



**Philippine
Development Plan
2023-2028
ABRIDGED VERSION**

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CHAPTER 1

A Plan for Economic and Social Transformation

“By 2040, the Philippines shall be a prosperous, predominantly middle-class society where no one is poor. Our peoples will enjoy long and healthy lives, are smart and innovative, and will live in a high-trust society.”

AmBisyon Natin 2040

Filipinos aspire to have a life that is strongly rooted, comfortable, and secure (*matatag, maginhawa, at panatag*). Since the articulation of this vision in 2015, there have been improvements in key indicators, notably in the reduction of poverty incidence and increase in per capita income. However, the coronavirus disease (COVID-19) pandemic has rolled back some of these gains and revealed the fragility of these achievements. Even as the country is still in the early recovery stage from the pandemic-induced economic and social losses, and as we continue to learn to “live with the virus,” we are acutely aware that the challenges ahead have evolved and multiplied. This means that changes will have to be made to the way we do things—to how economic and social interactions and transactions are done, how public services are delivered, how rules and regulations are enforced, and so on—the so-called “new normal.” While some advantaged individuals and businesses have begun the transition to the “new normal,” many more have not. Thus, what we need is a coherent Plan for Economic and Social Transformation (henceforth, the Plan) that accelerates economic and social recovery toward inclusive and resilient prosperity.

The Plan will fully consider the lessons learned from the pandemic...

As we formulate the Plan for Economic and Social Transformation, we need to take stock of the lessons learned from our pandemic experience.

First, maintaining robust macroeconomic fundamentals, which foster consumer and investor confidence, is key to achieving rapid economic recovery and preventing socioeconomic scarring. The Plan must therefore include strategies that would ensure macroeconomic stability and sound fiscal management to keep consumer and investor confidence in the economy high.

Second, we learned that everything and everyone are interconnected, and that there are advantages to having strong interlinkages. This extends to the interdependence between the health of the economy and the state of its healthcare system. The Plan, therefore, must include strategies to strengthen these interlinkages and make them robust.

Third, there are limits to government resources and capabilities; hence, the government needs to engage meaningfully with various sectors to deliver the needed interventions. The Plan, therefore, must include strategies to enhance collaboration with local government units and partnerships with the private sector and civil society.

Fourth, though recovery has started, we need to fast-track investments in early warning systems, efficient social protection programs, effective resilience-building strategies, research and development, technology—particularly digital technology—and innovation.

...while addressing the scarring due to COVID-19.

In 2020, COVID-19 was declared a global pandemic, and the country went into one of the world’s longest and strictest lockdowns beginning March of that year. For more than a year, most of the country was under some form of mobility restriction: people were not allowed outside their homes; offices and businesses closed down; public transportation was limited; and schools shifted to remote learning. In the second quarter (Q2) of 2020, the economy saw its deepest contraction at –16.9 percent. The unemployment rate jumped to 17.6 percent in April 2020, and underemployment hit a high of 21 percent in mid-2021. Positive growth was not seen until Q2 2021, rebounding to 12.1 percent and nearly 7 to 8 percent in succeeding quarters, while the labor situation steadily improved over time.

In response to the immediate need for relief, *Bayanihan 1* (Republic Act 11469) and *Bayanihan 2* (RA 11494) were enacted, and the national government initially rolled out support to 80 percent of Filipino families nationwide through cash transfers that were good for two months. These were later dialed down, both in terms of the amount and portions of the population assisted, in the latter part of the pandemic. In addition, various forms of support were included in the *Bayanihan* Acts, including support to employees, and micro, small, and medium enterprises (MSME).

The lockdowns led to large financing needs to support families and businesses. Coupled with low revenue collection due to business closures, these resulted in a record-high PHP1.67 trillion budget deficit and higher levels of borrowing with debt-to-gross domestic product (GDP) ratio climbing to 60.4 percent by the end of 2021 from only 39.6 percent in end-2019. Government expenditures increased due to direct cash transfers and COVID-19 response-related costs such as: procurement of COVID-19 test kits and personal protective equipment (PPE); hiring of more health personnel; and purchase and nationwide deployment of COVID-19 vaccines.

Aside from the economic contraction, the pandemic also resulted in significant social sector losses, which may be harder to recoup. These include learning losses, low levels of routine vaccinations, and the slowdown of healthcare-seeking behaviors in the population, among others. For two academic years, learners from preschool to tertiary levels coped as best they could through remote and blended learning modes instead of face-to-face classes. Worse, an estimated five percent of primary school-aged children in the Philippines did not enroll in 2022 while 91 percent may not be able to read or understand short and age-appropriated text by age 10. The full impact of this erosion in human development will not be apparent until years later, and, if left unaddressed, will lead to poor education and health outcomes for a generation of children. Rebuilding and catching up will require strong prioritization of education and health to prevent a more lasting negative impact on human development.

Both the economic and social impacts of the pandemic disproportionately affected the poorest and most vulnerable: many lost their incomes, and children who did not have the means to learn with digital devices experienced learning losses. They were also more likely to receive COVID-19 vaccines later, especially those in poor rural areas and hard-to-reach communities, such as the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). The latest poverty estimates show that the country's gains in poverty reduction from 2015 to 2018 were partially reversed as the poverty incidence in 2021 increased to 18.1 percent, up from 16.7 percent in 2019, but remained lower than the 23.5 percent poverty incidence in 2015, largely due to the government cash transfers targeted to low-income households.

The Plan will build on “tried and tested” strategies...

The significant reduction in poverty incidence observed between 2015 and 2018, from 23.5 to 16.7 percent, was a result of fast economic growth that was sustained over six years; increased human capital investments; and the expansion of the *Pantawid Pamilyang Pilipino* Program (4Ps) beginning 2013, with its enhancement beginning 2016.

Gross domestic product grew by an average of 6.6 percentage points (ppts) over the period of 2012–2019. This was the by-product of an agenda of good governance, level playing field, and ease of doing business. The agenda was later institutionalized either through legislation or executive order.

Government spending on infrastructure increased, averaging 2.6 percent of GDP from 2013 to 2016, to 4.6 percent of GDP from 2017 to 2019. Many of the infrastructure projects, including those under the Build, Build, Build program of the administration of former President Rodrigo Roa Duterte favored regions outside the National Capital Region.

Government spending on education and health increased by an average of 14 and 13 percent, respectively, over the period 2013–2019. The program for basic education was revised with new content and an additional two years. Tertiary education in state universities and colleges was later provided for free. Scholarship programs were also expanded, including in technical and vocational education and training (TVET) institutions. Healthcare provision was enhanced with the implementation of the Health Facilities Enhancement Program. Healthcare financing was later expanded through the establishment of *Malasakit* Centers.

Coverage of the 4Ps increased from 630,000 households in 2009, to 3 million in 2012, then 4.4 million households in 2016. The amount of cash transfers also increased in 2016, mainly to maintain the real value of the transfers as provided in 2012.

Fiscal health was improved through aggressive tax reforms, which were intended to make the tax system simpler and fairer. The Tax Reform for Acceleration and Inclusion (TRAIN) reduced personal income tax rates but also broadened the tax base. TRAIN resulted in additional net revenues because of the increase in excise taxes on petroleum products, the new excise tax on sweetened beverages, and the repeal of over 50 provisions on value-added tax exemptions and zero-rating.

...and will take on “unfinished business”...

Several long overdue reforms have also been passed. The Rice Tariffication Law (RTL), which was stalled for about 30 years, was enacted in February 2019 to alleviate the 2018 rice supply crisis and modernize the agricultural sector. While rice yield has increased from 3.9 to 4.1 metric tons per hectare pre- and post-RTL implementation, respectively, the rice industry roadmap is yet to be finalized.

Amendments to the Foreign Investment Act (FIA), Retail Trade Liberalization Act (RTLA), and the Public Service Act (PSA) were also enacted into law, intended to further ease restrictions on foreign investments, especially in strategic industries. Also enacted during the pandemic was the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE), which lowers the corporate income tax rate and provides incentives to strategic industries irrespective of ownership. However, because the effectivity of these laws coincided with the global economic slowdown due to COVID-19-induced losses, we have yet to see the full impact of the more open investment climate promoted by these liberalization laws.

Many social sector reforms, while critically important, are not yet fully implemented. The government has already taken initial steps toward digitalization and financial inclusion through the Philippine Identification System or PhilSys Act (RA 11055). However, PhilSys processes need to be expedited. As of November 4, 2022, registration to PhilSys has reached 74.7 million individuals, which is 81.2 percent of the target 92 million individuals. Nearly 48 million PhilSys numbers have been generated, 23.7 million ID cards printed, and 18.7 million ID cards delivered. Another crucial reform, the Universal Health Care Act (RA 11223), which registers all Filipino citizens to a national health insurance program, is still in the process of developing a progressive health care system within the next six years.

...while taking full cognizance of emerging global and regional trends.

The unprecedented health crisis changed the status quo of health care, economic management, and technology, among others, across the globe. This section evaluates emerging patterns that may pose risks as well as opportunities for the country's development in the upcoming years.

Health and Social Trends

Continued impact of COVID-19

The pandemic has been a traumatic experience to many, particularly as it evolved from a purely health crisis to a multidimensional one, revealing an interconnected set of problems. While mortality and hospitalization figures began to decline globally due largely to vaccination, new strains have emerged and crossed borders. In fact, the characterization of the “new normal” is still unclear; it varies widely from going back to the “old normal,” to imposing minimum or strict public health standards particularly in the 3Cs (crowded events, closed spaces, and close-contact activities)

China's Dynamic Zero-COVID Policy

Some countries continue to uphold stringent mobility restrictions that may generate both local and international implications, such as in tourism. For instance, China has been implementing its “dynamic zero” COVID policy that includes imposing unpredictable lockdowns to curb COVID risks, which in turn dampened both domestic

and international travel for Chinese tourists. The latter proved critical as tourism in Southeast Asia and East Asia is highly dependent on the Chinese market of tourists. Outbound tourists from China were the world's biggest spenders in 2019, comprising 20 percent of global tourism spending.

Aging global population

Notwithstanding the pandemic, the global trend is geared toward longer life expectancies and generally healthier populations, combined with lower fertility (50% decline in the past 70 years alone), which are among the factors that contribute to global aging. The World Health Organization (WHO) forecasts that in 2030, one in six people worldwide will be 60 years old or over—an increase in total from one billion aged 60 and over in 2020 to about 1.4 billion in 2030. This is expected to further rise and reach a total of 2.1 billion aged 60 and over in 2050. Much of this global aging has been driven by many industrial countries, but increasingly in the next three decades, many developing countries, including the Philippines, will follow this trend. Up to two-thirds of the world's population aged 60 years and over will be accounted for by low- and middle-income countries in 2050.

Increasing demand for healthcare workers

Recognizing the critical importance of healthcare workers (HCW) in the fight against COVID-19, the government imposed a temporary ban on the deployment of health workers in April 2020. This has since been relaxed from implementing a total deployment ban to instituting a cap on deployment of 7,500 HCW per year. Demand for HCW has been amplified by the pandemic, especially in advanced economies with aging populations. This translates into a huge wage differential. For instance, the base salary for nurses in the Philippines ranges from an average of PHP17,000 in private hospitals to around PHP35,000 in government hospitals; while it could rise to as much as PHP275,000 in the United States (US). The wage offer in advanced economies is expected to increase with the growing demand for health care, making it more attractive for Filipino health workers to go abroad. This may adversely affect access to and quality of health care in the country.

Economic Trends

Headwinds in global economic recovery

After more than two years of the pandemic, the world economy is still struggling to get back on track. The International Monetary Fund (IMF) forecast global growth in 2022 at 3.2 percent, a significant decline from the 6 percent rebound posted in 2021. Global growth is expected to fall further to 2.7 percent in 2023, with a 25 percent probability that it could fall under 2 percent. The three largest economies in the world—the US, European Union, and China—are all expected to struggle with their immediate post-pandemic economic growth recovery. In addition, almost half of more than 70 economies monitored by the IMF are expected to face a technical recession, measured as at least two consecutive quarters of economic contraction, in the upcoming year. This uneven recovery, shaped by the various factors discussed in this chapter, affects major commodity supplies. International supply chains, still recovering from the pandemic, are also less predictable given the uncertainty of the international economic environment.

