agriculture and fishery products, including the establishment of online or digital channels for transactions and delivery services.
- Organize small farmers and fisherfolk into formal groups and promote farm and fishery consolidation and clustering arrangements to bring about economies of scale.
- Link small farmers and fisherfolk groups to government nutrition programs (e.g., supplemental feeding programs, etc.), hospitals, and other facilities, as suppliers.
- Intensify the implementation of the Philippine Competition Law and the Price Act to regularly monitor the price of food and essential commodities and address anti-competitive trade practices and illegal price manipulation.

This strategy on increasing the access to digitally-supported value chains will also be employed to **improve access of consumers to nutritious, affordable, and safe food**. Moreover, the government will also take strategic steps to:



Enforce food safety standards and regulations

- Strictly implement food safety measures, quarantine procedures, and other existing rules and regulations in managing risks and addressing food safety and quality standards.



Increase development and adoption of food preservation technologies

- Develop processing and packaging technologies to prolong shelf life and improve nutritional content of agriculture and fishery products.

These will further be supported by the following **cross-cutting strategies** which will be carried out by the government:



- Strengthen coordination and convergence of government agencies in undertaking joint planning, monitoring, and budgeting for priority programs and projects.
- Utilize and regularly update the A&F management information systems as a strategic targeting mechanism for identification and prioritization of beneficiaries and agriculture-related programs and services (e.g., Registry System for Basic Sector in Agriculture (RSBSA), Agricultural and Biosystems Engineering Management Information System (ABEMIS), etc.).
- Institutionalize the El Niño Task Force as a permanent body rather than an ad-hoc task force, to ensure the preparedness of the AFF sector.
- Promote agribusiness courses and training programs (e.g., farm tourism, enterprise development, etc.) under collaborative schemes.
- Intensify activities on increasing resilience of the AFF sector to climate and disaster risks (*see Chapter 20*).

Expanding Economic Opportunities in Industry



The refined Industry sector strategies aim to increase the sector's output by leveraging Industry 4.0 technologies and ushering in the growth of the digital economy. In the past three years, the industry sector's contribution to overall growth remains within its 10-year average, although the recent decline in output reflected lower domestic demand exacerbated by supply chain disruptions and policy uncertainty. Table 9.1 in the full PDP document presents the targets corresponding to the sector outcome indicators under this chapter.

Strategies

The sector will operationalize the Inclusive Innovation and Industrial Strategy to boost capacity of local enterprises, adopt inclusive business models, and strengthen the startup ecosystem. The government will prioritize reforms to support the digital economy as these are essential elements for the new normal.

Economic opportunities in industry across regions will be expanded. To do so, the government will implement the following strategies:



Expand market production

- Facilitate business-matching activities across regions via technology-enabling platforms.
- Support the repurposing of manufacturing production.
- Maximize opportunities in bilateral, regional, and global integration and optimize the utilization of existing free trade agreements (FTA) (see Chapter 15).



Increase production capacities

- Improve access to new technology and innovation.
- Enhance labor capacities to equip the future workforce to be Industry 4.0-ready.
- Improve access to finance (see Chapters 9C and 15 for detailed strategies).

Access to economic opportunities in industry including the digital economy will be expanded. The government will:



Increase competitiveness, innovativeness, and resilience of industry

- Develop high value-added, competitive, and resilient sectors.
- Encourage entrepreneurship leveraging technology-enabled business models.
- Improve ease of doing business to boost industry expansion through digital transformation.
- Harmonize and strengthen the National Quality Infrastructure (NQI) System.



Ensure consumer access to safe and quality goods and services

- Continue vigilance on product safety, value for money, and access to quality goods and services.
- Promote and strengthen consumer protection to cover digital transactions.

Expanding Economic Opportunities in Services



The role of the services sector needs to be maximized, being an integral backbone to a wide range of domestic and global industries. The services sector has established its position in recent years as the main driver of economic growth, top GDP contributor, and biggest employer of the country. However, with the sudden halt of major subsectors such as tourism and transport services, a shift to more digital-based services is needed to propel the services sector as part of the supply chain of high-value services in the global market. Hence, the necessary reforms to attract investments and push relevant services sub-sectors to become more competitive will be prioritized. Table 9.1 in the full PDP document presents the targets corresponding to the sector outcome indicators under this chapter.

Strategies

The strategic framework has been reconfigured to include strategies that respond to the rapid changes under the post-pandemic “new normal” scenario. Expanding economic opportunities and increasing access to these opportunities across regions in the services sector are still the main objectives. These can be facilitated more effectively by maximizing the potential of the digital economy.

Opportunities in services across regions will be expanded. For this to happen, the government will:



Improve market access

- Maximize opportunities that expand access to existing and new markets under the ASEAN FTAs and other preferential agreements with key trading partners.

