



Socioeconomic Report 2014

ASSESSMENT AND IMPLICATIONS FOR 2015-2016



Socioeconomic Report 2014

ASSESSMENT AND IMPLICATIONS FOR 2015-2016

©2015 by the National Economic and Development Authority

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

Socioeconomic Report 2014: Assessment and implications for 2015-2016

Published by:

National Economic and Development Authority

12 Escrivá Drive, Ortigas Center, Pasig City

Tel: (+632) 631 0945 to 56

Email: info@neda.gov.ph

www.neda.gov.ph

Printed in the Philippines

Table of contents

List of acronyms	vi
A roadmap to inclusive growth	1
Assessment	3
Challenges	3
Prospects and risks to growth in 2015-2016	4
A stable but growth-promoting macroeconomy	6
Assessment	6
Challenges	8
Strategies	9
Competitive and innovative industry and services sectors	11
Assessment	11
Challenges	12
Strategies	12
Competitive and sustainable agriculture & fisheries sector	18
Assessment	18
Challenges	20
Strategies	20
Resilient and inclusive financial system	24
Assessment	24
Challenges	25
Strategies	25
Human capabilities improved through health services	26
Assessment	26
Challenges	26
Strategies	27
Human capabilities improved through education services	30
Assessment	30
Challenges	30
Strategies	31

Vulnerabilities reduced through expanded social protection	32
Assessment	32
Challenges	32
Strategies	33
Vulnerabilities reduced through expanded access to secure shelter	34
Assessment	34
Challenges	34
Strategies	35
Good governance and the rule of law	36
Assessment	36
Challenges	37
Strategies	37
Peace and security	38
Assessment	38
Challenges	39
Strategies	39
Sustainable and climate-resilient environment and natural resources	41
Assessment	41
Challenges	42
Strategies	42
Accelerating infrastructure development	43
Assessment	43
Challenges	43
Strategies	44
Glossary	94
Index	106

List of tables

Table 1.	Tax and revenue effort of selected ASEAN countries, 2012-2013	8
Table 2.	Sources and share of LGU's total current operating income, 2012 to Jan-Sep 2014	8
Table 3.	2014 Productivity and production targets and achievements in the A&F sector	19
Table 4.	Landmark legislations in health and their corresponding objectives	28
Table 5.	Statistics at a glance: Philippine progress on the MDG indicators as of December 2014	29

List of Figures

Figure 1.	Philippine GDP growth rates from 1980 to 2014, in constant 2000 prices	2
Figure 2.	Comparative GDP growth rates of selected Asian economies in 2014 (in percent), quarterly	2
Figure 3.	Map of Category 1, 2 and 3 provinces	5
Figure 4.	National Government spending, Jan-Sep 2014	7
Figure 5.	Map of projects to support manufacturing	14
Figure 6.	Map of agro-industry project locations	15
Figure 7.	Map of IT-BPM project locations	16
Figure 8.	Map of tourism project locations	17
Figure 9.	Map of agri-fisheries projects	23
Figure 10.	Map of basic infrastructure projects	45
Figure 11.	Map of energy and water security projects	46
Figure 12.	Map of projects to improve coordination planning and streamline government processes, good governance ICT, and improve air quality	47
Figure 13.	Map of projects to strengthen resilience to climate change and disaster	48
Figure 14.	Map of projects to support agricultural production	49
Figure 15.	Map of wastewater and solid waste management projects	50
Figure 16.	Map of expressway logistics projects	51
Figure 17.	Map of road logistics projects	52
Figure 18.	Map of urban logistics projects	53
Figure 19.	Map of RORO logistics projects	54

List of Results Matrices

Results Matrix 1.	A roadmap to inclusive growth	55
Results Matrix 2.	A stable but growth-promoting macroeconomy	57
Results Matrix 3.	Competitive and innovative industry and services sectors	59
Results Matrix 4.	Competitive and sustainable agricultural and fisheries sector	61
Results Matrix 5.	Resilient and inclusive financial system	68
Results Matrix 6.	Social development	69
Results Matrix 7.	Good governance and the rule of law	73
Results Matrix 8.	Peace and security	79
Results Matrix 9.	Sustainable and climate-resilient environment and natural resources	80
Results Matrix 10.	Accelerating infrastructure development	86

List of acronyms

A&F	Agriculture and Fisheries	CPP/NPA/NDF	Communist Party of the Philippines/ New People's Army/ National Democratic Front
ADB	Asian Development Bank		
ADR	Alternative Dispute Resolution	CSOs	Civil Society Organizations
AEC	ASEAN Economic Community	CY	Crop year
AFP	Armed Forces of the Philippines	DA	Department of Agriculture
AIDS	Acquired Immune Deficiency Syndrome	DAP	Development Academy of the Philippines
APIS	Annual Poverty Indicators Survey	DAR	Department of Agrarian Reform
ARB	Agrarian Reform Beneficiary	DBCC	Development Budget Coordination Committee
ARC	Agrarian Reform Communities	DBM	Department of Budget and Management
ARMM	Autonomous Region in Muslim Mindanao	DENR	Department of Environment and Natural Resources
ASEAN	Association of Southeast Asian Nations	DepEd	Department of Education
ATMs	Automated Teller Machines	DILG	Department of the Interior and Local Government
BIR	Bureau of Internal Revenue	DOF	Department of Finance
BLGF	Bureau of Local Government and Finance	DOH	Department of Health
BOC	Bureau of Customs	DOST	Department of Science and Technology
BOD	Biochemical Oxygen Demand	DOTC	Department of Transportation and Communications
BPO	Business Process Outsourcing	DPWH	Department of Public Works and Highways

DRRM	Disaster Risk Reduction and Management	IT-BPM	Information Technology-Business Process Management
DSWD	Department of Social Welfare and Development	KP	Kalusugan Pangkalahatan
ENR	Environment and Natural Resources	LFS	Labor Force Survey
FDP	Full Disclosure Policy	LGU(s)	Local Government Unit(s)
FHS	Family Health Survey	LRT	Light Rail Transit
FMR	Farm to Market Roads	MARP	Most-at-risk population
GAA	General Appropriations Act	MDG(s)	Millennium Development Goal(s)
GDP	Gross Domestic Product	MFI s	Microfinance Institutions
GPBP	Grassroots Participatory Budgeting Process	MILF	Moro Islamic Liberation Front
HDMF	Home Development Mutual Fund	MIMAROPA	Mindoro Occidental, Mindoro Oriental, Marinduque, Romblon, Palawan
HDPRC	Human Development and Poverty Reduction Cabinet Cluster	MMR	Maternal Mortality Ratio
HGC	Home Guaranty Corporation	MNLF	Moro National Liberation Front
HIV	Human immunodeficiency virus	MSME	Micro, Small and Medium Enterprises
HLURB	Housing and Land Use Regulatory Board	MT	Metric tons
HUDCC	Housing and Urban Development Coordinating Council	NEDA	National Economic and Development Authority
I&S	Industry and Services	NG	National Government
ICC	Investment Coordination Committee	NHA	National Housing Authority
ICT	Information and Communications Technology	NHTS-PR	National Household Targeting System for Poverty Reduction
IP	Indigenous People	NIA	National Irrigation Administration
IRA	Internal Revenue Allotment	OFs	Overseas Filipinos
ISF	Informal Settler Family/ies	PAMANA	Payapa at Masaganang Pamayanan
ISO	International Organization for Standardization	PAP	Programs, Activities and Projects
		PBR	Philippine Business Registry
		PCFC	People's Credit and Finance Corporation

PDP	Philippine Development Plan	TESDA	Technical Education and Skills Development Authority
PhilHealth	Philippine Health Insurance Corporation		
PhP	Philippine Peso	TSP	Total Suspended Particulates
PMC	Philippine Mediation Center	TVET	Technical Vocational Education and Training
PNP	Philippine National Police	UN	United Nations
PPP	Public-Private Partnership	UNCLOS	UN Convention on the Law of the Sea
PSA	Philippine Statistics Authority	VA	Vulnerability Assessment
PWD	Persons with disability	WAVES	Wealth Accounting and Valuation of Ecosystem Services
Q1	First quarter of the year		
Q2	Second quarter of the year	WB	World Bank
Q3	Third quarter of the year	WB-IFC	World Bank-International Finance Corporation
Q4	Fourth quarter of the year		
R&D	Research and Development		
RA	Republic Act		
RATE	Run After Tax Evaders		
RATS	Run After The Smugglers		
RM	Results Matrix		
RPM-P/ RPA/ ABB	Rebolusyonaryong Partidong Manggagawang Pilipinas/ Revolutionary Proletarian Army/ Alex Boncayao Brigade		
SC	Supreme Court		
SDC	Social Development Committee		
SHFC	Social Housing Finance Corporation		
SLM	Sustainable Land Management		
SOCCSKSARGEN	South Cotabato, Cotabato, Sultan Kudarat, Sarangani, General Santos City		
SP	Social Protection		
SSS	Social Security System		

A roadmap to inclusive growth

The Philippine economy slowed down in 2014 growing by an average of 5.8 percent in the first nine months. By most indications, GDP growth for 2014 will fall short of the Government target of 6.5-7.5 percent after exceeding market expectations in 2012 and 2013. Significant declines in government final consumption and public construction explain the lackluster government spending, which otherwise would have accounted for an additional one-percentage point rise in the GDP.¹ As of September, government expenditures were 16 percent below target, with shortfalls of between 10 and 30 percent in personnel spending, MOOE, and infrastructure and capital outlay.

Various impediments – some externally induced, others born of institutional weaknesses – contributed to the lower government spending in the last year. Among these were delays in the preparation of feasibility studies, procurement, and project planning that held up project implementation. Others involved problems in project execution itself: lack of technical personnel, project slippages or deferred implementation, or lack of documentation resulting in delay or non-release of payments.

To be sure, some of these problems had existed much earlier but were magnified by the adjustment lag associated with the recent reforms in public financial management. In particular, the GAA-as-release-document and the one-year validity period of agency budgets were intended to instill greater fiscal discipline among agencies

in planning and programming their expenditures. Unaccustomed to the new state of play, some government agencies failed to undertake the necessary pre-procurement activities, or satisfy certain special accountability-enhancing provisions of the 2014 GAA, and consequently lost precious time in executing their programs. With few exceptions, the adjustment lag was in direct proportion to the size of agency budgets with very pronounced effects on total spending, and hence GDP growth.

Also contributing to the decline in spending was the destruction caused by typhoon Yolanda, which rendered infeasible some agency programs included in the 2014 Budget. In addition, the Supreme Court (SC) decision declaring certain parts of the Disbursement Acceleration Program (DAP) unconstitutional, particularly in relation to the applicability of the doctrine of operative fact, was an aggravating factor. The SC decision reduced government's flexibility to realign unused appropriations even as the resulting uncertainty might have caused national government agencies to exercise undue restraint in spending.

Still, the economy is undoubtedly on a higher growth path. Economic growth in 2010-2013 has been above 6 percent annually, which is by far better than the country has ever achieved in the three decades preceding the current one. The 5.8 percent growth over three quarters of 2014 puts the Philippines in second place behind Malaysia among ASEAN middle-income economies.

1 NEDA staff estimates.

Figure 1. Philippine GDP growth rates from 1980 to 2014, in constant 2000 prices

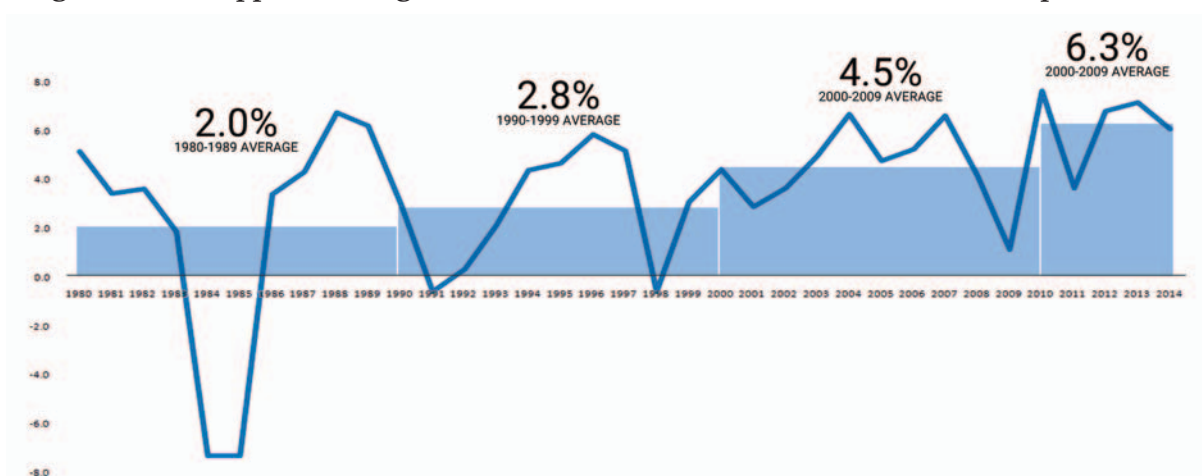
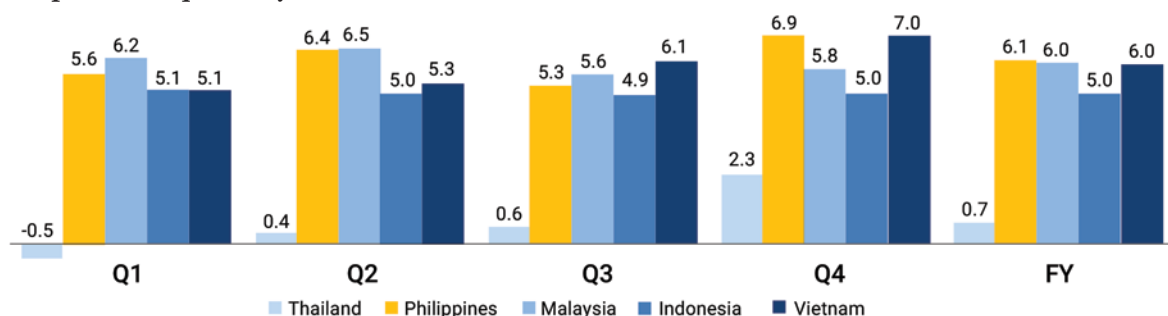


Figure 2. Comparative GDP growth rates of selected Asian economies in 2014 (in percent), quarterly



Despite the slower than targeted expansion in 2014, the good news is that the investor community, both domestic and foreign, has maintained an optimistic outlook regarding economic prospects for the country in the short- and medium-term.² Such sentiment attests to the relatively high degree of business confidence inspired not only by the country's sound macroeconomic fundamentals but also, and more importantly, by the initiatives in governance reform which have been widely credited for restoring the people's trust in government and securing political stability.

The question, however, is whether these gains can be sustained. Indeed, the last-mile challenge is always difficult as the path is typically littered

with road blocks, especially in the run-up to the next presidential elections.

This socioeconomic report assesses challenges and prospects for the remaining years of implementation of the Philippine Development Plan 2011-2016. Given progress thus far, the Philippine economy is poised to hit its growth targets as long as structural reforms continue to be pursued and properly implemented. Importantly, the targets can be achieved provided that government ensures efficiency, especially in service delivery requiring coordination among several agencies and layers of bureaucracy. Although the economy slowed down in 2014 and will likely be below the DBCC-approved target for the year, it is still expected to be among the fastest in the region and even compared

² Only last December 2014, Moody's upgraded the Philippines to one notch above minimum investment grade. It will be recalled that a similar upgrade came from Standard and Poor's in May last year. Various institutional investors have also expressed confidence in the PDP growth targets being met.

against its historical average. Strong optimism is also placed on the labor market as it had just recorded a 10-year record low of 6 percent and the employment it has generated are mostly full-time work, which is indicative of the improving quality of employment. In the meantime, the government's sector- and location-based approaches for designing and implementing government programs and projects is expected to increase the momentum for generating quality employment, raising incomes for more Filipinos and significantly reducing poverty.

Assessment

Private sector-led growth is generating good quality employment. Economic growth in the first three quarters in 2014 has been predominantly private sector-led, indicating that the economic strength is centered in sectors where there are opportunities for increased economic activity and better employment. In contrast, national government performance was dragged by inefficiencies in budget execution. Moreover, the expected reconstruction assistance in the Yolanda-affected areas was also delayed, although the speed of the response was lauded by several international agencies.

Amid the respectable growth, the labor market has responded very well. The targets for unemployment, underemployment and employment generation have been met. Unemployment rate averaged 6.8 percent for the full year. In October 2014, unemployment rate was 6 percent, the lowest in 10 years, registering a 1.05 million employment generation. Meanwhile, economic gains and increases in incomes during the past four years translated to a record 3 percentage point reduction of poverty incidence, from 27.9 percent in the first semester of 2012 to 24.9 percent in the first semester of 2013. This is equivalent to around 2.5 million individuals getting out of poverty³.

Challenges

Rapid growth needs to be sustained to address underemployment. It would seem that the big challenge is how to sustain rapid GDP growth. The target for 2014 of 6.5 to 7.5 percent growth will not likely be met, mainly because of government underspending and logistics bottlenecks.

Rapid growth that is sustained over several years, say at least a decade, is the environment needed for the massive generation of quality jobs. While the high economic growth has translated into more jobs, underemployment remains high as more than 7 million Filipinos desire to find more or additional hours of work over and above their existing job. This is especially the case in agriculture where more than 40 percent are underemployed. Addressing such issues can improve the welfare of workers through better incomes. This could also have an impact on poverty in the agricultural sector, where 48 percent⁴ of farmers and 41 percent of fishermen live below the poverty line.

Poverty incidence in 2014 would have been much lower were it not for missed opportunities. Economic growth, though not a sufficient condition, is still necessary for reducing poverty. The 2014 data from the Annual Poverty Indicator Survey show respectable income growth even among the poor, given the aggressive implementation of equity-enhancing programs, but tempered by the adverse impact of typhoon Yolanda. However, it could have been better if economic growth were faster resulting in higher incomes overall, and in addition, if food price inflation were slower resulting in higher purchasing power especially among the poor. In other words, the institutional constraints that dragged government performance and consequently overall growth, and the failure to take advantage of the favorable world market conditions for rice resulted in missed opportunities to hasten poverty reduction.

3 Poverty in its multidimensional forms cannot be assessed yet due to unavailability of data.

4 2012 Poverty Data on Basic Sectors (Philippine Statistics Authority)

5 The statistics on poverty incidence for the first semester of 2014 are expected to be released by the end of the first quarter of 2015.

Prospects and risks to growth in 2015-2016

The next two years present several opportunities for rapid growth even as the country faces risks that need to be managed.

Consumer confidence and business sector optimism remain high.⁶ Even credit rating agencies have affirmed their vote of confidence, with both Standard and Poor's and Moody's raising the government's credit rating further to one notch above investment grade. World prices of key commodities, especially oil, have been declining. Our APEC hosting in 2015 also presents high-visibility venues to showcase to the world Philippine service efficiency, professionalism, and hospitality, in addition to our tourist spots and Philippine-made products. And by the end of 2015, the ASEAN Economic Community (AEC), which means the free flow of goods, services, investment, capital and skilled labor, will be implemented. Similarly, the recovery of the US economy is a positive development for the export sector.

The country should remain vigilant against risks to growth. The normalization of US monetary policy may see a rise in interest rates as well as induce capital outflow. The other major trading partners of the country are experience economic recession (in the case of Japan, Euro Area) or slowdown (China) and this may reduce demand for Philippine exports.

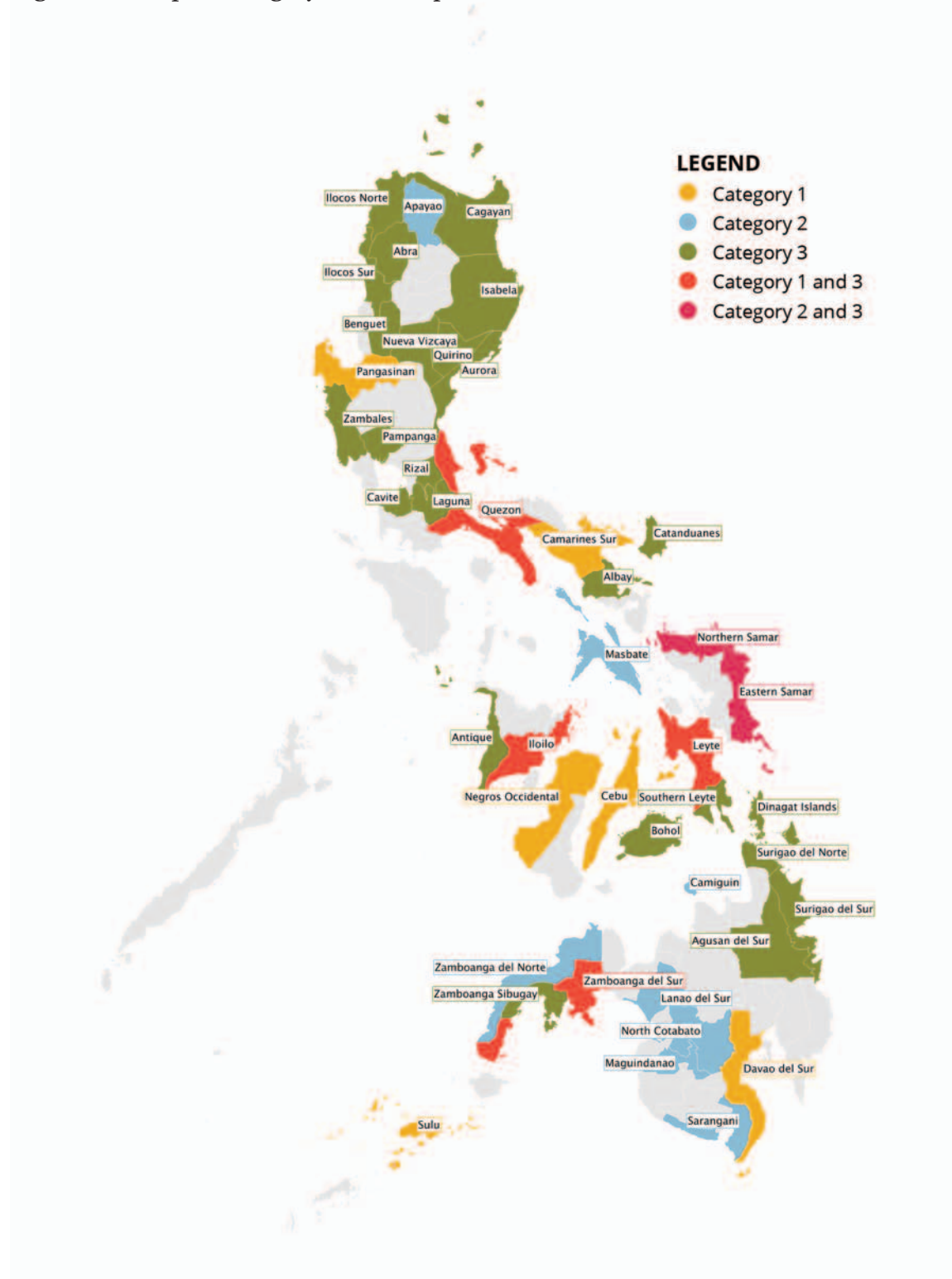
The major risks to growth are still the inefficiencies in budget execution and, relatedly, logistical problems. Natural hazards may also cause growth and development setbacks.

The extent to which the country is able to take advantage of opportunities, including trade opportunities, and manage the risks will determine our growth trajectory, even in the short term. On the other hand, effectiveness of program execution, with consideration for the spatial and sectoral dimensions, will direct the growth benefits to sustain the increases in quality employment creation and the reduction in poverty.

The strategies identified in the PDP Midterm Update remain relevant.

6 Reference: BSP expectation survey

Figure 3. Map of Category 1, 2 and 3 provinces



A stable but growth-promoting macroeconomy

Assessment

Growth has remained relatively strong (at 5.8% in the first 3 quarters of 2014), though likely to fall below target in 2014. The national government financial position remains stable, with the fiscal deficit well under control. Revenues have improved although the tax effort target may be missed. LGUs' local resources are growing faster than anticipated, but they still remain largely reliant on IRA transfers. However, public spending slowed considerably, with primary spending dropping to only 13.3 percent of GDP in the first 3 quarters of 2014, way below the target of 15.1 percent for the full year.

The external sector also remains strong, with the current account surplus likely to exceed the target and external debt to fall below target. Inflation has increased but remains moderate (4.1%) and within target.

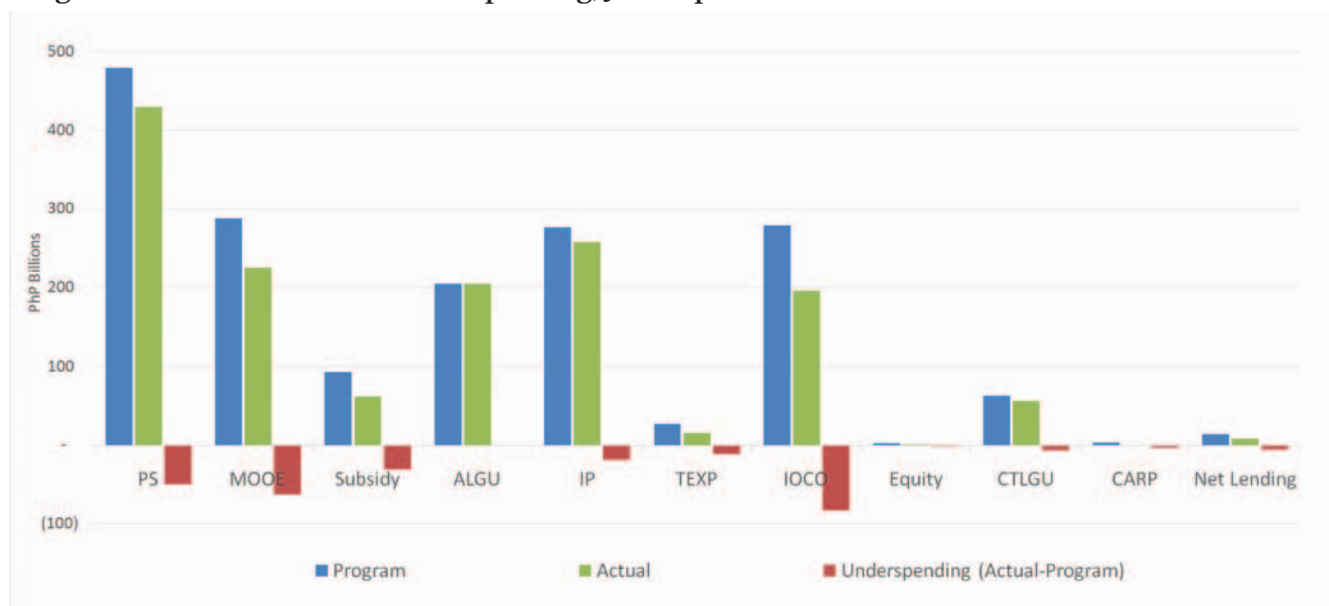
Clearly, the speed of execution of public expenditure programs and projects needs to be stepped up. This may be partly addressed by strengthening the link between planning and budgeting. New spending protocols were already put in place, mostly to do with clarifying how proposed projects are situated within the overall plan for the sector. However, there is a need to adequately prepare government agencies in terms of technical expertise, hardware and software, and to properly guide them on how to comply with the new protocols.