Many industrial and developing countries accumulated debt to finance countercyclical fiscal and social protection responses to COVID-19. Total global debt rose by 30 ppts of world GDP in 2020 alone, the largest single-year increase in world debt since the 1970s. In the same year, the total debt breached 200 percent of GDP in emerging markets, while total debt topped 300 percent of GDP in industrial countries. The surge in sovereign debt spreads and monetary policy tightening among in countries to temper inflationary expectations have since created pressure on borrowing costs for many emerging market economies and developing countries. The strength of the US dollar, driven in part by the Federal Reserve's monetary tightening as well as the "flight to safety" during volatile times, is likely to create additional pressure on both domestic inflation (due to exchange rate pass-through) and on borrowing costs for many countries.

Geopolitical Trends

Ongoing international tensions

By early 2022, geopolitical, environmental, and food security risks began to conflate the pandemic-related challenges, further hindering inclusive recovery. The intensification of the Russia-Ukraine conflict on

February 24, 2022, created ripple effects that affected an already weakened global economy. Both Russia and Ukraine are important international suppliers of food and other key commodities, such as wheat and sunflower oil. Russia is also the third largest oil producer in the world and accounts for ten percent of total global oil production. The resulting oil price increases have created knock-on effects on transportation costs and goods trade.

There are also other potential dangers from geopolitical tensions in Asia. These include recent tensions in the Korean peninsula, conflict between China and Taiwan, and lingering disputes in the South China Sea. An escalation of the conflicts in the South China Sea would be devastating to the global economy as the area accounts for 12 percent of the world's fish catch, and more than 30 percent of all global maritime trade passes through it. About 40 percent of the world's liquefied natural gas shipments also traverse the South China Sea, which also contains deposits of about 11 billion barrels of oil and 190 trillion cubic feet of natural gas. Any potential maritime conflict poses a huge threat, as the world's coastal regions contribute about USD1.5 trillion to the global economy each year—a number expected to double by 2030 to USD3 trillion based on estimates by the World Trade Organization (WTO).

Shifts in Asian investments and manufacturing

Many foreign investors are recalibrating their investment portfolios in China, often with a view to relocate to Southeast Asia. These shifts are not new, as the relocation of some foreign investments from both Japan and China even preceded the COVID-19 pandemic. Pre-existing factors shaping global value chains (GVCs) in Asia include the intensifying trade conflicts among major trading partners since 2018, increased automation that triggered the return of some production to industrial countries, and increased costs of production in China. Most recently, geopolitical tensions between China and some Western economies, and China's stringent anti-COVID-19 policies are likely accelerating this shift and, consequently, reshaping the investment and trade landscape underpinning vibrant GVCs in the Asian region.

In October 2022, the US imposed sweeping restrictions on technology exports to China, such as computing chips, supercomputers, and advanced semiconductors. Several Southeast Asian countries have started to ramp up incentives for new companies in anticipation of foreign manufacturing firms leaving China. For instance, the Philippines provided investment incentives that attracted at least nine multinational enterprises to relocate their respective manufacturing facilities from China since 2019.

Environmental Trends

There has been a dramatic shift in the world's weather patterns and temperature records are now routinely being set every three years since 1981. According to the World Meteorological Organization, economic losses from weather-related disasters increased sevenfold from the 1970s to the 2010s. All these trends are interconnected with more frequent and more intense weather events such as hurricanes, wildfires, and heat waves taking place around the world.

International collective action to respond to climate change will be tested by the challenging global economic recovery conditions in the medium term. In the 2021 Glasgow Climate Pact during the 26th United Nations Climate Change Conference, more commonly referred to as COP26, almost 200 countries committed to making the 2020s a decade of climate action and support. Industrial countries have pledged USD100 billion annually for developing countries, with the goal of reducing emissions and capping the global average temperature rise to 1.5 degrees. In an unprecedented move, during the COP27 held in November 2022 in Egypt, several European countries agreed to establish a loss and damage fund, which extends financial assistance for rescue and reconstruction in developing countries as a result of extreme natural disasters brought by climate change.

In the present post-pandemic and economic environment, governments will be hard-pressed to deliver on climate change commitments on their own. There needs to be greater synergy in central and local government policy and regulatory frameworks, supported by research and development (R&D), to fulfill these commitments. A scenario where trade and investment flows will favor those between and among economies strongly committed to accelerated climate action is highly likely. This will then induce the private sector to put in more resources and even to lead parts of the overall response.

Technology and Regulations

Rapid digitalization across the globe

Many development opportunities have also emerged in recent years, even during the pandemic aftermath. For instance, in part due to the successful adaptation strategies during the pandemic, various countries were able to tap their domestic industries for innovation and repurposing to help in the whole-of-nation effort to respond to the pandemic. COVID-19 has also served as a catalyst for fueling a wave of digitalization in government and in the private sector. In the public sector, this enabled service continuity; while in the business sector, business continuity meant having to switch from relying on foot traffic to online traffic.

Technology and intellectual property are among the key areas increasingly featured in international trade and investment discussions. Due to the nature of technology-driven industries and sectors, these discussions are inevitably intertwined with issues on network externalities, competition policy, intellectual property, and even national security.

For example, the Regional Comprehensive Economic Partnership Agreement (RCEP)—which has been signed by almost all ASEAN countries plus Australia, China, Japan, the Republic of Korea, and New Zealand— supports information and communications technology (ICT)-enabled trade facilitation measures, promotes free cross-border flow of data, and accommodates less stringent approaches to data localization. Leveraging cross-border data transfers has been lauded as a way to: grow the global economy; connect people to economic opportunities; reduce export and transaction costs significantly; and aid in building international consensus through regional negotiations. The RCEP also includes commitments to bolster e-commerce by protecting online consumers and their personal information and strengthening regulatory frameworks, notably in areas of transparency and cybersecurity. Countries, including the Philippines, will need to navigate these international trade and investment agreements to maintain robust connections to evolving global value chains, which will be largely shaped by advances in technology and emerging standards and regulations.

Global megatrends for 2030

Even prior to the pandemic, various groups pointed to global megatrends that could shape the decade in fundamental ways. In its Global Connectivity Outlook report, the World Bank noted several main messages for policymakers and planners. Disruptive technologies do not just promise improvements in connectivity, but also innovation in how connectivity is formed and used. Long-term planning of infrastructure and resource allocations must not assume a continuation of past trends but constantly adapt to the evolving digital and technological landscape of the Fourth Industrial Revolution or Industry 4.0. Changing consumption patterns, as a result of the rising urban middle-class population in Asia, can result in the flow of infrastructure investments to the region. Meanwhile, investments in digital capacity through the Internet of Things (IoT), artificial intelligence, mobile internet, and Big Data analytics are encouraged. Disruptive technologies from these investments offer opportunities for transformation in various sectors.

Electric vehicles can shift demand from fuel to batteries, while autonomous vehicles have the potential to improve road competitiveness and transport logistics. With renewable energy becoming increasingly attractive and attainable, energy-related shipping for coal and oil is also estimated to decrease by 50 and 25 ppts, respectively. As a result, there may be limited demand for new investments in coal or oil transport infrastructure in the next few years. Finally, the effects of additive manufacturing remain uncertain. Freight volume may depend on the difference in price sensitivity for these types of products. Lower- and middle-income groups that may be more conscious of prices can lead to growing flows in freight, whereas a decline can be expected among upper-income countries willing to spend on these products.

More broadly, the available analyses of global megatrends point to the role of technology and its disruptive effects, and the opportunities for enhancing economic development and well-being of millions. The Fourth Industrial Revolution is expected to be underpinned by connectivity, digitalization, automation, IoT, and big data, among others. Technological surveillance, R&D, and learning-by-doing will be critically important activities to inform policymaking and business strategy.

Overview of the Philippine Development Plan 2023-2028

The Philippine Development Plan (PDP) 2023–2028 is a plan for deep economic and social transformation to reinvigorate job creation and accelerate poverty reduction by steering the economy back on a high-growth path. This growth must be inclusive, building an environment that provides equal opportunities to all Filipinos, and equipping them with skills to participate fully in an innovative and globally competitive economy.

The PDP 2023–2028 is based on President Ferdinand R. Marcos Jr.'s 8-point socioeconomic agenda that tackle immediate, on-the-ground concerns—high inflation, scarring due to COVID-19 and the tight fiscal space; address long-standing, critical constraints to generating more jobs, quality jobs, and green jobs over the medium; and provide the necessary enabling environment— level playing field, and peace and security.

The underlying theme of PDP 2023–2028 is transformation...

Taking off from the lessons learned, especially during the pandemic, the PDP 2023–2028 takes on the underlying theme of transforming the economic and social sectors and institutions for a prosperous, inclusive, and resilient society. The transformation agenda is broken down into:

Digitalization. Digital transformation of government will result in more efficient and faster service delivery to the people, more transparency, and fewer opportunities for corruption at various levels. Digitalization can also help the government build better data systems that will create better programs, such as more targeted social protection enabled by the national ID through PhilSys; and better link job seekers to employment opportunities through the expansion of the automated job and applicant matching system, PhilJobNet, created by the Department of Labor and Employment (DOLE). Compliance with regulations may also increase with digital filing and digital payment systems.

The COVID-19 pandemic has forced a wave of digital adoption across the country. An important development is that as more institutions and businesses digitalized, the proportion of consumers that entered the digital marketplace also expanded rapidly. The rapid and massive migration of people into the digital space is an opportunity to push toward fully digitalizing sectors that have not been able to pivot their processes to maximize the potential efficiency brought about by digitalization.

Servicification. Servicification fosters inter-sectoral linkages to create synergies for more value-adding opportunities, expansion of products and markets, and more efficient delivery networks. The Philippines has had a strong competitive advantage in services, which has accounted for a large proportion of GDP and employment both domestically and internationally, albeit in lower productivity jobs. Where the country has been unable to compete successfully is in expanding manufacturing, which, for many other countries, has been the driver of job generation. The evolution of these sectors has blurred the line between manufacturing and service jobs, as manufacturing now requires more service-related labor, which has become more mobile and transmittable via digital means.

Servicification as a strategy means pursuing policies that will build ecosystems around economic clusters identified as potential sources of high growth, to attract more investments and expand its demand for higher productivity jobs. Priority servicification can also be targeted toward the industries of ICT, creatives, tourism, and logistics to move up the global value chain.

Dynamic Innovation Ecosystem. Innovation will translate knowledge and ideas into new products, and/or new and better processes. This requires an ecosystem involving knowledge and R&D institutions, product and process design, marketing, and entrepreneurs. The government will support the creation of innovation ecosystems and their evolution to becoming a dynamic ecosystem that eventually generates not only more, but quality jobs.

Enhanced Connectivity. As an archipelago, the Philippines has unique challenges with connectivity. Digital connectivity is only one form, as physical connectivity through infrastructure and transport is similarly important to link markets to each other; connect urban centers to rural areas; and facilitate the movement of people, whether for employment, business and marketing transactions, or even socialization and recreation.

Communities should be linked to these opportunities through the development of local road networks that reduce the costs of transport, while also adopting active mobility options and e-vehicles.

In addition to investing in connectivity domestically, there are also opportunities to ramp up the connectivity of the country to the rest of the world. Increasing the capacity of airports can revitalize tourism; upgrading ports and improving maritime safety can facilitate the movement of goods, thereby promoting trade and making the country more attractive to investments.

Greater collaboration between local and national government. The PDP seeks to bring local governments in as equal partners in the development agenda of the country. As frontline service providers, LGU performance can spell the difference between regional development and regional stagnation.

One of the major developments in the governance landscape of the Philippines is the *Mandanas-Garcia* ruling of the Supreme Court in 2018. The ruling meant that the internal revenue allotments (IRA) of local governments would increase by about 23 percent in keeping with the spirit of the Local Government Code of 1991. This led to a “re-devolution” of programs and functions to local government units (LGU) as national agencies faced smaller budget allocation.