Access to economic opportunities in services including the digital economy will be expanded. The following strategic directions will be implemented by the government:



Increase competitiveness, innovativeness, and resilience

- Improve the business environment.
- Develop high value-added, competitive, and sustainable sectors.
- Accelerate the recovery of the tourism and travel industry.

- Improve access to technology and innovation.
- Enhance labor capacities in the services sector (*see also Chapter 11*).
- Strengthen the Philippines' e-commerce industry.
- Upgrade logistics services (*see also Chapter 19*).



Ensure consumer access to safe and quality goods and services

- Continue vigilance on product safety, value for money, and access to quality goods and services.
- Promote consumer protection.

Expanding Access to Economic Opportunities in I&S for Startups, MSMEs, and Cooperatives



Critical policy reforms have been introduced in recent years to assist startups, MSMEs, and cooperatives in gaining access to finance and production networks, as well as enhance their productivity, efficiency, and resilience. However, full implementation has been impeded by the unprecedented spread of COVID-19. In response, the government has formulated urgent interventions to revive consumer and business confidence. In laying down a healthy and resilient Philippines, the medium-term strategies will leverage the digital economy and put in place antifragility measures.

Strategies

The strategic framework includes interventions which will address the constraints of operating under the new normal, attract further investments, and increase the resilience of startups, MSMEs, and cooperatives.

Economic opportunities in industry and services (I&S) for startups, MSMEs, and cooperatives across regions will be expanded. The strategies to achieve this are as follows:



Increase total investments

- Facilitate growth of startups and MSMEs by incentivizing their expansion and subsequent upgrade.

- Relax foreign equity restrictions, rationalize investment incentives, and promote job-creating investments.
- Improve the business climate, especially by creating a startup-friendly environment.
- Accelerate investment promotion activities.



Improve access to finance

- Support transition to the formal economy of micro and small enterprises.
- Facilitate access to finance of startups, MSMEs, and cooperatives.

Access of startups, MSMEs, and cooperatives to economic opportunities in I&S including the digital economy will be expanded. The government will implement the following strategies in order to do so:



Improve access to production networks

- Utilize digital platforms in mapping out value and supply chains.
- Create linkages between startups, MSMEs, cooperatives, and other large enterprises (LEs).
- Support integration of SMEs into global value chains (GVC).
- Improve logistics (*see Chapter 9B*).



Improve productivity, efficiency, and resilience

- Increase access to appropriate technology, including adoption of digital platforms.
- Strengthen innovation capacities of startups, MSMEs, and cooperatives.
- Promote the use of accredited certification, testing, inspection, verification, and calibration among MSMEs to ensure safety, reliability, and quality of their products and services.
- Improve access, quality, speed, and affordability of broadband communications technology for MSMEs.
- Ensure that all government agencies with productivity-enhancing initiatives are coordinated.
- Create a monitoring and evaluation (M&E) framework on government flagship programs for startups, MSMEs, and cooperatives.

- Establish relevant statistics for startups, MSMEs, and cooperatives.
- Undertake business continuity planning (BCP) and capacity building to enhance resilience.

Human Capital Development Towards Greater Agility



From 2017 to 2019, landmark reforms in the sectors of nutrition and health and education were institutionalized. The country was on the right track in accelerating human capital development by prioritizing reforms and investments in improving nutrition and health, education, and income-earning ability. However, Filipinos' poor health-seeking behavior and the fragmentation of health service delivery systems, exacerbated by the pandemic, pose a serious challenge that can undermine previous accomplishments. For a healthy and resilient Philippines, there is a need to ensure that individuals and people groups will have more options to develop their full potential.

Strategies

For the rest of the Plan period, the government will take strategic directions to address challenges—such as malnutrition, early pregnancy, and poor quality of education—that hamper the full realization of Filipinos' full potential, in addition to disruptions in service delivery due to the COVID-19 pandemic. Efforts will shift to strengthening strategies that transform the country's human capital towards greater agility.

Nutrition and health outcomes for all will be improved. The strategies to achieve this are as follows:



Guarantee care at all life stages

- Provide quality nutrition and health care interventions at all life stages.
- Promote a healthy lifestyle.



Ensure responsive and resilient health system

- Ensure access to essential quality and affordable health and nutrition products and services at appropriate levels of care.

- Upgrade and equip health facilities.
- Improve the status and supply of Human Resources for Health (HRH).
- Improve epidemiological and surveillance capacities of the country.



Sustain equitable health financing

- Secure sustainable investment on nutrition and health and ensure efficient and equitable use of nutrition and health resources.
- Expand health insurance coverage and improve nutrition and health packages.