The national government financial position remains stable, but this has more to do with underspending than with improved revenue collection. It is worth mentioning that the government surpassed its revenue target. As of

September 2014, it stood at 15.8 percent as a percent of GDP which is slightly higher than the 15.3 percent recorded in the same period in 2013. This may be attributed to the administrative reforms and the implementation of the Sin Tax Law in the early part of 2013. Tax collections from the so-called "Sin Products" continued to post a remarkable increase in revenues for the first nine months of 2014. Total collections from tobacco and alcohol products in Jan. – Sep. 2014 increased by 27.7 percent to P78.34 billion compared to P61.36 billion incurred in the same period in 2013. The two major collecting agencies, the Bureau of Customs (BOC) and the Bureau of Internal Revenue (BIR), on the other hand, continued to post year-on-year (y-o-y) revenue increases equal to 18.3 percent and 11.0 percent respectively. Moreover, relative to the FY target of 5.7 percent in 2014, the year-on-year growth rate of local government unit (LGU) income from local sources as of September 2014 was higher at 8.14 percent.

On the expenditure side, national government spending nominally increased by 6.5 percent (y-o-y) to Php 1.46 trillion as of September 2014 relative to the same period in 2013, mainly due to a 76-percent increase in subsidy and a 13-percent increase in allotment to LGUs. Interest payments to total disbursements as of September 2014 stood at 17.7 percent from 17.2 percent in 2013. However, in real terms, public construction declined by 3.5 percent in the first three quarters of 2014 (in contrast to the 27-percent growth in the same period in 2013). Public administration slowed to 1.3 percent growth (versus 5.7 percent in 2013). Moreover, relative to programmed expenditures, underspending by the national government amounted to nearly PhP 274 billion,

Figure 4. National Government spending, Jan-Sep 2014



Source: Department of Budget and Management

Note: PS – personnel services, MOOE – maintenance and operating expenditures, ALGU – allotment to LGUs, IP – interest payments, TEXP – tax expenditures, IOCO – infrastructure and other capital outlay, CTLGU – capital transfers to LGU, CARP – CARP land acquisition & credit.

or 16 percent below target as of September. About a third of the underspending is accounted for by the PHP 83 billion (30 %) underspending on infrastructure and other capital outlays. Another 23 percent is due to the nearly P63 billion (22 %) underspending on Maintenance & Other Operating Expenses. A 10-percent underspending or close to PHP 50 billion on Personnel Services accounted for another 18 percent. The consolidated public sector in fact posted a surplus of 1.3 percent of GDP for the period January – September 2014, from a 1.5 percent deficit in 2012. NG debt-to-GDP was reduced to 44.6 percent as of end-September 2014, lower than the FY target of 46.8 percent from 49.2 percent in 2013 and 51.5 percent in 2012.

Inflation is likely to be within target for 2014 to 2016, following the easing of global commodity prices even with resilient domestic demand, adequate domestic liquidity and strong bank lending growth. Inflation was partly moderated

by easing global price pressures for oil and other commodity prices, particularly, metals, in the international market, on the back of ample supply of oil, and subdued inflation pressures in advanced economies. On the external front, global economic prospects are expected to remain uneven on the back of slowdown in China, recession in Japan, and growth uncertainties in Europe, thus mitigating upward pressures on commodity prices.

While average inflation was within target for the year, price inflation of rice (the country's staple), has remained at double digits from January to November, and near double digits in December. This is expected to disproportionately hurt the poor since 20 percent of their budget is spent on rice. In contrast, the world price of rice has declined by an average of 15 percent, in the case of high-quality rice, and by 30 percent, in the case of low-quality rice.

Challenges

For the current year, there are a number of identified challenges for the sector. On the fiscal subsector, the revenue effort and tax effort of the country is still low relative to the ASEAN-5 average.

The local government units (LGUs) are still heavily dependent on the internal revenue allotment (IRA), which makes up 59.5 percent, 61.5 percent, and 62.8 percent of the total LGU income in 2012, 2013 and for the period

January – September 2014, respectively. On the expenditure side, implementing agencies continue to underspend. This is because of procurement delays due to late programming, bidding and other administrative bottlenecks, as well as budgeting without appraisal/feasibility studies of particular infrastructure projects. In terms of managing the country's debt, the challenges include exposure to foreign currency fluctuations, exposure to external shocks such as financial crisis and developing a deeper and more liquid market for government securities.

Meanwhile, the inflation target is challenged by the tightness in food supply, mostly to do with our

Table 1. Tax and revenue effort of selected ASEAN countries, 2012-2013

Country	Revenue effort		Tax effort	
	2012	2013	2012	2013
Philippines	14.5	14.9	12.9	13.3
Indonesia	16.3	15.7	11.9	11.8
Malaysia	22.2	21.7	16.1	15.8
Thailand	17.4	18.2	15.0	16.2
Vietnam	22.7	21.9*	19.6	18.9*

Source: Asian Development Bank (ADB) Key Indicators for Asia and the Pacific 2014

* = provisional/preliminary/estimate/budget figure

Table 2. Sources and share of LGU's total current operating income, 2012 to Jan-Sep 2014

Particulars	Amount (in million PhP)			Share to total (in %)		
	2012	2013	Jan.-Sep. 2014	2012	2013	Jan.-Sep. 2014
		Preliminary			Preliminary	
Local sources	131,577	135,020	115,074	36.0	34.8	35.1
Tax revenue	92,438	96,121	83,627	70.3*	71.2*	72.7*
Non-tax revenue	39,138	38,899	31,447	29.7*	28.8*	27.3*
External sources	233,926	252,679	212,759	64.0	65.2	64.9
of which: IRA	217,337	238,468	205,898	59.5	61.5	62.8
Total current operating income	365,503	387,700	327,833	100.0	100.0	100.0

Source: Bureau of Local Government and Finance (BLGF)

*Share to local sources

rice trade policy, increase in utility rates, elevated impact of logistics bottlenecks and adverse impact of weather disturbances. On the other hand, the external subsector faces challenges which include logistical problems, deceleration/slowdown of the growth of the country's major trading partners, geopolitical tensions and uncertainty in the growth prospects of Europe, Japan and China and volatile capital flows and exchange rate volatility.

Strategies

The government will pursue and implement necessary strategies to address the abovementioned challenges.

To increase revenue collection, the executive and legislative branches will shepherd revenue-generating legislative measures such as the Fiscal Incentives Rationalization, Rationalization of the Mining Fiscal Regime, Tax Incentives Management and Transparency Act (TIMTA), and Customs and Tariff Modernization Act (CTMA). At the same time, government needs to explore other recurring sources of revenue, for example, by adjusting excise taxes on petroleum products. The government will also continue to pursue administrative reform measures including the Run After Tax Evaders (RATE) and the Run After the Smugglers (RATS) programs.

In reforming the structure of taxation, the government will need to recognize equity considerations alongside those of revenue generation and efficiency. Broadening the tax base and simplifying the tax system will raise the needed revenues while a progressive tax schedule will promote equity. The latter means distributing the burden of taxation so that those with the higher ability to pay actually get to pay more (vertical equity), and those with the same ability to pay are treated equally regardless of their income source (horizontal equity). Currently, there are about 20 million wage and salary workers, but the Bureau of Internal Revenue reports that only about 6.1 million pay taxes out of compensation. Moreover, the tax schedule being followed has not been revised since 1994. As an initial step, a review of the existing income tax brackets should

be conducted towards correcting the effects of bracket creep on the income tax liabilities of workers as a result of inflation.

In order to reduce LGU dependence on the IRA, the government will continue to pursue measures that will increase the local sources of revenue income.

These include administrative reforms involving the updating of the Local Revenue Codes, reviewing and revision of the LGU schedule of market values, and implementation of the idle land tax (ILT). Other supporting measures include the enhancement of local treasury and assessment manuals, as well as monitoring of financial reports and treasury operations of LGUs including the strengthening of LGU debt monitoring systems. The DOF will also pursue the passage of important legislative proposals, such as the LGU Income Re-classification System Bill and the proposed Valuation Reform Act.

To address government underspending, a proposed Supplemental Appropriations will be introduced and agencies will be guided on the proper implementation of new budget protocols. The proposed Supplemental Appropriations will fund urgent projects identified in the Comprehensive Rehabilitation and Recovery Plan (CRRP) for Typhoon Yolanda, and valid obligations incurred by the Government on completed or commenced projects under the Priority Development Assistance Fund (PDAF) as well as approved projects supported by the Disbursement Acceleration Plan (DAP).

Another policy will be to advise departments/agencies to promptly disaggregate lump-sum funds and prepare project listings and documentary requirements to comply with conditions for allotment release, such as network plans, geo-tagged photos, implementation guidelines, etc. (to be covered by a Budget Circular on Guidelines for Release of Funds). The release guidelines for the 2015 Budget will be issued as early as possible and agencies will be briefed about the new rules on the use of savings, augmentation and realignments to counter the uncertainty resulting from the SC decision on PDAF and DAP.

Next is to implement more effectively the reforms and strategies for programs/projects in the FY 2015 National Expenditure Program (NEP). The NEP is designed to promote faster program implementation through early procurement, GAA-as-a-release-document, and checkless payments. As procurement delays are noted as bottlenecks to efficient spending, it is proposed that full-time support staff to the Bids and Awards Committee (BAC) Secretariat be assigned instead of part-time personnel from offices. BAC members and Technical Working Groups are also expected to give utmost priority to procurement assignments over all other duties and responsibilities until the requirements for the said assignments are completed. The results of the Agency Procurement Compliance and Performance Indicator System will be used to identify and correct the deficiencies and weaknesses in the procurement practices of major procuring agencies. The number of BACs may also be increased in big departments such as DOTC, DPWH, DepED, DOH, and DSWD, which procure numerous and complex items. The spending performance of the national government on vital economic and social services weighed significantly on the growth of the economy. Thus, the budget resources and reforms in social protection, social services, jobs and economic expansion in priority sectors in focus geographical areas (FGAs) will be expanded through the Budget Priorities Framework. This will guide the preparation of the FY 2016 Budget. Government will maintain its priority spending on infrastructure and social services. Specifically, the government will increase spending on social services to 6.8 percent of GDP in 2015 from 5.6 percent in 2012. In terms of ratio to total budget, social services will receive 37.1 percent in 2015 from 32.4 percent in 2012. Similarly, spending on infrastructure will increase to 5.1 percent of GDP and 5.7 percent of GDP in 2016 and 2017, respectively, from 3.4 percent in 2012.

To reduce the risks associated with foreign currency fluctuations, the government will continue to favor domestic sources of financing while maintaining access to foreign debt markets. As of September 2014, domestic financing accounts for 66 percent of the total financing. This is programmed to increase to 86 percent in 2015 and to 88 percent and 89 percent in 2016 and 2017, respectively. To mitigate the risks from financial crisis, the government will continue proactive management of risk profile through liability management transactions whenever market conditions permit. Finally, the government will lift trading restrictions across tax categories for the GS market, and introduce a repo (repurchase agreement) market in conjunction with an effective primary dealer framework. Managing inflation, though a monetary prerogative, will now include ensuring supply sufficiency of key commodities including timely importation to augment domestic supply (e.g. rice and other agricultural products). Long-term solutions should focus on addressing power and port congestion problems to avoid disruptions in the domestic supply chain, and implementation of programs that will help the areas that are more vulnerable to adverse impact of weather disturbances.

The resiliency of the external subsector on the other hand, will be pursued through strategies that promote external debt sustainability by keeping the country's external debt manageable and within the economy's capacity to service in an orderly manner. The slowdown of the growth of the major trading partners will be addressed by policies that diversify the product and market mix of exports (goods and services). Equally important is addressing the logistical problems and continuing disciplined macroeconomic policies and purposeful structural reforms to address the volatility of capital flows and foreign exchange. Also, given the risks associated with the global economy, the BSP will continue to push for the amendment of the BSP Charter in which one of the proposed amendments is to increase capitalization to ensure its financial strength. As the central monetary authority, the BSP needs a larger capitalization to meet the needs of the expanding economy and the growing complexities and sophistication of the financial system.

Competitive and innovative industry and services sectors

The growth and employment targets for I&S were not met in 2014, while the investment targets are likely to be met. In 2014, out of the almost 1.0 million employment generated⁷, 849,000 employment were generated under the Industry and Services sectors. While remarkable, this falls short of the targeted 887,000 to 921,000 employment generation from 2014 to 2016.

Industry is targeted to grow by 9.8 to 11.0 percent in 2014, 8.6 to 9.7 percent in 2015 and 9.3 to 10.3 percent in 2016. The sector grew by only 6.9 percent in the first three quarters in 2014 and may not meet even the low end of the growth target for 2014. Services, on the other hand, grew by 6.1 percent during the first nine months of the year which is at the low end of the target growth rate.

Tourist arrivals (3.96 million from January to October 2014) and tourism receipts (Php 144.4B from January to July 2014) are expected to grow as planned.

There are indications that innovative capacity has increased, even beyond expectations. However, the country's overall ranking in the WB-IFC Doing Business report has deteriorated.

In the near term, there will be increased visibility resulting from the country's hosting of the APEC. However, there is also the looming power shortage, possibly in the second quarter of 2015. The effectiveness with which we will be able to take advantage of this opportunity and manage the power problem will greatly affect how the

rest of the world will view the Philippines as an investment destination and as a producer and supplier of high quality, ethical, sustainable and world-class goods and services.

Assessment

The under-performance of the industry sector was due to the slowdown in construction, manufacturing and electricity, gas and water. Construction slowed down because of the initial sluggishness of private construction during the first quarter of 2014, and then the contraction in public construction beginning the second quarter. The former could be related to the new requirements imposed by the Bangko Sentral ng Pilipinas on real estate loans. The latter, meanwhile, is due to many factors, including the inability of some agencies in government to comply with the new protocol for expenditure management⁸. Construction-related manufacturing, as expected, also slowed down. Another major subsector, (Radio, TV and Communication Equipment and Apparatus), also suffered a significant slowdown, growing only by 6.7 percent in the first three quarters of 2014, from 11.1 percent the year before. This could be related to the very slow recovery in the external demand for semiconductors.

In the Services sectors, the subsectors that demonstrated a slowdown are those affected by typhoon Yolanda. Financial intermediation was adversely affected by huge insurance claims against the damage wrought by the typhoon.

⁷ The figure is the average for the four quarters of 2014, though it must be noted that the January 2014 round of the LFS excludes Region 8 while the subsequent three quarters exclude the province of Leyte due to the devastation caused by Yolanda.

⁸ See previous page

Moreover, the new BSP requirements on real estate lending reduced the growth in financial intermediation activities.

The third quarter also saw a significant deceleration in land transport and storage services. This could be due to the Manila City truck ban, which imposed additional restriction on trucks plying the Manila City streets. The truck ban was lifted only in mid-September.

Public Administration Services contracted in the third quarter, coming from a slowdown in the second. For the full year, the subsector is not expected to contribute to GDP growth.

Investments increased, reflecting the optimism of the business sector in the Philippine economy. Employment generation was in consonance with the increase in investments. Net foreign direct investments (which account for the actual flow of foreign investments) for the first nine months of the year grew by 61.3 percent. Meanwhile, total approved investments for Q1-Q3 2014 grew by 1.2 percent. For the full year, the target is 8 percent.

The high level of investments reflects the bullish sentiments of the business sector about the growth prospects of the country. And despite the increase in employment generated, there is still a need to increase investments to further reduce the ranks of the unemployed.

However, sales receipts from merchandise exports continue to grow below target due to slowing economic activity in PH's trading partners.

Challenges

While ease of doing business has improved, the country still needs to move by at least 33 notches to attain the end-of-plan target ranking of 62nd out of 189 countries. This is due to the perennial infrastructure and logistics problems, as well as complex business registration processes, which substantially affect employment generation and poverty reduction. For instance, high electricity costs and unstable power supply remain as hurdles in reducing the cost of doing business and attracting more investments. Bureaucratic constraints in setting up businesses also discourage

inflow of more investments. Moreover, low spending on research and development (R&D) limits the productivity and innovative capacity of industries.

Strategies

To increase the likelihood of attaining the end-of-plan targets, the government needs to implement more programs that support industry and services activities, as outlined in the country's core investment programs and priorities. The various industry roadmaps drawn up during the past couple of years can be used to inform the government strategy. These can complement the other efforts to make the country more viable for business start-ups and expansions, like the Business Permits and Licensing System (BPLS) and Philippine Business Registry (PBR) which will be linked to more local government units (LGUs). In addition, the passage of the Customs Modernization Act will facilitate the international movement of goods, which will benefit the export industry.

The impact of the expected economic slowdown among the country's trading partners (Japan, China, EU) can be countered by aggressively fostering trade with other countries. This may also mean diversifying our product portfolio as well as complying with different product standards. To facilitate market access, the National Quality Infrastructure will be enhanced to be at par with global practice. And to ensure inclusivity, regional testing laboratories equipped with metrological capabilities including personnel are recommended to be established,

On research and development, the government needs to push for a harmonized national R&D agenda and increase budgetary support in high growth sectors and industries with wide inter- and intra- linkages such as metals industry and manufacturing.

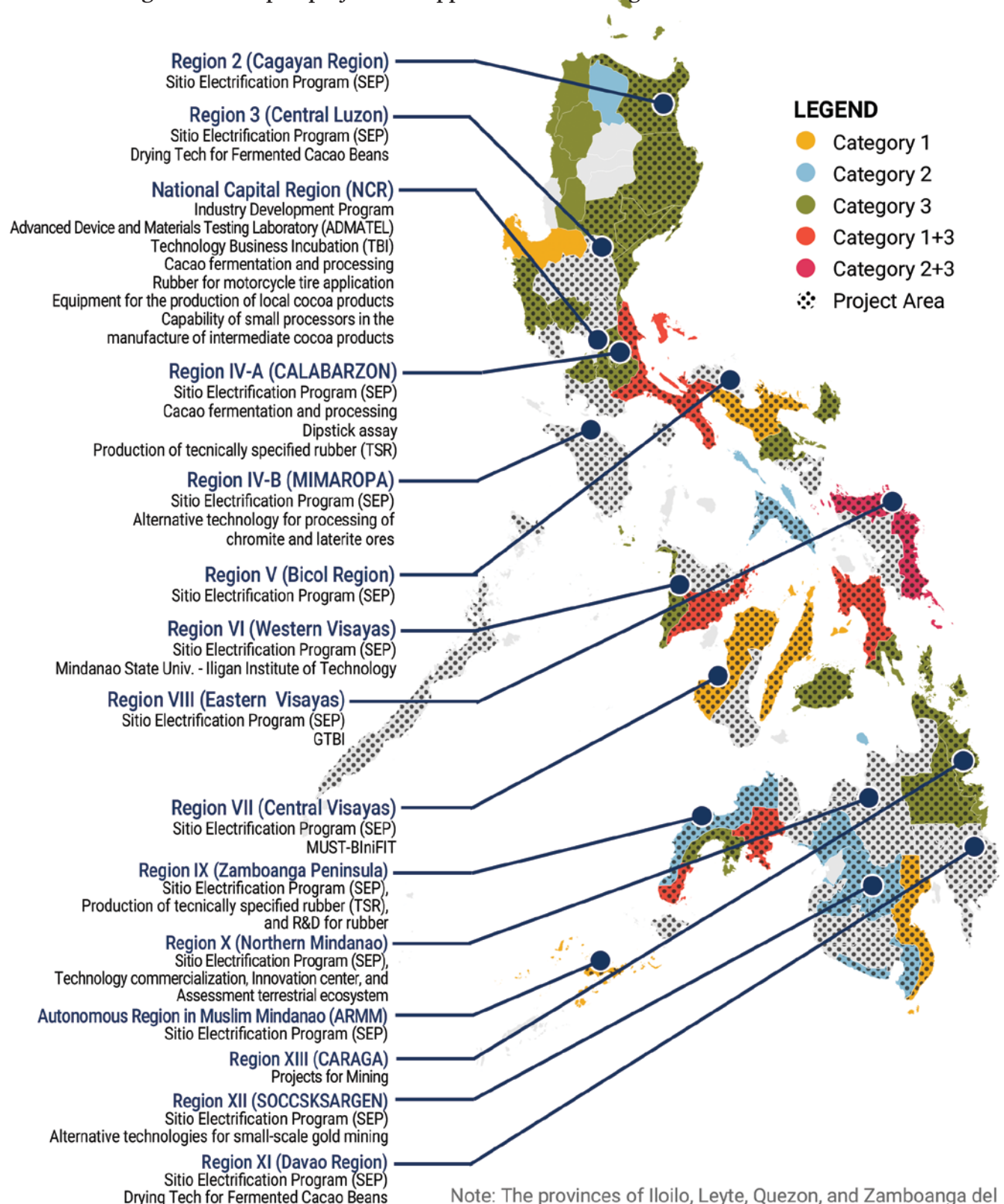
It will be recalled that the PDP 2011-2016 identified the following as the key subsectors in Industry and Services: agro-industry (coffee, bamboo, seaweed, rubber, coconut, oil palm, poultry, banana, mango, wood, milkfish and tuna), IT-BPM in the next wave cities, tourism, construction and logistics. The maps following

show the location of the major agro-industry, IT-BPM and tourism areas. The priority provinces are also highlighted in the maps.

Quite understandably, the deciding factor in identifying the major areas is not the C1-C2-C3 grouping but the seeming comparative advantage of the area. Agro-industry areas are scattered over Luzon and Mindanao; the IT-BPM cities are the major urban centers; the tourism areas can be found in most of the country except in northeastern Luzon, eastern Visayas,

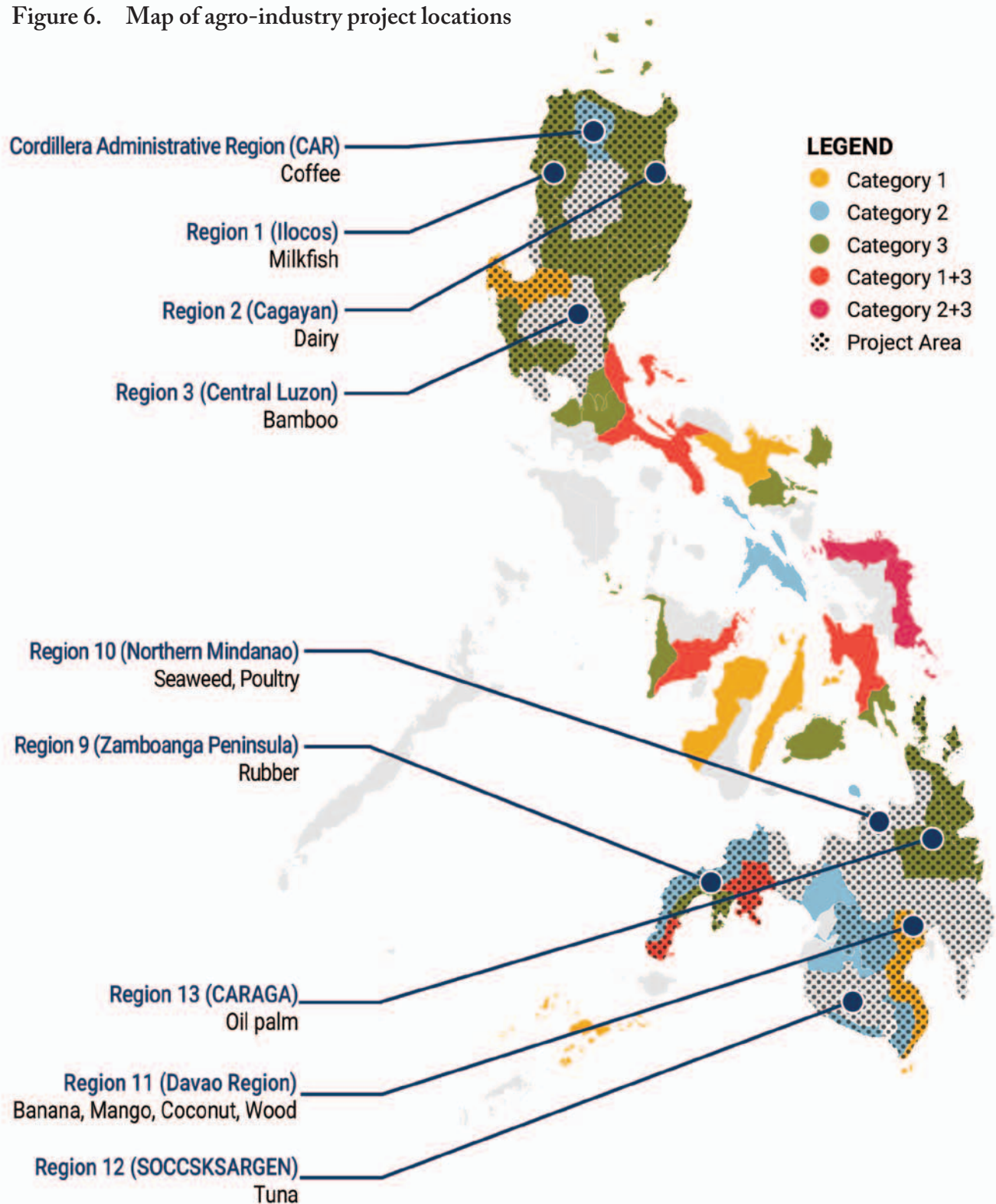
northeastern Mindanao and southwestern Mindanao. The strategies earlier discussed will encourage more investments in these sectors-areas. On the other hand, to ensure that the poor in the priority provinces benefit from the growth in these sectors, mobility of labor and goods need to be facilitated.