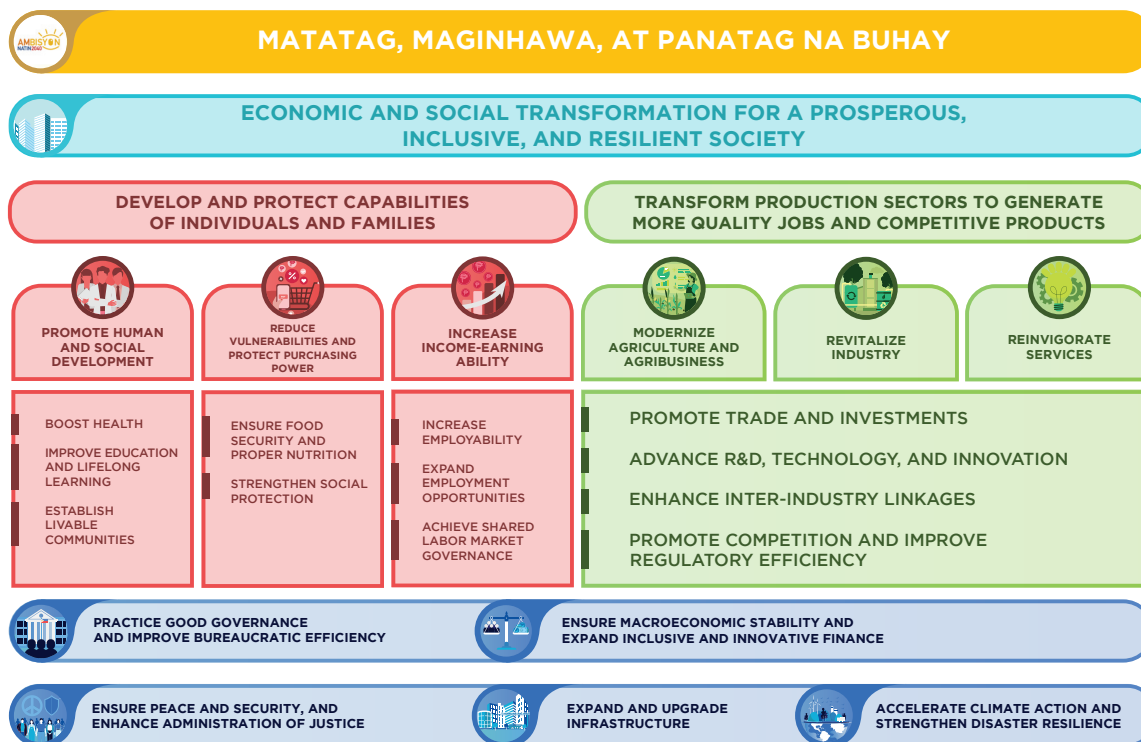
Operationalizing the *Mandanas-Garcia* ruling is an opportunity to optimize the sharing of responsibility between local and national government. Over the medium term, there will be close coordination through capacity-building programs and mentoring for LGUs, especially in areas where national government support will be needed. These include important human development investments, notably in health, social welfare, disaster resilience, and local infrastructure. Thus, the completion of Devolution Transition Plans (DTP) will be fast-tracked and operationalized to improve each LGU’s capacity for delivering public services and raising local revenues.

Partnership with the private sector. There are multiple areas to expand the role of the private sector to deliver more benefits to the public. The government’s role is to provide calibrated incentives to priority industries and foster an enabling business environment to allow job-generating businesses and industries to grow. Reconfiguring public-private partnerships (PPP) can also help in addressing cross-cutting issues of a weak competition environment and the digital divide, as well as boost the country’s campaign to attract foreign investments. The tight fiscal space that will constrain public investments for the next few years provides a rationale for favoring PPPs in enhancing and upgrading infrastructure. Larger private sector participation in areas such as housing, transport, digital, and other related large infrastructure can free up public funds for investments in human capital to address, for instance, the scarring from the pandemic in health care and education.

...that is integral in all the strategies of the PDP.

The overarching goal of the PDP 2023–2028 is to achieve economic and social transformation for a prosperous, inclusive, and resilient society. The strategies are organized corresponding to the following objectives: (a) develop and protect capabilities of individuals and families; (b) transform production sectors to generate more quality jobs and produce competitive products; and (c) foster an enabling environment encompassing institutions, physical and natural environment, which promotes a prosperous, inclusive and resilient society.

Figure 1. Strategy Framework of Philippine Development Plan 2023-2028



Capabilities of individuals and families will be developed to enable them to participate in growth opportunities (*Chapter 2*).

- **Good health will be promoted (*Subchapter 2.1*).** Health care strategies will be comprehensive and will focus on building an ecosystem in communities for health care providers, and an environment where individuals can make healthy choices (e.g., nutritious affordable food and health literacy).
- **Opportunities for transformative lifelong learning will be expanded (*Subchapter 2.2*).** The quality of education at all levels will be improved by expanding access to quality learning resources, enhancing the curriculum, and improving the competencies of teachers. The evaluation protocol for learning outcomes will also be improved by involving third-party institutions to assess students’ proficiency across all levels. TVET programs will be improved to make them more responsive to industry needs. Higher-education institutions will be strengthened to perform a greater role in knowledge co-creation, and serve as innovation hubs and incubation centers.
- **Livable communities established for human and social development (*Subchapter 2.3*).** Communities and human settlements will be planned and upgraded in a way that offers equitable, inclusive, and resilient opportunities for improving human well-being while contributing to the economic vitality of the community. This will be pursued through the promotion of social environment, improvement of environmental quality, and upgrading of the built environment. All of which will be supported by a governance system that is accessible and ensures sustainability of livable communities.

Social protection (SP) systems will be made more efficient with improved targeting and digitalized processes for faster response to the needs of the most vulnerable (*Chapter 3*).

- **Amidst the possibility of accelerated inflation owing to natural and external shocks, the priority is to ensure food security and proper nutrition, especially among the most vulnerable (*Subchapter 3.1*).** A sufficient and stable supply of food will be ensured, primarily through improved productivity of agri-food systems, including storage, transport, and logistics. Measures to prevent and address wasting, stunting, and obesity will be implemented through supplementary feeding, nutrition education, and nutrition promotion campaigns.

- **Social protection systems will be strengthened (Subchapter 3.2).** SP programs will be enhanced to reduce the risks faced by Filipinos, and mitigate the impact of shocks. Critical to this is the establishment of a universal, modern, and integrated SP system to improve targeting, rationalize interventions, and facilitate the timely delivery of SP services.

Jobseekers and those currently working will have more opportunities to improve their income-earning ability (Chapter 4).

- Contents of training modules and curricula for human capital development will be continuously updated to match the needs of emerging in-demand occupations. The updating will also cover professional standards and licensure examinations.
- Employment facilitation services will be enhanced to include career development support, and an active labor market information system.
- Everyone will have access to opportunities to increase their income-earning abilities by the effective enforcement of anti-discrimination laws. Migrant workers will also have access to these opportunities to facilitate their reintegration back into the domestic economy.

The production sectors will be transformed to provide high-quality, high-skill, and stable employment opportunities for the fast-growing Filipino workforce.

The strategies in each sector are categorized into three major groups: (a) expand markets, promote value-adding, and (c) foster inter-sectoral linkages.

Agriculture and agribusiness will be modernized (Chapter 5). Primarily, production efficiency will be improved through farm clustering or consolidation, adoption of improved technology, and access to inputs. More innovation hubs and farm demonstration sites will be established and the Province-led Agriculture and Fisheries Extension System will be strengthened. The blue economy will be developed with the full implementation of the Fisheries Management Act plans, and the upgrading of Technology Outreach Stations, and National Technology Centers, among others. Opportunities for greater value-adding will be created by expanding business partnerships between primary producers and other entrepreneurs, and by strengthening the capacity of primary producers to process raw materials, understand markets, and ensure that food safety and quality standards are met. Government will rationalize investments in the sector to promote the interconnectedness of multimodal transport and logistics, particularly for perishable products. Use of mobile platforms and channels will be encouraged for marketing, payment, and product delivery. Institutional capacity to formulate plans, conduct R&D, provide extension services, and undertake monitoring and regulation will be enhanced with the use of modern technology and better information systems.

Industry will be revitalized (Chapter 6). Domestic production and supplier base will be expanded, particularly corresponding to the value chains of the following industry clusters: (a) industrial, manufacturing and transport (IMT), (b) technology, media and telecommunication (TMT), (c) health and life sciences (HLS), and (d) modern basic needs (MBN). This entails enhancing business- matching activities and intensifying support through the provision of common service facilities, marketing assistance and even time-bound performance-based incentives. Servicification will be promoted, including the adoption of Industry 4.0, IoT, etc. This will be done through co-locating industry and service enterprises, and including academic institutions, and providing more platforms for collaboration.

Services sector will be reinvigorated (Chapter 7). Demand for services will be expanded by actively promoting the country's tourism, culture, creative sector, and Information Technology- Business Process Management (IT-BPM). Adoption of holiday economics will also be undertaken to boost domestic tourism, promote local products, and encourage inter-cultural exchanges.

Streamlining regulations to allow 24/7 operations of transport and logistics operations will also increase demand. Value-adding to diversify “product” offering and improve “consumption” experience will be encouraged by

instituting accreditation protocols; improving access to physical and digital infrastructure; and developing technology parks, centers of creative excellence and innovation, creative talent hubs, and improved shared service facilities for MSMEs. Finally, capacities of institutions providing business advisory services, and of communities and LGUs hosting the investments and events will be continuously upgraded.

Establishing a dynamic innovation ecosystem is at the heart of the transformation agenda of the PDP 2023-2028 (Chapter 8). The innovation ecosystem involves interlinkages between and among social scientists, basic R&D institutions, product engineers, design and marketing specialists, and entrepreneurs who bring the ideas and all these players together. Over the medium term, government will (a) provide a nurturing environment for basic research and development, and knowledge creation; (b) support market-driven and customer-centered R&D; (c) scale up technology adoption, utilization, and commercialization; and (d) promote an innovation culture and entrepreneurship. Government will make use of a combination of financial and technical support to academic and skills training institutions, business incubators, and startups. Government will also establish physical and digital platforms to encourage greater collaboration between and among the ecosystem players.

Trade and investments will be promoted to improve the competitiveness of domestic industries, increase demand for Philippine products and generate more jobs (Chapter 9). International trade will continue to be a major strategy to expand markets, diversify sources for the cumulation of raw and intermediate materials, and increase competitiveness. Thus, government will adopt a purposive, assertive, and forward-looking position in negotiating regional trade agreements. Renewed focus will be given to the survival, growth, and expansion of local firms in the export and domestic markets in order to drive productive employment, and increase incomes.

Government will also position the services sector as the foremost supplier of tradeable intermediate services. To this end, support will be provided to training and retraining programs for the sector and facilitate access to the necessary physical and digital infrastructure.

Foreign direct investments (FDI), on the other hand, will be harnessed as drivers of export growth, sources of vital technology, and critical enablers of the country's long-term climate action. Government will launch an international campaign ("Make it Happen in the Philippines") to raise awareness of the new business climate given the amendments to the FIA, RTLA, PSA, and the CREATE Law. The Inter-agency Investment Promotion Coordination Committee will ensure proper alignment of promotion strategies and various ordinances among national and local governments and investment promotion agencies.

Businesses will be assured of a healthy regulatory environment and a level playing field (Chapter 10). The strategy is to ensure firm and consistent enforcement of the Philippine Competition Act and competition-related issuances. At the same time, regulations will be subjected to regulatory impact assessment (benefits of the regulation to society vs. the cost of compliance, monitoring, and enforcement) to ensure that these are effective in addressing negative externalities and not simply adding to the cost of doing business in the country.

Macroeconomic stability will be ensured (Chapter 11).

- **The health of the financial sector will be enhanced (Subchapter 11.1).** This will improve the efficiency of the financial sector in its role as intermediary between savers and investors, thereby promoting sustained economic growth. The strategies aim to broaden and deepen financial inclusion, and accelerate financial innovation, while ensuring financial sector health. On financial inclusion, the strategies include promoting financial literacy, and facilitating access to financial services and instruments. On financial innovation, government institutions will adopt a "regulatory sandbox" approach for new innovations, promote RegTech, and address information gaps to encourage innovations. To ensure financial health, government institutions will intensify consumer protection, and undertake macro- and micro-prudential measures.
- **Sound fiscal management, including a conducive tax regime, will be fostered (see Subchapter 11.2).** These are necessary conditions to foster investor confidence in the economy and ensure macroeconomic stability. As it stands, a medium-term fiscal framework has been proposed and approved by President Marcos, Jr.; and endorsed by Congress. This is an initial step in assuring markets of the government's resolve to exercise fiscal discipline in spending, fiscal programming, and debt management.