Cross-cutting strategies for health and nutrition

- Institute a fully-integrated and interoperable health information system and database.
- Strengthen health research and development and evidence-based decision-making.
- Elicit multi-sector, multi-stakeholder support for nutrition and health.
- Ensure transparency, accountability, and regulatory measures in the nutrition and health sector.
- Strengthen leadership, management capacities, coordination, and support mechanisms.

Flexible lifelong learning opportunities for all will be ensured. The government will implement the following strategies:



Achieve quality, accessible, relevant, and liberating basic education for all

- Strengthen the implementation of the Early Childhood Care and Development (ECCD) Program.
- Aggressively implement reforms under *Sulong EduKalidad*.
- Implement the Basic Education Learning Continuity Plan (BE-LCP).
- Participate in International Large-Scale Assessments (ILSA).



Improve quality of higher and technical education and research for equity and global competitiveness

- Set up joint industry and government bodies for technical and vocational education and training (TVET) quality assurance.

- Enhance the implementation of Student Financial Assistance Programs.
- Boost Philippine competitiveness in international university rankings.
- Develop a roadmap for academic and technical programs responsive to the demands of FIRE.
- Intensify distance-learning methods to promote learning continuity and retooling.
- Boost cutting-edge research and innovation initiatives.



Cross-cutting strategies for education and learning

- Develop future-ready adult learning interventions.
- Modernize learning and teaching materials and methods.
- Promote graduate scholarships and teacher training programs.
- Maximize government-academe-industry collaborations and international partnerships to ensure alignment of competencies and labor requirements.
- Formulate guidelines on the internationalization of education.
- Develop an action plan to operationalize the Philippine Qualifications Framework (PQF).
- Develop an accessible sporting culture.

Income-earning ability will be increased and adaptability will be enhanced.
To do so, the government will implement the following:



Improve employability

- Further advance skills development and retooling through continuing education, training, and digital learning.
- Boost and expand employment facilitation services.
- Strengthen and expand internship, apprenticeship, and dual training programs.
- Ensure that flexible work arrangements allow members of the workforce to balance their household and work duties.



Improve productivity

- Enhance delivery of capacity building for productivity-based incentive schemes and business continuity plans.
- Ensure safety and health of workers amid intensified adoption of flexible working arrangements.
- Nurture workplace harmony.



Enhance labor mobility and income security

- Enhance income support and emergency employment.

Ensuring Food Resiliency and Reducing Vulnerabilities of Filipinos



The COVID-19 crisis further reinforced the country's determination to strengthen its social protection system towards ensuring the resilience, health, and well-being of Filipinos. Given the setback experienced during the pandemic, strategies are now targeted towards the provision of social protection for vulnerable groups. The proposed initiatives will guarantee that the country's social protection system is responsive to keep the country healthy and resilient as it adjusts to the changes brought about by emergencies and adapts to the new normal.

Strategies

Social protection programs have provided considerable contributions to the reduction of poverty, inequality, and vulnerability in the country. The current pandemic has amplified the importance of social protection programs and the need to enhance distribution systems. Thus, the strategic directions will gear towards proactively minimizing Filipinos' exposure to risks and increasing their capacities to manage shocks, such as setting up registries for vulnerable sectors, expanding coverage of the Social Security System (SSS), and instituting employment insurance schemes.



To ensure food resiliency

- Strengthen efforts to link food demand and supply.
- Strengthen the food fortification program.
- Encourage small-scale planting for the consumption of the households and community.
- Fully implement the *Masustansyang Pagkain para sa Batang Pilipino* Act (RA 11037) and provide nutritious food packs to children through the Supplementary Feeding Program and School-Based Feeding Program.
- Facilitate the provision of food and other necessities to vulnerable and high-risk individuals during emergencies.
- Provide designated service time for older persons and other groups highly susceptible to infection.

- Continue cash-for-work programs.
- Provide wage subsidy.



To mitigate risks faced by vulnerable groups

- Ensure financial risk protection through improved PhilHealth coverage and benefit packages.
- Strengthen the information, education, and communication (IEC) campaign on health and the available insurance and benefits.
- Implement a holistic approach in addressing child labor.
- Study the necessity of establishing a governmental body on Filipino families.
- Conduct advocacy programs aimed at preventing the occurrence of violence against women and children (VAWC).
- Implement community-based programs to address VAWC, including the development of a standardized VAWC manual.
- Increase social pension and expand its coverage.
- Conduct information campaign on disability.
- Improve the accessibility of social protection services for persons with disabilities.
- Implement measures to improve access of vulnerable individuals to necessities and support services and protect them from COVID-19.
- Ensure equitable access to the COVID-19 vaccine once available.
- Continue the implementation of minimum health standards.
- Reach out to Filipinos in Geographically Isolated and Disadvantaged Areas (GIDA).