Figure 5. Map of projects to support manufacturing



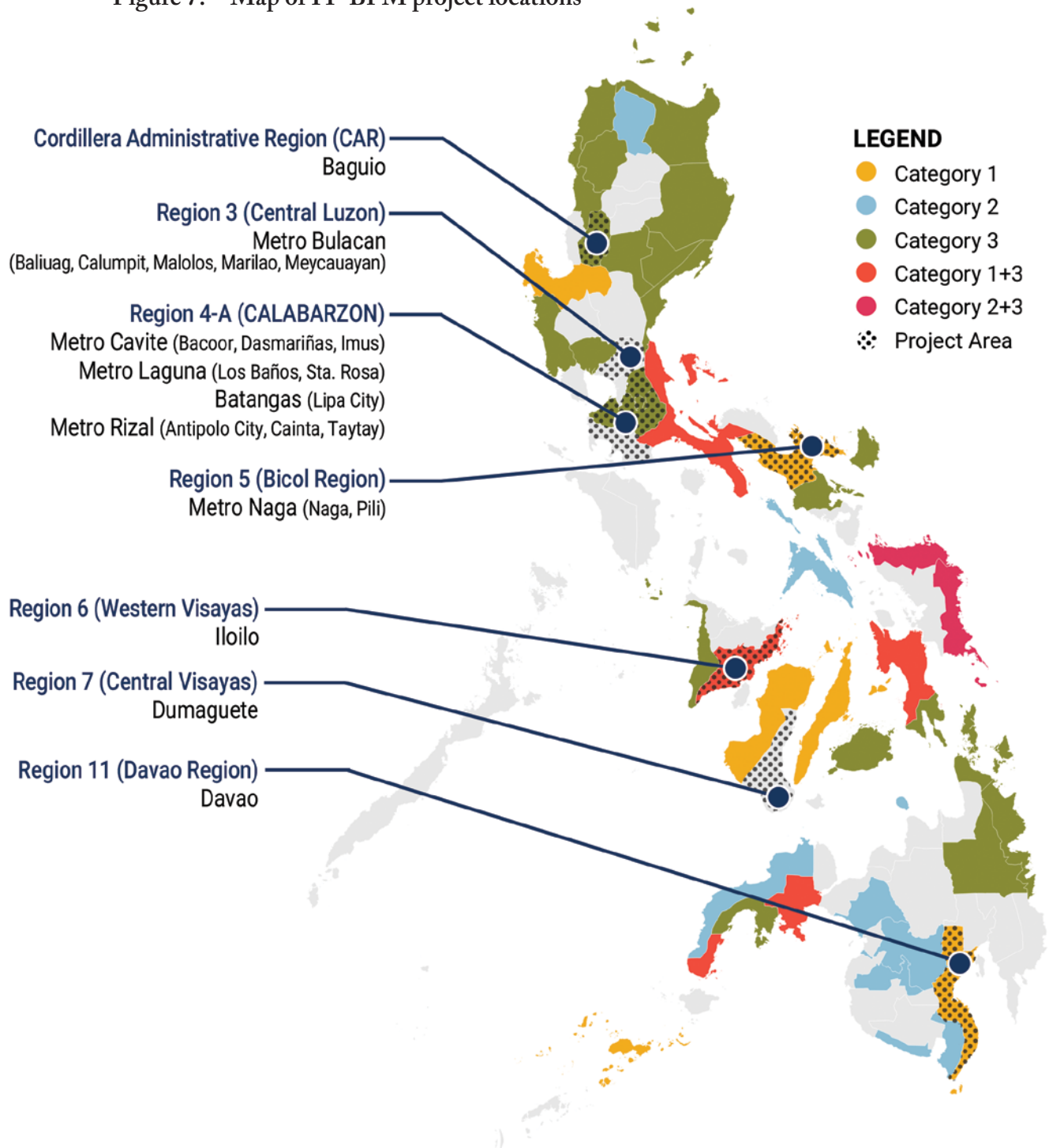
Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Figure 6. Map of agro-industry project locations



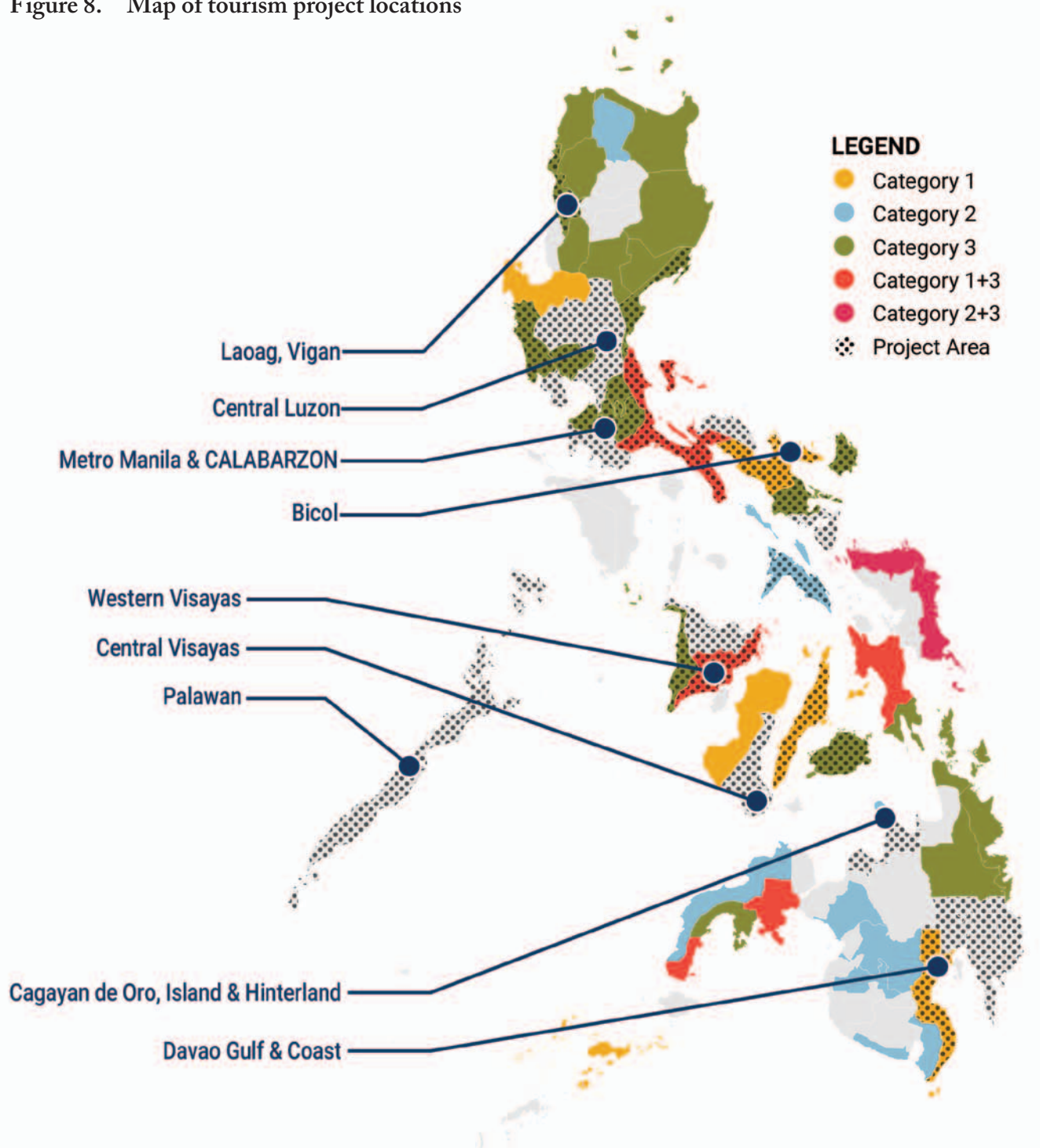
Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Figure 7. Map of IT-BPM project locations



Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Figure 8. Map of tourism project locations



Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Competitive and sustainable agriculture & fisheries sector

The PDP Midterm Update envisions a rapidly growing agriculture and fisheries sector that is closely linked with the industry sector through greater value-adding and linking with the supply chain. This will enable more farmers and fisherfolk to move from low-productivity areas in agriculture to more remunerative and high quality employment in the manufacturing or industry sector. The growth and development of the agriculture and fisheries sector, which employs nearly a third of the country's labor force, is central to addressing employment and poverty problems.

High and sustained agricultural growth, however, has been elusive. The sector continues to underperform. Except for the positive growth in its gross value added in the first and second quarters of 2014, sector accomplishment has been below par with respect to many indicators. (See Table 3).

Assessment

Except for coconut and tobacco, productivity targets for all other crops and the other sectors are not being met and are not likely to be met, given their performance for the first three quarters of 2014. Nonetheless, despite the poor production performance, labor productivity in the sector grew to meet the planned target although the value is smaller than the value in 2013.

Production and yield levels in the A&F sector remain low. The average yield of palay for the first to third quarter of 2014 at 4.0 tons per

hectare has shown minimal improvement despite the use of high-yielding rice varieties. This is because of poor application of management practices, foremost of which is that the number of farmers using certified seeds remains low. The yield of other major crops, such as white and yellow corn, coconut, cassava, coffee, cacao and rubber have yet to significantly improve. There were also significant reductions in banana and pineapple production due to slow recovery from the typhoons that have frequented Mindanao. Likewise, sugarcane yield level fell short of the 62.8 MT/ha target for the year. It reached 54.9 MT/ha for the first half of 2014. To achieve the 2014 target, sugarcane yield level should be at least 70.7 MT/ha.

Another factor that contributes to low production levels is the incomplete land distribution under the Comprehensive Agrarian Reform Program (CARP). Accomplishments in land distribution and subdivision of collective Certificate of Land Ownership Award (CLOA) are likely to fall short of the targets. As of September 2014, a total of 807,311 hectares of lands (10 percent of the total CARP scope) remain to be acquired and distributed. In particular, DAR and DENR still need to acquire 703,677 hectares and 103,634 hectares, respectively.

Meanwhile, aquaculture and fisheries recorded 1,589 MT production for the first three quarters of 2014. For the remaining quarter, production level should be at least 1,068.6 MT to achieve the target of 2,657 MT.

Table 3. 2014 Productivity and production targets and achievements in the A&F sector

Indicators	Baseline (2012*)	2013	YTD 2014 2014	Needs to happen for the remaining of 2014	Annual PDP Target
Yield of major commodities increased (in metric ton per hectare)					
Palay	3.84	3.9	4.0 (Q1-Q3)	Yield level should be at least 5.7 MT/Ha for the remaining period to achieve the 2014 target.	4.4
White Corn	1.6	1.7	1.7 (Q1-Q3)	Yield level should be at least 2.0 MT/Ha for the remaining period to achieve the 2014 target.	1.8
Yellow Corn	4.09	4.1	4.2 (Q1-Q3)	Yield level should be at least 5.9 MT/Ha for the remaining period to achieve the 2014 target.	4.6
Banana	20.36	19.4	9.9 (Q1-Q2)	Yield level should be at least 36.5 MT/Ha for the remaining period to achieve the 2014 target.	23.2
Coconut (copra)	0.88	0.9	0.9 (Q1-Q3)	Yield level should be at least 0.92 for the remaining period to achieve the 2014 target.	0.9
Pineapple	41.06	40.5	20.1 (Q1-Q2)	Yield level should be at least 66.1 MT/Ha for the remaining period to achieve the 2014 target.	43.1
Mango	4.07	4.3	4.2 (Q1-Q2)	Yield level should be at least 5.4 MT/Ha for the remaining period to achieve the 2014 target.	4.8
Sugarcane	61.34	56.2	54.9 (Q1-Q2)	Yield level should be at least 70.7 MT/Ha for the remaining period to achieve the 2014 target.	62.8
Cassava	10.23	10.9	11.7 (Q1-Q2)	Yield level should be at least 21.2 MT/Ha for the remaining period to achieve the 2014 target.	16.4
Coffee	0.74	0.7	0.3 (Q1-Q2)	Yield level should be at least 1.3MT/Ha for the remaining period to achieve the 2014 target.	0.8
Cacao	0.52	0.5	0.2 (Q1-Q2)	Yield level should be at least 1 MT/ Ha for the remaining period to achieve the 2014 target.	0.6
Rubber	2.52	2.4	1.0 (Q1-Q2)	Yield level should be at least 6.2 MT/Ha for the remaining period to achieve the 2014 target.	3.6
Volume of production increased (in '000 metric ton)					
Hog	1,974	2,012	1,448 (Q1-Q3)	Production level should be at least 609 MT for the remaining period to achieve the target	2,057
Chicken	1,479	1,555	1,139 (Q1-Q3)	Production level should be at least 512 MT for the remaining period to achieve the target	1,651
Commercial Fisheries	1,042	1,068	861 (Q1-Q3)	Production level should be at least 241 MT for the remaining period to achieve the target	1,102
Municipal Fisheries	1,281	1,264	945 (Q1-Q3)	Production level should be at least 387.2 MT for the remaining period to achieve the target	1,332
Aquaculture Fisheries	2,542	2,373	1,588 (Q1-Q3)	Production level should be at least 1,068.6 MT for the remaining period to achieve the target	2,657
Labor productivity in agriculture and fisheries sector increased	PhP57,797	PhP 59,706 (3.3%)	PhP 44,277 3.9% (Q1-Q3)	Labor productivity needs to grow by an average of 8.4 percent for the remaining period to achieve the upper-end target.	2.0 - 5.0 %

Climate-related calamities that frequent the country have certainly posed significant challenges for the sector, resulting in damage and losses, and offsetting or diminishing gains the sector has achieved. The sector also remains vulnerable to diseases and pest infestations. Moreover, poor post-harvest facilities and handling, as well as lack of rural infrastructure particularly roads to connect production areas to markets, have contributed to still relatively high rates of product spoilage.

The low yield and production levels of major crops, combined with government policies that espouse self-sufficiency in rice and other goods led to the mismanagement of supply that caused upward pressures in prices. Greater importation of rice in 2014 to augment the domestic production has been made but the rise in rice prices has not been abated.

Challenges

Clearly, a lot needs to be done for the A&F sector to sustain growth and reduce pervasive underemployment and poverty among households in the sector. The PDP Midterm Update has enumerated strategies and programs, many of which are ongoing, to bring the sector to a higher growth trajectory and make it resilient to disasters. Implementation has to be accelerated and monitored more closely.

Major reforms in program formulation, development and implementation have to be instituted to improve production efficiency and enhance the competitive stance of the sector as a whole. This includes greater support towards diversification of crops and enhancing their market potentials through value adding. A major challenge is to institute policy reforms that promote better transmission of prices within and outside the country to provide more accurate signals that would better guide the response of market players including producers to emerging supply-demand situations.

Strategies

To meet the PDP targets for the sector, the following will need to be effectively and swiftly carried out in 2015:

1. Building production and innovation capacity of farmers and fisherfolk. Extend and conduct more training programs on appropriate technologies and innovations on production, farming systems and fishery practices to build the capacities of farmers and fisherfolk to produce high-value, marketable products. Emphasize the importance of good management practices, including the use of certified seeds. These will promote adoption of improved and proven production technologies that could raise yield and production levels. Specific interventions for 2015 include the following:

- a. *Promote the mechanization of the Philippine Sugarcane Farms.* The proposed project, implemented by the DA, aims to increase sugarcane production through the use of improved tools and machinery. Farm equipment such as hauling trucks and high-powered tractors with complete sets of implements such as ripper, trailing harrow, furrower and trailers will be distributed. This project also contributes to increasing A&F's forward linkages with the industry and services sector.
- b. *Fisheries, Coastal Resources and Livelihood (FishCORAL).* The project, also implemented by the DA, aims to reduce poverty in the target coastal communities through the following: i) adoption of sustainable management of fishery and coastal resources in fishing communities that will help increase overall stocks and fish catch; and ii) promotion of diversified livelihood activities that will help augment and diversify sources of income.
- c. *Agribusiness Clusters Engagement Strategy (ACES).* The proposed project will build on the gains of the previous Agrarian Reform Infrastructure Support Project (ARISP) and will focus on the enhancement of ARC clusters. It shall provide technical

assistance for capacity building, enterprise development and rural infrastructure in clustered agrarian reform communities. (Also applicable in addressing issue on connectivity)

2. Fast-tracking agrarian reform. The distribution of individual land titles must be accelerated to provide greater security of tenure and access to finance for agrarian reform beneficiaries.

3. Addressing connectivity and efficiency challenges. Improve rural infrastructure (irrigation, post-harvest-facilities, farm-to-market roads, bridges and other logistics-related infrastructure) to improve productivity, reduce losses and enhance connectivity of production areas to markets. Interisland transportation is also critical to address the connectivity challenge. Specific projects include the following:

a. *Formulation and execution of farm-to-market road (FMR) network plan and irrigation master plan.* The FMR Network Plan for 2015 has been submitted to DBM and Congress. Geo-tagging is currently on-going.

b. *Public-Private-Partnership Program to provide Logistics Support on the Agri-Fishery Products Supply Chain (Transportation of Agri-Fishery Products Utilizing the Southrail Main Line).* The proposed project by DA aims to promote bulk handling and transport of major agricultural products from consolidation centers in South Luzon to demand areas in Manila, through the South Railway System. Consolidation centers equipped with cold chain equipment, warehouses and other needed facilities will be established in strategic areas along the Southrail in the Provinces of Laguna, Quezon and the Bicol Region.

c. *Nationwide Fish Ports Project (Package III).* The proposed project of DA will focus on the preparation and implementation of a Master Plan for the Rehabilitation of Regional Fish Ports to reduce substantial post-harvest losses, operational inefficiency and maintenance cost resulting from improper handling practices, lack of fishery

post-harvest infrastructure and support services.

d. *Upgrading/ Rehabilitation of Navotas Fish Port Complex.* The proposed DA project will focus on the preparation of Master Plan for the Rehabilitation of Regional Fish Ports as well as its implementation to reduce substantial post-harvest losses and operational inefficiency and increasing maintenance cost.

e. *Agribusiness Clusters Engagement Strategy (ACES).* The proposed project will build on the gains of the previous Agrarian Reform Infrastructure Support Project (ARISP) and will focus on the enhancement of ARC clusters. It shall provide technical assistance for capacity building, enterprise development and rural infrastructure in clustered agrarian reform communities.

f. *The 10-year Irrigation Master Plan and the NLA Corporate Plan 2016-2025* have yet to be developed, funding to come from the Participatory Irrigation Development Project (support to strategy on improving productivity)

4. Shift to high-value crops and facilitate linkage of agriculture to the industry and services sectors. To increase farmers' incomes and address underemployment among farmers, they need to be assisted and encouraged to diversify to high-value crops and to be linked with value chains. Interventions include the following:

a. *Gearing Rural Organization for Wealth Creation Towards Household Income Improvement (GROWTH).* The proposed project is expected to enhance the linkage of farmers to viable markets and strengthen productive partnerships between organizations and buyers by providing technical assistance, matching grants, and necessary infrastructure. The proposed project will cover 50 agrarian reform clusters across 50 provinces.

b. *Convergence on Value Chain Enhancement for Rural Growth and Empowerment (ConVERGE).* The ConVERGE project of DAR aims to enable agrarian reform

beneficiaries (ARBs) and other small farmers to become highly productive and competitive entrepreneurs and contribute to the achievement of broad-based rural economic growth by: i) increasing the quantity and the quality of commodity production; ii) improving the phasing of production to meet market demand; iii) adding value to farm produce by improving post-harvest handling/management; iv) strengthening/developing farmers' linkage to selected value chains; and v) diversifying sources of income through alternative livelihood/agri-enterprise activities in partnership with the private sector. Project ConVERGE will cover eleven (11) Agrarian Reform Community (ARC) clusters in Regions IX, X and XIII.

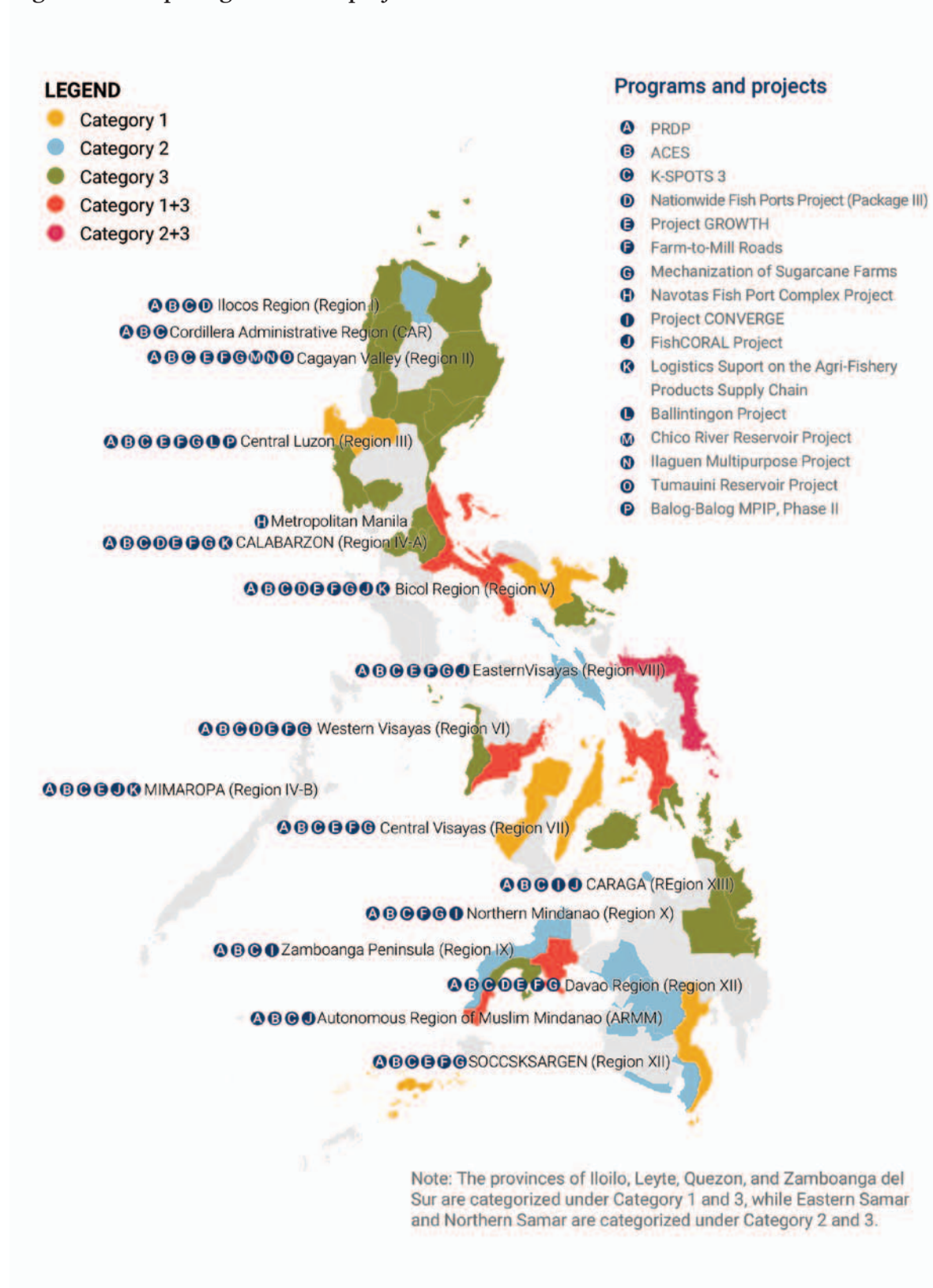
also have to be strengthened, including the redesign of the Community-based Employment Program (CBEP) to function as a social protection mechanism. These programs will mitigate the impact of disasters such as crop failure, diseases, pest infestation, or extreme weather.

Major agricultural PAPs are being implemented or will be implemented all across the country, including the priority provinces. A number of these PAPs come with multiple components – technical assistance, extension support services, production support, marketing assistance, physical infrastructure, etc. The challenge, however, is to sharpen the focus of programs and projects so that they will result in significant and robust poverty reduction. Increasing production may result in poverty reduction, but unless the constraints faced by the poor are not addressed properly, these gains cannot be sustained.

5. Addressing continued vulnerability of the sector to climate risks and disasters as well as to pests and diseases. Increasing resiliency through technology and diversification of sources of income will have to be given sufficient attention.

- a. The DA's *Philippine Rural Development Project (PRDP)* aims to increase farm and fishery productivity and incomes in the targeted program areas through the adoption and integration of climate-smart and resilient agriculture support, technologies, tools and systems; and a more market-oriented, climate-resilient agri-fishery sector. One essential feature of the PRDP is the clustering of farms, and production and marketing facilities along the value chain to ensure the production of marketable surpluses, increased incomes and better quality of life for all farmers. The PRDP will commence in areas of Mindanao and Central Philippines (Region IV-A, IV-B, V, VI, VII and VIII) and then move to Northern and Central Luzon (Region I, II, CAR and III).
- b. Well-thought out *programs to increase resilience of households engaged in agriculture and fisheries* must be put in place. There should be programs to encourage households to diversify production and livelihood sources. An insurance and social protection system for the sector will

Figure 9. Map of agri-fisheries projects



Resilient and inclusive financial system

The finance sector continues to remain on track in attaining the end-of-Plan targets. Among the key indicators of its success are the following: (1) financial systems' total assets increased to greater than 10 percent, which is currently at 13.6 percent as of Q3 2014 from 9.0 percent in 2012; (2) national saving rate (Gross National Saving to GDP ratio) improved to >30 percent in 2016 which is now in 29.8 percent as of Q3 2014, (3) microfinance services delivery with end of plan target of more than P10 billion currently sums up to P9.28 billion⁹ as of Q3 2014; (4) number of access points increased to 6 in 2016, which is currently in 9.5 as of Q2 of 2014, surpassing the end-of-plan target. However, a more concerted effort is needed to increase the number deposit accounts per 1,000 population, as the 470 out of 1,000 population achieved in Q2 of 2014 is still far from the 750 out of 1,000 population end-of-plan target.

largest 143-percent growth from 2013 compared to its 2010 data. The positive performance of the industry is not only in terms of improved profits but also in terms of its inclination to develop innovative financial products and to expand its financial reach through alternative and technology-enabled service delivery channels to the unbanked and underbanked areas.

Microfinance remains an integral component of the financial inclusion agenda. While the number of banks with microfinance operations slightly decreased to 182 banks in 2013 from 187 banks in 2012, it is worthwhile to note that microfinance delivery improved from Php 6.9 Billion in 2010 to Php 9.284 Billion in Q2 of 2014. Microfinance Plus loans, which are loans amounting to P150,001 – P300,000 specifically designed for growing microenterprises, climbed by 34% to P111 million in 2013 from P83 million in 2012¹⁰.

Assessment

Targets for the financial system set in the 2011-2016 Philippine Development Plan are likely to be met. Moreover, it is expected to post robust performance in the coming years. The Philippine banking system continued its remarkable performance amidst the uncertainty over the timing and magnitude of the US Fed policy. Performance showed a positive growth on the Philippine bank total assets. All regions posted a positive growth in 2013, with ARMM posting the

The total number of deposit accounts increased by 9.0 percent to 44.6 million accounts in 2013 from 40.8 million in 2012 in regional and the national level. While deposit accounts remain heavily concentrated in NCR, followed by CALABARZON, there are high growth rates in the other regions, such as MIMAROPA and Bicol Region. Further, the number of deposit accounts in regions in Mindanao such as Zamboanga Peninsula, Northern Mindanao, Davao Region, SOCCSKSARGEN, CARAGA and ARMM also increased by 6.76 percent, 6.6 percent, 11.3

⁹ Excludes the microfinance loan portfolio of non-bank financial institutions such as cooperatives and NGOs due to data constraints.

Nonetheless, the People's Credit and Finance Corporation (PCFC), as proxy for the non-bank financial institution, has an outstanding loan balance to MFIs of P3.0 billion from its wholesale lending program.

¹⁰ <http://www.bsp.gov.ph/downloads/Publications/2013/Financial%20Inclusion.pdf> page 21 as of 17 October 2014

percent, 7.33 percent, 5.36 percent and 2.38 percent, respectively. This can be associated with the increase in the number of banks and ATMs in these regions; with CARAGA experiencing the largest y-o-y growth of 26 percent in 2011 compared to its 2010 data. The number of deposit accounts per 1,000 population is still within the target with 483 deposit accounts on the national average, inclusive of NCR's 1,632 deposit accounts per 1,000 population as of December 2013.

Challenges

Even as the financial sector's fundamentals show strength against external shocks, it should remain cognizant of the presence of risks that could challenge the status quo. Several headwinds such as financial stability pressures from repricing of credit; sharp downward adjustments in prices of real and financial assets; and, capital flow volatility should always be considered. If these risks are not managed well and result in unwarranted tight financial conditions, fragilities of the financial markets could be exposed.

In the case of the domestic economy, the key challenges over the medium term relate mainly to bridging identified gaps in existing financial market infrastructure and promoting greater economic inclusion.

Strategies

Despite the important gains made in financial inclusion, further progress can be achieved through policy reforms. In particular, the Movable Collateral Registry Framework finalized last June 2013 that will encourage financial institutions to accept non-real property assets as security for lending to MSMEs has to be executed. Likewise, there needs to be an enabling regulatory environment that will encourage banks to design suitable financial products. It will also be important to spread the benefits of microinsurance to farmers, particularly to improve their protection against weather/disaster-related risks.

Human capabilities improved through health services

The PDP has identified targets for 15 health indicators.

Assessment

Based on latest data, the country has either achieved, or is on track to achieving, targets in 5 of 15 indicators. These are the malaria morbidity rate (which declined from 9.5 percent per 100,000 population in 2011 to 7.86 percent in 2013), malaria mortality rate (which remains within the target of less than 0.03 percent per 100,000 population), tuberculosis case detection rate (all forms; which improved from 82 percent in 2012 to 85 percent in 2013), and proportion of families with access to sanitary toilet (which jumped from 91.6 in 2011 to 99.2 in 2013, reaching the target of above 92), and HIV and AIDS prevalence (which remains within the target of below one percent of the total population). Six other indicators, though falling short of the annual targets set, have generally improved. Most notable of these is the significant advancement in PhilHealth coverage, which widened from 72 percent in 2012 to 82 percent in 2014. This can be attributed to the National Government's full subsidy of insurance premiums for 14.7 million principal members or a total 45.1 million indigent beneficiaries (principal members and dependents) identified through the DSWD's National Household Targeting System for Poverty Reduction (NHTS-PR). Moreover, landmark legislations to improve the health and nutrition status of Filipinos have been passed. These are the Sin Tax Reform Law (RA 10351), Responsible Parenthood and Reproductive

Health Act of 2012 (RA 10354), National Health Insurance Act of 2013 (RA 10606), Philippine National Health Research System Act of 2013 (RA 10532) and the Mandatory PhilHealth Coverage for all Senior Citizens (RA 10645). (See Appendix for an overview of these legislations.)