Individuals, businesses, and civil society will enjoy better connectivity (Chapter 12). Investments in the appropriate infrastructure can help reduce the cost of electricity, ensure water security, and lower the cost of logistics. Such investments will improve access to people, goods and services and information, and promote growth that is more inclusive. Given the limits to government resources and capabilities, PPPs will be further encouraged. Infrastructure sectoral master plans and road maps will be prepared to provide a more comprehensive understanding of the infrastructure gaps and needs, and thus serve as a sound basis for identifying priority infrastructure programs, activities, and projects, including those that may be best pursued through PPP modalities.

Filipinos and residents of the Philippines will enjoy peace and security and an efficient justice system (Chapter 13).

Lasting peace and security enable a stable environment for a strong and vibrant economy (Subchapter 13.1).

At the same time, an efficient justice system characterized by integrity, fairness, accessibility, and proper regard for the rule of law is necessary for fostering a high-trust society and a favorable business climate (Subchapter 13.2).

The private sector and civil society will observe marked improvements in bureaucratic efficiency and the practice of good governance (Chapter 14). Good governance entails bolstering public accountability and integrity and deepening participatory governance that ensures that marginalized sectors (e.g., women, children, indigenous peoples, persons with disabilities, and in GIDAs) have concrete roles and significant influence in all stages of public decision-making.

Given the tight fiscal space, the government must pursue bureaucratic efficiency to maximize the benefits of public spending. Doing so involves rightsizing and a whole-of-government approach in reengineering systems and procedures; accelerating digital transformation in government; and raising the productivity performance of agencies, as well as the competencies of public servants.

Finally, the Plan recognizes the need for collective action to mitigate the climate crisis, and strengthen our resilience to disasters (Chapter 15). The priority is to enhance the adaptive capacity of communities and ecosystems that are most vulnerable to natural hazards and climate change. This will be supported by an improved knowledge and data ecosystem, and good governance.

We commit to the following target outcomes over the medium term...

Over the next six years, the development agenda of the Philippines will be guided by the headline targets prioritizing poverty reduction and inclusive growth. While navigating external headwinds, the country will rebuild the losses from the pandemic and invest in improving areas where deep weaknesses were apparent in the pandemic response, for example: in health and responsiveness of social protection; and in mainstreaming resilience throughout the bureaucracy (e.g., local governments, finance, education, disaster risk reduction, and energy security) and communities. This development agenda aims to get the Philippines back on track toward achieving upper middle-income country status by 2025.

Maintain high levels of economic growth in the medium term, rising from 6.0 to 7.0 percent in 2023 to 6.5 to 8 percent from 2024 to 2028. Sustained high levels of growth is a necessary condition for meeting the *AmBisyon Natin 2040*.

Transform the production sectors toward generating more and better-quality jobs, and enabling the competitiveness of enterprises in domestic and international markets. The Philippines aims to continue its progress among the innovation achievers of the region by rising in rank in the Global Innovation Index (GII) from a baseline of being 59th out of 132 countries in 2022. Similarly, the country will be ranked among the top 33 percent in the Global Competitiveness Index by 2028.

Create more and better-quality jobs. Although unemployment is nearing pre-pandemic levels in 2022 at 5.7 percent, there is much room to improve the quality, productivity, and stability of employment. By 2028, the target unemployment rate is within 4.0–5.0 percent, and the percentage of wage and salary workers in private establishments to total employed is within 53–55 percent.

Reduce poverty incidence to 9 percent by 2028. This is expected to result from sustained economic growth that generates more and better-quality jobs and is supported by an efficient social protection system.

Keep food and overall prices low and stable. Food and overall inflation will be kept within 2.0–4.0 percent. This will then reduce subsistence incidence to 2.5–3.5 percent.

Ensure fiscal discipline. National government deficit to GDP ratio will be gradually brought down from 6.5 percent during the first half of 2022 to 3.0 percent in 2028. Outstanding government debt to GDP ratio will also be gradually reduced from 63.7 percent in September 2022 to 51.1 percent by end-2028.

Table 1. Table of Headline Indicators

INDICATOR	BASELINE (YEAR)	ANNUAL TARGETS						MEANS OF VERIFICATION
		2023	2024	2025	2026	2027	2028	
Gross domestic product (GDP) increased (growth rate, %)	5.7 (2021) 7.7 (Q1-Q3 2022)	6.0–7.0	6.5–8.0	6.5–8.0	6.5–8.0	6.5–8.0	6.5–8.0	National Accounts of the Philippines (NAP); Philippine Statistics Authority (PSA)
Global Innovation Index improved (GII rank) <i>(Chapter 8)</i>	59th out of 132 (2022)	57 th	54 th	52 nd	49 th	46 th	43 rd	GII Report
Global Competitiveness Index (GCI) rank and score improved <i>(Chapter 8)</i>	Top 45% Score: 61.9 (2019)	Top 43% Score: 62.1	Top 41% Score: 62.7	Top 39% Score: 62.9	Top 37% Score: 64.3	Top 35% Score: 64.9	Top 33% Score: 65.1	World Economic Forum Global Competitiveness Report
Unemployment rate decreased (%)	5.4 (Ave. Jan, Apr, Jul, Oct 2022)	5.3–6.4	4.4–4.7	4.8–5.1	4.0–5.0	4.0–5.0	4.0–5.0	Labor Force Survey (LFS), PSA
Percent of wage and salary workers in private establishments to total employed increased (%)	49.6 (Ave. Jan, Apr, Jul, Oct 2022)	50.3–50.7	50.9–51.5	51.4–52.4	51.9–53.3	52.5–54.1	53.0–55.0	LFS, PSA
Gross national income per capita increased	USD3,640 (2021)	USD4,130– USD4,203	USD4,454– USD4,592	USD4,814– USD4,920	USD5,256– USD5,563	USD5,645– USD6,056	USD6,044– USD6,571	World Bank, International Monetary Fund
Poverty incidence reduced (% of population)	18.1 (2021)	16.0–16.4	*	12.9–13.2	*	10.0–10.3	8.8–9.0	Family Income and Expenditure Survey (FIES), PSA
Food inflation rate kept stable (%)	5.7 (Jan–Nov 2022)	2.5–4.5	2.0–4.0	2.0–4.0	2.0–4.0	2.0–4.0	2.0–4.0	PSA
Headline inflation rate kept stable (%)	5.6 (Jan–Nov 2022)	2.5–4.5	2.0–4.0	2.0–4.0	2.0–4.0	2.0–4.0	2.0–4.0	PSA
National Government (NG) deficit to GDP ratio declined (%) <i>(Subchapter 11.2)</i>	6.5 (Q1–Q3 2022)	6.1	5.1	4.1	3.5	3.2	3.0	Bureau of Treasury (BTr)
Outstanding NG debt stock to GDP ratio reduced (%) <i>(Chapter 11.2)</i>	63.7 (Sept 2022)	60–62	57–61	56–59	54–58	50–55	48–53	BTr

...by adopting a whole-of-society approach.

The transformation objectives for each part of the PDP, set against a backdrop of the urgency for post-pandemic recovery, will require strong collective action. The high-level framework laid out in this chapter situates each sectoral strategy and is further covered in greater depth in the succeeding chapters in this PDP. The strategies integrate the transformation agenda that are needed for a prosperous, inclusive, and resilient society. Through coordinated action involving a whole-of-government, whole-of-society approach, the country can regain its footing from the impacts of the pandemic, maintain stability in the face of persistent external headwinds, and ease the path of Filipinos toward progress.

Through partnerships and collaborations among the public sector, private industry, civil society, and all communities working toward the common goal of bringing a comfortable and stable life to all Filipinos, the targets of *AmBisyon Natin 2040* remain within reach.

This document is organized into five parts. Part I introduces the objectives, context, and overall strategy of PDP 2023–2028. Part II covers the strategies for developing the potential of Filipinos through sustained human and social investments while simultaneously providing social safety nets to mitigate the impact of risks. Part III discusses ways that seek to transform sectors in agriculture, industry, and services through market expansion, value addition, and inter-sectoral linkages. The cross-cutting strategies of promoting trade and investment, innovation, and healthy competition, and regulatory quality are also covered. Part IV discusses strategies that will create an enabling environment through good governance and bureaucratic efficiency; ensuring sound macroeconomic fundamentals; infrastructure development; peace, security, and justice; and climate action. Finally, Part V reviews the implementation and monitoring of the Plan over the next six years.

Each chapter/subchapter is organized into four sections. The first section, Assessment and Challenges, discusses the most recent data showing progress in the sector, followed by the constraints or weaknesses faced by stakeholders in the sector. The second section illustrates the Strategy Framework, which then frames the discussion of the Strategies in the third section. The chapter/subchapter ends with the priority Legislative Agenda that the Executive Branch, in consultation with various stakeholders consider as critical in unlocking the constraints faced by the sector.

CHAPTER 2

Promote Human and Social Development

By 2028, Filipinos are envisioned to have long and healthy lives in livable communities with enough opportunities for high-quality lifelong learning for them to become healthy, smart, and innovative people. These communities should support the overall well-being of Filipinos by guiding them to make healthy choices and ensuring access to health services. Transformative lifelong learning opportunities are also instrumental in developing the capabilities of Filipino families and leading them to achieve their full potential. Finally, these efforts are enabled by an upgraded plan for human settlements that provide equitable, inclusive, and resilient environments and promote economic vitality. This chapter lays down the lessons learned from previous efforts in human and social development as well as key transformational strategies that boost the health and well-being of Filipinos, improve education and lifelong learning, and establish livable communities.

This chapter presents the challenges facing the health sector and the outcomes to be pursued to address these challenges during the Plan period. It consists of three subchapters with the following outcomes. In subchapter 2.1: (a) social determinants of health improved; (b) healthy choices and behavior enabled; (c) access, quality, and efficiency of health care improved; and (d) health systems strengthened. In subchapter 2.2: (a) quality, inclusive, adaptive, resilient, and future-ready basic education for all achieved; (b) globally competitive and inclusive technical and vocational education and training and higher education, and improved research output attained for a broader knowledge economy; and (c) governance for human capital development improved. In subchapter 2.3: (a) social environment promoted; (b) environmental quality improved; (c) built environment upgraded; and (d) responsive governance advanced.

Subchapter 2.1 Boost Health

Ensuring that Filipinos are healthy is fundamental to the transformational goals of *AmBisyon Natin 2040* and the current administration's socioeconomic agenda. By 2028, Filipinos throughout the country will enjoy longer and healthier lives, because they live, work, and learn in communities, workplaces, and schools that better support their well-being; they are guided to make healthy choices, and they are assured access to financial protection and to quality health services when needed.

Strategies

Outcome 1: Social determinants of health improved

- Ensure communities, workplaces, and schools support physical, mental, and social well-being for all
- Foster a whole-of-government, whole-of-society approach to health

Outcome 2: Healthy choices and behavior enabled

- Increase health literacy
- Promote appropriate health-seeking behavior

Outcome 3: Access, quality, and efficiency of health care improved

- Secure sustainable and equitably distributed health infrastructure and human resources
- Promote strategic purchasing for quality, efficiency, and cost-effectiveness
- Ensure financial risk protection
- Harness complementary private sector partnerships for healthcare access and delivery
- Establish integrated, innovative, and quality healthcare delivery systems

Outcome 4: Health systems strengthened

- Increase national and local government investments for health
- Enhance national and local capacity for health system leadership, management, anticipatory governance, and resilience to public health emergencies
- Advance responsive regulatory environments for addressing emerging developments and disruptions
- Accelerate interoperable health information systems
- Strengthen health research for evidence-informed policy-making and self-sufficiency in health technology

Subchapter 2.2 Improve Education and Lifelong Learning

By 2028, Filipinos are envisioned to be smart and innovative, with learning poverty substantially addressed. Filipino learners have access to high-quality lifelong learning opportunities that develop adequate competencies and character qualities which will allow them to thrive in society and the world of work. Transformative lifelong learning opportunities shall be instrumental in developing and protecting the capabilities of families to ensure that all Filipinos are able to realize their full potential to keep pace with the envisioned socioeconomic transformation.