To manage economic risks

- Broaden SSS coverage and benefits availment.
- Enhance people's access to unemployment insurance (UI) and related services.
- Conduct further studies on unemployment insurance.



To deal with natural hazards and human-induced shocks

- Provide rapid assistance and insurance for farmers and fisherfolk.
- Promote proactive disaster preparedness among individuals.

- Promote disaster-resilient infrastructure.
- Ensure the safety of disaster victims.
- Establish a menu of social protection programs to be implemented during disasters and emergencies.
- Continue building the capacities of disaster risk reduction and management (DRRM) stakeholders and improve coordination of services.



To address governance and political risks

- Integrate safeguards into development interventions and establish funding mechanisms for these safety nets.
- Provide persons of concern (POC) with access to protective services.



To achieve universal social protection

- Develop a Social Protection Code.
- Institutionalize a Social Protection Floor.
- Encourage proactive resilience of households, including savings mobilization.
- Fast-track the implementation of the PhilSys and synchronize the Listahanan with the PhilSys.
- Create a registry of vulnerable groups and address data constraints.
- Digitalize the delivery of social protection assistance and services.
- Monitor and evaluate Social Protection policies and programs.

Building Safe, Resilient, and Sustainable Communities



There is a growing shift from socialized housing to human settlements development in line with the new urban agenda of developing integrated neighborhoods and sustainable communities. The creation of the Department of Human Settlements and Urban Development (DHSUD) through RA 11201 is a major reform to effect better policy and program coordination, reform advocacy, and implementation. The pandemic further highlighted the growing need for adequate housing in well-planned communities to prevent overcrowding and ensure access to water and sanitation.

Strategies

The housing and urban development sector will contribute to strengthening the foundations for inclusive and sustainable development by building safe, resilient, and sustainable communities. The subsector outcomes are refocused on regulation, production, and financing.



To integrate public health goals in the design of human settlements

- Enforce strict compliance with building and design standards that consider public health goals.
- Mainstream local shelter planning that integrates public health goals in the Comprehensive Land Use Plans (CLUPs) of cities and municipalities.
- Operationalize the National Resettlement Policy Framework (NRPF).



To accelerate housing production that incorporates hazard and health standards

- Implement the National Urban Development and Housing Framework (NUDHF) 2017-2022.
- Fully mainstream whole-of-government action in voluntary resettlement initiatives.
- Strictly monitor the implementation of risk-based public health standards in housing and urban development-related activities.
- Include production of safe, livable, and resilient housing in the COVID-19 recovery and resiliency program.
- Implement unified seamless digitalized housing development transactions processing for homebuyers and developers.
- Upscale high-density housing programs in highly urbanized cities (HUCs).
- Adopt viable land acquisition approaches.



To adopt alternative housing solutions for low-income market

- Implement innovative housing finance modalities.
- Strengthen primary mortgage markets and develop more secondary ones.



Empower stakeholders

As a **cross-cutting strategy**, the DHSUD will institutionalize community-led/driven development of human settlements to ensure sustainability of its program implementation. Specifically, the DHSUD and its attached corporations will provide guidelines for the strict observance of safety standards and health protocols in the conduct of peoples' planning and other community-led/participatory approaches in human settlements development.

4 INCREASING GROWTH POTENTIAL (“PATULOY NA PAG-UNLAD”)



For the *Patuloy na Pag-unlad* pillar, future growth will be accelerated and sustained and initiatives to stimulate innovation will be accelerated, building on the different reforms that have been initiated during the past year. To continue, policies and programs to accelerate the demographic transition along with improving access to health and education services will be carried out. Moreover, new strategies

in promoting Science, Technology, and Innovation that contributes to the attainment of a healthy and resilient Philippines will be implemented.

Reaching for the Demographic Dividend Across All Regions



In preparing the country's human capital towards harnessing the demographic dividend, major reforms to improve the delivery of nutrition and health services and transformative education have been put in place in the past three years. Intensive efforts to ensure that families will be of the size that they can adequately care and provide for are needed to reach the demographic dividend and maximize the full harvest of this dividend. Moving forward, the government will implement programs that will mitigate the pandemic's short and long-term effects while continuing to address persistent issues on malnutrition, access to health services, and quality of graduates for employment.

Strategies

Efforts to prepare the country's human capital, through addressing persistent issues on malnutrition, access to health services, and quality of graduates

for employment, will be sustained along with supportive strategies for improving savings build-up and ensuring the integration of population and demographic factors in development planning and programming. Specific strategies and programs will be fast-tracked and prioritized in regions that have yet to experience the demographic transition necessary for achieving the demographic dividend.

Demographic transition across regions will be accelerated. The government will implement the following strategies:



Reduce mortality rates

- Reduce infant and child deaths.
- Reduce maternal deaths.