Challenges

Still, despite these achievements, efforts must be vigorously pursued to ensure a healthy population. Relatedly, there is also a need to improve the health monitoring system in order to accurately monitor the progress of the targets on an annual basis¹².

Inequitable access to quality health facilities and services persists, to the disadvantage of the poor and marginalized. This can be attributed to disparities in the capacity of LGUs to provide health services, and poor health-seeking behaviour among the most vulnerable population, resulting in poor health outcomes. There also remain gaps in the National Health Insurance Program (NHIP) coverage, benefit delivery, and members' utilization, particularly among the poor.

Among the most alarming indicators is the increasing number of pregnancy-related deaths. With a target to bring down the ratio to 52 maternal deaths per 100,000 live births by 2015, and to 50 maternal deaths per 100,000 live births by 2016, maternal mortality ratio¹² (MMR) increased to 221 maternal deaths per 100,000

¹¹ PSA releases NDHS health indicator report every five years with the most recent conducted in 2013

¹² The estimate is based on the 2011 Family Health Survey (FHS)

live births in 2011 from 162 in 2006. Aside from issues on the insufficient number of appropriate birthing facilities and health professionals at the local level, the increase in maternal deaths is also partly linked with the growing concern on high unmet need for family planning and contraception, and risks arising from high incidence of teen-age pregnancy.

Despite improvements in infant and under-five mortality rates per 1,000 live births in previous years, latest data (2013) reveal a reversing trend, both with a 1-percentage point increase from baseline years; a cause for concern for the government.

The number of HIV cases, together with morbidity and mortality from non-communicable diseases, is on the rise. Despite remaining within the target, the number of HIV cases, particularly among the most-at-risk population (MARF), continues to increase. Likewise, morbidity and mortality from non-communicable diseases, which include cardiovascular diseases and cancers, are on the rise.

Other challenges include sustaining the gains in curbing hunger, undernutrition, tuberculosis and malaria, and meeting the challenges of responding to emergencies. Nutrition-oriented development programs will help sustain the gains in reducing hunger and undernutrition. Sustaining the gains in tuberculosis and malaria; and responding to health and nutrition needs in emergency situations such as natural disasters and armed conflict, must be strengthened.

Administratively, there is a need to address gaps in health and nutrition data to improve monitoring and reporting of outcomes, and allow for provision of appropriate evidence-based interventions.

Strategies

In order to achieve the unmet targets and sustain targets reached, the government shall continue to undertake efforts as well as investments to address the twin challenges of health access and quality.

After its successful legislation, and with the Supreme Court's ruling of its non-unconstitutionality, it is high time for the

government to effectively institute the necessary reforms under the Responsible Parenthood and Reproductive Health (RPRH) Law (RA 10354). The implementation of the RPRH Law, as well as the accompanying monitoring of its outcomes, would encourage preventive and promotive reproductive health programs to achieve the country's targets on maternal, infant, and child health. Efforts to address the problem of rising teen-age pregnancy shall also be pursued through the collaboration of various agencies in promoting information and education campaigns.

Under the Kalusugang Pangkalahatan (KP) Program, there is a need for more effective awareness-building campaigns for Philhealth, especially among the indigent members to improve benefit utilization; a step where LGU support and partnership is critical. It is also essential for Philhealth to periodically assess its benefit packages and targeting mechanisms for more efficient provision of healthcare subsidies. Linked with this, the challenge to increase Philhealth coverage among the informal and self-employed sector must be met, as with mounting medical cost, health shocks easily pose as threats to the vulnerable segment of the population making them slide further into poverty.

Limited access and unavailability of necessary medical services and facilities are often cited to be hurdles that dissuade utilization of government-subsidized health benefits especially those that are in need of health care assistance in non-urban and far-flung communities. Thus, it is imperative to conduct a comprehensive health facilities/equipment inventory and mapping for proper needs assessment. The aim is to promote healthcare and preventive measures in the municipal and barangay level, and upgrade and invest on unavailable critical facilities from the regional level down. To this end, the Health Facility Enhancement Program (HFEP) aims that the country's public health facilities are periodically upgraded and improved. For efficiency of HFEP's continuous implementation, an appropriate periodic reporting on the number of constructed health centers and facilities must be made; a proper targeting of LGU beneficiaries be designed according to priority criteria; and operations be further streamlined to ensure that equipment procurement, facilities upgrade and construction activities meet quality criteria and

are delivered on schedule. As a cross-cutting strategy, strong collaboration with LGUs in prioritizing delivery of public health services through various incentive mechanisms and approaches (i.e., Seal of Good Local Governance, LGU Scorecard, Nutrition Awards System and other mechanisms) may be employed.

To meet the challenge of making medical and health care services accessible in times of natural disasters and prolonged conflicts, it is essential to come up with a contingent program that would easily mobilize health professionals/volunteers, and ensure the availability of health and nutrition supplies, and non-food items such as shelter, so that the provision of child protection and education services would go uninterrupted.

As morbidity and mortality from non-communicable diseases are on the rise, and














to further sustain gains made on malaria and tuberculosis, effective and targeted campaigns must be continuously made to inform the public. Campaigns advocating for a healthy and active lifestyle, and nutrition-oriented programs mainstreamed into existing social and health programs, must also be intensified.

In order to improve availability, access and use of timely, accurate, relevant and reliable information on health and nutrition, we emphasize the need to improve data systems for the health subsector since some indicators are collected only every five years. The system should also be aligned with our international commitments on human development, e.g., the Millennium Development Goals (MDG). When the country reports its achievements with respect to the MDG targets, many of the figures will be based on old data (Table 5).

Table 4. Landmark legislations in health and their corresponding objectives

Legislation	Objective
Sin Tax Reform Law (RA 10351)	Promotes better health outcomes by discouraging consumption of alcohol and tobacco, and supplements government health program budgets
Responsible Parenthood and Reproductive Health Act of 2012 (RA 10354)	Mandates the provision of responsible parenthood and reproductive health care services, information and supplies, giving priority to poor beneficiaries (the law's constitutionality was upheld by the Supreme Court on April 2014)
National Health Insurance Act of 2013 (RA 10606)	Instructs compulsory enrolment to the National Health Insurance Program (NHIP), including indigents, whose insurance premium will be paid by the national government
Mandatory PhilHealth Coverage for all Senior Citizens (RA 10645)	Provides automatic PhilHealth coverage for all senior citizens regardless of income status; insurance premium to be paid by the national government.
Philippine National Health Research System Act of 2013 (RA 10532)	Enhances the health research system management and ensures sustainability of resources for health research

Table 5. Statistics at a glance: Philippine progress on the MDG indicators as of December 2014

Goals/Targets/Indicators		Baseline	Target	Latest	Probability ^{1/}
GOAL 4. REDUCE CHILD MORTALITY					
Target 4.A Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate					
Indicator 4.1	Under-five mortality rate**	80.0 1990	27.0 2015	31.0 2013	
Indicator 4.2	Infant mortality rate**	57.0 1990	19.0 2015	23.0 2013	
Indicator 4.3	Proportion of 1 year-old children immunized against measles *	77.9 1990	100.0 2015	91.0 2013	
GOAL 5. IMPROVE MATERNAL HEALTH					
Target 5.A Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio					
Indicator 5.1	Maternal mortality ratio ^{3/} **	209 1990	52 2015	221 (182-260) 2011	
Indicator 5.2	Proportion of births attended by skilled health personnel *	58.8 1990	100.0 2015	74.9 2011	
Target 5.B Achieve, by 2015, universal access to reproductive health					
Indicator 5.3	Contraceptive prevalence rate **	40.0 1993	100.0 2015	55.1 2013	
Indicator 5.4	Adolescent birth rate **	50.0 1993	0.0 2015	57.0 2013	
Indicator 5.5a	Antenatal care coverage (at least one visit) **	91.2 1993	increasing	96.1 2013	
Indicator 5.5B	Antenatal care coverage (at least four visits) **	52.1 1993	increasing	84.3 2013	
Indicator 5.6	Unmet need for family planning **	26.2 1993	decreasing	17.5 2013	
GOAL 6. COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES					
Target 6.C Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases					
Indicator 6.6A	Prevalence associated with malaria *	118.7 1990	0.0 2015	7.1 2011	
Indicator 6.6B	Death rate associated with malaria*	1.4 1990	0.0 2015	0.1 2010	
Indicator 6.8A	Prevalence associated with tuberculosis*	246 1990	0.0 2015	461 2012	
Indicator 6.8B	Death rate associated with tuberculosis*	39.1 1990	0.0 2015	24.0 2012	
Indicator 6.9A	Proportion of tuberculosis cases detected under directly observed treatment short course (DOTS) *	53.0 2001	70.0 2015	82.0 2012	
Indicator 6.9B	Proportion of tuberculosis cases cured under directly observed treatment short course (DOTS)	73.0 2001	85.0 2015	88.0 2012	

* Data Source: Department of Health

**Data Source: Philippine Statistics Authority

Human capabilities improved through education services

As reflected in basic education indicators, there have been improvements in cohort survival, completion and achievement rates, but the country still lags behind its ASEAN peers in these indicators.

Assessment

The continuous implementation of the K to 12 program and the Philippine Qualifications Framework are the major accomplishments in the education sector. For higher education, graduates of technical vocational and education training (TVET) are increasing as well as certification rates in TVET. For basic education, the 2010 classroom backlog has already been achieved¹³. But in the upcoming years of implementation of the Senior High School Program under the K to 12, it is necessary for DepEd to come up with projection of classroom requirements and potential backlogs and factor in disaster-resiliency in the building cost¹⁴. For other educational support facilities, there is a need to expedite the implementation of Computerization Programs to further improve learning outcomes. To address this, the government must continue to improve facilities and provide sufficient basic education inputs (classroom, teachers, desks, textbooks, technical-vocational facilities) including construction or designation of computer laboratories, computer packages and connectivity.

Challenges

Performance with respect to basic education outcomes such as cohort survival rate and completion rate varies considerably across regions. Though enrolment rate, completion rate and cohort survival rate improved, these outcomes are still lower than other ASEAN countries. The poor education outcomes, especially in ARMM, result from students being absent frequently or even dropping out from school altogether. The reasons for not attending school include: lack of interest, looking for work, high cost of education, and unstable peace and order situation. The strategies to improve education outcomes should therefore address these root causes.

The K to 12 program will reduce college entrants starting 2016. A looming issue for the education sector in the coming years is meeting the new requirements for classroom and textbooks, equipment and facilities; and ensuring faculty readiness for the full implementation of the K to 12 program. The implementation is also seen to reduce the number of higher education entrants beginning 2016.

The current conditions of the structures and facilities of schools need enhancement. Due to the country's vulnerability to natural calamities, school structures that are weakly built and maintained are not only hazardous to students but also hamper the academic schedule of schools, incurring productivity losses. Further,

13 66,813 classrooms were constructed to address the 66,800 classroom backlog in 2010

14 DepEd can't provide data on current backlogs yet.

the computerization program in schools is poorly implemented as evidenced by the low ratio of computer laboratory to class.

The requirements of K to 12 program would need a corresponding Technical Vocational Education and Training (TVET) partnership and improvements. The TVET capacity should adapt with the growing demand of competencies and life skills and must be aligned with the K to 12 requirements. It should also include the flexibility of graduates to shift from the K to 12 program to tech-voc or higher studies. Increasing access to TVET especially for the disadvantaged and vulnerable groups must also be further supported.

The higher education system needs to upgrade quality and adjust to opportunities brought by the ASEAN integration. As a result of the K to 12 transition, some faculty and staff from higher education institutions (HEIs) will be displaced in 2016. Related to this, the removal of general education subjects demands a clear policy on the required number of years and curriculum content in higher education. On quality issues, higher education, and TVET curriculum are not fully aligned with labor market demand and international standards. Also facing quality issues are the course programs among some state universities and colleges (SUCs), where course relevance assessment is needed.

The education sector has to meet the requirements of the world of work. Related to the goal of generating quality employment and reducing poverty, the bigger challenge of the education sector is to prepare its graduates for the world of work and address the job-skills mismatch. The education sector plays a key role in enabling the Philippine labor force to seize employment opportunities presented by the implementation of the ASEAN Economic Community by the end of 2015.

Strategies

Improving education outcomes will require a set of interventions identified in the PDP Midterm Update. For 2015-2016, it is important to: a) focus resources on identified areas with poor educational performance and monitor progress over time; b) enhance and revise basic education curriculum and develop teachers' and learners' materials; c) invest in capacity-building for teachers' personal and career development; and d) implement programs for learners with special needs through alternative learning systems. Equally important is to harmonize scholarship and other student financial assistance programs to address problems related to access, equity and distribution of financial assistance, targeting of beneficiaries, allocation and utilization of government resources. Further, in order to promote a safe and stable environment for students and personnel alike, school structures need to be made disaster-resilient.

To minimize displacement of Higher Education Institution (HEIs) faculty and staff in light of the full implementation of the K to 12 program, there is a need to set up a transition fund for faculty retooling, provide research fellowship/grants, and retrenchment packages.

The higher education curriculum needs to be aligned with labor market demands and international standards including those of ASEAN. There is also a need to develop new competencies on green qualifications. The provision and utilization of quality tech-voc training programs need to be vigorously encouraged. To increase employability of its graduates, the training curriculum must be designed in partnership with industry. Relatedly, TESDA must set appropriate training regulations and monitor its implementation. The demand side, on the other hand, can be increased by implementing the ladderized education program to provide TVET graduates with more career options.

Vulnerabilities reduced through expanded social protection

The impact and frequency of hazards necessitate the expansion of safety nets in the country. In 2012, the country adopted a Social Protection Operational Framework that has since guided policymakers, planners and program implementers on the specific approaches and strategic interventions best suited to be carried out by responsible agencies on social protection to cover specific target groups and vulnerabilities. In 2014, government has taken strides in the implementation of social protection mechanisms aimed at improving the citizenry's capacity to manage risks.

Assessment

For the year 2014, the Pantawid Pamilyang Pilipino Program (conditional cash transfer program) was expanded to cover 15- to 18- year old children who are in school. As of November 5, 2014, the Pantawid Pamilya covers a total of 4.440 million households from only one million in 2010. Of this figure, 4.174 million are covered by the regular Pantawid Pamilya while the Modified Conditional Cash Transfer (MCCT) covers 152,680 households. The MCCT beneficiaries are the homeless and street families and IP households in geographically isolated and disadvantaged areas who are not covered by the regular CCT.¹⁵

Health insurance enrollees increased. As of June 2014, PhilHealth has 81.5 million beneficiaries. This is equivalent to 81.8% of the projected population for 2014. There is a 14.8 percentage

point increase from the 67% coverage rate in 2013. There are 14.7 million Filipinos covered under the National Government Sponsored Program, an increase from the 2013 coverage of 5.2 million. Part of the increase can be attributed to the reclassification of beneficiaries from the LGU to National Government Sponsored Program.¹⁶

Challenges

Targeting system needs to be updated. A crucial feature of the 4Ps is effective targeting. Considering that the list of beneficiaries is based on a survey conducted in 2010 and with induced displacements resulting from natural and manmade calamities, it is necessary to update the Listahanan or the National Household Targeting System for Poverty Reduction (NHTS-PR). The delays in the updating must be addressed as the database will also serve as guide in identifying and locating the vulnerable groups and determining the risks and shocks they confront so that the appropriate social protection program can be designed.

Social protection programs have to cover more vulnerable groups. Another big challenge is the low coverage of the vulnerable groups in the different social protection programs - (a) low coverage of Social Pension Program to cover senior citizens aged 60 years old and above; (b) low coverage of PhilHealth and SSS of informal sector workers; and (c) limited SP services coverage for indigenous peoples, persons with

15 PantawidPamilyang Pilipino Program: Program Implementation Status Report, <http://pantawid.dswd.gov.ph/images/3q2014.pdf>

16 PhilHealth Enrolment: <http://www.gov.ph/report/philhealth-enrolment/> d.gov.ph/mages/3q2014.pdf

disabilities (PWDs), and displaced families and orphans. The Modified Conditional Cash Transfer (MCCT) has also registered low accomplishment rates due in part to the transition of eligible MCCT beneficiaries, particularly Families in Need of Special Protection (FNSP) to regular CCT coverage and to the challenges of the ongoing registration of homeless street families and Indigenous Peoples (IPs) in geographically isolated and disadvantaged areas (GIDA). Further issues to contend with include the high vulnerability of women migrant workers to exploitation and low participation of women in the labor force.

Poor and vulnerable families in the agriculture sector need more responsive safety nets and insurance from shocks. The spate of natural and man-made disasters and the lack of capacity of poor families, especially in agriculture and informal sector workers, to respond to these shocks necessitates that safety nets and insurances be placed to prevent them from falling further into poverty. This necessitates the expansion of crop insurance to cover more beneficiaries, not just agrarian reform beneficiaries, but also those identified under the Registry System for Basic Sectors in Agriculture and to increase coverage for certain types of crops, livestock, assets, etc.

Strategies

To prevent families from falling into or falling deeper into poverty, the following strategies will be pursued for 2015-2016:

The Listahanan will be updated to generate profile of program beneficiaries for better targeting and coverage. The targeting system should not only identify and locate the vulnerable but also determine the specific risks that they confront so that appropriate social protection programs can be designed.

Continued budgetary support is needed to support the social protection floor for vulnerable workers. On top of the current efforts to increase PhilHealth and SSS coverage among informal sector workers, measures that would support and incentivize these workers' eventual transition to formal higher-wage paying employment

must also be supported. Budgetary support will also allow for the expansion of social pension coverage to cover poor senior citizens. Provision of scholarships for females in technical-vocational courses can encourage more females to enter the labor force. It is also imperative for the government to continuously provide assistance and protection to Overseas Filipinos (OFs) and to push for ratification of migrant receiving countries of treaties and conventions on migrant workers' rights and sustain livelihood and skills training for women at the local level. The implementation of disability-related policies with emphasis on enhancing access to physical and social environments can be improved through the establishment of Persons with disabilities Affairs Offices (PDAO) in cities and municipalities and mainstreaming of disability-related policies down from the national to the local level.

To address support for agriculture sector workers, continued budgetary support is also needed for the Financing and Risk Transfer Instruments on Climate Change under the Adaptation and Mitigation Initiative in Agriculture (AMIA) Program of the Department of Agriculture which would include the provision of (1) insurance for crops, livestock, fisheries and other production assets and the producers; and (2) climate change adaptation credit facility. These strategies should minimize the impacts of shocks and disasters on vulnerable groups.

Vulnerabilities reduced through expanded access to secure shelter

Assessment

The National Shelter Program (NSP) delivered direct housing assistance to 166,725 households in 2013 and 218,369 households in 2014 (as of October 2014) compared with 109,389 and 112,778 in 2011 and 2012, respectively. The NSP's direct housing assistance comprise resettlement, settlements upgrading, Community Mortgage Program (CMP), Home Development Mutual Fund (HDMF) end-user financing, and AFP/PNP Housing program, among others. For 2014, the total value of the direct housing assistance reached Php 58,639 million, which exceeded the 2013 total value of Php 56,090 million. In indirect housing provision, total licenses to sell (LTS) issued reached 151,860 in 2014 (as of October 2014) while LTS totaled 225,051 housing units in 2013. In 2014, of the 218,369 total households assisted, 190,855 units were in socialized housing (i.e., costing below Php 450,000) while 27,514 units were under the low-cost package (i.e., Php 450,000 – Php 3 million). In addition, the NSP's accomplishment of 218,369 for 2014 is 65.17 percent higher than the PDP target of 132,211 units for 2014. The sector's better-than-target accomplishment is attributed mainly to the response efforts for recent calamities that hit the country where rehabilitation and recovery is warranted.

Challenges

The housing sector faces persistent challenges in meeting fully the demand for decent, socialized and low-cost housing. Major issues identified were the following: a) enormous housing need due to rapid urbanization and rural-urban migration;

b) proliferation of informal settlements; c) weak enforcement of laws and policies against professional squatters and squatting syndicates; d) lack of suitable land for socialized housing; e) new building standards that could withstand stronger winds, rains, etc., while f) ensuring that the poor could afford the housing unit. Further, informal settler families' (ISFs) resettlement is one of the often-cited reasons for delays in the implementation of infrastructure projects.

The housing sector also faces budget utilization constraints as considerable funds remain in 2014.

Under the Php50.0 billion housing program for the ISFs in danger areas in Metro Manila, National Housing Authority (NHA) and Social Housing Finance Corporation (SHFC), experienced delays in project implementation due to the following reasons: a) availability of suitable land for socialized housing; b) delays in site development due to late issuances of environmental and MGB clearances; c) sudden change of site due to environmental hazard and considering the preferences of beneficiaries; e) delay in compliance with requirements by LGUS; f) contradicting issues among LGUs and beneficiaries; g) change of location preferences by CSO-assisted communities who are affected by relocation activities of the government; and h) delays in approval of loan accounts due to incomplete requirements, issues on Extra Judicial Settlements, etc.

The updated estimate for total socialized housing need based on the housing need projection for 2011-2016, is 1,371, 837. This comprised of households in an unacceptable housing units (marginal, dilapidated, and homeless, etc.) and

doubled-up households in acceptable housing units.

Strategies

Amid rapid urbanization and disaster risks and the challenges that go with these, the housing sector has to step up implementation of strategies identified in the PDP. These include the following:

a) build strong partnerships with stakeholders, particularly local government units (LGUs), to curb proliferation of informal settlers, especially professional squatters and squatting syndicates; and ensure effective delivery of housing interventions (e.g., linkage of local shelter plans with National Resettlement Plan of the NHA); b) institutionalize the National Informal Settlements Upgrading Strategy (NISUS); c) fast-track the passage of the National Land Use Act (NALUA); d) adopt land acquisition modalities such as usufruct, long-term lease, land banking; e) promote high density mass housing solutions and public rental housing; f) expand housing microfinance initiatives; g) pass amendment of Section 18 of the Urban Development and Housing Act of 1992 (RA 7279) to qualify vertical development as eligible in compliance with the balanced housing development requirement; h) include green technology in national standards for housing projects and disaster resiliency design guidelines for projects in areas prone to multiple hazards; i) enforce the DENR-DILG-DND-DPWH-DOST Joint Memorandum Circular on Adoption of Hazard Zone Classification in Areas Affected by Typhoon Yolanda which prescribes no build zones and no dwelling zones, among others.

The promotion of high-density mass housing and public rental is being done by emphasizing that in-city relocation in LRBs and HDH is more economical as compared to off-city resettlement

due to minimal cost of transportation and non-displacement of beneficiaries from their sources of livelihood as well as accessibility of their children to schools. HUDCC is also advocating the amendment of RA 7279 particularly on the inclusion of condominium developments in the coverage of Section 18 of R.A. # 7279, and the redefinition of socialized housing to include condominium units undertaken by the Government or the private sector for the underprivileged and homeless citizens, and imposition of the full 20 percent project area or project cost compliance on condominium projects.

To expand housing microfinance initiatives, HGC implements its Guaranty Program for Countryside Housing Development/Acquisition through Rural Banks and Microfinance Institutions. This initiative aims to promote countryside home-lending through rural banks, cooperatives and microfinance institutions.

The implementation of infrastructure projects in areas presently occupied by ISFs may experience delays, especially because no budget is appropriated for the resettlement/relocation of ISFs and no land has been identified to serve as the relocation site for the affected ISFs. HUDCC suggests the viability of ISF resettlement costs to be incorporated in the infrastructure project allocation.

As part of the housing sector's cross-cutting efforts, the NHA will continue to conduct consultation with ISFs to boost occupancy rates. As part of NHA's resettlement process, the Authority conducts social preparation to ensure that the ISF-beneficiaries are consulted and aware of their rights and entitlements. To ensure that only bona fide beneficiaries are occupying the socialized housing units, NHA conducts censuses and tagging of affected families, and also maintains an alpha list of beneficiaries to prevent double availment of housing benefits.

Good governance and the rule of law

Assessment

There have been major accomplishments in increasing transparency, citizen participation, and accountability and in strengthening the rule of law. Many of the targets set out for 2014 have been exceeded, met, or are likely to be met by the year's end.

In increasing transparency, citizens' participation, and accountability, the following targets have already been met or exceeded: (a) data sets contributed by the national government agencies to the Open Data Portal; (b) proportion of local government units (LGUs) fully complying with the Full Disclosure Policy (FDP); (c) proportion of government offices registered in the Philippine Government Electronic Procurement System; (d) number of cities and municipalities with Local Poverty Reduction Action Plans; (e) number of agencies with approved and functional Strategic Performance Management System; (f) number of senior executives and middle managers capacitated under the Public Management Development Program; and, (g) number of most complained (high-density) service offices passing the Anti-Red Tape Act Report Card Survey.

Meanwhile, the targets that will likely be reached are: (a) proportion of government offices complying with the Transparency Seal; (b) proportion of LGUs complying with the FDP; (c) number of government offices entering into Budget Partnership Agreements with civil society organizations; (d) number of cities

with Citizen Satisfaction Index Survey; (e) proportion of government agencies participating in the Performance-Based Incentive System; and (f) offices with ISO 9001 Certified Quality Management System.

On strengthening the rule of law, the following targets have also been met or exceeded: (a) number of courts with rolled-out electronic-subpoena system; (b) number of detainees released under the jail decongestion program; (c) number of Philippine Mediation Center offices for promotion of alternative dispute resolution; (d) number of cases filed under the Bureau of Internal Revenue's Run After Tax Evaders (RATE) Program; and (e) number of cases filed under the Bureau of Customs' Run After The Smugglers (RATS) Program.

The target on increasing the number of courts with rolled-out electronic-courts system will likely be reached. Meanwhile, the targets on (a) percent reduction in case backlog/ backlog clearing rate, and (b) number of courts with rolled-out continuous trial (partial coverage) are unlikely to be met within the year.

Challenges

Challenges remain in improving budget execution and the delivery of public goods and services, and strengthening the rule of law. While a number of expenditure management reforms have been established, compliance to the new systems has been slow, resulting in the government's gross underspending in 2014. This may be due to insufficient capacities in government agencies to adjust to the new protocol, which may require new personnel, software and hardware.

A number of indicators related to the administration of justice also fell short of their targets. The identified constraints are the weak management structure and absorptive capacities, and fragmentation of efforts in the justice system. These hampered the strategies to reduce backlogs in investigation and handling as well as in filing of cases relating to tax enforcement.

Strategies

To meet good governance targets, the strategies under the PDP midterm update remain relevant and must be vigorously implemented.

To further improve transparency and accountability, government needs to continue engaging and empowering the citizenry through the Grassroots Participatory Budgeting Process (GPBP) initiative and through voters' education (especially the C, D and E classes).

Government also needs to sustain reforms to improve the efficiency of business-related processes and regulations. This can be done by the institutional strengthening of agencies and of LGUs to further improve business-related processes and procedures, the Performance Challenge Fund for LGUs, citizens' participatory audit, and institutionalization of the Regulatory Impact Assessment.

To intensify anti-corruption measures, there is a need to address gaps in the implementation of the United Nations Convention on Anti-Corruption commitments and to formalize and implement the National Anti-Corruption Plan/Strategy.