Strategies

Outcome 1: Quality, inclusive, adaptive, resilient, and future-ready basic education for all achieved

- Enhance Early Childhood Care and Development curriculum
- Develop and implement catch-up programs to address learning losses
- Ensure access to quality learning resources
- Improve competencies of teachers
- Strengthen the school-based feeding program to address malnutrition
- Strengthen private-public complementarity in the provision of quality basic education
- Adopt modern learning spaces

Outcome 2: Globally competitive and inclusive TVET and higher education, and improved research output attained for a broader knowledge economy

- Design and implement future-ready technical and vocational education and training (TVET) programs
- Implement structural reforms in local universities and colleges to strengthen linkages with TVET communities
- Increase involvement/participation of industry and private sector in TVET
- Improve enterprise-based training and bolster micro-credentials
- Pursue transnational knowledge co-creation linkages with higher education institutions
- Optimize the roles of universities as innovation hubs and incubation centers
- Establish regional university systems
- Provide more research-oriented scholarships and grants
- Effectively implement online and blended learning modalities
- Develop alternative assessment and certification methods
- Improve student support to ensure student success

Outcome 3: Governance for human capital development improved

- Harmonize the trifocalized system of education for lifelong learning
- Strengthen School-based Management
- Develop and improve learning materials in line with international standards and trends
- Rationalize workload of teachers
- Design a higher education career system
- Partner with independent third-party institutions in assessing and monitoring the progress of students' proficiency across all levels

Subchapter 2.3 Establish Livable Communities

By 2028, livable communities are established and support the *AmBisyon Natin 2040* aspiration of Filipinos for a strongly rooted, comfortable, and secure life. Establishing livable communities aims to upgrade and plan human settlements in a way that offers equitable, inclusive, and resilient opportunities for the improvement of human well-being while contributing to the economic vitality of the community. Pursuing livable communities will adopt an integrated use of space that will bring people closer to work, recreation, and transit options. This will improve the quality of life and attract businesses, making these areas economic centers, whether urban or rural.

Strategies

Outcome 1: Social environment promoted

- Improve access to food, health, education, safe drinking water, basic sanitation, social services, social protection, and quality jobs
- Strengthen social cohesion
- Build disaster preparedness and resilience of communities

Outcome 2: Environmental quality improved

- Broaden waste minimization initiatives
- Increase access to proper waste disposal facilities
- Expand monitoring and enforcement of air and water quality standards
- Provide access to green spaces

Outcome 3: Built environment upgraded

- Mobilize private sector and government resources to meet housing needs
- Improve housing affordability
- Increase access of informal settler families, homeless, and underprivileged to housing
- Integrate accessibility, health, culture, and resilience outcomes into the design of housing and communities
- Ensure the availability of utilities
- Provide public and active transportation links

Outcome 4: Responsive governance advanced

- Improve government accessibility
- Sustain community livability planning and implementation

CHAPTER 3

Reduce Vulnerabilities and Protect Purchasing Power

As articulated in *AmBisyon Natin 2040*, the Filipino people desire a stable and high level of well-being wherein they are secure in the knowledge that they have enough to provide for their wants and needs and can prepare for their own and their families' futures. Amid the multiple threats to food security from both global and domestic sources, the PDP 2023–2028 underscores collective action that will keep food prices within the reach of every Filipino. This will be pursued by diversifying food supply sources, strengthening buffer stocks for emergencies, optimizing digital platforms for the marketing and delivery of food, and proactively monitoring the supply and demand for key commodities. In addition, the country needs a transformative social protection system that empowers every Filipino to prevent, respond to, and recover from possible shocks. Such a transformative system would go beyond risk management intervention and includes responses to structural vulnerabilities and social discrimination that will help Filipinos access programs covering all types of risks throughout their lifetime.

The overall outcome of the chapter is to reduce vulnerabilities and protect purchasing power. This will be pursued through the following outcomes discussed in two subchapters. Subchapter 3.1 presents the challenges in attaining food security and proper nutrition, including the strategies to achieve the following outcomes to be pursued to address these challenges during the Plan period: (a) sufficient and stable supply of food commodities attained; (b) access of consumers to affordable, safe, and nutritious food expanded; and (c) nutrition across all ages improved. In subchapter 3.2: (a) a universal, modern, and integrated social protection system achieved; (b) individual and life cycle risks mitigated; (c) economic risks managed; (d) natural, health, climate, and other human-induced hazards mitigated; and (e) governance and political risks addressed.

Subchapter 3.1 Ensure Food Security and Proper Nutrition

Amid the multiple threats to food security from both global and domestic sources, the Plan underscores the importance of collective action to keep food prices within the reach of every Filipino. Thus, the concerted efforts of all sectors shall be harnessed to manage the high cost of nutritious and safe food and address supply chain disruptions due to the continuing vulnerability of the production sector to shocks. Necessary measures to improve nutrition status across all age groups will also be adopted. By 2028, we envision that Filipino individuals and families will have secure access to sufficient, affordable, safe, and nutritious food to sustain a “productive and healthy” life, resilient against shocks and crises that may erode their purchasing power.

In the medium-term, strategies to enhance the productivity and resiliency of the agriculture and fisheries sector shall be integral to advancing the country's food and nutrition security agenda. Complementing this are measures to (a) diversify food supply sources beyond traditional production areas, (b) strengthen buffer stocking for emergencies and disasters, (c) maximize the use of digital platforms for marketing and delivery of safe and nutritious foods, and (d) proactively monitor supply and demand of key commodities as an anticipatory mechanism against shocks and crises. A whole-of-society approach to promoting a healthy lifestyle and a culture of active health-seeking behavior among Filipinos shall also be adopted, while also scaling up nutrition-specific and nutrition-sensitive programs at the national and local levels.

Strategies

Outcome 1: Sufficient and stable supply of food commodities attained

- Boost productivity and resiliency of the local agriculture and fisheries sector
- Diversify food supply sources by augmenting domestic supply through international trade and maximizing the use of non-traditional agricultural areas
- Streamline and improve the implementation of trade regulatory measures
- Strengthen buffer stocking of rice and other basic food items for emergencies and disasters
- Reduce and prevent food losses/wastes

Outcome 2: Access of consumers to affordable, safe, and nutritious food expanded

- Promote private investment in facilities, transport, and logistics systems to bring safe and nutritious food closer to consumers
- Ramp up the promotion and use of digital platforms for marketing, delivery, and payment transactions
- Improve food transportation and distribution processes to hasten and ensure unhampered movement of food products
- Strengthen price and supply monitoring of food commodities
- Address anti-competitive practices and price manipulation
- Intensify promotion of food labeling and food safety measures

Outcome 3: Nutrition across all ages improved

- Adopt a whole-of-society approach in promoting healthy lifestyle and a culture of active health-seeking behavior among Filipinos across age groups and income classes
- Intensify the development and adoption of technologies that increase the nutritional content and prolong the shelf-life of food products
- Implement measures to prevent and address wasting, stunting, and obesity
- Strengthen nutrition-specific, nutrition-sensitive, and enabling interventions, especially at the local level
- Improve nutrition governance, especially in local government units

Subchapter 3.2 Strengthen Social Protection

By 2028, the country aims to have a transformative social protection system that helps Filipinos manage risks and addresses structural vulnerabilities and social inequities. The universality of a social protection system is realized when everyone has access to its programs in times of need. By encouraging multi-stakeholder collaboration, these initiatives will enable Filipinos to continually transform their lives by reducing the adverse impact of shocks, protecting them from various risks, building their capacities and promoting socioeconomic participation. In the next five years, the Plan seeks to further strengthen and rationalize the social protection system such that Filipinos are able to access programs covering all types of risks in their lifetime.

Strategies

Outcome 1: A universal, modern, and integrated social protection system achieved

- Establish a standard menu of rationalized programs for the social protection floor guarantees
- Ensure a timely response and adequate financing for social protection programs in emergencies
- Implement a Social Protection Communication Plan and Strategy
- Ensure the establishment and updating of social registries
- Create synergies among stakeholders in designing and delivering programs
- Promote financial literacy for better awareness and use of financial instruments
- Enhance and promote social insurance products to encourage coverage of all Filipinos
- Strengthen services and facilities for digital payments of cash transfers
- Enhance social protection statistics guided by the approved framework
- Integrate the nutritional needs of vulnerable groups in social protection programs

Outcome 2: Individual and lifecycle risks mitigated

- Establish cash grants to cover disability costs and fully implement the mandatory membership and exclusive package in the social health insurance program (PhilHealth) (RA 11228)
- Strengthen implementation of laws protecting women
- Assure access to social protection programs in geographically isolated and disadvantaged areas (GIDA)
- Ensure safe and orderly overseas migration
- Implement a holistic approach to eradicate child labor
- Protect children from physical and mental distress

Outcome 3: Economic risks managed

- Increase coverage and benefits of unemployment insurance schemes
- Rationalize existing livelihood and public works/cash for work programs implemented by various government agencies
- Expand coverage of free agricultural insurance for qualified farmers and fisherfolk
- Develop a comprehensive pathway for returning OFWs

Outcome 4: Natural, health, climate, and other human-induced hazards mitigated

- Further strengthen the coordination and collaboration among NDRRMC, Climate Change Commission (CCC), local government units, and the private and/or civil society sector
- Ensure the implementation of mental health and psychosocial services in the disaster response package
- Establish permanent and resilient evacuation centers
- Strengthen social protection programs and introduce relevant products in responding to the pandemic and other health hazards
- Implement and operationalize the Adaptive Shock Responsive Roadmap
- Develop and implement anticipatory delivery mechanisms for various types of disasters and emergencies

Outcome 5: Governance and political risks addressed

- Integrate safeguards into development interventions
- Prepare anticipatory shock-responsive plans for internally displaced persons (IDP) and persons of concerns (POC)
- Strengthen the implementation of Executive Order 163, series of 2022 (Protection Services for POCs); and RA 11188 (Special Protection of Children in Situations of Armed Conflict)

CHAPTER 4

Increase Income-Earning Ability

Increasing the income-earning ability of Filipinos involves developing the workforce and increasing their employability in the market, ensuring that skills are aligned not just with the current in-demand requirements but also with critical and emerging skills. Effective and efficient employment facilitation processes will also enable faster and more strategic job searches. A vibrant social partnership, based on shared responsibility for achieving a responsive, fair, and efficient labor market, will also be crucial. By 2028, Filipinos will have enhanced income-earning ability that can better support their aspirations to have a stable and comfortable lifestyle, secure in the knowledge that they have enough for their daily needs and unexpected expenses.

This chapter presents the challenges in increasing income-earning ability and the outcomes to be pursued to address these challenges during the Plan period. These outcomes are as follows: (a) employability increased, (b) access to employment opportunities expanded, and (c) shared labor market governance achieved.

Strategies

Outcome 1: Employability increased

- Align development objectives for basic, technical, and vocational education and training (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 the Philippine Qualifications Framework and Philippines Skills Framework
- Intensify participation in youth employability programs

Outcome 2: 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 public employment service offices (PESO)
- Provide updated labor market information to PhilJobNet
- Share and disseminate information on emerging, critical, and in-demand skills

Cross-cutting strategies

Outcome 3: 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

CHAPTER 5

Modernize Agriculture and Agribusiness

Recognizing that the agriculture, forestry, and fisheries (AFF) sector is part of a bigger agri-food system, the Plan will be guided by transformative ideas, which will involve (a) addressing the systemic ills of AFF through a whole-of-value-chain approach that considers AFF production as tightly linked to processing, marketing, consumption, and waste management; (b) restoring the local food culture toward improving agri-food system resiliency, empowering local farmers, and linking AFF production to consumer nutrition and health of the environment; and (c) opening up more opportunities in the blue economy to leverage and optimize the country's vast coastal and marine resources and maritime domain.