Achieve wanted fertility rates

- Address unmet demand for family planning.
- Reduce unplanned pregnancies.
- Increase age at first birth.

Gains from the demographic dividend in all regions will be maximized. These strategies will be implemented to achieve this:



Improve quality of human capital

- Intensify health programs.
- Widen access to education.



Increase youth and female labor force participation

- Create more jobs and economic opportunities for the youth and women.



Improve savings build-up

- Increase the number of Filipinos who continue to save and have access to financial products.



Improve population and development integration and youth participation

- Improve build-up and utilization of population and development data in development planning and programming.
- Promote optimization of youth dividend as an urban agenda.

Vigorously Advancing Science, Technology, and Innovation



The country's Science, Technology, and Innovation (STI) ecosystem needs to be strengthened to sustain and further accelerate growth in the future by graduating to a knowledge economy. The pandemic has further highlighted the need to push for innovation, especially towards health and resiliency. Moving forward, the government will scale up technology adoption and accelerate innovation to address the potential challenges ushered in by the new normal.

Strategies

The government will implement the rollout of technologies that will help address the pandemic and its impact. Various government support services for start-ups and MSMEs will also be ramped up to help them become more innovative and resilient in times of crisis. In pursuit of a more inclusive STI ecosystem, the creative arts will also be included in these efforts. The establishment of the National Innovation Council, which is seen to guide the country towards long-term STI development, will also be fast-tracked.

Technology adoption will be scaled-up. Strategies include the following:



Increase STI application in agriculture, industry, services, and health sectors

- Promote commercialization and utilization of technologies from publicly-funded R&D.
- Develop a vibrant intellectual property rights culture.



Increase investments in STI-based startups, enterprises, and spin-offs

- Encourage more innovative financing mechanisms and private sector investments.
- Provide support mechanisms for startups and MSMEs in the region.

Innovation will be accelerated. This will be done through the following:



Enhance creative capacity for knowledge and technology generation, acquisition, and adoption

- Support research and development agenda.
- Increase funding for human resource development.
- Tap foreign and overseas Filipino expertise.
- Strengthen STI infrastructure.
- Foster STI culture.



Strengthen open collaboration among actors in the STI ecosystem

- Strengthen multisectoral collaboration.
- Intensify international cooperation in STI.
- Implement the recommendations of the Scoping Study on STI Statistics.

5 ENABLING AND SUPPORTIVE ECONOMIC ENVIRONMENT



The once-in-a-century global pandemic is testing the Philippine economy like never before. However, unlike previous crises, the reforms previously undertaken in the past years have put the economy in a better position to respond and manage the impacts. In the remaining Plan period, the *Pagbabago* and *Patuloy na Pag-unlad* Pillars will continue to be supported by policies and programs to ensure sound macroeconomic fundamentals and

promote healthy competition. These are necessary for sustaining growth and making it equitable.

Ensuring Sound Macroeconomic Policy

The Philippine economy faced and overcame various headwinds in the first half of the Plan period. Macroeconomic fundamentals remain strong and stable while the fiscal position remains sustainable and supportive of growth with the pursuit of tax reforms, improved spending efficiency, and prudent debt management. The financial sector remains stable, with significant strides in expanding inclusiveness and the external sector remains resilient despite disruptions in the global market.



Strategies

Towards a healthy and resilient Philippines, the government will promote a responsive, strategic, supportive and sustainable fiscal sector through enabling budget policies and revenue measures, enhanced LGU capacity, improved private sector participation, and recalibrated debt and contingent liability

management. Resilient and inclusive monetary and financial sectors amid the COVID-19 pandemic through targeted supervisory actions and reforms will also be fostered. Lastly, the government will promote a sustainable and resilient external sector through maintained adequate foreign exchange reserves and market-determined exchange rate, scaled-up and diversified products and markets, and targeted comprehensive packages of support for specific products and services sectors.

In achieving these sub-sector outcomes, a **sound, stable, and supportive macroeconomic environment will be sustained**. To do this, the government will pursue the following subsector outcomes:



Responsive, strategic, supportive, and sustainable fiscal sector

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



Resilient and inclusive monetary and financial sectors

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



Sustainable and resilient external sector

- Maintain adequate foreign exchange reserves and market-determined exchange rate.
- Scale up and diversify products and markets.
- Improve overall climate for export development.

Promoting Competition

This new chapter in the PDP has increased the awareness of competition as an issue for development. The aim is to make markets perform better and promote inclusive economic growth by inducing producers to reduce costs, innovate, and widen the range of goods and services available to consumers. The proposed National Competition Policy (NCP) has been finalized and is expected to be enacted during the remaining Plan period. The policy will address the restrictive regulations that hinder competition in some sectors such as power, health (pharmaceuticals), and telecommunications, among others.