To improve the administration of justice, there is a need to strengthen sector coordination, capacity building, and additional infrastructures, including automation processes. There is also a need for additional infrastructure of PMC units, Barangay Justice Systems, and other ADR mechanisms. Concerning economic justice, the RATE and RATS programs need to be sustained.

As all these reforms require changes in protocols and systems, there is a need to put in place a program to improve the capacity of the bureaucracy to comply with the changes. In some agencies, there may be a need to increase capacities, either by hiring additional government workers and/or procuring the necessary hardware and software. Perhaps, the introduction of the new system could first be piloted in major government agencies just to determine what support infrastructure or personnel is needed to implement it. At the same time, conflicting rules of protocols can be identified. Needless to say, an intensive (re) orientation program needs to be undertaken.

Peace and security

Assessment On the Peace Process

The signing of the Comprehensive Agreement on Bangsamoro (CAB) was a significant milestone towards achieving lasting peace between the government and the Moro Islamic Liberation Front. This has set the direction for the proposed Bangsamoro Basic Law (BBL), a priority bill turned over by President Aquino to Congress, which shall pave the way for the establishment of the new Bangsamoro political entity replacing the Autonomous Region in Muslim Mindanao (ARMM). Meanwhile, the government has activated and operationalized the Bangsamoro Coordination Forum (BCF), which is bridging the Moro National Liberation Front (MNLF) and the MILF Unity and provides a venue for integrating the 1996 GRP- MNLF Final Peace Agreement with the CAB and the BBL.

Major achievements have also been reached in the other peace tables. This includes the drafting of the enhanced Closure Agreement towards the disposition of arms and forces of the Rebolusyonaryong Partidong Manggagawang Pilipinas/Revolutionary Proletarian Army/Alex Boncayao Brigade- Tabara Paduano Group (RPM-P/RPA/ABB-TPG) and its transformation into a legal socio-economic foundation called Brotherhood for Social Progress or Kapatiran para sa Progresong Panlipunan, which is now registered with the SEC. With respect to the Closure Memorandum of Agreement between the Government and the Cordillera Bodong Administration (CBA) – Cordillera People's Liberation Army (CPLA, now Cordillera Forum for Peace and Development

Inc. or CFPD), around 76 percent of the total firearms inventoried have been turned over to the government for final disposition.

A complementary track to the peace negotiations was also pursued to address causes of conflict and other related issues. Under the Payapa at Masaganang Pamayanan or PAMANA Program, social protection packages were provided to former combatants and/or their next-of-kin. These include additional 1,361 health insurance beneficiaries and 386 CHED scholarships. A total of 3,644 (as of June 2014) community-driven development (CDD) projects were implemented such as livelihood projects, community infrastructures, farm-to-market roads, pathways, water systems, and capacity-building initiatives. Other activities included the roll-out of the framework and documentation of IP Human Rights Violations and capacitating of various agencies on gender and conflict analysis tools. A number of these PAPs were implemented in the C2 provinces.

On National Security

With respect to ensuring national security, the country is on track in addressing insurgency and crime, as well as upholding the country's sovereignty and territorial integrity. A total of 45 out of 75 provinces were declared free of insurgency and are ready for development. Furthermore, crime solution efficiency rate improved from 27.71 percent in CY 2013 to 37 percent as of 3rd Quarter CY 2014 as crime volume was reduced by four percent as of October 2014 from the same period in 2013. Despite these achievements, the government still needs to step up its efforts to

attain its target of reducing the volume of crime incidents by an additional 23 percent by 2016. Part of the PNP's efforts towards this end is the automation and biometric profiling of inmate records in the national penitentiary for effective identification and monitoring of convicted offenders.

To address the growing concern on cybercrime, the Supreme Court has upheld the Cybercrime Law while the country has acceded to the Budapest Convention on Cybercrime to join the nations in harmonizing laws and upgrading technologies to combat the prevailing global issue of cybercrime.

Human trafficking shall be curbed with the nationwide Alien Registration Program, which utilizes a biometric system for effective implementation of immigration laws. In addition to domestic efforts, there is an ongoing negotiation for an ASEAN Convention against Trafficking in Persons and Regional Plan of Action to combat Trafficking in Persons.

The government is determined to uphold the country's sovereignty and territorial integrity. It has intensified the conduct of naval and air operations over the West Philippine Sea and has submitted the Philippine Memorial to the Arbitral Tribunal on the case against China under UN Convention on the Law of the Sea (UNCLOS). Meanwhile, the defense department has fast-tracked the projects under the AFP Modernization/Capability Upgrade Program.

Challenges

The major challenge to the peace process is in rebuilding and strengthening legitimate and capable institutions that stakeholders can trust so that development initiatives can move faster. The government's efforts to win peace in Mindanao may be impeded by armed mobilization of rogue elements. It is necessary to strengthen MNLF and MILF collaboration under the BCF to ensure their participation in the BBL process and their representation in the Bangsamoro Transition Authority.

Overcoming the impasse and keeping the CPP/NPA/NDF at the peace table remains to be a major challenge. The government has formed a broad consensus between the Parties and internally within GPH for bringing about a "Table" that can achieve specific deliverables by 2015 and 2016 amidst the continuing impasse in the talks.

On the implementation of peace-building and development interventions in conflict-affected areas and conflict-vulnerable areas, the limited absorptive capacity of LGUs and RLAs is a concern, as government scales up its programs and services in target areas.

Strategies

To meet the targets for peace and security, programs for the Bangsamoro and security sector reforms must be pursued.

The Bangsamoro Basic Law must be passed within the first quarter of 2015 so that a plebiscite for its ratification can be held within a reasonable time that would allow the Bangsamoro Transition Authority (BTA) to be in place for one year before the 2016 national and local elections. Alongside this strategy is the need to develop and implement a communications plan and advocacy campaign that will address concerns both at the national and grassroots-level and to call for peaceful 2015 plebiscite and 2016 elections.

The Bangsamoro Development Plan must be further refined and detailed out, particularly proposed projects for the transition phase (e.g. project components, locations, costs), and provided with budget for implementation.

To ensure national security, budgetary support should also be given to the following priority programs: (a) PNP Modernization Plan (air transport and aerial surveillance, maritime patrol, beat patrol, anti-terrorism, and search, rescue and retrieval operations); (b) Alien Registration Program to ensure baseline data and intelligence system; (c) Bureau of Corrections Modernization Act; (d) Formulation and implementation of a government cyber security plan to secure critical government facilities, data and information; (e) Establishment of crime and forensic laboratories

in strategic regions such as in Cebu and Davao; (f) Acquisition and delivery of mission-essential equipment under the AFP Modernization Program for FY 2015 and 2016; and (g) Post-arbitration initiatives on the West Philippine Sea.

The government will continue to (a) push for the passage of the National Bureau Investigation Modernization Act; National Defense Act and Defense Procurement Bill; (b) strengthen PNP Investigation Services; (c) effectively establish force presence in the area that exhibits

competence to defend the territory; greater surveillance and monitoring; and, expedient and efficient response to untoward incidents at sea while proactively advocating and intensifying public diplomacy efforts to broaden support for arbitration. To attain the highest standard of capability and preparedness against disasters and emergencies, the government will strengthen pre and post disaster risk management and continue to undertake or develop more comprehensive Contingency Plan and Crisis Management Strategies.

Sustainable and climate-resilient environment and natural resources

Assessment

The environment and natural resources sector showed mixed results in its performance. Across the three subsector indicators, important achievements have been made but apparent fragilities and gaps still exist, and there is an urgent need to address them immediately.

The noteworthy accomplishments in improving adaptive capacities of communities (sub-sector outcome 1) fall under the regulatory policies and institutional mechanisms. These include the (i) issuance of guidelines on mainstreaming disaster risk reduction and management (DRRM) and climate change adaptation (CCA) in the comprehensive land use planning by the Housing and Land Use Regulatory Board (HLURB); (ii) formulation of DRRM/CCA-enhanced Provincial Development and Physical Framework Plans of 74 provinces; (iii) geo-hazard mapping and assessment of susceptible or vulnerable cities and municipalities using 1:10,000 map scale; and (iv) enhancement of LGUs' capacity on DRRM and CCA wherein out of 1,591 LGUs, 87 percent have functional DRRM Councils and DRRM plans, and 53 percent are in the process of formulating a Local Climate Change Adaptation Plan (LCCAP). However, regulatory policies and institutional mechanisms may not directly contribute to reduced damage and losses

from natural disasters, environmental and human induced hazards and hydro-meteorological events as these are influenced by the intensity and frequency of occurrence and capacity of the national and local governments to implement concrete CCA and DRRM actions on the ground.

For subsector outcome 2 indicators on the sustainable management of natural resources, achievements have been made particularly on targets related to forest, land and biodiversity protection and conservation. This is due to implementation of the National Greening Program (NGP), Sustainable Land Management (SLM), prevention of extinction of priority threatened species and risk assessment of priority abandoned mines.

As to the desired outcome of improving environmental quality (subsector outcome 3), except for the target on diversion rate which is on track, achieving the targets on improved air and water quality remains to be a challenge. The air quality in Metro Manila measured by Total Suspended Particulates (TSP)¹⁷ has been erratic from 2012 to 2014¹⁸. Also, reporting was affected by poor maintenance of monitoring stations that led to the shift in indicator from TSP to Particulate Matter₁₀ (PM₁₀)¹⁹ in other urban centers outside Metro Manila. On the other hand, the Biological Oxygen Demand (BOD) for nine out of 12 priority river systems for 2013 and 2014²⁰ fell short of achieving the annual targets.

17 TSP - refer to the amount of solid pollutants such as dust and soot in the air, with the guideline level at 90ug/Ncm (micrograms per normal cubic meter).

18 2014 BOD assessment as of 3rd Quarter

19 PM₁₀ - refers to particles with aerodynamic diameters less than 10 micrometers which may reach the upper part of the airways and lung. This particles is considered more harmful to human health as its finer particles when inhaled can penetrate the lungs, leading to more severe pulmonary or respiratory illnesses. The annual guideline threshold for PM₁₀ is at 60ug/Ncm.

20 2014 BOD assessment as of 1st Quarter

Challenges

The target under the subsector outcome 1 is still the most difficult to achieve as there is a need to implement regulatory policies/measures from national level to local level across the country. Also, there is a need to continuously invest in effective and appropriate technologies /facilities (e.g., early warning systems) and capability building activities to better prepare for and respond to risks brought about by more rapid and abrupt changes of weather patterns and occurrence of extreme climatic events, particularly at the local level.

It should also be noted that in the maps shown previously, a number of the locations of the key subsectors and the major agricultural development projects will be in the C3 provinces. The vulnerability of these locations need to be reduced; new structures to be built may have to comply with stricter building standards, while existing structures may need to be reinforced.

On the other hand, even though the indicators under subsector outcome 2 are well within their performance targets, it has to be noted that these indicators are strongly contingent on the external environment such as the unpredictability of disasters and hazards and resource constraints. The targets to achieve under sub-outcome 3 are highly dependent on the national and local government's regularity of monitoring and recording of data, effective enforcement of environmental standards and implementation of air, water and solid waste management activities.

Strategies

To sustain the achievements of the sector, there is a need for the immediate passage of the (i) National Land Use Act²¹, (ii) Forest Limits²², (iii) Integrated Coastal Management²³, (iv) Amendment of the Fisheries Code, and (ii) Sustainable Forest Management²⁴. Meanwhile, there is a rising necessity to complete the vulnerability assessments and mapping across the country, biodiversity assessment, monitoring and protection, as well as the upgrading of environmental quality monitoring system. Likewise, there is also a need to strengthen the implementation of the National Greening Program (NGP) including plantation forest and forest protection efforts by investing on its achievements and lessons learned from existing projects. In terms of support systems, the on-going institutionalization of the Philippine Wealth Accounting and Valuation of Ecosystem Services (Phil-WAVES) will propel the standardization of ENR statistical system. Further, the continuous implementation of capacity building; information, education and communications (IEC) program, and knowledge management activities to build awareness on the need to conserve ENR, will further increase the level of diffusion among stakeholders.

The aforementioned items are supported by a list of 45 on-going programs, activities and projects (PAPs) under the 2011-2016 Philippine Investment Program (PIP) and Climate Change Adaptation and Mitigation (CCAM) Roadmap and an additional 2 proposed PAPs for 2015-2016.

21 House Bill No. 4382 "An Act Instituting a National Land Use and Management Policy, Providing the Implementing Mechanism Therefor, and for Other Purposes" was approved on the 3rd reading by the HOR on 02 June 2014. While the Senate is preparing the Substitute Bill using Senate Bill No. 7 "An Act Instituting a National Land Use Policy, Providing the Implementing Mechanisms Therefor, and for Other Purposes, authored by Sen. Legarda

22 The HB 4988: An Act Providing for the Delineation of the Specific Forest Limits of the Public Domain was approved by the House on 3rd reading on 29 October 2014 and is currently being deliberated in the Senate

23 In the 16th Congress various bills related to integrated coastal management and protection of coastal ecosystems like angroves and coral reefs, including SB100, SB 143, SB2179, SB2237, SB142, SB171, SB769, SB1308, SB553

24 Five (5) versions of Senate Bills (i.e., SB Nos. 2200, 1644, 1094, 45, 30) have been filed in the 16th Congress. These SBs are still pending with the Senate Committees on Environment and Natural Resources, Local Government, Ways and Means, and Finance. SFM Bills at the House of Representatives (i.e., HB Nos. 1824 and 3508) are still pending with the Committees on Natural Resources; and Reforestation.

Accelerating infrastructure development

One of the major targets of the Philippine Development Plan 2011-2016 is to invest massively in infrastructure development by increasing public infrastructure spending to at least five percent of the country's gross domestic product (GDP) by 2016. For 2014, the total infrastructure program of the government is Php387.7 billion, or about 3.0 percent of GDP, below the PDP target of 3.5 percent of GDP for the year²⁵.

Assessment

Public infrastructure spending has increased as percentage of the GDP compared to previous years. Consequently, there is improved physical connectivity and efficiency among urban centers and regional growth hubs, given the continuing air transport projects as well as the on-going implementation of major expressway projects along the north-south transport corridor. Gains were also noted in energy supply, water security, education and health facilities, ICT for good governance, and resilience to climate change and disasters.

However, latest data show that spending for capital outlay appears to be below program. For instance, the emerging capital outlay disbursement for 2014 is around Php359.5 Bn²⁶, Php98.9 Bn below the program capital outlay for 2014 as reflected in the 2015 BESF. Government underspending in infrastructure is a symptom of the various institutional bottlenecks that are currently afflicting the sector. These bottlenecks include procurement

issues, right-of-way issues, and limited capacities of implementing agencies, among others. If these obstacles are not immediately and significantly addressed, there is a risk of not fully meeting all infrastructure development targets by 2016.

Challenges

Provision of basic services and social infrastructure are turning out to be among the more difficult targets to achieve in the sector. These are crucial to the administration's thrust to equalize development opportunities, particularly among the vulnerable population and those residing in far-flung areas.

A total of 26,960 informal settler families (ISFs) residing in danger areas in Metro Manila and nearby provinces were assisted for resettlement. Although resettlement of informal sector families seems high at 54 percent of the 2016 target, socialized housing targets set were actually quite low compared to the total housing need. Meanwhile, 123,037 families were provided Housing Materials Assistance (HOMA) and permanent housing for those in the calamity/conflict-affected areas.

Provision of water supply to waterless municipalities is another target that seems difficult to achieve. As of September 2014, only 25.7 percent of waterless municipalities (2016 target) and only 6.2 percent of the poorest waterless barangays (2016 target) have been provided with access to safe water supply.

25 As per Table A.2 (National government Fiscal Program, 2013-2017) of the 2015 BESF

26 Latest available data as of December 5, 2014

Provision of basic maternal emergency care units is likewise low at only 11 percent relative to the 2016 target. This may have contributed to the currently poor outcomes on maternal health.

The provision of irrigation infrastructure to support agricultural production is another target that has been difficult to achieve. Latest available data indicate only a slight increase in irrigation service coverage (i.e., 52% in 2012 vs. 55.6% in 2013). Moreover, there is a seeming concentration towards rehabilitation and restoration of existing facilities as opposed to development of new irrigated areas. At the same time, there is a need to ensure consistent water supply through protection and reforestation of watersheds supplying sources of irrigation water.

Strategies

To accelerate infrastructure development while ensuring efficiency at the same time, improvements in planning and programming process, due diligence in project preparation, and innovations in financing and investments will be pursued. While efforts to reduce corruption in infrastructure projects has allowed government to plug leakages, some instances of “backtracking” on projects that have already been awarded may undermine government credibility and cast doubt on its ability to follow through on commitments. Thus, there is a need to ensure due diligence in project preparation to reduce the risk of legal impediments and other difficulties later on.

In order to fully achieve infrastructure development targets by 2016, there is a need to create strategies and measures on funding, financing, and investments. Institutionalization of a Three-Year Rolling Integrated Infrastructure Program (TRIP) is also being proposed in order to synchronize planning and programming of infrastructure investments and ensure that priority sectors are funded. To improve budget allocation, there is a need to establish clear mechanisms and procedures in prioritization of sectors, subsectors, and areas or geographic dimensions, among other considerations.

Improvements in procurement and bidding procedures are also sorely needed. To improve the financing, timing and sequence of project preparation, it is recommended that project proponents prepare and acquire rights of way ahead of time. To ensure that agreements are implemented, there is a need to ensure continuous compliance on laws, rules and regulation in procurement and bidding procedures.

There is also a need to monitor performance of projects and programs, facilities and services, and to further strengthen capabilities of implementing agencies in operating and maintaining infrastructure projects. Allocations for O&M must be incorporated in budgets of implementing agencies. Appropriate institutional arrangements for projects must also be formulated, considering the roles and responsibilities of all stakeholders, particularly local government units.

Public-private partnership is one way to address gaps in infrastructure development. However, PPPs are also vulnerable to the same issues and bottlenecks affecting NGA-funded infrastructure programs and projects. Thus, there is a need to fully address these institutional obstacles in order to maximize the potential contribution of PPPs to overall infrastructure development.

At present, the total value of PPPs is at Php 1.1 trillion²⁷. Of this, only 11.4 percent or Php127.5billion are in live, ongoing projects. Projects that have been approved by the NEDA Board and currently under bidding process account for 43 percent (Php483.09 billion) of the total value. This includes the LRT Cavite Line Extension, a major PPP whose contract has already been awarded and expected to commence construction in 2015-2016. Meanwhile, as of Dec 23, 2014, 5.5 percent are awaiting NEDA board approval, while 34.5 percent are for ICC approval.

In the short term, there will be a huge labor demand in relation to the accelerated infrastructure development program of government. The maps following show where the major projects will be. In anticipation of the labor requirement, skills training program can be designed correspondingly. Employment facilitation must also be proactively pursued.

27 Source: PPP Center as of October 2014

Figure 10. Map of basic infrastructure projects

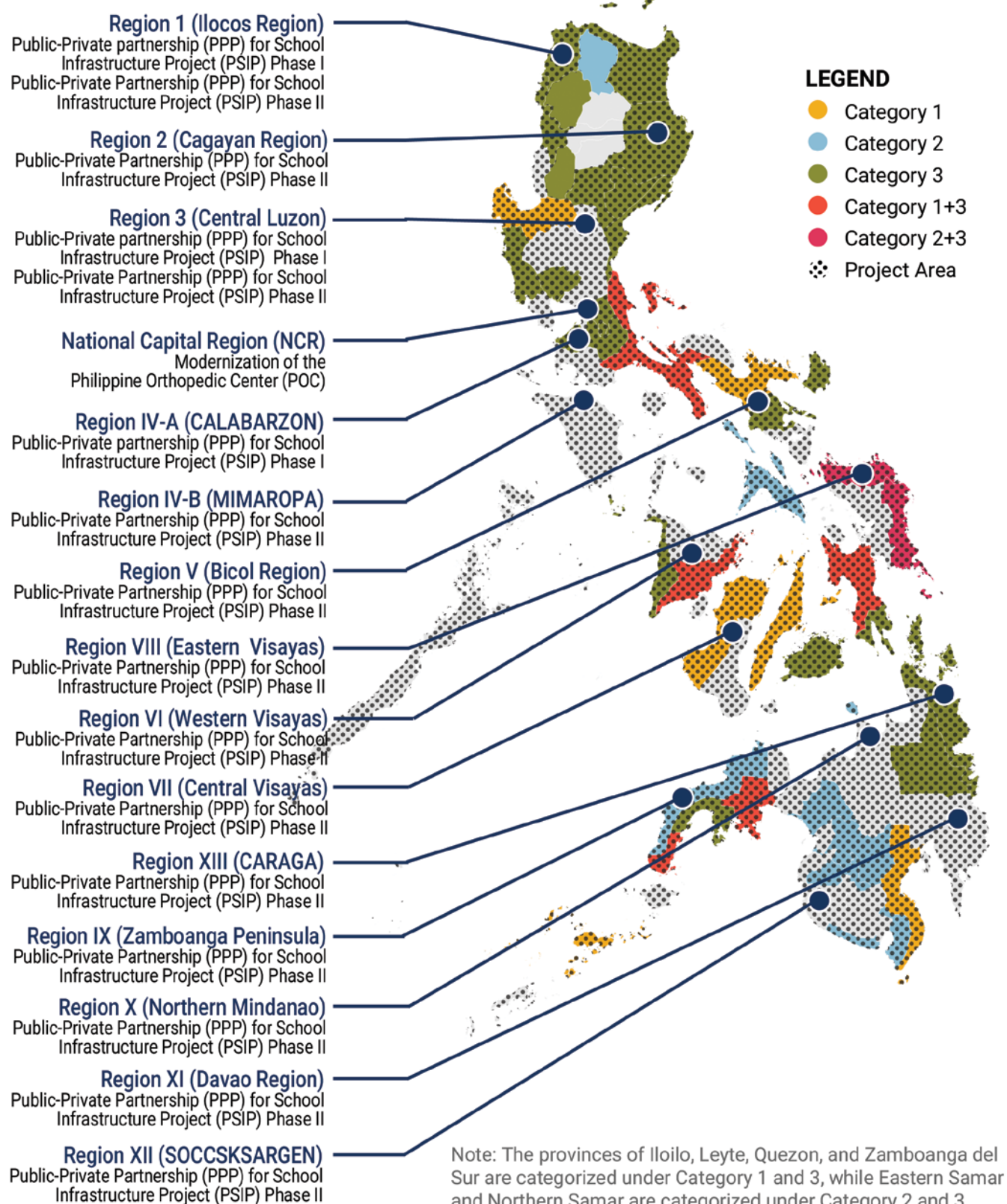
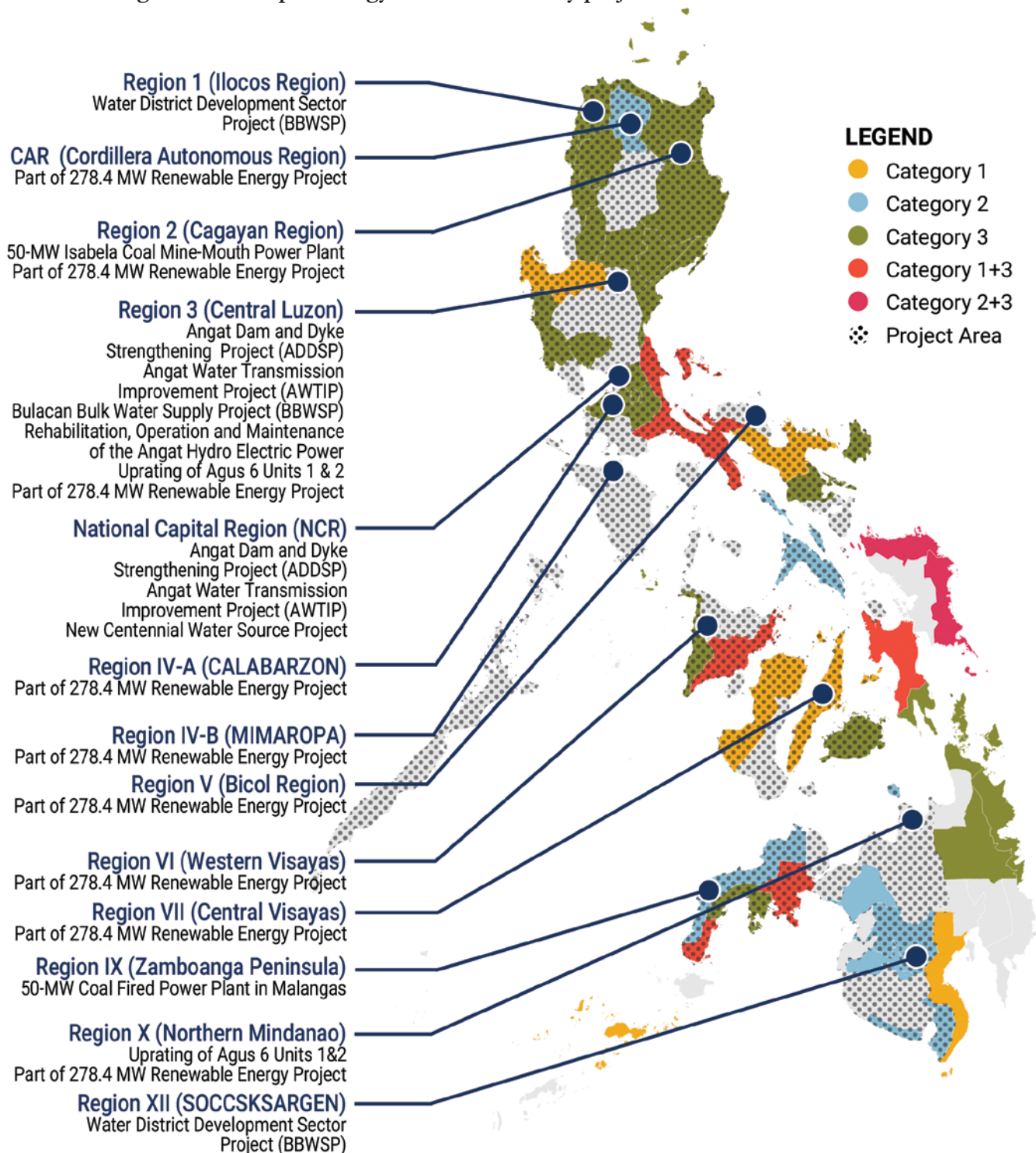


Figure 11. Map of energy and water security projects



Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Figure 12. Map of projects to improve coordination planning and streamline government processes, good governance ICT, and improve air quality