In the next six years, sound agricultural development through holistic agri-food system measures espoused in the National Agriculture and Fisheries Modernization and Industrialization Plan (NAFMIP) 2021-2030 will be pursued, with the ultimate objective of raising the level of income of primary producers (i.e., farmers and fisherfolk) beyond the poverty threshold.

This chapter presents the challenges facing agriculture and agribusiness, and the outcomes to be pursued to address these challenges during the Plan period. These outcomes are (a) the efficiency of agriculture, forestry, and fisheries production enhanced; (b) access to markets and agriculture-, forestry-, and fisheries-based enterprises expanded; (c) resilience of agriculture, forestry, and fisheries value chains improved; and (d) agricultural institutions strengthened.

Strategies

Outcome 1: Efficiency of AFF production enhanced

- Diversify farm and non-farm income
- Consolidate/cluster farms
- Create and facilitate the adoption of improved technology
- Improve access of primary producers to production requirements (e.g., land, water, renewable energy, and credit)

Outcome 2: 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

Outcome 3: 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

Outcome 4: Agricultural institutions strengthened

- Improve coordination and convergence of government agencies in planning, programming, and budgeting
- Enhance support to agricultural education and job-skills matching

CHAPTER 6

Revitalize Industry

To generate more quality jobs and competitive products, the industry sector will be revitalized by expanding the domestic market and supplier base, moving up the value chain, and enhancing linkages across sectors. Moreover, to drive industrialization forward, accessibility, particularly of micro, small, and medium enterprises, to a dynamic science, technology, and innovation ecosystem will be ensured.

This chapter presents the challenges to revitalizing industry and the outcomes to be pursued to address these challenges during the Plan period. These outcomes are: (a) domestic market production and supplier base expanded, (b) moving up the value chain achieved, (c) competitiveness improved, (d) dynamic industry ecosystem created, and (e) inter-sectoral linkages enhanced.

Strategies

Outcome 1: 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

Outcome 2: 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 the global value chain (GVC)
- Embrace Industry 4.0 for technology-mature firms
- Upskill and reskill workers to adapt to technology
- Enhance the National Quality Infrastructure (NQI) System
- Adopt international standards and international certification
- Develop value-adding activities and downstream industries of the mining sector

Outcome 3: 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

CHAPTER 7

Reinvigorate Services

The services sector will shift from its current low productivity level to enable the Philippines to become a modern, productive, and resilient global leader providing higher value-adding and differentiated services. Market expansion and digital transformation will create pathways for services firms to enhance their strong presence in markets, reach new market segments and buyer geographies, and pursue diversification. The sector will gain strength, speed, and size from the dynamic ecosystem of technology, talent and skills development, intellectual property (IP) rights protection, and competition for creativity and innovation. A strong public-private-social partnership will be nurtured to expand investments in the regions and enhance strategic inter-sectoral linkages for inclusive, resilient, and sustainable participation of the Philippines in the GVCs that mark the Fourth Industrial Revolution.

This chapter presents the challenges in reinvigorating services and the outcomes to be pursued to address these challenges during the Plan period. These outcomes are: (a) market expansion achieved (b) creativity and innovation in services value proposition strengthened; and (c) inter-sectoral linkages enhanced.

Strategies

Outcome 1: 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 the 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 the active promotions of tourism, culture, creative industries and information technology and business process management sector
- Accelerate e-commerce adoption by micro, small, and medium enterprises (MSME)
- Encourage creation of consumer interest groups

Outcome 2: Creativity and innovation in services value proposition strengthened

- Increase access of MSMEs to capital, digital technologies, and start-ups
- 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 the IP 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

Outcome 3: Inter-sectoral linkages enhanced

- Facilitate physical connectivity (i.e., aviation, shipping and maritime, and land) and convenience to move people and goods
- Improve competencies for business advisory services
- Strengthen the data collection ecosystem for market intelligence, insights, and industry studies
- Secure foreign capital to modernize infrastructure, fleet, and equipment and position the Philippines as a 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

CHAPTER 8

Advance Research and Development, Technology, and Innovation

Research and development (R&D) involves creative work undertaken on a systematic basis to produce knowledge that can be used to generate new technologies and innovations. R&D, technology, and innovation are drivers of long-term economic growth and social progress. With the rise of digital transformation, strategies will be pursued to develop high-value R&D products, technologies, and innovations that will boost the efficiency and competitiveness of various sectors.

The sector will implement a set of integrated strategies to (a) advance R&D, technology, and innovation from knowledge creation to commercialization of R&D products; and (b) reinforce the innovation and entrepreneurship ecosystem. The strategy framework views R&D, technology, and innovation generation as a continuum encompassing theoretical conception through basic research, technical invention, and commercial use. It seeks a balanced and strong support for both the knowledge-seeking and commercializing purposes of research and the enabling environment that fosters a culture of innovation and entrepreneurship.

This chapter presents the challenges in advancing R&D, technology, and innovation, including the outcomes to be pursued to address these challenges during the Plan period. These outcomes are: (a) basic R&D and knowledge creation strengthened; (b) market-driven and customer-centered research and development advanced; (c) technology extension, adoption, utilization, and commercialization scaled up; and (d) innovation and entrepreneurship accelerated.

Strategies

Outcome 1: 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

Outcome 2: Market-driven and customer-centered research and development advanced

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

Outcome 3: Technology extension, adoption, utilization, and commercialization scaled-up

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

Outcome 4: Innovation and entrepreneurship accelerated

- Support globally competitive industries and an agile workforce
- Accelerate business mentoring programs and scientific technical assistance
- Accelerate the implementation of the Philippine Innovation Act
- Establish and promote innovation hubs and other similar collaborative platforms
- Increase financing opportunities for innovation-related projects or activities
- Increase investments in financial and entrepreneurial literacy

CHAPTER 9

Promote Trade and Investments

Over the medium term, the trade and investment sectors will be strong and positive contributors to overall national growth. This will require taking more informed risks and making harder choices to propel the country's global position upward. To meet these ambitions, both the public and private sectors, together with major social partners, will act as one, and powerfully recharge trade and investments as motors of job creation, skills development, and poverty reduction.

This chapter presents the challenges facing trade and investments and the twin outcomes to be pursued to address these challenges during the Plan period. These outcomes are: (a) global position of Philippine export sectors restored, sustained, and strengthened; and (b) total investments increased and targeted to boost trade, skills upgrading, and sustainability.

Strategies

Outcome 1: 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 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 the National Quality Infrastructure (NQI)
- Integrate private and public efforts to develop the country's unique selling proposition and its positioning/branding vis à vis the global competition

Outcome 2: 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 the most recent structural reforms
- Leverage the Strategic Investment Priority Plan (SIPP)
- Heighten the country's attractiveness to foreign direct investments (FDI) by developing unique locational assets, especially in the rural areas
- Position the Philippines as a prime destination for 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

CHAPTER 10

Promote Competition and Improve Regulatory Efficiency

As the country emerges from the coronavirus disease (COVID-19) pandemic, ensuring an open and competitive market economy will be crucial to sustain economic recovery and encourage job creation. Genuine competition and enhanced regulatory efficiency will not only encourage investments and improve infrastructure, but also enable businesses — especially MSMEs — to enter and compete in the market. In turn, market competition and ease of doing business will expand consumer access to affordable, innovative, and high-quality goods and services.

Rapid digital transformation of markets poses new challenges and opportunities for competition enforcement and regulation. One challenge is that rapid digital transformation heightens the tendency and ability of large firms with more access to new digital technologies to consolidate market power. Digitalization also facilitates easier coordination among market players (but also, possible collusion) using new and powerful algorithms. This creates new cybersecurity and data privacy risks, given the increased use of and access to personal data. Nevertheless, digital technologies enhance competition, thus, enabling smaller firms to compete against larger ones, increasing access of citizens to previously out-of-reach markets. The PDP 2023-2028 emphasizes the full implementation of the Philippine Competition Act through strategies that allow businesses to leverage existing or emerging digital technologies. It will help businesses become more agile, innovative, and competitive by fostering an environment where anticompetitive practices are prevented or penalized, entry and re-entry of players are facilitated, and strategies to promote innovation are supported.

Strategies

Outcome 1: Anti-competitive practices diminished

- Strengthen and expand investigation, detection, and prosecution of anti-competitive conduct and agreements
- Leverage research and development efforts to identify and address competition and regulatory issues in priority sectors
- Develop a framework for the determination of significant market power (SMP), and the specification of obligations on entities with SMP
- Ensure compliance with the Philippine Competition Act (PCA) through the adoption of competition compliance programs

Outcome 2: Barriers to entry and re-entry reduced

- Expedite the operationalization of recently enacted economic liberalization reforms (e.g., Public Service Act, Retail Trade Liberalization Act, and Foreign Investments Act)
- Enable open access to essential infrastructure facilities in key sectors
- Institutionalize the use of the Competition Impact Assessment Manual/Toolkit among government agencies and local government units
- Owners of essential facilities and/or resources to grant fair, reasonable, and non-discriminatory terms of access

Outcome 3: Burden of regulation reduced

- Expedite efforts to automate and streamline processes for business registration, renewal, closure, and pivot
- Eliminate redundant, duplicative and overlapping regulations
- Establish the Philippine Ease of Doing Business Reporting System
- Implement the National Policy on Regulatory Management System (NPRMS)
- Enforce the separation of regulatory and proprietary activities of government-owned and controlled corporations (GOCCs)
- Business to volunteer as Anti-Red Tape Authority Champions

Cross-cutting Strategies

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

- Pursue full implementation of the National Competition Policy (NCP)
- Increase awareness, understanding, and support for the Philippine Competition Act and Philippine Competition Commission

Promote competition and improve regulatory efficiency in and through digital technologies

- Enhance monitoring and understanding of emerging technologies, markets, and business models
- Expand access to broadband internet and digital technologies to enhance consumer choice and facilitate digitalization and innovation among MSMEs
- Adopt policies to improve competition and regulatory efficiency in digital markets

CHAPTER 11

Ensure Macroeconomic Stability and Expand Inclusive and Innovative Finance

By 2040, the Philippines is envisioned to be a prosperous, predominantly middle-class society where no one is poor. In order to push for economic transformation in a post-pandemic context, a favorable business environment is required. A vibrant and healthy financial sector will be encouraged as the Philippines moves closer to becoming an efficient and more inclusive cash-lite economy in the near future. Due to limited fiscal space, national government spending shall also be made more efficient while budget priorities will be aligned with the administration's socioeconomic agenda. These strategies ensure that the development goals outlined in the PDP 2023-2028 will be supported by a stable, active, and sustainable national economy.

This chapter presents the challenges facing macroeconomic stability and has two subchapters. In the first subchapter, triple outcomes will be pursued to address the challenge of dealing with the promotion of an inclusive, innovative, and healthy financial sector during the Plan period. These outcomes are: (a) financial inclusion broadened and deepened; (b) financial innovation strengthened and accelerated; and (c) financial sector health ensured. In the second subchapter, four outcomes will be pursued to address the challenge of ensuring sound fiscal management and improving the tax regime. These are: (a) a productive, equitable, and simple tax system established and other sources of revenues mobilized; (b) an efficient and inclusive budget system implemented; (c) local government finance strengthened; and (d) sustainable management of debt ensured.

Subchapter 11.1 Promote an Inclusive, Innovative, and Healthy Financial Sector

A vibrant and healthy financial sector is critical to ensuring a stable macroeconomy. Subchapter 11.1 presents the strategies to promote the sector's health, innovation, and digitalization. Digitalization will allow enhanced access by a greater proportion of the population to a broader range of financial products and services. These strategies will move the Philippines closer to becoming an efficient and more inclusive cash-lite economy by 2028.

Strong corporate governance and sound risk management practices, coupled with the ability to leverage digital technology, contributed to the resilience of the sector during the pandemic. Digital technology also provided a more efficient means of distributing social amelioration programs to formerly unbanked recipients. The pandemic highlighted the necessity of digital technology for the financial sector.