Strategies

The priority is speeding up economic recovery while promoting health and resilience. This entails sustaining promotion of competition and implementation of the Philippine Competition Act (PCA) and other competition-related issuances to create a level playing field where small business players alongside larger ones may operate and thrive. Improving the regulatory environment to reduce barriers to entry and facilitate the re-entry of firms that may have closed down as a result of the community quarantine restrictions will likewise be pursued.

Consumer welfare will be improved. To do so, the government will implement the following:



Diminish anti-competitive practices

- Strengthen investigation, detection, and prosecution of conducts and agreements that may substantially prevent, restrict, or lessen competition.

Market efficiency will be improved. This will be achieved by pursuing the following strategies:



Reduce barriers to entry and re-entry

- Conduct market-scoping studies in priority sectors to facilitate competition among MSMEs.
- Improve the regulatory environment by addressing restrictive laws and regulations that hamper competition.
- Institutionalize the use of the Competition Assessment Manual/Toolkit.



Reduce limits to entrepreneurship

- Streamline business registration and permitting processes.
- Establish the Philippine Business Databank (PBD).

Several **cross-cutting strategies** will be also be employed to further promote competition, improve market performance, and foster inclusive growth.



- Issue and implement the NCP.
- Strengthen capacity of relevant agencies to foster competition.
- Increase understanding and awareness of market competition, the PCA, and the Philippine Competition Commission (PCC).
- Expand the mechanism for various sectors to report on potential violations of competition.

6 FOUNDATIONS FOR SUSTAINABLE DEVELOPMENT



In order to support the three pillars of *Malasakit*, *Pagbabago*, and *Patuloy na Pag-unlad*, the PDP will push for policies and programs to improve conditions and meet the requirements of sustainable development. This set of bedrock strategies include initiatives for peace and security, infrastructure development that is tailored for the new normal, and ecological integrity and clean and healthy environment.

Attaining Just and Lasting Peace

Peace is imperative for economic growth to be sufficiently buoyant, sustainable, and inclusive. The enactment and ratification of the Bangsamoro Organic Law marked a milestone in the peace process while the government institutionalized the whole-of-nation approach to end local communist armed conflict. Despite the successes, there is still a need to ensure that the gains of the peace processes are sustained towards community resilience and to avoid further escalation of conflicts.



Strategies

These can be achieved by implementing a smooth transition process in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), capacitating local governments to undertake localized peace engagements, strengthening convergence of national government agencies to end communist insurgency, and delivering the remaining commitments under closure agreements. Interventions in conflict-affected and conflict-vulnerable areas will be sustained while being mindful of new health protocols to ensure that the socioeconomic impact of the COVID-19 pandemic will not aggravate the fragile situation in these areas.



To successfully negotiate and implement peace agreements with all internal armed conflict groups

- Support the Bangsamoro Transition Authority (BTA) as the interim government of the BARMM.
- Intensify the implementation of the normalization program for the Bangsamoro.
- Complete the implementation of the remaining commitments under the 1996 Final Peace Agreement between the Government of the Philippines (GPH) and the Moro National Liberation Front (MNLF).
- Implement a transformation program for the MNLF combatants.
- Effectively implement the National Plan to End Local Communist Armed Conflict 2019-2022 that will operationalize the whole-of-nation approach to address local communist and other armed conflicts.
- Effectively undertake localized peace engagements through community consultations and problem-solving sessions, and local peace dialogues with local insurgent groups.
- Fast-track the completion of remaining commitments under the agreements with the *Rebolusyonaryong Partidong Manggagawa-Pilipinas* - Revolutionary Proletarian Army-Alex Boncayao Brigade (RPMP-RPA-ABB) and the Cordillera Bodong Administration-Cordillera People's Liberation Army (CBA-CPLA).



To protect and develop communities in conflict-affected and conflict-vulnerable areas

- Strengthen convergence and complementation in the implementation of peace and development interventions.
- Empower communities by increasing their capacity to address conflicts and reducing their vulnerabilities.
- Strengthen government peace and development institutions and mechanisms to increase their accountability and responsiveness to peace and human security issues.
- Continue to build on the gains of the peace processes through education, social healing, and reconciliation.

Ensuring Security, Public Order, and Safety



The realization of the Filipino people's long-term vision of a *matatag, maginhawa, at panatag na buhay para sa lahat* rests upon an environment that is safe, secure, and orderly. Moreover, as the country pursues greater economic development, it is imperative that the government safeguard national interests, territory, and sovereignty.