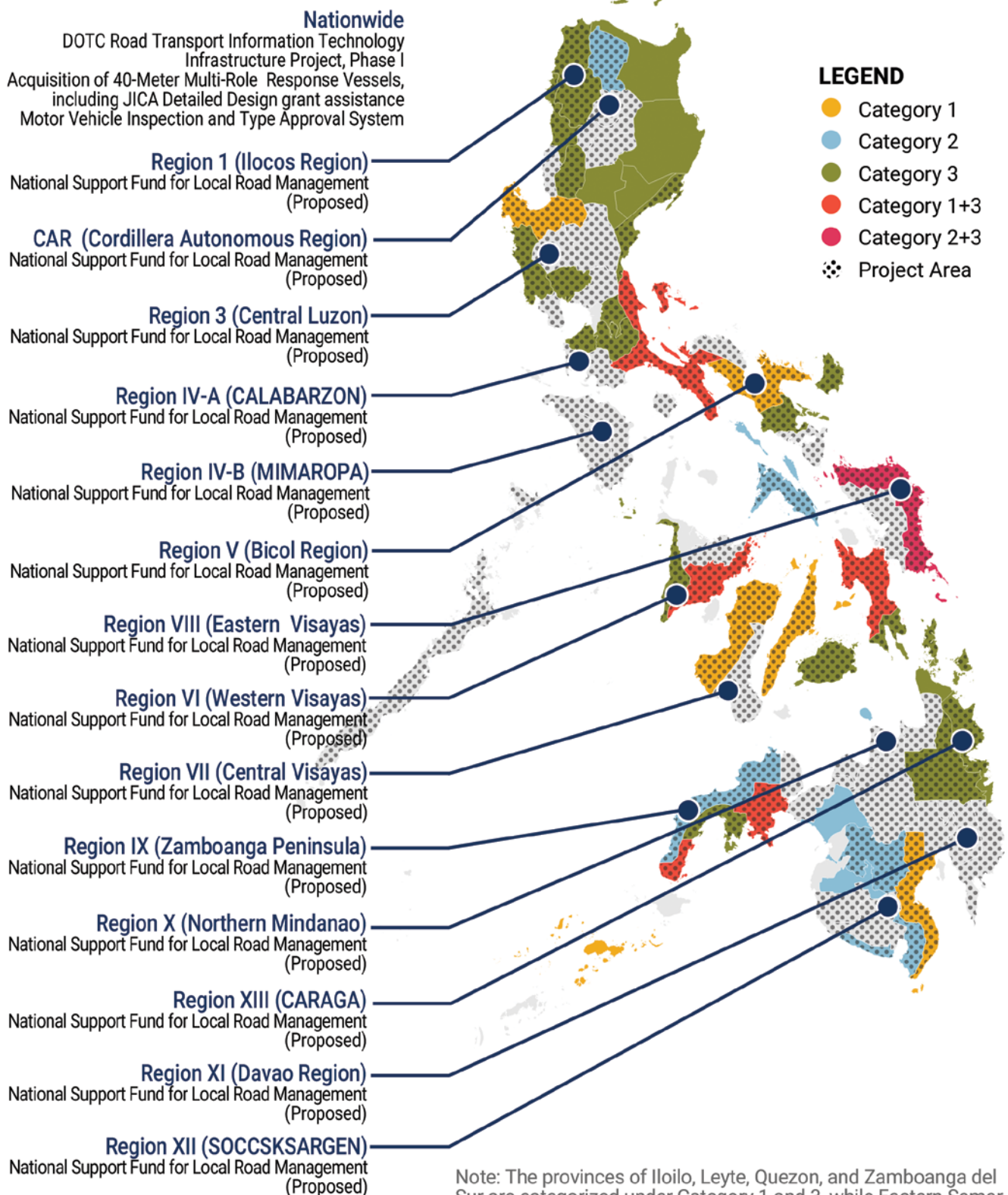
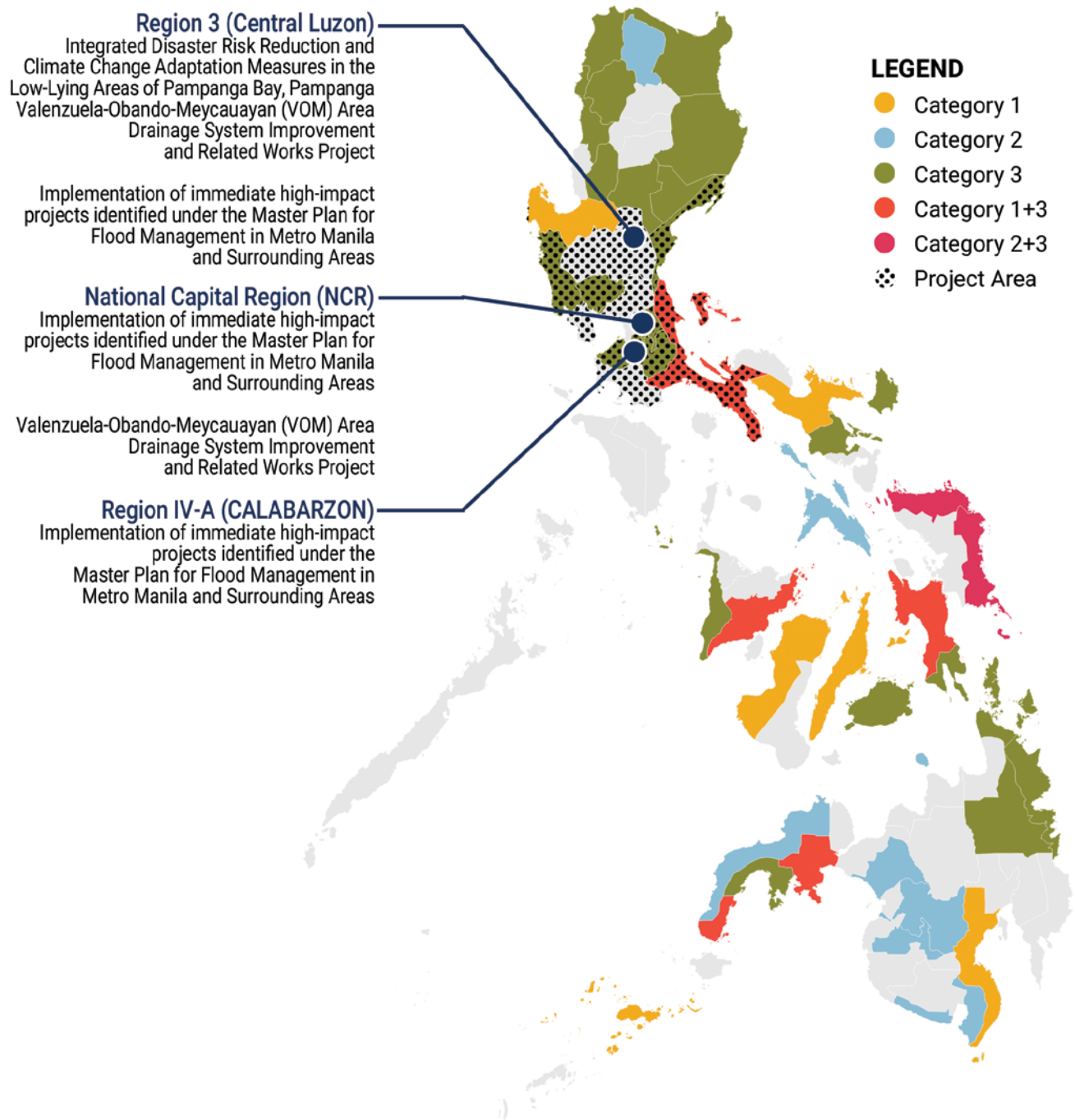
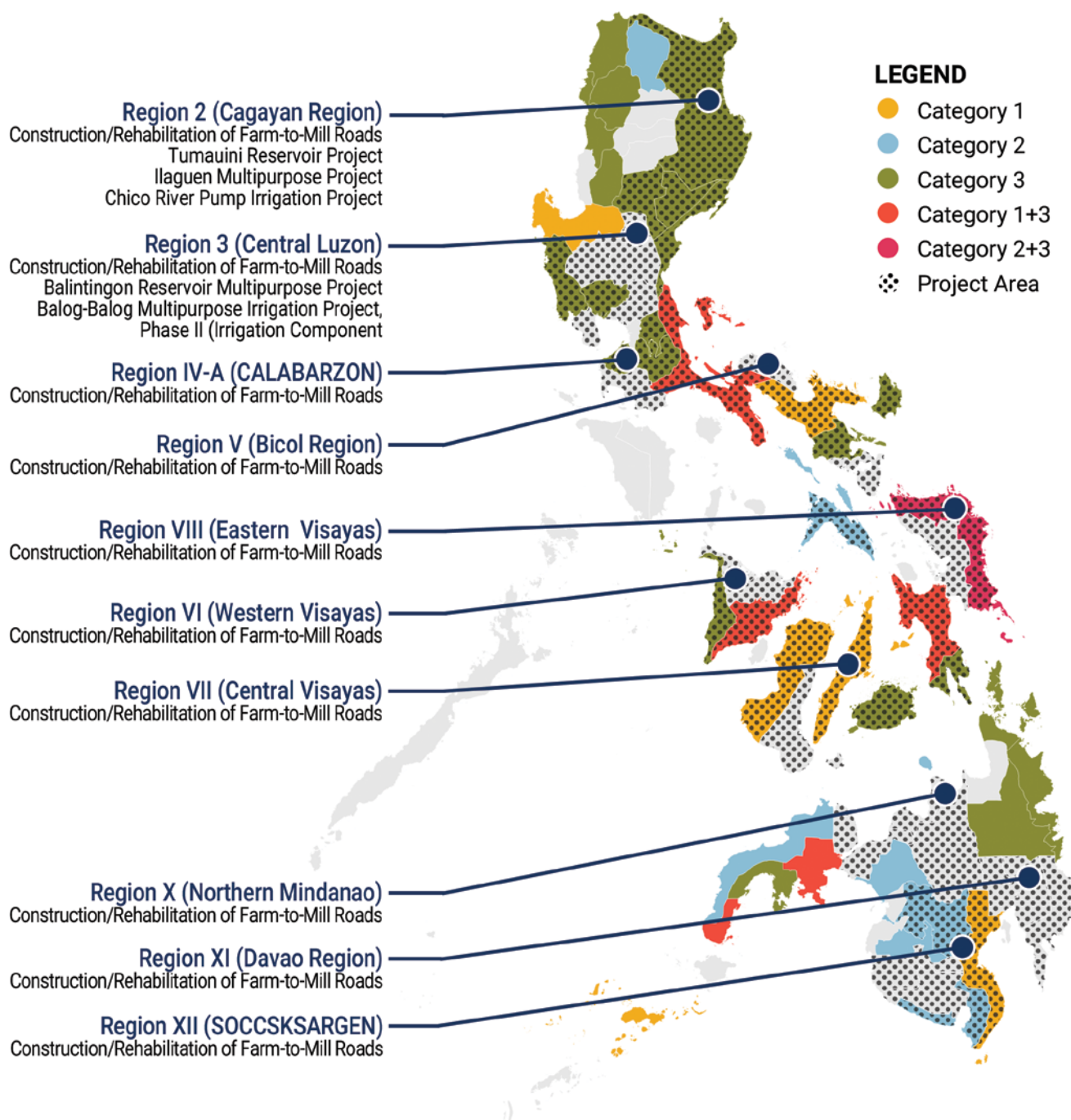


Figure 13. Map of projects to strengthen resilience to climate change and disaster



Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Figure 14. Map of projects to support agricultural production



Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Figure 15. Map of wastewater and solid waste management projects

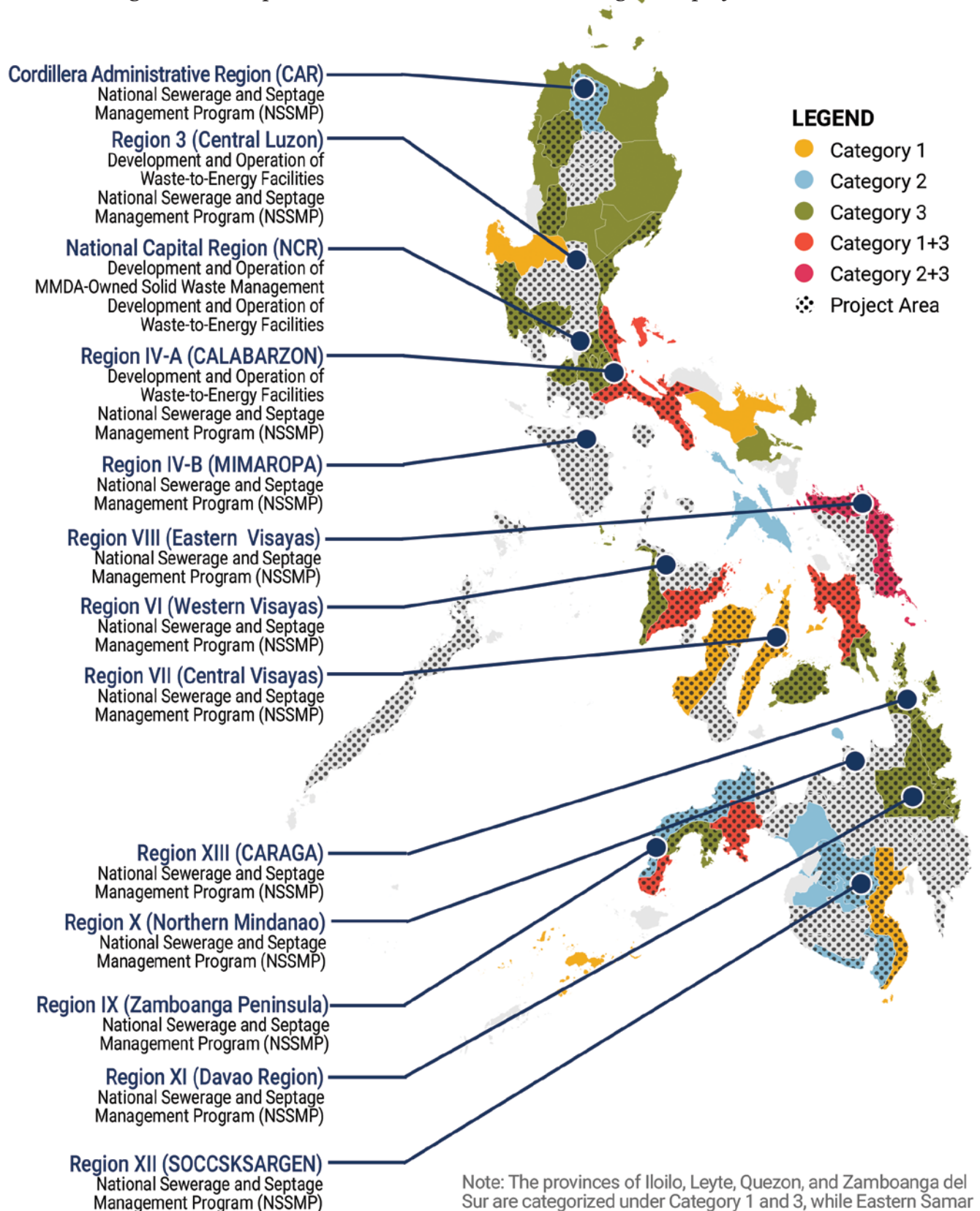
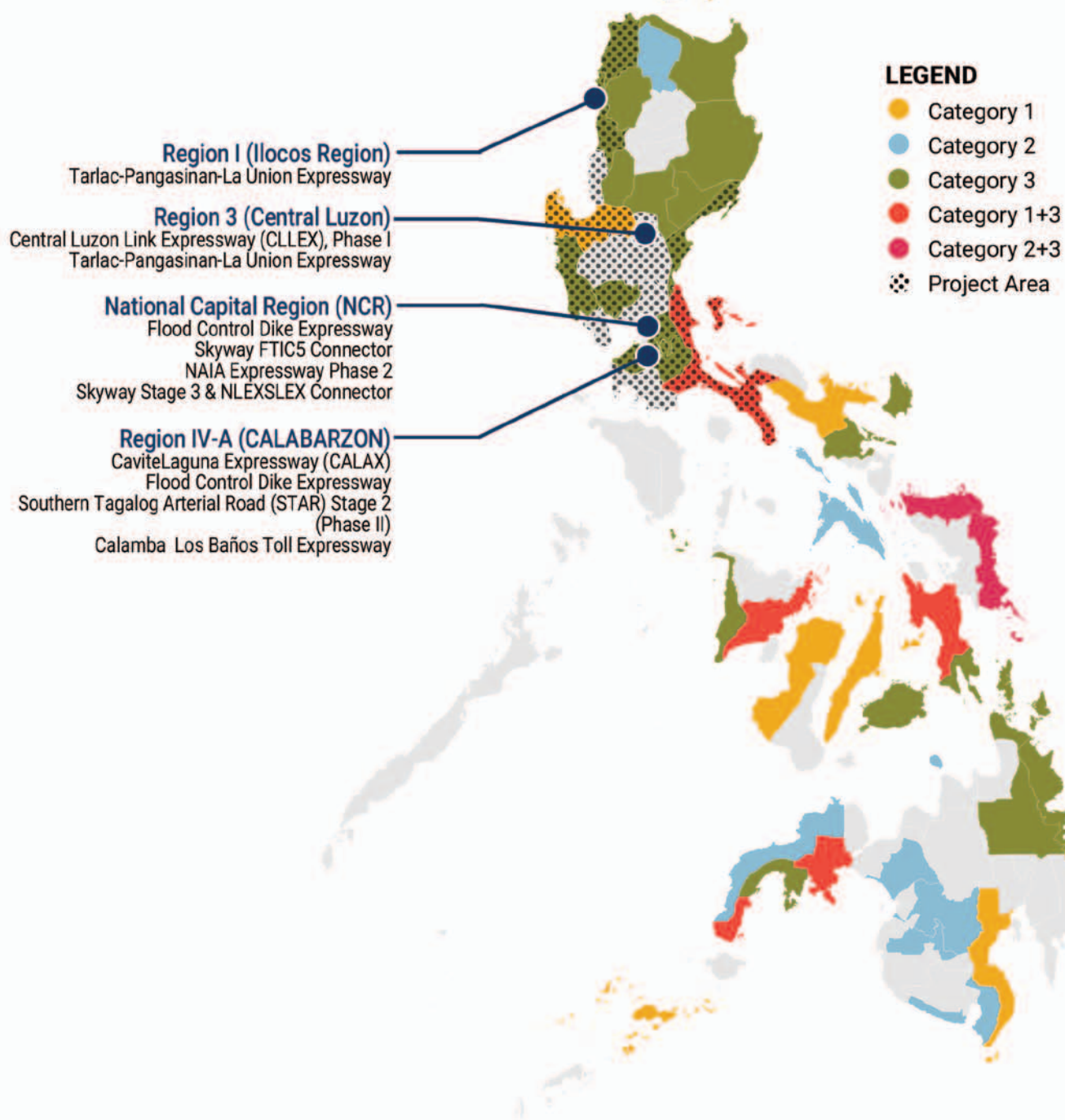
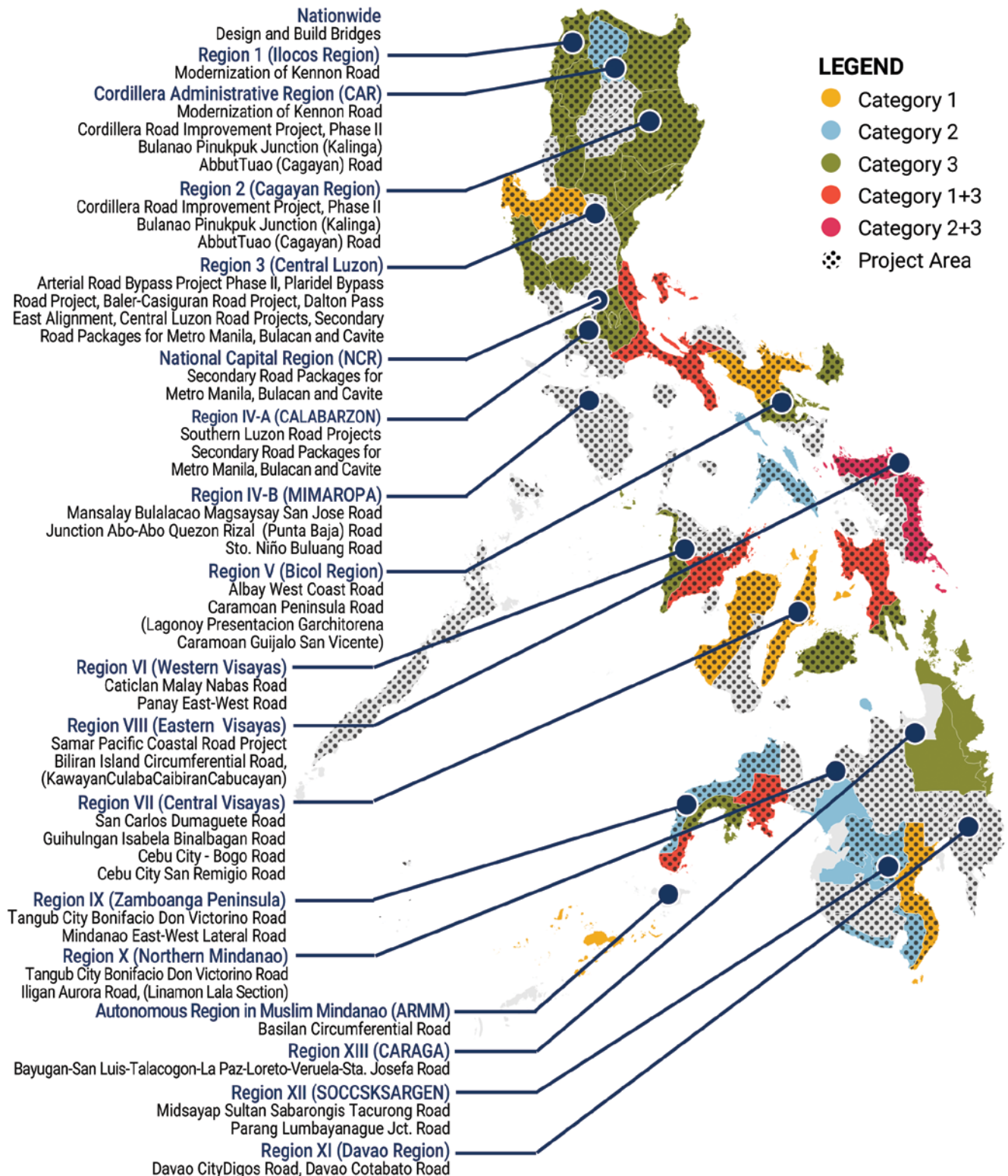


Figure 16. Map of expressway logistics projects



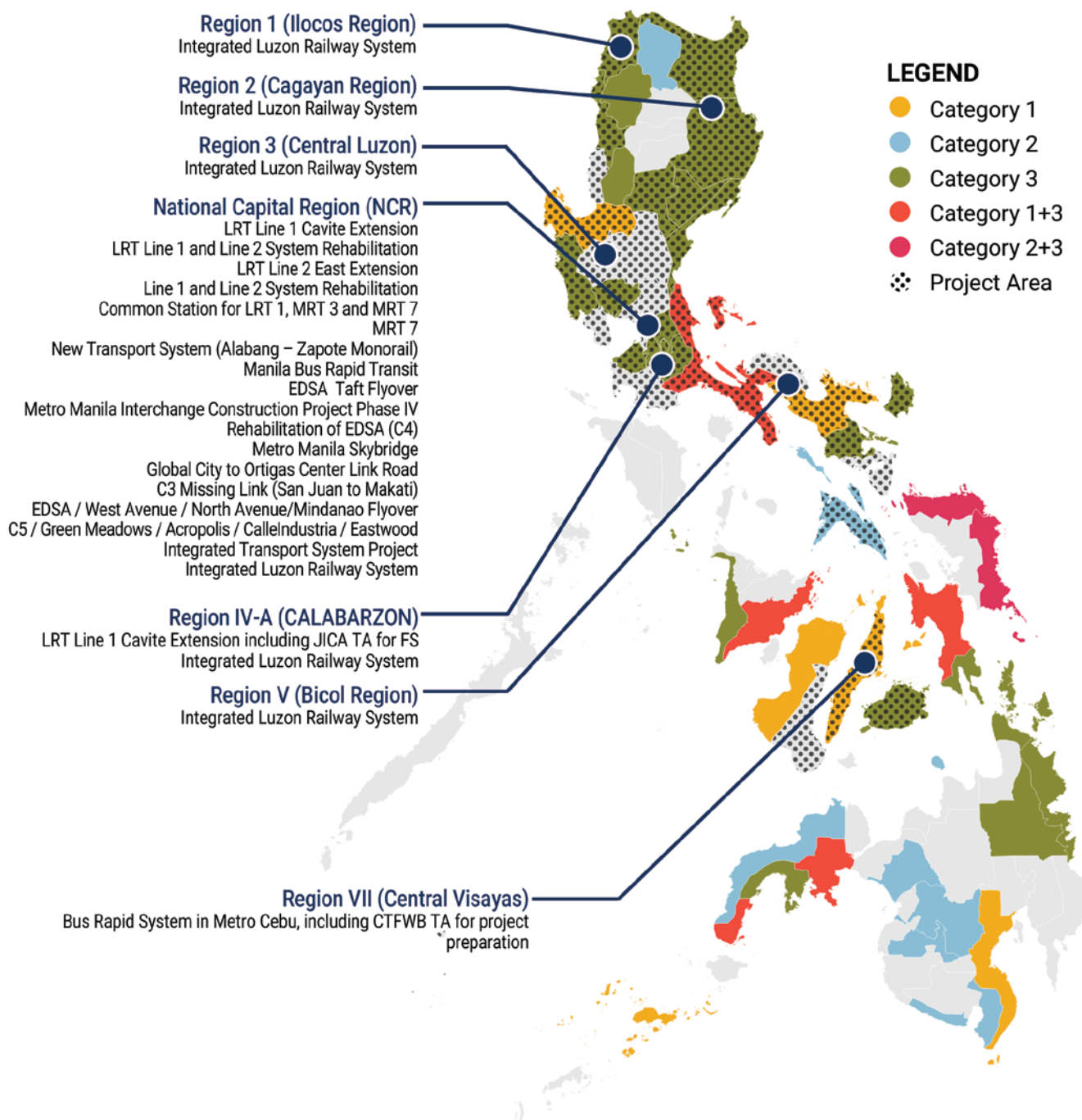
Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Figure 17. Map of road logistics projects



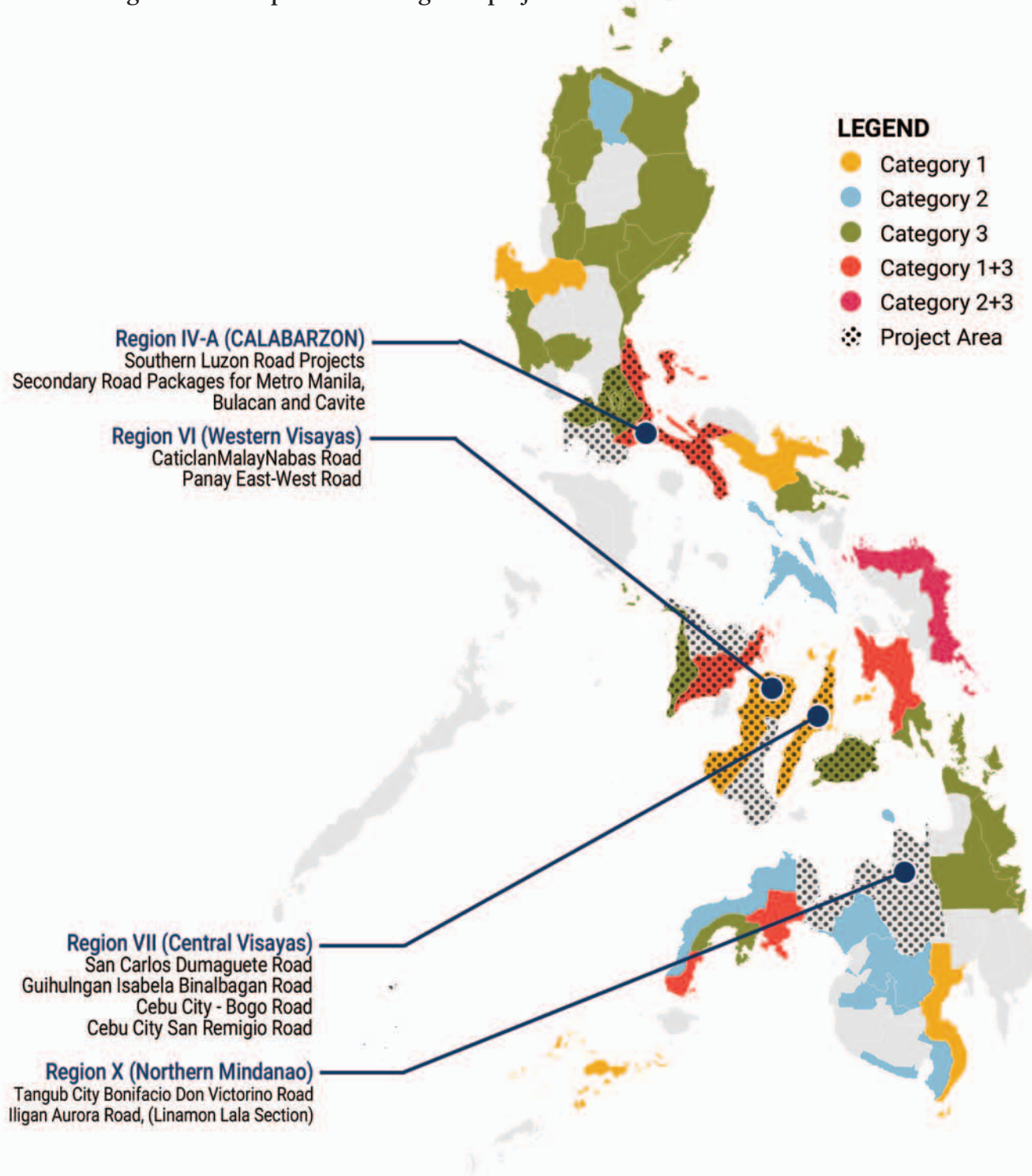
Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Figure 18. Map of urban logistics projects



Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Figure 19. Map of RORO logistics projects



Note: The provinces of Iloilo, Leyte, Quezon, and Zamboanga del Sur are categorized under Category 1 and 3, while Eastern Samar and Northern Samar are categorized under Category 2 and 3.

