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The Philippines: Standing Firm Amid Global Economic Challenges

Economic Resiliency Plan



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The Philippine Economic Resiliency Plan: Objectives

- To ensure sustainable growth, attaining the higher end of the growth targets
- To save and create as many jobs as possible
- To protect the most vulnerable sectors: the poorest of the poor, returning OFWs, and workers in export industries
- To ensure low and stable prices to support consumer spending
- To further enhance competitiveness in preparation for the global economic rebound



Strategies

- **Improve Revenue Collection**
- **Budget Interventions**
 - ensure full, rapid spending of the 2009 budget;
 - maximize utilization of Personal Services (PS) and Maintenance and other operating expenditures (MOOE) allocation;
 - continue support for agriculture via FIELDS
 - shift resources from slow to fast-moving projects;
 - upgrade infrastructure and capital stock; and
 - expand social protection.



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Strategies

- **Off-Budget Interventions**
 - tap resources of Government Owned and Controlled Corporations (GOCCs)/Government Financial Institutions (GFIs) for infrastructure, and Social Security Institutions (SSIs) to enhance benefits due to members
 - partner with other stakeholders



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Budget Interventions

- Full rapid spending of the 2009 budget

2008	2009 Proposed	Growth Rate
(PhP Bn)		(%)
1,226.7 (\$29.2 Bn)	1,415.0 (\$31.4 Bn)	15.4%

Note:

2008 budget was converted to US dollar using the low-end of the 2008 BESF forex assumption

2009 budget was converted to US dollars using the low-end of the emerging DBCC peso-dollar projection of P45-P48 for 2009.

- The 2009 budget focuses on the following sectors
 - Infrastructure
 - Agriculture
 - Social Protection
 - Education
 - Health



Budget Interventions

- Full rapid spending of the 2009 budget

Allocation per Department

Particulars	Levels (PhP Bn)		Growth Rate (2008-2009) (%)	Average Growth Rate (1998-2008) (%)
	2008	2009		
Economic/Infrastructure				
DPWH	102.4	120.0	17.1	10.1
DA	25.4	39.7	55.9	3.6
DAR	13.1	16.1	23.2	11.0
DENR	8.5	12.5	47.0	0.2
Social Services				
Dep Ed	149.3	167.9	12.5	6.2
DOH	20.3	27.8	37.2	6.2
DSWD	4.9	10.5	114.7	10.6



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Budget Interventions

- **Maximize Utilization of Personal Services Budget**
 - hire teachers, policemen, soldiers
 - hire doctors/nurses for hospitals and underserved areas
- **Maximize Utilization of MOOE Budget**
 - step-up repair and rehabilitation of government buildings
 - fast-track purchases of supplies, equipment (patrol cars, ambulances)



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Budget Interventions

- Continue support for Agriculture

Fertilizer, micronutrients

Irrigation facilities rehabilitation and restoration

Extension, education and training

Loans for inputs, shallow tube wells,
surface water pumps

Dryers and other post-harvest facilities provision

Seed subsidy on quality genetic materials



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Budget Interventions

- **Improve absorptive capacity of government agencies/infrastructure agencies**
 - hit the ground running (i.e., award contracts not later than the first semester, etc.)
 - realign portions of the budget from projects that may be difficult to implement (i.e., with right of way issues, no detailed engineering plans)
 - downscale/defer implementation of new projects without Investment Coordination Committee (ICC)/NEDA Board approval and/or difficult to implement immediately



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Budget Interventions

- Improve absorptive capacity of government agencies / infrastructure agencies (cont.)
 - implement/upscale quick-disbursing high impact projects (i.e., labor intensive, high local value added). Examples: Accessibility facilities for the Disabled (DPWH), Construction, Repair, or Rehabilitation of Irrigation Systems (DA), local roads, asphalt overlay
 - work with LGUs on infrastructure projects
- Closely monitor project implementation



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Budget Interventions

- **Expand social protection**
 - realign resources to increase social welfare allocation (i.e. conditional cash transfers)
 - full national government contribution to National Health Insurance program (i.e., indigent program)
 - realign resources to increase scholarship/training allocation
 - increase allocation for primary and secondary hospitals



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Budget Interventions

- **Expand social protection (Others)**
 - matching grants to local government units
 - making available more student loans for education



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Off-Budget Interventions

- Provide additional benefits for SSI (i.e. PhilHealth, GSIS and SSS) members for at least 18 months (e.g., for senior citizens); and
- Create fund (PhP100 Billion) with the private sector to lower borrowing/financing cost for CAPEX.



Other Measures

- Closer cooperation between government, business and labor in a tripartite manner towards saving jobs/businesses and increased productivity;
- “Payback package” for OFWs
- Expand trade, investment and tourism and accelerate lending to small and medium enterprises (SMEs); and
- Encourage exporting firms to diversify, innovate and technologically upgrade their products