Strategies

The government will continue to strengthen the capabilities of its security forces to ensure that Philippine territory and sovereignty is defended. It also remains committed in its campaign against all forms of criminality, illegal drugs, transnational crimes, trafficking-in-persons, and violent extremism. During times of health emergencies, the whole of the security sector will be mobilized to adequately respond to the needs of the people, including the provision of support to sectors that bring food, basic necessities, and essential services to them.



To ensure public safety

- Increase police presence and professionalize police ranks, and conduct internal cleansing in law enforcement.
- Strengthen the partnership between law enforcement agencies, local peace and order institutions, and communities.
- Sustain and expand systems for responding to crime and emergencies.
- Enhance the capability of the security sector for humanitarian assistance and disaster response.
- Improve capability of the fire protection services to respond to fire and other related emergencies.
- Establish a secure and resilient Philippine cyberspace.



To significantly reduce all forms of criminality and illegal drugs

- Sustain the intensified law enforcement operations, including military support, to fight criminality, trafficking, and terrorism.

- Enhance the capability of police, coast guard, military, and other law enforcers to address internal security threats.
- Strengthen commitment to a holistic campaign against the use of illegal drugs and the abuse of dangerous drugs.
- Prevent and counter terrorism and the rise of radicalization leading to violent extremism.
- Intensify investigation and resolution of human rights violations cases.



To uphold and protect territorial integrity and sovereignty

- Promote respect for a rules-based regime in Philippine seas and territories.
- Promote greater amity and cooperation with all nations.
- Expand and enhance diplomatic engagements and cooperation in regional and international fora.
- Pursue and sustain modernization programs for a credible and self-reliant defense posture.
- Pursue declaration of some parts of the West Philippine Sea as marine protected areas (MPA).



To ensure security and safety of overseas Filipinos

Armed conflicts, economic instabilities, and social tensions in other countries continue to put the welfare and safety of all Filipinos overseas at risk. Strategies to ensure the security and safety of overseas Filipinos are discussed thoroughly in Chapter 21.

Accelerating Infrastructure Development



Infrastructure development is an important bedrock strategy which aims to support a higher growth trajectory and improve the quality of life in both urban and rural communities. It will plug the infrastructure gap to catch up with peers in the ASEAN region. Since 2017, the country's infrastructure development has been continuously founded on a robust pipeline of forward-looking infrastructure projects through the Build, Build, Build (BBB) Program. Due to the challenges brought by the pandemic, the strategies for the overall infrastructure development agenda were reassessed to ensure that these remain relevant and achievable in the face of the new and better normal and that these protect and maintain a clean and healthy environment.

Strategies

The overall infrastructure program will be carried out to facilitate the transition and adaptation to the new normal, propel economic activities, and lay the foundation for extended growth. Even while facing constraints brought about by the pandemic, the government will remain mindful of the long-term development goals requiring early interventions.

Infrastructure development will be accelerated and operations will be sustained. To do so, the government will:



Re-program activities and projects for the new normal

Important projects that form part of master plans and which are expected to yield significant benefits in the long-term will still be pursued. Moreover, the government will continue to champion the timely movement and completion of priority programs, activities, and projects by identifying operational issues hampering project implementation under the new normal and aiming for the early resolution of bottlenecks.

- Invest in necessary infrastructure under the new normal.
- Pursue Public-Private Partnerships (PPPs) in infrastructure development.
- Continue to push for reforms and convergence programs.



Implement strategic infrastructure

Public investment will be focused on transport, water resources, energy, information and communications technology (ICT), and social infrastructure, which are strategic and crucial in achieving development goals, especially in transitioning into the new normal.

- Transport
 - ▶ Land-based transport
 - ▶ Air transport
 - ▶ Maritime transport
 - ▶ Safety and security
- Water Resources
- Energy
- ICT Infrastructure
- Social Infrastructure

A clean and healthy environment will be protected. The government will pursue the following strategies:



Ensure asset preservation

With emphasis on sustainability, safety, and resilience of infrastructure, asset management planning and innovative maintenance strategies will be implemented to improve the infrastructure system's performance. The conduct of comprehensive vulnerability and risk assessment of critical infrastructure, particularly in areas considered as COVID-19 hot spots – including buildings that may serve as isolation or treatment facilities – is deemed urgent and significant.

- Strengthen technical and financial capabilities for operations and maintenance.
- Incorporate climate change adaptation and disaster resilience measures and ensure the security of infrastructure facilities.



Intensify infrastructure-related research and development

Recognizing that R&D can foster a more sustainable and efficient way of building infrastructure, the government will pursue R&D on renewable energy and technologies to meet the growing need for clean and affordable energy; cost-efficient technologies for the management of wastewater and solid, hazardous, and healthcare wastes to protect public health and the environment; new transportation technologies; climate change- and disaster-resilient infrastructure designs; and new methodologies for gathering and managing science-based data.