Results Matrix 1. A roadmap to inclusive growth

Indicators	Baseline (2012)	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014		Accom- plish- ment gap in 2014 †	Remarks
			2014	2015	2016	Latest Actual	As of		
Poverty Incidence	25.2	24.9 (1st Sem 2013)	23.0- 25.0	20.0- 23.0	18.0- 20.0	25.8	2014 Sem 1	0.8 ppt	
Multidimensional Poverty	28.2 (2008)	27.5 ^{b/} (2011)	20.0- 22.0	18.0- 20.0	16.0- 18.0	na	na		
Unemployment rate (in %)	7.1 ^{d/}	7.2 ^{d/}	6.8-7.0 d/	6.6-6.8	6.5-6.7	6.8 ^{d/}	FY 2014		
Employment generated (in '000) ^{a/}	414	518	689-776	753-814	664-753	1024 ^{a/}	FY 2014		
Underemployment rate(% of employed)	19.7 ^{d/}	19.0 ^{d/}	18.7 ^{d/}	18	17	18.4 ^{d/}	FY 2014		
Gross Domestic Product	6.8	7.2	6.5-7.5	7.0-8.0	7.0-8.0 ^{c/}	5.8	FY 2014		
Gross value added (GVA) in agriculture, hunting, fishery and forestry	2.8	1.1	(0.9)-0.1	2.0-3.0	2.5-3.5	0.6	Q1-Q3	-4.4	
GVA in industry	6.8	9.3	9.8-11.0	8.6-9.7	9.3-10.3	6.9	Q1-Q3	17.5	
GVA in services	7.6	7.2	6.0-6.9	6.8-7.8	7.2-8.1	6.1	Q1-Q3	5.8	
GRDP									
National Capital Region	7.3	9.1	6.8-7.5	7.3-8.0	7.8-8.4				Data on FY 2014 to be released on July 2015
Cordillera Administrative Region	1	6	4.5-5.5	5.5-6.5	5.5-6.5				

Indicators	Baseline (2012)	2013 Actual	Target based on PDP Update			Accomplishment in 2014		Accom- plish- ment gap in 2014 †	Remarks
			2014	2015	2016	Latest Actual	As of		
Region I: Ilocos	5.2	7.7	6.8-7.8	7.3-8.3	8.2-9.2				Data on FY 2014 to be released on July 2015
Region II: Cagayan Valley	8.2	6.6	4.1-5.1	4.4-5.4	4.7-5.7				
Region III: Central Luzon	6.3	4.3	6.1-7.1	7.1-8.1	8.0-9.0				
Region IV-A: CALABARZON	7	6.7	5.7-6.7	6.2-7.2	6.6-7.6				
Region IV-B: MIMAROPA	4.2	1.7	3.2-4.2	4.2-5.2	5.2-6.2				
Region V: Bicol	7.1	9.4	7.1-7.6	7.0-7.8	7.0-8.0				
Region VI: Western Visayas	7.5	4.1	6.1-7.5	6.6-8.1	7.3-8.8				
Region VII: Central Visayas	9.3	7.4	8.9-11.2	9.7-11.9	10.1-12.5				
Region VIII: Eastern Visayas	-6.2	5.7	4.5-5.5	4.5-5.5	4.6-5.6				
Region IX: Western Mindanao	12.4	4.3	5.5-7.5	5.5-7.5	5.5-7.5				
Region X: Northern Mindanao	7.4	5.6	8.0-9.0	8.5-9.5	8.5-9.5				
Region XI: Davao Region	7.4	6.8	6.0-7.0	6.5-7.5	7.7-8.7				
Region XII: SOCCSKSARGEN	8.1	8.4	8.2-9.2	8.3-9.3	9.1-10.1				
Region XIII: CARAGA	10.6	7.8	8.2-9.0	9.3-10.1	9.9-10.8				
ARMM	1.2	3.6	1.6-2.6	1.9-2.9	2.4-3.4				

Notes:

† indicates what needs to be achieved in 2014Q4 in order to meet 2014 FY targets.

a/ FY2014 employment generation estimates excludes Region 8

b/ Based on paper published by Balisacan (2014)

c/ DBCC revised the Gross Domestic Product (GDP) targets for 2016

d/ For purposes of comparability, NEEDA revised the 2014 targets for unemployment and underemployment to exclude Region 8 as the actual figures released for FY2014 excluded Region 8 due to the devastation caused by Yolanda; FY 2012 (baseline) and FY 2013 data excluded Region 8 as well

Results Matrix 2. A stable but growth-promoting macroeconomy

Indicators	Baseline 2012	2013 Actual	Target based on PDP Update			Accomplishment in 2014 (As of Q3)	Accomplishment gap in 2014†	Remarks
			2014	2015	2016			
Sector Outcome: Stable macroeconomy achieved								
Higher real GDP growth achieved (%)	6.8	7.2	6.5-7.5	7.0-8.0	7.5-8.5	5.8	8.2 (low-end)	
Subsector Outcome A: Sustainable fiscal sector achieved								
Higher government revenue to GDP ratio achieved (%)	14.5	14.9	15.5	16.2	17.1	15.8	14.9	
Tax revenue-to-GDP ratio improved (%)	12.9	13.3	14.5	15.2	16.1	14.1	15.7	
Non-tax revenue-to-GDP ratio achieved (%)	1.6	1.6	1.1	1.0	0.9	1.7	NA - already above par	
Primary expenditure-to-GDP ratio improved (%)	13.9	13.5	14.9	15.4	16.5	13.3	19.0	
Percentage share of interest payments in the total disbursements declined (%)	17.6	17.2	15.4	14.6	13.7	17.7	8.9*	
Positive primary balance-to-GDP ratio maintained until 2016 (%)	0.7	1.4	0.7	0.7	0.6	2.5	NA - already above par	
NG fiscal deficit-to-GDP ratio reduced (%)	2.3	1.4	2.0	2.0	2.0	0.3	6.1	
Outstanding NG debt stock as a share of GDP reduced (%)	51.5	49.2	46.8	45.8	43.4	45.2**	NA - already above par	
Sustainable consolidated public sector deficit as a share of GDP maintained (%)	1.5	0.4	0.8	NA	NA	1.3 (surplus)	6.0	

Indicators	Baseline 2012	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014 (As of Q3)	Accomplishment gap in 2014†	Remarks
			2014	2015	2016			
Local income sources of LGUs increased (note: this is year-on-year growth)	12.5	2.6	5.7	5.7	NA	8.1	NA - already above par	
Subsector Outcome B: Resilient external sector maintained								
Positive sustainable current account balance to GDP ratio for the period 2013-2016 maintained (%)	2.8	3.8	1.6	1.5	1.2	3.3 ^p	NA	
External debt to GDP ratio reduced (%)	24.1	21.5	23.5	NA	NA	20.7 ^p	NA	
Subsector Outcome C: Monetary policy made resilient								
Low and stable inflation achieved	3.2	3.0	3.0-5.0	2.0-4.0	2.0-4.0	4.4	-1.2 for lower target	
							6.8 for higher target	

Notes:

† indicates what needs to be achieved in 2014Q4 in order to meet 2014 FY targets (NEDA Staff Estimates using the NEDA Emerging GDP Estimates as of December 5, 2014 (for approval by the DBCC))

* Using the DBM Disbursement Program as of December 16, 2014

**Using the NEDA Emerging GDP Estimates as of December 5, 2014 (for approval by the DBCC)

p - preliminary

Results Matrix 3. Competitive and innovative industry and services sectors

Indicators	Baseline (2012)	2013 Actual	Target based on PDP Update			Accomplishment in 2014		Accom- plishment gap in 2014+	Remarks
			2014	2015	2016	FY Actual	Q1-Q3 Actual		
Sector Outcome: Globally Competitive and Innovative Industry and Services Sectors Achieved									
Employment generated from the I&S sectors increased annually ^a	597,000	775,000	887,000 - 921,000	887,000 - 921,000	887,000 - 921,000	849,000			
GVA in the I&S sectors improved: Industry GVA growth rate	6.8%	9.3%	9.8 - 11.0%	8.6 - 9.7%	9.3 - 10.3%		6.9%	18.4%	
GVA in the I&S sectors improved: Services GVA growth rate	7.6%	7.2%	6.0 - 6.9%	6.8 - 7.8%	7.2 - 8.1%		6.1%	5.7%	
Philippine innovation index in the WEF Global Competitiveness report improved ^b	3.0	3.2	3.3	3.4	3.5	3.48			
Subsector Outcome A: Business climate improved									
Philippine overall ranking in the WB-IFC Doing Business Report improved	136/183	138/185	NA	NA	Top third of total coun-tries surveyed (e.g. 62/189)	95/189			
Subsector Outcome B: Productivity and innovative capacity increased									
Intellectual property products expenditures increased	18%	16.40%	5 - 6%	5 - 6%	5 - 6%		22.3%		
Labor productivity in I&S sectors increased	4.90%	4.80%	3.9 - 4.7%	4.1 - 5.0%	4.7 - 5.5%		3.1%		

Indicators	Baseline (2012)	2013 Actual	Target based on PDP Update			Accomplishment in 2014		Accomplish- ment gap in 2014†	Remarks
			2014	2015	2016	FY Actual	Q1-Q3 Actual		
Subsector Outcome C: Consumer welfare enhanced									
Level of consumer awareness on rights to safety, information and prices improved	57%	72%	74%	75%	80%	74%			
Subsector Outcome D: Market access expanded									
Merchandise exports increased (in billion US\$) ^{/c}	52.1	56.7	69 [60]	79 [65]	91 [70]		46.6	22.4 [13.4]	
Services exports increased (in billion US\$) ^{/c}	18.6	21.8	23 [24]	26 [27]	29 [31]		10.8 ^{/d}	12.2 [13.2] in 2H2014	
Total approved investments increased (in billion pesos)	697.7	754	813.6	877.8	947.2		365.2 ^{/d}	448.4 in 2H2014	
Other indicators: Tourist arrivals / receipts									
International tourist arrivals (in million)	NA	4.7	6.8	8.2	10		3.27 ^{/d}	3.53 in 2H2014	
Tourism receipts (in billion pesos)	NA	186.15	269.9	350.4	455		144.4 ^{/d}	125.5 in 2H2014	

Notes:

† indicates what needs to be achieved in 2014Q4 in order to meet 2014 FY targets.

^{/a} 2014 Labor Force Survey (LFS) from Philippine Statistics Authority (PSA) excludes Region VIII in Q1 2014 and Leyte in Q2-Q4 2014.

^{/b} The 2013 estimate is from the WEF 2013-2014 report. The 2014 estimate is from the WEF 2014-2015 report.

^{/c} Target for exports downscaled under the draft Philippine Export Development Plan 2014-2016

^{/d} Data is for first half of 2014.

*NA means that the indicator is not applicable to the given time frame

Results Matrix 4. Competitive and sustainable agricultural and fisheries sector

Indicators	Baseline (2012*)	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014 (YTD Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
Sector Outcome 4: Competitive and sustainable agriculture and fisheries sector achieved								
Agriculture and fishery GVA increased	PhP695,119 million	PhP 701,358 million (0.9%)	3.2 - 4.2%	3.3 - 4.3 %	3.5 - 4.5 %	PhP 497,819 million 0.7% (Q1-Q3)	The sector needs to grow by an average of 10.8 percent for the remaining period to achieve the lower-end target.	
Crops	PhP347,474 million	PhP 347,621 million (0.04%)	4.0 - 5.0 %	4.0 - 5.0 %	4.0 - 5.0 %	PhP 246,373 million 0.9% (Q1-Q3)	The subsector needs to grow by an average of 13.3 percent for the remaining period to achieve the lower-end target.	
Livestock	PhP93,261 million	PhP 94,915 million (1.8%)	1.2-2.5 %	1.5-3.0 %	1.6-3.5 %	PhP 68,870 million 1.0% (Q1-Q3)	The subsector needs to grow by an average of 1.7 percent for the remaining period to achieve the lower-end target.	
Poultry	PhP74,536 million	PhP 77,682 million (4.2%)	4.2 - 5.2 %	4.2 - 5.2 %	4.2 - 5.2 %	PhP 54,585 million -0.4% (Q1-Q3)	The subsector needs to grow by an average of 17.9 percent for the remaining period to achieve the lower-end target.	
Fisheries	PhP130,032 million	PhP 131,003 million (0.7%)	1.5 - 2.5 %	2.3 - 3.0 %	2.8 - 3.5 %	PhP 90,293 million -1.4% (Q1-Q3)	The subsector needs to grow by an average of 10.2 percent for the remaining period to achieve the lower-end target.	
Value of agricultural exports increased	US\$5,038 million	US\$ 6,401 million (27.0%)	9.5 - 10.5 %	9.5 - 10.5 %	9.5 - 10.5 %	US \$ 3,452 million 8.0% (Q1-Q2)	Exports need to grow by an average of 11 percent for the remaining period to achieve the lower-end target.	
Labor productivity in agriculture and fisheries sector increased 1/	PhP57,797	PhP 59,706 (3.3%)	2.0 - 5.0 %	2.0 - 5.0 %	2.0 - 5.0 %	PhP 44,277 3.9% (Q1-Q3)	Labor productivity needs to grow by an average of 8.4 percent for the remaining period to achieve the upper-end target.	

Indicators	Baseline (2012*)	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014 (YTD Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
Subsector Outcome 4a: Productivity in agriculture and fisheries sector increased								
Yield of major commodities increased (in metric ton per hectare)								
Palay	3.8	3.9	4.4	4.5	4.5	4.0 (Q1-Q3)	Yield level should be at least 5.7 MT/Ha for the remaining period to achieve the 2014 target.	
White Corn	1.6	1.7	1.8	2.0	2.1	1.7 (Q1-Q3)	Yield level should be at least 2.0 MT/Ha for the remaining period to achieve the 2014 target.	
Yellow Corn	4.1	4.1	4.6	5.0	5.2	4.2 (Q1-Q3)	Yield level should be at least 5.9 MT/Ha for the remaining period to achieve the 2014 target.	
Banana	20.4	19.4	23.2	23.9	24.6	9.9 (Q1-Q2)	Yield level should be at least 36.5 MT/Ha for the remaining period to achieve the 2014 target.	
Coconut (copra)	0.9	0.9	0.9	0.9	1.0	0.9 (Q1-Q3)	Yield level should be at least 0.92 for the remaining period to achieve the 2014 target.	
Pineapple	41.1	40.5	43.1	44.4	45.7	20.1 (Q1-Q2)	Yield level should be at least 66.1 MT/Ha for the remaining period to achieve the 2014 target.	
Mango	4.1	4.3	4.8	4.9	5.1	4.2 (Q1-Q2)	Yield level should be at least 5.4 MT/Ha for the remaining period to achieve the 2014 target.	
Sugarcane	61.3	56.2	62.8	66.9	71.2	54.9 (Q1-Q2)	Yield level should be at least 70.7 MT/Ha for the remaining period to achieve the 2014 target.	
Coffee	0.7	0.7	0.8	0.9	0.9	0.3 (Q1-Q2)	Yield level should be at least 1.3MT/Ha for the remaining period to achieve the 2014 target.	

Indicators	Baseline (2012*)	2013 Actual	Target based on PDP Update			Accomplishment in 2014 (YTD Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
Cassava	10.2	10.9	16.4	18.3	20.2	11.7 (Q1-Q2)	Yield level should be at least 21.2 MT/Ha for the remaining period to achieve the 2014 target.	
Cacao	0.5	0.5	0.6	0.6	0.7	0.2 (Q1-Q2)	Yield level should be at least 1 MT/Ha for the remaining period to achieve the 2014 target.	
Rubber	2.5	2.4	3.6	3.6	3.6	1.0 (Q1-Q2)	Yield level should be at least 6.2 MT/Ha for the remaining period to achieve the 2014 target.	
Volume of production increased (in '000 metric ton)								
Hog	1,974	2,012	2,057	2,109	2,172	1448 (Q1-Q3)	Production level should be at least 609 MT for the remaining period to achieve the target	
Chicken	1,479	1,555	1,651	1,747	1,852	1139 (Q1-Q3)	Production level should be at least 512 MT for the remaining period to achieve the target	
Commercial Fisheries	1,042	1,068	1,102	1,135	1,169	861 (Q1-Q3)	Production level should be at least 241 MT for the remaining period to achieve the target	
Municipal Fisheries	1,281	1,264	1,332	1,361	1,392	945 (Q1-Q3)	Production level should be at least 387.2 MT for the remaining period to achieve the target	
Aquaculture Fisheries	2,542	2,373	2,657	2,717	2,784	1588 (Q1-Q3)	Production level should be at least 1,068.6 MT for the remaining period to achieve the target	

Indicators	Baseline (2012*)	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014 (YTD Actual)	Accomplishment gap in 2014 +	Re- marks
			2014	2015	2016			
Level of post harvest losses reduced (in percent)2/								
Rice	16.5 (FY 2010)		15.1	14.6	14.1			
Corn	7.2 (FY 2009)		7.0	6.9	6.9			
Fisheries	25.0 (FY 2008)				18.0			
Banana	16.0 (FY 2009)				13.0			
Mango	30.0 (FY 2009)				24.0			
Rice self-sufficiency ratio increased	92.1	96.8	100.0	100.0	100.0			
Intermediate Outcome 4a: Land tenure security improved								
Total land distribution under CARP (in hectares)								
DAR	119,441	125,561	240,707	180,707	121,877	68,168 (Q1-Q3)	DENR needs to acquire and distribute 173,539 hectares to achieve the 2014 target.	
DENR	95,214	80,339	90,000	36,974		31,223 (Q1-Q3)	DAR needs to distribute acquire and distribute 58,777 hectares to achieve the 2014 target.	
Subdivided and re- documented collective CLOAs into individual titles (in hectares)	38,866	75,779	215,020	203,331	204,332	11,978 (Q1-Q3)	DAR needs to subdivide CLOAs covering 203,042 hectares to achieve the 2014 target.	
Proportion of farmer/ fisherfolk borrowers obtaining loans from formal sources increased3/	57.0 (FY 2008)				85.0			

Indicators	Baseline (2012*)	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014 (YTD Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
Subsector Outcome 4b: Forward linkage to the industry and services sectors increased								
Proportion of industrial crops to total crop production increased (in percent)								
Abaca	0.1	0.1	0.2	0.3	0.4	0.1 (Q1-Q3)	Proportion of industrial crops to total crops should be at least 0.53 percent for the remaining period to achieve the 2014 target.	
Cacao	0.1	0.0	1.0	1.5	2.0	0.0 (Q1-Q3)	Proportion of industrial crops to total crops should be at least 3.98 percent for the remaining period to achieve the 2014 target.	
Coffee	0.1	0.1	1.0	1.5	2.0	0.1 (Q1-Q3)	Proportion of industrial crops to total crops should be at least 3.81 percent for the remaining period to achieve the 2014 target.	
Oil Palm	0.6	0.6	2.1	2.9	3.6	0.6 (Q1-Q3)	Proportion of industrial crops to total crops should be at least 6.6 percent for the remaining period to achieve the 2014 target.	
Rubber	0.5	0.5	1.5	2.0	2.5	0.5 (Q1-Q3)	Proportion of industrial crops to total crops should be at least 4.4 percent for the remaining period to achieve the 2014 target.	
Sugarcane	30.5	29.1	34.0	36.0	38.0	24.4 (Q1-Q3)	Proportion of industrial crops to total crops should be at least 62.8 percent for the remaining period to achieve the 2014 target.	

Indicators	Baseline (2012*)	2013 Actual	Target based on PDP Update			Accomplishment in 2014 (YTD Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
Tobacco	0.1	0.1	0.3	0.4	0.5	0.1 (Q1-Q3)	Proportion of industrial crops to total crops should be at least 0.89 percent for the remaining period to achieve the 2014 target.	
Volume of industrial crops production increased (in '000 metric tons)								
Abaca	68.5	65.0	69.4	69.9	70.3	49.6 (Q1-Q3)	Production should be at least 19.8 MT for the remaining period to achieve the 2014 target.	
Cacao	4.8	4.9	4.9	5.0	5.0	4.0 (Q1-Q3)	Production should be at least 0.9 MT for the remaining period to achieve the 2014 target.	
Coffee	88.9	78.6	90.7	91.6	92.6	42.7 (Q1-Q3)	Production should be at least 48.0 MT for the remaining period to achieve the 2014 target.	
Oil Palm	531.3	473.4	589.6	621.1	654.3	340.8 (Q1-Q3)	Production should be at least 248.8 MT for the remaining period to achieve the 2014 target.	
Rubber	443.0	444.8	460.4	469.3	478.4	291.8 (Q1-Q3)	Production should be at least 168.6 MT for the remaining period to achieve the 2014 target.	
Sugarcane	26,395.9	24584.8	30,256.4	32,393.5	34,681.5	17004.5 (Q1-Q3)	Production should be at least 13,251.9 MT for the remaining period to achieve the 2014 target.	
Tobacco	48.1	53.8	55.3	59.2	63.5	60.0 (Q1-Q3)	Current production level already achieved the 2014 target.	
Private investments in agri-related activities increased (in Php million)	5,172	2,061	7,448	8,938	10,725	2,397 (Q1-Q2)	Private investments should be at least Php 5,051 million for the remaining period to achieve the 2014 target.	

Indicators	Baseline (2012*)	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014 (YTD Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
Subsector Outcome 4c: Sector Resilience to Climate Change Risks increased								
Annual proportion of farm households' income to total income decreased (in percent)4/	48.5 (FY 2011)		Decreas- ing per year	Decreas- ing per year	Decreas- ing per year			
Number of farmers with risk insurance increased	311,388	743,589	795,259	1,272,415	2,035,864	502,329 (Q1-Q3)	Number of farmers with risk insurance should be at least 292,930 for the remaining period to achieve the 2014 target.	

† indicates what needs to be achieved in the remainder of 2014 in order to meet 2014 FY targets.

* except for some indicators

** Latest available data

*** Data/gaps needed in the attainment of the 2014 PDP major targets

1/ 2013 labor productivity is from PSA-BLES while 2014 accomplishments are NEDA computations based on latest available data on GVA and employment.

2/ Data depends on conduct of studies.

3/ The main source of data is the survey on credit access of small farmers and fishers being conducted by ACPC every other year. From 2010 to 2013, however, no survey was conducted. Field survey for the 2014 borrowing incidence is currently on-going and will cover farmers and fisherfolk listed in the RSBSA. The report/result is scheduled to be completed on the 1st quarter of 2015.

4/ Data are obtained from Special Survey which is conducted whenever there is an available fund.

Results Matrix 5. Resilient and inclusive financial system

Indicators/Unit	Baseline		Target based on PDP Midterm Update			Accomplishment in 2014		Accomplish-ment gap in 2014	Remarks
	Year	Value	2014	2015	2016	Latest Actual	As of		
1. Sector Outcome : Expanded Access to Financing in Support to Macroeconomic Stability									
1. Financial System's total assets increased to >10% for 6-year (2011-2016) average from the 2006-2010 average of 9.8%	2011-20131/ (Aver- age)	12.5	> 10%	> 10%	> 10%	13.6	Q3	Already exceeded PDP 2014 target	Data for Q4 2014 is expected to be released on 2015
2. National saving rate (Gross National Saving to GDP ratio) improved to >30% in 2016 from 26.6% in 2010	2012-20132/ (Aver- age)	29.3	> 30%	> 30%	> 30%	29.8	Q3	n.a.	Data for Q4 2014 is expected to be released on 2015
3. Number of deposit accounts increased to 750 Filipinos per 1,000 population in 2016 from 499 Filipinos per 1,000 population in 2010.	2013	458	600	680	750	470	Q2	n.a.	Data for Q3 2014 is expected to be released on 2015
Sub-sector Outcome 1: More Efficient Mobilization of Financial Resources									
4. Microfinance services delivery improved to Php >10 Billion in 2016 from Php 6.9 billion in 2010.	20133/	Php 8.70 billion	Php 9.3 bil- lion	Php 9.7 bil- lion	Php >10 Billion	Php 9.28 billion	Q2	n.a.	Data for Q3 2014 is expected to be released on 2015
Sub-sector Outcome 2: Improved Financial Inclusion									
5. Number of access points per 10,000 population5/ increased to 6 in 2016 from 4 in 2011	2013	9.7	6	6	6	9.5	Q2	Already exceeded PDP 2014 target	Data for Q3 2014 is expected to be released on 2015

Notes:

- 1/ Source of data: Bangko Sentral ng Pilipinas - Selected Philippine Economic Indicators (http://www.bsp.gov.ph/statistics/spci_new/tab22_res.htm)
- 2/ Source of data: Philippine Statistics Authority - National Statistical Coordination Board. Gross savings (gross national income minus household final consumption expenditure and government consumption) in percent of GNI at current prices.
- 3/ Source of data: Bangko Sentral ng Pilipinas - Amount of outstanding microfinance loans
- 4/ Annual accomplishments on financial system's total assets are 3 year moving average while quarterly accomplishments are year-on-year growth rate average from the reference period to same period of previous 2 years. Annual accomplishments on national saving rate are 2 year moving average while quarterly accomplishments are 8 quarter moving average.
- 5/ Adult population - NSO (adults refer to individuals aged 15 years old and above).