Strategies

Outcome 1: Financial inclusion broadened and deepened

- Promote financial literacy
- Improve access to financial services, including digital services, among previously excluded sectors

Outcome 2: Financial innovation accelerated and strengthened

- Adopt a regulatory sandbox approach for fintech innovators
- Encourage efficiency and innovation in small and medium enterprise (SME) financing, microfinance, and microinsurance
- Mainstream sustainable finance

Outcome 3: Financial sector health ensured

- Pursue financial stability through macro and micro-prudential measures
- Intensify consumer protection

Cross-cutting strategies

- Leverage data and address information gaps among stakeholders
- Promote safe and efficient National Payment System (NPS)
- Foster capital market development
- Promote RegTech development

Subchapter 11.2 Ensure Sound Fiscal Management and Improve the Tax Regime

Significant gains have been made by the government in broadening tax bases and strengthening excise taxation as a regulative tool. The structure and administration of the incentive system have been reformed to harmonize the revenue needs of the country with the promotion of investments.

The post-pandemic challenge is to sustain the country's economic recovery while maintaining fiscal sustainability amid global uncertainties. The country's socioeconomic development needs will continue to be financed through a progressive and simplified tax system and more efficient tax administration through the adoption of digital technology.

National government spending will be made more efficient, while budget priorities will be aligned with the administration's socioeconomic agenda. Consistent with the devolution of services to local governments, rightsizing of the bureaucracy will be pursued. At the same time, the government will continue to recognize the important role of the private sector in development.

Sources of funding will be diversified through the development of the capital market, including the local government bond market.

These policy thrusts are aligned with the Medium-Term Fiscal Framework (MTFF) of the incumbent administration. With the efficient mobilization and utilization of resources, the national government will focus on achieving fiscal sustainability by bringing down the deficit-to-gross domestic product (GDP) ratio to 3 percent by 2028 and the national government debt-to-GDP ratio to less than 60 percent by 2025.

Strategies

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

- Strengthen the progressivity and productivity of the tax system
- Simplify taxation of the financial sector
- Pursue greater use of benefit taxation
- Implement appropriate tax regime for extractive industries and pollution
- 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
- Streamline and fully automate major processes in tax and customs administration
- Fast-track the privatization of government assets

Outcome 2: An efficient and inclusive budget system implemented

- Increase participation of the private sector in the procurement of government projects
- Ensure timely completion of awards and projects
- Improve the efficiency of bureaucracy
- Pursue the Military and Uniformed Personnel (MUP) pension reform

Outcome 3: Local government finance strengthened

- Strengthen the capacity of LGUs to raise more revenues and implement devolved functions
- Pursue an equitable and efficient National Tax Allotment (NTA)
- Develop the LGU bond market and establish an LGU credit rating system

Outcome 4: Sustainable management of debt ensured

- Diversify and explore alternative sources of financing
- Maintain a resilient and strategic debt management

CHAPTER 12

Expand and Upgrade Infrastructure

Enabling economic transformation builds on sustainable, resilient, integrated, and modern infrastructure systems as a solid foundation. Anchored on the long-term vision, the government will steer the nation towards a future where the movement of people and goods is safely and efficiently facilitated by adequate and accessible transportation. Filipinos are empowered through cost-effective and reliable flow and exchange of information and are able to partake in opportunities in the digital economy. Families have access to safe and adequate water and sanitation services; to reliable, clean, and affordable fuel and electricity; and to quality education, health, solid waste management, and other social infrastructure facilities. Communities and industries are served by green infrastructures that are not only adaptive and resilient against shocks and natural disturbances but also contribute towards a low-carbon future.

Strategies

Outcome 1: 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 strategic partnerships for financing investments

Connectivity

Outcome 2: Seamless and inclusive connectivity via local and international linkages achieved

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

Outcome 3: Water security, ecological integrity of water systems, and resiliency to water hazards attained

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

Energy

Outcome 4: Affordable, accessible, reliable and clean energy provided

- Implement game-changing reforms to bring down the cost of electricity
- Enhance the 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 the demand side management
- Invest in energy innovation to respond to increasing demand and new markets for clean technology goods and services

Social Infrastructure

Outcome 5: Enhanced support to social development provided

- Ensure equitable access to health and educational 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

CHAPTER 13

Ensure Peace and Security and Enhance Administration of Justice

A secure and peaceful community where guns are silenced, food and basic services are sufficient, and community life has normalized and shown signs of progress—this reality is now within the reach of geographically isolated and conflict-affected communities.

In pursuing economic transformation, the manifestation of peace and security is a necessary condition in allowing the implementation of development activities that could bring in more and better opportunities for the people. This is attainable if conflict-vulnerable areas are protected and developed, the quality of life is safeguarded from criminality, and communities are safe from natural hazards and other security threats.

Likewise, an efficient administration of justice is critical in ensuring sustained economic progress. A stable and accountable justice system, whether traditional or alternative, must inspire trust and confidence among stakeholders through integrity, fairness, and accessibility.

The PDP 2023-2028 puts forward the premise that a whole-of-government approach with cross-cutting strategies is required to ensure peace and security. It asserts that economic justice is a pillar of a strong and vibrant economy and requires a sector-based approach anchored on strong coordination among justice sector institutions, agencies, and actors to drive public engagement and trust in the justice system.

Subchapter 13.1 Ensure Peace and Security

Peace agreements between the government and non-state armed groups have stabilized security in many areas, normalizing a life free of violence and allowing the implementation of development projects that have opened new and better opportunities for Filipinos.

Investing in peace and security continues. This is realized by completing the commitments of signed peace agreements and helping former combatants, their families, and conflict-affected communities to return to civilian life. In areas not covered by peace agreements, localized peace engagements will be intensified, with LGUs facilitating the whole-of-society approach. Affirmative action on law enforcement operations on land and at sea, including disaster response, will be strengthened. Ongoing modernization of the armed forces and other security sector agencies will be intensified to protect the country's territorial integrity.

Strategies

Outcome 1: Protection and development of conflict-affected communities sustained

- Complete the implementation of all signed peace agreements
- Ensure the full transition of the BARMM Government
- Expedite normalization and reintegration of former combatants and their families, and the rehabilitation of conflict-affected communities, including Marawi City
- Strengthen convergence of programs, and ensure that development interventions are conflict-sensitive and peace-promoting
- Advance healing and reconciliation, social cohesion, and transitional justice interventions as key components of peacebuilding
- Establish appropriate mechanisms to counter threats from terrorism, radicalization, and violent extremism

Outcome 2: Quality of life of people safeguarded from criminality

- Promote a holistic approach to countering the proliferation of illegal and dangerous drugs
- Strengthen and expand police engagements with communities on crime deterrence, reporting, and resolution
- Strengthen regional and international partnerships to counter and prevent threats from terrorism, violent extremism, radicalization, transnational crimes, and other non-traditional security threats

Outcome 3: Protection and safety from natural hazards and other security threats ensured

- Improve the capacity and capability of security forces and LGUs on humanitarian assistance and disaster response and protection services to mitigate the impacts of natural hazards and other emergencies
- Protect critical infrastructure, strategic assets, and natural resources
- Strengthen the security and resilience of the Philippine cyberspace

Outcome 4: Territorial integrity and sovereignty upheld and protected

- Strengthen advocacy on respect for rules-based regimes in the regional and international community
- Pursue greater international and regional dialogues and cooperation
- Develop a modern, credible, and self-reliant defense force
- Strengthen the capacity of institutions in security assessment, operations, and response relative to geopolitical developments

Cross-cutting Strategies

- Sustain compliance of LGUs to good governance principles and of security institutions on human rights and the rule of law
- Ensure gender mainstreaming and protection of vulnerable groups in conflict-affected communities
- Mobilize a broad-based constituency for peace

Subchapter 13.2 Enhance Administration of Justice

A stable and accountable justice system is essential for achieving economic transformation. In such a system, the needs and expectations of litigants are reliably managed within definite timeframes by impartial actors, supported by a technologically-adaptive and disaster-resilient infrastructure. The system entails the provision of cost- and time-effective dispute resolution mechanisms, whether traditional or alternative, which inspires faith and confidence among stakeholders.

Efficient justice administration is realized when stakeholders from all sectors of society, including the business sector, can resolve legal disputes within the justice system. When there is confidence in the justice system, more entrepreneurs and business leaders are willing to expand their businesses through investments in assets and people.

Strategies

Outcome 1: Quality and efficiency in disposition of cases improved

- Establish and/or strengthen coordination mechanisms to improve sector efficiency and accountability
- Create a Central Evidence Unit to store and handle evidence in criminal cases
- Improve human resource allocation in the justice sector
- Adopt sectoral training for all stakeholders in commercial disputes
- Advance the use of Alternative Dispute Resolution mechanisms at all levels
- Maximize the use of digital technology and build a robust, efficient, and disaster-resilient ICT architecture for the justice sector
- Implement the integration of the unified crime index to improve the uniformity of crime data
- Streamline the rules on the disposition of specialized and multi-party cases
- Automate consumer complaints handling
- Provide private sector-led redress mechanisms

Outcome 2: Access to quality free or affordable legal services by Filipinos improved

- Promote free legal services access
- Establish free legal aid public directory and referral system
- Expand the Justice on Wheels Program
- Strengthen victim legal protection and assistance
- Expand access to non-financial bail and periodic review of preventive imprisonment

Outcome 3: Quality of life of Persons Deprived of Liberty (PDL) improved, and productive re-integration of PDL in the community ensured

- Undertake construction and repair of penal facilities
- Establish a unified penology and corrections system
- Operationalize the National Preventive Mechanism
- Expand the e-Dalaw system, livelihood, and entrepreneurial opportunities for PDL, and multi-disciplinary rehabilitation mechanisms
- Identify classes of PDL who may be qualified for early release and expand access to parole and probation for certain classes of offenses
- Operationalize the unified referral and monitoring system for former PDL

CHAPTER 14

Practice Good Governance and Improve Bureaucratic Efficiency

Achieving a prosperous, inclusive, and resilient society through economic transformation requires the practice of open, efficient, and accountable governance. In this desired future, citizens, civil society organizations, and the private sector are able to access clear and capable platforms that effectively receive and respond to their agenda at all levels of government. Citizen participation is inclusive, fair, and empowering, allowing Filipinos to transact conveniently with the government through digital technologies and maximizing the benefits of an integrated and productive bureaucracy. Furthermore, public servants are agile, resilient, and accountable; and citizens trust that they will consistently perform at the highest levels of inclusion, productivity, and integrity.

This chapter presents the challenges facing good governance and bureaucratic efficiency as well as the outcomes to be pursued to address these challenges during the Plan period. These outcomes are: (a) participatory governance deepened; (b) public accountability and integrity bolstered; (c) government functions, systems, and mechanisms rationalized and strengthened; and (d) competent, motivated, agile, and resilient public servants supported.

Strategies

Outcome 1: Participatory governance deepened

- Ensure sufficient and functional participatory spaces
- Broaden public access to information
- Improve the quality of participation
- Increase inclusivity and accessibility of elections

Outcome 2: 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

Outcome 3: 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

Outcome 4: Competent, motivated, agile, and resilient public servants supported

- Guarantee complete and capable human resources in government
- Promote conducive working environments

CHAPTER 15

Accelerate Climate Action and Strengthen Disaster Resilience

By 2028, communities, institutions, and the natural and built environment in the Philippines are more resilient to the impacts of natural hazards and climate change. To realize this goal, the government will strengthen cross-sectoral convergence and coordination and implement a comprehensive risk management approach to reduce intersecting vulnerabilities and address complexities in managing the compounding and cascading risks posed by climate change across different sectors. The government will collaborate with the private sector and international community to scale up sustainable and green investments that propel economic transformation for a prosperous, inclusive, and resilient society. Innovative policies and measures to advance low-carbon development will also be pursued while ensuring just transition and job creation. Rehabilitation and protection of natural resources will be accelerated to sustain the provision of ecosystem goods and services. A green and blue economy will be promoted and developed to optimize their contribution to livelihood and employment generation while improving environmental and social well-being. Lastly, improved governance will underpin the country's collective effort to ensure long-term climate and disaster resilience.

This chapter presents the challenges faced in climate action and strengthening disaster resilience as well as the outcomes to be pursued to address these challenges during the Plan period. These outcomes are: (a) climate and disaster risk resilience of communities and institutions increased, (b) ecosystem resilience enhanced, and (c) low carbon economy transition enabled.