- Improve the collection, management, and utilization of infrastructure data across all subsectors for planning, programming, and policy-making.

Ensuring Ecological Integrity, Clean and Healthy Environment



A healthy and resilient Philippines needs to guarantee an ecosystem that provides services, supports the growth and performance of other services including agriculture, fisheries, industry, and services, and provides livelihood especially to resource-dependent communities. The pandemic and the mobility restrictions that were imposed have redirected attention to the most basic needs of air quality and food, and how these relate to human health. As such, the shift towards sustainable development has now become an urgent matter of survival.

Strategies

Building on the reforms and accomplishments in the past three years of Plan implementation, the government will continue to improve the state of the environment and natural resources. Alongside this is increasing the resilience of resource-dependent and vulnerable communities against the converging risks arising from natural and biological hazards under a changing climate. The sector's goals and targets will be realized by addressing the long-standing issues on governance, monitoring, and evaluation.

In order to **improve ecological integrity and socioeconomic resilience of resource-dependent communities**, the government will do the following:



To sustain biodiversity and ecosystem services

- Intensify protection, conservation, and rehabilitation of natural resources.
- Scale-up adoption of innovative technologies for enforcement and monitoring of wildlife and habitat integrity.



To improve environmental quality

- Strengthen enforcement, regulation, and monitoring of environmental compliance and management interventions.
- Adopt and implement innovative pollution abatement solutions.



To increase resilience of communities and their livelihood

- Strengthen national and local capacities for climate and disaster risk reduction and management.
- Expand sustainable livelihood and economic opportunities for resource-dependent and vulnerable communities.



Cross-cutting strategies

- Review, codify, and streamline existing environment and natural resources (ENR) policies, rules, and regulations to improve compliance, address conflicting provisions, and promote transparency and accountability.
- Upscale natural capital accounting (NCA) including valuation of ecosystem services in national and local planning and programming.
- Streamline green and climate finance in the financial sector through the formulation of a sustainable finance framework and roadmap that will support and accelerate the development of a green and sustainable economy.
- Accelerate implementation of sustainable consumption and production.

7 PROTECTING THE RIGHTS, PROMOTING THE WELFARE, AND EXPANDING OPPORTUNITIES FOR OVERSEAS FILIPINOS



International migration has been a significant aspect in the economic and social dynamics of the Philippines over the last four decades. During the formulation of the Philippine Development Plan (PDP) 2017-2022, international migration and development (IMD) issues were mainstreamed in 9 out of the 15 main chapters. This reflects the cross-cutting nature of migration and the need for a whole-of-government approach. From

2017 to 2019, there have been significant developments in IMD. Thus, for this Updated PDP 2017-2022, a separate chapter on IMD has been added.

The government will continue to pay attention to the special circumstances of overseas Filipinos (OF) and their families. This also aims to empower OFs towards inclusive and sustainable development to ensure greater coherence and comprehensiveness in discussing issues, relevant indicators, and strategies in relation to migration and development, towards a healthy and resilient Philippines. In line with this, new indicators to better monitor the government's progress on improving migration governance and harnessing the full benefits of migration towards sustainable development have been identified. With the COVID-19 pandemic and the subsequent global recession, the unprecedented volume of OFs who lost their jobs has heightened the government's efforts in supporting repatriated and returning OFs, and those who remain overseas.

Strategies

The capacity of OF-serving agencies is being scaled up to be able to serve and assist affected OFs. Further, the government is conducting skills retooling and upgrading programs, employment assistance, and short-term employment programs to facilitate local re-employment of OFs who have returned. For those who have decided to return to the Philippines permanently, their successful socioeconomic reintegration will be prioritized. Financial inclusion initiatives for OFs and their families will also be strengthened.



To protect OFs' rights and improve their well-being

- Enhance government support and assistance for repatriated and displaced overseas Filipino workers (OFW).
- Enhance health insurance and social security for OFWs.
- Strengthen bilateral and regional ties.
- Facilitate effective service delivery to OFs.
- Provide sufficient assistance-to-nationals (ATN) services.
- Enhance education of OFs on IMD.
- Strengthen measures to protect OFs against human trafficking and exploitation.
- Improve mechanisms to monitor the socioeconomic and political conditions of OFs.
- Reduce pre-departure costs for OFs.



To facilitate OFs' participation in the country's development and reintegration in Philippine society

- Strengthen financial inclusion initiatives for OFs and their families.
- Ensure successful socioeconomic reintegration of OFs and their families.
- Tap the knowledge and other resources of OFs.



To strengthen engagement of OFs, families, and other stakeholders in governance

- Mainstream migration into local development planning.
- Increase overseas voter turnout.



To protect the rights and improve the well-being of foreign nationals in the country

- Establish clear policy direction as a migrant-receiving country.

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