Strategies

Outcome 1: Climate and disaster risk resilience of communities and institutions increased

- Strengthen the capacity of LGUs and communities in disaster prevention and preparedness
- Boost multi-stakeholder partnership in building and translating knowledge to climate change adaptation and disaster risk reduction
- Align environment, social, and governance (ESG) measures and investments with local adaptation and risk reduction needs and priorities

Outcome 2: Ecosystem resilience enhanced

- Intensify ecosystem protection, rehabilitation, and management
- Promote and expand natural resource-based industries and enterprises

Outcome 3: Low carbon economy transition enabled

- Implement the Nationally Determined Contribution (NDC) policies and measures
- Bolster private sector investments in green development
- Ensure just transition of workers affected by the structural changes toward a greener, more sustainable, and low-carbon economy
- Expand market opportunities for low-carbon technologies and products

Cross-cutting Strategies

Improve governance and intersectionality of climate change and natural hazard resilience

- Improve national and local climate and risk data and information management system
- Scale up natural capital accounting and valuation of ecosystem services
- Scale up the mobilization of sustainable finance from public and private sources

CHAPTER 16

Plan Implementation, Monitoring, and Evaluation

Building on the gains of the previous PDP 2017-2022 and learning from lessons of the COVID-19 pandemic, the PDP 2023-2028 shifts to higher gear toward economic transformation for a prosperous, inclusive, and resilient society.

This economic transformation calls for a whole-of-government and whole-of-society collaboration, which will be enabled through good governance, transparency, accountability, and evidence-based decision-making. Efficient and close coordination at various levels of government is crucial in implementation. The involvement and cooperation of the private sector during monitoring are deemed vital in ensuring that the government remains on track to achieving its targets. Timely assessment and evaluation will also be done to correct deviations.

Implementation

The government will set the necessary policies and regulatory environment and implement concrete programs, activities, and projects (PAP) to achieve the targets set in the Plan. An executive order will be issued directing all government instrumentalities to adopt and align agency plans, roadmaps, and budgetary programs with the Plan. The National Economic and Development Authority (NEDA) Secretariat will work with implementing agencies on the prioritization of identified strategies, policies, programs, and projects, including the proposed legislation.

Given the interrelatedness of the strategies, inter-agency committees were identified to lead and coordinate the implementation of the Plan. They are enjoined to regularly discuss the status of the transformation agenda and pursue measures to expedite the rollout of strategies. The NEDA Board will oversee the implementation of measures that directly contribute to the achievement of the headline targets as enumerated in *Chapter 1: A Plan for Economic and Social Transformation*.

Meanwhile, the NEDA Board Committees and existing clusters will steer the implementation of the chapter strategies. Table 2 lists the lead inter-agency for the chapters.

The Social Development Committee will take the lead in ensuring that strategies are implemented to achieve the targets under *Chapter 2: Promote Human Capital and Social Development*. The Social Development Committee will also push for measures to increase the income-earning ability of Filipinos as identified in *Chapter 4: Increase Income-Earning Ability*.

Table 2. Coordination Mechanism

CHAPTER	RESPONSIBLE IAC
Chapter 1. A Plan for Economic and Social Transformation	NEDA Board
Chapter 2. Promote Human and Social Development	Social Development Committee
Chapter 3. Reduce Vulnerabilities and Protect Purchasing Power	Economic Development Cluster*
Chapter 4. Increase Income-Earning Ability	Social Development Committee
Chapter 5. Modernize Agriculture and Agribusiness	Economic Development Cluster*
Chapter 6. Revitalize Industry	Economic Development Cluster*
Chapter 7. Reinvent Services	Economic Development Cluster*
Chapter 8. Advance Research and Development, Technology, and Innovation	National Innovation Council
Chapter 9. Promote Trade and Investments	Inter-Agency Investment Promotions Coordination Committee; Committee on Tariff-Related Matters
Chapter 10. Promote Competition and Improve Regulatory Efficiency	Inter-Agency Committee on Good Governance
Chapter 11. Ensure Macroeconomic Stability and Expand Inclusive and Innovative Finance	Development Budget Coordination Committee
Chapter 12. Expand and Upgrade Infrastructure	Infrastructure Committee
Chapter 13. Ensure Peace and Security and Enhance the Administration of Justice	National Security Council and Justice Sector Coordinating Council
Chapter 14. Practice Good Governance and Improve Bureaucratic Efficiency	Inter-Agency Committee on Good Governance
Chapter 15. Accelerate Climate Action and Strengthen Disaster Resilience	Cabinet Cluster on Climate Change Adaptation, Mitigation, and Disaster Risk Reduction*

* Or the equivalent NEDA Board Committee

The Economic Development Cluster or the equivalent NEDA Board Committee will ensure that measures identified in *Chapter 3: Reduce Vulnerabilities and Protect Purchasing Power* are pursued. The EDC will also expedite the implementation of measures to transform the production sectors, as identified in *Chapter 5: Modernize Agriculture and Agribusiness*, *Chapter 6: Revitalize Industry*, and *Chapter 7: Reinvigorate Services*.

The National Innovation Council will steer the implementation of measures to advance research and development, technology, and innovation (*Chapter 8: Advance Research and Development, Technology, and Innovation*), driving an innovation-based transformation for various sectors.

The transformation agenda will also be supported by strategies that promote trade and investments (*Chapter 9: Promote Trade and Investments*), to be steered by the Inter-Agency Investment Promotions Coordination Committee, and the tariff and non-tariff policies to be tackled by the Committee on Tariff-Related Matters. Policies promoting competition and improving regulatory efficiency (*Chapter 10: Promote Competition and Improve Regulatory Efficiency*) will be led by the Inter-Agency Committee on Good Governance.

To promote macroeconomic stability (*Chapter 11: Ensure Macroeconomic Stability and Expand Inclusive and Innovative Finance*), the Development Budget Coordination Committee will ensure that fiscal and financial policies are sound and supportive of transformation. Meanwhile, the Infrastructure Committee will pursue the expansion and upgrading of the country's infrastructure (*Chapter 12: Expand and Upgrade Infrastructure*).

For *Chapter 13: Ensure Peace and Security and Enhance the Administration of Justice*, the National Security Council will lead the implementation of strategies to ensure peace and security (*see Subchapter 13.1*) while the Justice Sector Coordinating Council will have oversight on enhancing the administration of justice (*see Subchapter 13.2*). Meanwhile, good governance and the enhancement of bureaucratic efficiency (*Chapter 14: Practice Good Governance and Improve Bureaucratic Efficiency*) will be steered by the Inter-Agency Committee on Good Governance; and the acceleration of climate action and disaster resilience (*Chapter 15: Accelerate Climate Action and Strengthen Disaster Resilience*) will be steered by the Cluster on Climate Change, Adaptation, Mitigation, and Disaster Risk Reduction.

Monitoring and Evaluation

The progress towards achievement of the identified outcomes will be monitored and assessed using indicators and interim targets as identified in the accompanying Results Matrix (RM). The RM was instituted in 2011 as an instrument designed to provide results orientation to the Plan. It is anchored on results-based management, which highlights achieving outcomes and impact. It aims to strengthen government-wide results orientation, which shall allow for regular performance assessment of the Plan.

The RM is a living document that should be referred to and updated regularly to ensure responsiveness to the country's continuously evolving development landscape. To assess the progress toward achieving the Plan, the NEDA Secretariat shall annually prepare the Socioeconomic Report (SER) to present actual accomplishments in terms of outputs and outcomes as contained in the PDP and the RM. This report shall also identify key challenges toward achieving results and provide policy directions.

Gaps and weaknesses in data generation (e.g., unavailable regional breakdown, absence of appropriate methodology to measure indicator progress) for the monitoring of the Plan will likewise be identified during the SER. To address the gaps, the following strategies will be employed:

- 1. Strengthening the collection of data.** The Philippine Statistics Development Program will remain the primary mechanism to address the data requirements for the monitoring of the PDP and other sectoral plans and regional plans. It is envisioned to set the directions, thrusts, and priorities of the Philippine Statistical System in the medium term for the generation and dissemination of statistical information for policy- and decision-making of the government, private sector, and general public.
- 2. Improving analysis, reporting, and use of monitoring data.** Making the information on the annual accomplishment of RM indicators, and the likelihood of attaining end-of-plan targets available online

is important in maintaining public accountability and enhancing stakeholder engagement. This may be facilitated through data visualization solutions such as storyboards, infographics, and dashboards, among others. Following the open data policy of the government, the creation of such a platform shall improve the accessibility and comprehension of PDP monitoring data.

3. **Enhancing capacities to monitor the Plan.** The reporting agencies identified in the RM should continue to enhance their capacities to monitor the Plan toward ensuring the provision of quality and timely data. To facilitate this, human and financial resources to strengthen capacities for data collection, analysis, and reporting, as well as statistical literacy, at the national and sub-national levels, should be adequately allocated. Stronger partnerships with development partners, civil society organizations, and academe shall be pursued to support continuous enhancement of knowledge, skills, processes, and systems on monitoring.

Evaluation Agenda for the Philippine Development Plan 2023-2028

NEDA and the Department of Budget and Management (DBM) adopted the National Evaluation Policy Framework (NEPF) in 2015 in line with the government’s continuing efforts to strengthen its results orientation (see Figure 2). The NEPF underscores the need to develop an evaluative culture in the government by providing the framework for the purposive conduct of evaluations to support good governance, transparency, accountability, and evidence-based decision-making.

As NEDA takes the lead in formulating the PDP and oversees its implementation, the agency is in the strategic position to be at the helm in the systematic, rigorous, and impartial assessment of its progress.

Figure 2. Evaluation and the Public Sector Management Cycle



Source: Asian Development Bank. 2011. Framework for Results-Based Public Sector Management and Country Cases. Asia-Pacific Community of Practice on Managing for Development Results. Manila. <https://www.oecd.org/dac/peer-reviews/Asia%20apacific%20cop%202011%20Framework%20for%20RBPSM%20and%20Country%20Cases.pdf>.

A national evaluation agenda will be crafted to set out the priority evaluations that the government will pursue as a means of measuring and obtaining evidence on results derived from strategies and priority interventions laid out in the plan and the RM. Evaluation will particularly play key roles in (a) informing further articulation of the PDP and implementation of programs; (b) conveying progress achieved against priority areas of investment; and (c) promoting transparency and accountability by making evaluation results accessible to all branches of government, and most importantly, to the public. Toward this end, the government will adopt the following key strategies:

- 1. Undertake scoping studies to identify knowledge gaps and the corresponding evaluation studies to create evidence** that will inform the implementation of priority programs and projects of this administration. These evaluative studies are also intended to inform updating of the current PDP and the formulation of the successor Plan. Agencies should draw on existing evaluation initiatives if available; if not, evaluations may be commissioned.
- 2. Strengthen the collection, analysis, and use of evaluation data to promote evidence-based and data-driven decision-making.** At the outcome level of the PDP, the government will continue to collect data on the situation of the Filipino people through regular surveys and explore the application of new and innovative methods to gather data to be used for evaluation.
- 3. Support the enactment of a National Evaluation Policy to accelerate efforts in institutionalizing evaluation practice in the government.** The National Evaluation Policy comprises necessary instruments for guiding the practice of monitoring and evaluation within national development programs as they provide principles and standards for data collection and management, utilization, and financing, among others.
- 4. Strengthen the capacity of agencies to conduct and utilize evaluations.** To effectively develop capacities, technical knowledge of evaluations at the individual level should be complemented by opportunities for hands-on application. Nevertheless, the government should also aim to establish a structured training program for evaluation that is widely available, along with supplementary learning resources such as handbooks.
- 5. Effectively communicate evaluation findings to increase utilization and influence of evaluations.** Capacity development and the practice of evaluations will be supported by a culture of evidence-based decision-making to ensure its mainstreaming. This entails having an institutionalized evaluation unit to manage and advocate for evaluation activities within each agency of the bureaucracy. This unit will ensure that prioritization and utilization of evaluations are integrated into higher-level processes such as agency planning and project development. Documentation of monitoring and evaluation activities and learning also ensures that new program teams can leverage institutional knowledge built from previous projects.