Results Matrix 6. Social development

Indicators	Baseline (2010)	2013 Actual	Target based on PDP Update			Accomplishment in 2014 (As of Oct. 2014)	Accomplishment gap in 2014†	Remarks
			2014	2015	2016			
Subsector outcome A: Health and nutrition status improved								
Maternal mortality ratio per 1,000 live births decreased		221 (2011)*	61	52	50			
Infant mortality rate per 1,000 live births decreased (in %)		23	20	19	17			
Under-five mortality rate per 1,000 live births decreased		31	28	26.7	25.5			
Prevalence of underweight children under five decreased (in %)		19.9		13.7	12.7			
Contraceptive prevalence rate (all methods) increased (in %)		55.1		63	65			
Proportion of births attended by health professional increased (in %)		72.8		90	90			
Proportion of births delivered in facility increased (%)		61.1		80	85			
Malaria mortality rate per 100,000 population decreased (in %)		0.01		<0.03	<0.03			
Malaria morbidity rate per 100,000 decreased (in %)		7.86		6.6	6.6			
TB case detection rate (all forms) increased (in %)		85		85	85			
HIV prevalence decreased		<1% of population		<1% of population	<1% of population			

Indicators	Baseline (2010)	2013 Actual	Target based on PDP			Midterm Update	2016	Accomplishment in 2014 (As of Oct. 2014)	Accomplishment gap in 2014†	Remarks
			2014	2015	2016					
Proportion of families with access to safe water increased (HH in %)		83.8		87	88					
Proportion of families with access to sanitary toilet increased (HH in %)		99.2		>92	>92					
National Health Insurance Program (NHIP) coverage rate increased (in %)		67		90	95			82 (as of Q2 2014)		
Proportion of households with per capita intake below 100% of dietary energy requirement decreased (in %)		66.9 (2008)*	41.4	37.1	32.8					
Subsector outcome B: Knowledge and skills enhanced										
Net enrolment rate increased (in %)										
Kindergarten	57.2	77.4 (2012)*	89.7	100	100			n.a.		
Elementary	95.9	95.2 (2012)*	97	98	99			n.a.		
Secondary	64.7	64.6 (2012)*	68	70	71			n.a.		
Adjusted net enrolment rate increased (in %)										
Elementary	98.5	97.4 (2012)*	99	99	99			n.a.		
Secondary	92.5	90 (2012)*	95	97	99			n.a.		

Indicators	Baseline (2010)	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014 (As of Oct. 2014)	Accomplishment gap in 2014†	Remarks
			2014	2015	2016			
Completion rate increased (in %)								
Elementary	72.1	78.48	78	81	83	n.a.		
Secondary	75.1	77.05	76	78	80	n.a.		
Cohort survival rate increased (in %)								
Elementary	74.2	80.63	79	81	83	n.a.		
Secondary	79.4	80.58	81	83	85	n.a.		
Achievement rate increased (in %)								
Elementary	68.2	69.97	73	75	77	n.a.		
Secondary	47.9	53.77	57	62	65	n.a.		
Certification rate in TVET increased (in %)	82.9	88.5	86.5	87	87.5	91 (as of Oct 2014)	NA - above par	
TVET graduates increased	1,344,371	1,765,757	1,464,000	1,610,510	1,771,560	1,234,009 (as of Oct 2014)	229,991 (more TVET Graduates needed)	
Higher education graduates increased		60,5375 (projection)	567,531	584,474	601,505	n.a.		
Proportion of HEI faculty with MA increased (in %)		40.87	55	60	65	n.a.		
Proportion of HEI faculty with PhD increased (in %)		11.72	20	25	30	n.a.		
HEIs with accredited programs increased (in %)		24.47	29	32	35	n.a.		

Indicators	Baseline (2010)	2013 Actual	Target based on PDP Update			Accomplishment in 2014 (As of Oct. 2014)	Accomplishment gap in 2014†	Remarks
			2014	2015	2016			
National passing percentage (across disciplines) in licensure exams increased (in %)		39.21	49.72	50.94	52.53	n.a.		
Subsector outcome C: Social protection expanded								
Percentage of poor families covered by PhilHealth as identified under the NHTS-PR and LGU Sponsored Program (in %)		86.8	90	95	100			
Subsector outcome D: Access to secure shelter expanded								
Percentage of housing targets met (in %)		18.92	19.09	23.74	25.84	29.92 (as of Oct 2014)		
Share of socialized housing to housing target improved (in %)		67.65	70.02	75.84	77.77	136.90 (as of Oct 2014)		

Notes:

† indicates what needs to be achieved in 2014Q4 in order to meet 2014 FY targets.

Results Matrix 7. Good governance and the rule of law

Indicators	Baseline 2012	2013 Actual	Target based on PDP Update			Accomplishment in 2014		Accomplishment gap in 2014†	Remarks
			2014	2015	2016	Latest Actual	as of		
Percentile rank in the World Governance Indicators (WGI) - Voice and Accountability indicator improved	47.87	47.87			≥ 50.00	na			WGI data is released every two years. 2014 data is expected to be released towards the end of 2015.
Percentile rank in the WGI - Government Effectiveness indicator improved	57.89	56.94			≥ 70.00	na			
Percentile rank in the WGI - Control of Corruption indicator improved	33.49	43.54			≥ 60.00	na			
Percentile rank in the WGI - Rule of Law indicator improved	36.49	41.71			≥ 60.00	na			
Percentile rank in the WGI - Regulatory Quality indicator improved	51.67	51.67			≥ 70.00	na			
Subsector A: Transparency, citizens' participation and accountability increased									
Fiscal Transparency improved									
Proportion of National Government Agencies (NGAs) and Government-Owned and Controlled Corporations (GOCCs) complying with the Transparency Seal achieved (in %)	100	100% for NGAs and 77% for GOCCs	100	100	100	97% for NGAs and 87% for GOCCs	Q3	3% more for NGAs and 13% more for GOCCs to reach PDP 2014 targets	
Open Budget Index (OBI) score increased	48	N/A	N/A	60	60				Next OBI score to be released in 2015

Indicators	Baseline 2012	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014		Accomplish- ment gap in 2014†	Remarks
			2014	2015	2016	Latest Actual	as of		
Open data standards progressively adopted									
Data sets contributed by NGAs to the Open Data Portal (ODP) increased	N/A	70	300 data sets published (2013-2014 target) of which 80% of data sets published are in open format	N/A	70	750 data sets published of which 90% of data sets published are in open format	Q3	Already exceeded PDP 2014 target	
Access to information on local government operations improved									
Proportion of provinces, cities and municipalities (PCMs) compliant with Full Disclosure Policy (FDP) increased (in %)	Fully com- plying	43	65	75	N/A	64%	Q3	Already exceeded PDP 2014 target	
	Complying - 98 (2012)	96	97	98	N/A	95%	Q3	need 2% more to meet PDP 2014 target	
Compliance with government transparency requirements ensured									
Proportion of NGAs, GOCCs, and Local Government Units (LGUs) registered in the Philippine Government Electronic Procurement System (PhilGEPS) increased (in %)	97.21	100	100	100	100	100% NGAS and GOCCs	Q3	Already met PDP 2014 target	
						100% LGUs (1,615 including Autonomous Region of Muslim Mindanao [ARMM])	Q3		

Indicators	Baseline 2012	2013 Actual	Target based on PDP Update			Accomplishment in 2014		Accomplish- ment gap in 2014†	Remarks
			2014	2015	2016	Latest Actual	as of		
Citizenry fully engaged and empowered									
NGAs entering into Budget Partnership Agreements (BPAs) with Civil Society Organizations (CSOs) increased	6	12	18	24	24	16 NGAs, 51 BPAs	Q3	need 2 more to reach PDP 2014 target	
GOCCs entering into BPAs with CSOs increased	3	6	9	12	12	6 GOCCs in the last budget process		need 3 more to reach PDP 2014 target	
Cities and municipalities with Local Poverty Reduction Action Plans (LPRAPs) increased	595	99% or 1,226 out of 1,233 CMs with Fiscal Year (FY) 2014 LPRAP	90% of 1,634	90% of 1,634	N/A	99% or 1,633 out of 1,634 with FY 2015 LPRAP	Q3	Already exceeded PDP 2014 target	
Cities with Citizen Satisfaction Index Survey (CSIS) increased	7 [field test in LGUs]	34	52	35	N/A	26 or 50% of target cities conducted CSIS	Q3	The remaining 26 cities are on-going	
Public Financial Management (PFM) improved									
Proportion of LGUs assessed that are compliant with set PFM standards (in %)	50		60 (out of 1,592 LGUs)	65	65				On-going consolidation of results for 633 LGUs
Performance monitoring, evaluation, reporting and incentive systems improved									
Proportion of government agencies participating in the Performance-Based Incentive System (PBIS) increased (in %)	96	98	100	100	100	95	Oct	5% more to reach the PDP 2014 target	
Agencies with approved Strategic Performance Management System (SPMS) increased	16	747 or 30%	1,743 or 70%	2,490 or 100%		1,791 agencies or 102.75%	Sept	Already exceeded PDP 2014 target	

Indicators	Baseline 2012	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014		Accomplish-ment gap in 2014†	Remarks
			2014	2015	2016	Latest Actual	as of		
Agencies with functional SPMS increased (in %)	0		85% of approved SPMS in 2012 and 2013	90% of approved SPMS in 2014	90% of approved SPMS in 2014	89.02%	Sept	Already exceeded PDP 2014 target	
PCMs conferred with the Seal of Good Local Governance (SGLG) increased	1,365 (2012)	N/A (launching of SGLG is on January 2014)	All qualified PCMs	All qualified PCMs	All qualified PCMs				SGLG conferment scheduled in November 2014 (launching of SGLG in January 2014; LGU orientations conducted in April 2014)
Percentage of qualified PCMs provided with Performance Challenge Fund (PCF) subsidy [annual target provided but cannot be aggregated since same LGUs may qualify for PCF each year]	42% of qualified PCMs or 563 PCMs out of 1,327 Seal of Good House-keeping [SGH] 2011 passers	Total of 721 PCMs for PCF 2013 (21 provinces, 60 cities and 640 municipalities)	20% of qualified PCMs or an estimate of 342 PCMs	20% of qualified PCMs or an estimate of 342 PCMs	40% of qualified PCMs or an estimate of 403 PCMs (2013); 20% of qualified PCMs or an estimate of 342 PCMs (2014); 20% of qualified PCMs or an estimate of 342 PCMs (2015)				PCF Recipients to be known once result of SGLG is out
Efficiency and competence of public service improved									
Offices with ISO 9001 Certified Quality Management Systems (QMSS) increased	165	195	230	270	315	187		need 43 more to reach PDP 2014 target	
Senior executives and middle managers capacitated in the Public Management Development Program (PMDP) increased	104	202	300	395	495	369	Nov	Already exceeded PDP 2014 target	

Indicators	Baseline 2012	2013 Actual	Target based on PDP Update			Accomplishment in 2014		Accomplish- ment gap in 2014†	Remarks
			2014	2015	2016	Latest Actual	as of		
Business processes and frontline services streamlined									
Most complained (high-density) service offices passing the Anti-Red Tape Act (ARTA) Report Card Survey (RCS) increased (in %)	75	93	95	98	98	96.11%	Sept	Already exceeded PDP 2014 target	
Subsector B: Rule of law strengthened									
Administration of justice improved									
Proportion of backlogs (investigations / cases beyond the maximum prescribed periods) reduced (in %)									
National Bureau of Investigation (NBI) investigation – 15	17	11	15	15	15	na			Complete 2014 data will be released after December 2014
Department of Justice (DOJ) prosecutor investigation - 30	51	57	40	35	30				
Percent reduction in case backlog (backlog clearing rate) (in %)	0	0	5	5	5	1	Nov	need 4 percentage points to reach PDP 2014 target	
Courts with rolled-out continuous trial increased (partial coverage)	0	0	30	30	30	0	Oct	need 30 more to reach PDP 2014 target	
Courts with rolled-out e-courts system increased	0	58	80	90	80	74	Nov	need 6 more to reach PDP 2014 target	
Courts with rolled-out e-subpoena system increased (partial coverage)	0	0	31	31	33	58	Nov	Already exceeded PDP 2014 target	

Indicators	Baseline 2012	2013 Actual	Target based on PDP Update			Accomplishment in 2014		Accomplish-ment gap in 2014†	Remarks
			2014	2015	2016	Latest Actual	as of		
No. of detainees released under the jail decongestion program increased (under Electronic Justice on Wheels [E-JOW], Judgment Day, and newly-issued Supreme Court [SC] Guidelines on jail decongestion)	1,272	1272	1,275	5,000		2,511	Nov	Already exceeded PDP 2014 target	
Philippine Mediation Center (PMC) offices for promotion of Alternative Dispute Resolution (ADR) increased	116	116	4	4	4	8 (cumulative total of 124 offices)	Nov	Already exceeded PDP 2014 target	
Economic justice enhanced									
Cases filed under the Run After Tax Evaders (RATE) Program increased	57	64	36	36	108 from 2013 to 2015	97	Jan-Sept	Already exceeded PDP 2014 target	
Cases filed under the Run After The Smugglers (RATS) Program increased	60	41	24	24	72 from 2013 to 2015	A total of 30 cases filed	Jan-Nov	Already exceeded PDP 2014 target	

Notes:

† indicates what needs to be achieved in 2014Q4 in order to meet 2014 FY targets.

Results Matrix 8. Peace and security

INDICATORS					2013 Actual	2014 YTD Actual	Remarks
Subsector A: Communities in areas affected by and vulnerable to armed conflict return to peaceful conditions where they can achieve their desired quality of life							
Level of armed hostilities and other forms of violent incidents involving the following armed rebel groups significantly decreased:							
Armed encounters between GPH and MILF decreased	14 (2010)			Zero (2013)			
Armed encounters between GPH and CPP/NPA/NDF significantly decreased	297 (2010)			2013 first sem: 540	2014 first sem: 430		
Access to the following basic social services improved in provinces with communities affected by and vulnerable to conflict:							
Net enrolment rate in primary education increased	88.16% (2011)			no latest data available			
Net enrolment rate in secondary education increased	53.9% (2011)			no latest data available			
Percentage of households with access to improved safe water supply increased	77.17% (2011)			no latest data available			
Subsector B: Safer and more secured environment conducive to national development created and sustained							
Internal stability sustained							
Crime volume reduced	1,033,833 (2013)				990, 056 (as of Oct 2014)		
Crime Solution Efficiency rate improved	27.71% (2013)						
Backlogs in NBI criminal investigation cases reduced	11% (2013)				37% (as of Oct 2014)		
Backlogs in DOJ prosecution investigation cases reduced	57% (2013)				no latest data available		
Capability to uphold sovereignty and territorial integrity							
Improved status in the US State Department's Trafficking in Persons Report	Tier 2 Status (2013)				no latest data available		
Highest standard of capability and preparedness against disasters and emergencies addressed							
Number of provinces with all of its cities and majority of its municipalities having functional and empowered Local Disaster Risk Reduction and Management Office increased	20 (2013)				40 (latest as of Oct 2014)		

Results Matrix 9. Sustainable and climate-resilient environment and natural resources

Indicators	Baseline		Target based on PDP Update			Accomplishment			Accomplishment gap in 2014 †	Re- marks
	Year	Value	2014	2015	2016	2013 Actual	2014 Q1- Q3 Actual			
Subsector Outcome 1: Adaptive Capacities of Human Communities Improved										
Annual damages and losses (crops and properties) due to natural disasters, environmental hazards, human-induced and hydro-meteorological events	(2004-2010 annual average)	PhP19.272 billion with 193 incidents	Decreasing per year			104.7	44.6	NA - exceeds baseline		
Subsector Outcome 2. Sustainably Managed Natural Resources										
Forests and watersheds sustainably managed										
Open and denuded forest land area reduced by 1.5 million ha (including 2012)	2003	8.6 M ha	300,000	300,000	300,000	333,160	289,419 as of 17 November 2014	10,581 for remainder of 2014		
Protected forest land/area increased by 1.1 million ha*	2003	6.431 M ha	300,000	300,000	300,000	221,763	333,160	NA - above par		
Biodiversity protection and conservation improved										
Extinction of threatened species of wild fauna prevented	2004	Fauna: 221	207	207	207	207	207			
Extinction of threatened species of wild flora prevented	2007	Flora: 526	526	526	526	526	526			
Population of Philippine Eagle increased (pairs)	2010	Philippine Eagle: 340	366	379	400	400	400	NA - above par		
Population of Tamaraw increased	2011	Tamaraw: 274	345	350	360	345	382	NA - above par		

Indicators	Baseline		Target based on PDP Update				Accomplishment		Accomplishment gap in 2014 †	Re- marks
	Year	Value	2014	2015	2016	2013 Actual	2014 Q1-Q3 Actual			
Population of Philippine Cockatoo increased	2010	Philippine Cockatoo: 239	370	380	400	450	450	NA - above par		
Coastal and marine resources management enhanced										
Percentage of terrestrial, inland water and coastal and marine areas effectively and equitably managed	2010	Terrestrial PAS: 2.10%	7.96%	8.45%	8.85%	5.10%	7.96%			
	2010	Marine Protected Areas: 0.09%	0.61% (163,592 ha)	0.62%	0.62%	0.60%	24% of the 2014 target (38,621 ha)	>124,971 ha		
	2010	Critical Habitats: 0.37%	43.02%	58.12%	100%	20.1% (3,253.26 ha)	33.97%	>10%		
Area of degraded coral reefs within NIPAS MPAs (ha)	2012	676,000 ha of degraded coral reefs within NIPAS MPAs	24% (163,592 ha)	25% (170,724 ha)	21% (142,539 ha)	14,124 ha	38,622	>124,970		
Land administration and management improved										
Land degradation hotspots with developed sustainable land management (SLM) practices (in ha)	2010	5,367,047	33,000	33,000	33,000	23,526	44,549	NA - above par		
Number of beneficiaries with secured land tenure in public agricultural A&D lands	2010	1,900,333	2,337,435	2,393,506		July 1987 - 2013 2,237,435	2,283,074	>54,361		
Number of beneficiaries with secured land tenure in residential lands zoned as residential areas		Note: Residential patents issued in residential zoned areas pursuant to RA 10023 started in 2011	356,064	436,064	516,064	176,738	204,954	>151,110		

Indicators	Baseline		Target based on PDP Update			Accomplishment		Accomplishment gap in 2014 †	Re- marks
	Year	Value	2014	2015	2016	2013 Actual	2014 Q1- Q3 Actual		
Number of Certificates of Ancestral Land Titles (CALTs) issued	2010	258	1 (TBI)	1 (TBI)	1 in CAR	-	-	1	
74 Certificates of Ancestral Domain Titles (CADTs) issued from 2012-2016	2010	156	12	12	12	7	8	4	
104 Ancestral Domains Sustainable Development and Protection Plans (ADSDPPs) formulated from 2012-2016	2010	95	36	24	24	25	2	34	
Rehabilitation of abandoned mines improved									
Number of abandoned mines rehabilitated:	2001	22 abandoned mines							
Bagacay Mine rehabilitated			95%	100%	100%	70%	72%		
Antamok Mine risk assessment			100%	100%	100%	100%	100%		
Black Mountain risk assessment							100%		
Consolidated Mine Inc. risk assessment							100%		
Dizon Mine risk assessment							100%		
Basay Mine risk assessment							100%		
Subsector Outcome 3. Environmental Quality Improved for a Healthier and Cleaner Environment									
Air pollution in Metro Manila and other major urban centers reduced									
Total Suspended Particulate and PM10 level in Metro Manila and major urban centers improved:									
NCR	2009	130	104	97	92	118 ug/Ncm	121.7	51.0	

Indicators	Baseline		Target based on PDP Update			Accomplishment		Accomplishment gap in 2014 †	Re- marks
	Year	Value	2014	2015	2016	2013 Actual	2014 Q1-Q3 Actual		
Dagupan City	2013	40 ug/Ncm	Sustain PM10 level within standards	Sustain PM10 level within standards	Sustain PM10 level within standards	*40 ug/Ncm			
Urdaneta City	2013	47 ug/Ncm	Sustain PM10 level within standards	Sustain PM10 level within standards	Sustain PM10 level within standards	*47 ug/Ncm			
Saluysoy	2009	122.26 ug/Ncm	100	95	90	6 ug/Ncm			
Cabanatuan	2009	117 ug/Ncm	95	91	86	no data			
San Fernando, Pampanga	2009	206 ug/Ncm	168	159	151	219 ug/Ncm			
Iriga City	2009	188.24 ug/Ncm	153	146	138	78 ug/Ncm			
Panganiban Drive	2009	177.17 ug/Ncm	144	137	130	96 ug/Ncm			
Mandaue City (Baricuatro Res)	2009	120.56 ug/Ncm	98	93	89	71 ug/Ncm			
Zamboanga City: Stn. II	2013	50 ug/Ncm	Sustain PM10 level within standards	Sustain PM10 level within standards	Sustain PM10 level within standards	*50 ug/Ncm			
Zamboanga City: Stn.IV	2013	34 ug/Ncm	Sustain PM10 level within standards	Sustain PM10 level within standards	Sustain PM10 level within standards	*34 ug/Ncm			

Indicators	Baseline		Target based on PDP Update			Accomplishment		Accomplishment gap in 2014 †	Re- marks
	Year	Value	2014	2015	2016	2013 Actual	2014 Q1-Q3 Actual		
Zamboanga City: Stn. VII	2013	44 ug/ Ncm	Sustain PM10 level within standards	Sustain PM10 level within standards	Sustain PM10 level within standards	*44 ug/Ncm			
Davao City	2013	27 ug/ Ncm	Sustain PM10 level within standards	Sustain PM10 level within standards	Sustain PM10 level within standards	*27 ug/Ncm			
Gas emission reduced due to increased travel speed and reduced travel time in Metro Manila									
Travel speed annually increased from 2010 (km/hr)	2009	28	3	4	4	5.07			
Travel time annually reduced from 2010 (min/km)		2	-0.2	-0.19	-0.19	-0.3			
Water quality of priority river systems improved (by BOD Water Criteria Class C>=7mg/L)									
BOD level of priority rivers not within the water quality criteria improved (in mg/L)									
Meycauayan River (C)	2010	59	48.06	45.65	43.37	56.8	82.40	36.6	
Marilao River (C)		24	20	19	18	29.3	24.60	17.9	
Bocaue River (C)		11	8.96	8.51	8.09	13.5	20.22	5.2	
Ylang-ylang River (C)		119	97	92	87	6.8			
Imus River (C)		12	9.77	9.29	8.82	8.9	11.91	9.1	
Calapan River (C)		14	11	11	10	5.6	5.57	13.3	
Iloilo River (C)		12	9.77	9.29	8.82	8.6	18.80	6.8	
Balili River		37	30	29	27	39.1	59.52	20.3	

Indicators	Baseline		Target based on PDP Midterm Update			Accomplishment		Accomplishment gap in 2014 †	Re-remarks
	Year	Value	2014	2015	2016	2013 Actual	2014 Q1-Q3 Actual		
Parañaque River (C)	2010	38	30.95	29.4	27.93	43.8	70.17	17.9	
Pasig River (C)		29	24	22	21	34.4			
Marikina River (C)		10	8.38	7.96	7.56	28.67			
San Juan River (C)		35	29	27	26	55.78	79.42	12.0	
BOD level of other priority rivers already within the water quality criteria sustained (in mg/L)									
Anayan River (D)	2010	4	<7.00			no data			
Malaguit River (C)		4				no data			
Paniqui River (C)		1				no data			
Luyang River (C)		4				2.3 mg/L			
Sapangdaku River (C)		6				1.5 mg/L			
Cagayan de Oro (C)		1				1.7 mg/L			
Pampanga River (C)		2				no data			
Angat River (C)		4				2.6 mg/L			
BOD level of Laguna Lake maintained within standard (in mg/L)		7				Ave. 2.0 mg/L	Range 1-8 mg/L		
Waste generated reduced and waste disposal improved									
Solid waste diversion rate increased (%)	2010	33	43	48	50	38 - MM; 36 - Outside MM	40-42	43-44	

Notes:

† indicates what needs to be achieved in 2014Q4 in order to meet 2014 FY targets.

/d For water quality of priority river systems, 2014 actual data is for Q1.

Results Matrix 10. Accelerating infrastructure development

Indicators	Baseline 2012	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014 (Q1-Q3 Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
Intermediate outcome A: Competitiveness enhanced and productivity increased in the industry, services and agriculture sectors								
Overall: Raise public infra spending to at least 5% of GDP by 2016	2.2%	2.7%	3.5%	4.0%	5.1%			
Strategy 1: Improve connectivity and efficiency among urban centers, regional growth hubs								
Travel time via road decreased (in key corridors, key urban corridors), in minutes (min)								
Metro Manila	20.59	*	20.31	20.15	20.03	*		
Transfer time in MRT/LRT decreased (in min)	9	9	9	5	5	9		
Platform to platform	8	8	8	4	4	8		
Concourse to platform	10	10	10	5	5	10		
Optimal capacity (train's standing capacity with allowance to consider passengers' comfort/ space) in train systems achieved (per sq.m.) 150	4-8	5-8	4-8	4-8	4-7	5-8		
PNR-Metro Commuter (Optimal capacity = 6 passengers per sq. m.)	7	7	6	6	6	6		
Metro South Commuter (in terms of load factor)		0.83				0.80		

Indicators	Baseline 2012	2013 Actual	Target based on PDP Update			Accomplishment in 2014 (Q1-Q3 Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
LRT 1 (Optimal capacity = 6 passengers per sq. m.)	7	8	7-8	5-7	5-7	8		
LRT Line 1 (optimal load factor= 0.65 to 0.85)	0.9	0.95	0.90 - 0.95	0.65-0.85	0.65-0.85	0.95		
LRT 2 (Optimal capacity = 4-5 passengers per sq. m.)	4	5	4-5	4-5	4-5	5		
LRT Line 2 (optimal load factor = 0.45 to 0.65)	0.48	0.6	0.55 - 0.65	0.45 - 0.65	0.45 - 0.65	0.59		
MRT3 (Optimal capacity = 6 passengers per sq. m.)	8	*	8	8	6	*		
MRT 3 (optimal load factor = 0.75)	1.00	*	1.00	1.00	0.75	*		
Load transported via the Central RORO Spine increased (in tons per ship-hour)151	189	240	221	232	251	259		
Davao	126	125	153	161	179	140		
Cagayan de Oro	42	88	45	47	47	92		
Batangas	21	27	23	24	25	27		
Passengers transported via air increased per annum	45,388,071	40,888,896	49,344,076	53,153,098	56,084,528	23,745,730	25,598,346	

Indicators	Baseline 2012	2013 Actual	Target based on PDP Update			Accomplishment in 2014 (Q1-Q3 Actual)	Accomplishment gap in 2014 †	Re-remarks
			2014	2015	2016			
Coverage of cellular mobile telephone service (CMTS) in cities and municipalities increased (in % of total number of cities/ municipalities)	99	99	100	100	100	*		
Cities and municipalities with broadband coverage increased (in % of total number of cities/ municipalities)	60	60	70	80	100	*		
Strategy 2: Support agricultural production								
Irrigation service coverage increased (in % of total potential irrigable area)153	64.78	*	69.01	70.91	73.8	*		
NIA	57.38	59.59	60.74	62.63	65.27	*		
DA-BSWM and DA-RFUs	7.4	*	8.26	8.29	8.53	*		
Strategy 3: Pursue energy and water security								
Power demand met (i.e., ratio of dependable capacity to total peak demand with required reserve is maintained above 100%) (in %)	107.76	112.3	103.86	108.06	104.39	92.99		
Luzon	117.44	115.99	109.28	110.37	107.86	98.40%		
Visayas	1540	116.91	109.54	103.95	105.32	96.84%		
Mindanao	262	104.01	92.78	109.86	100.00	83.73		

Indicators	Baseline 2012	2013 Actual	Target based on PDP Update			Accomplishment in 2014 (Q1-Q3 Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
Target energy self sufficiency (at 60%) met (in % of total energy)	60.2	56.8	59.28	60.22	58.9	59.2		
Water demand in water critical areas met (in % ratio of water supplied in million liters per day [MLD] to water demanded in MLD)	89	*	90	90	92	*		
MWSS Concession Areas	120	*	117	116	113	*		
Metro Cebu	40	*	46	49	52	*		
Bulacan	86	*	86	89	89	*		
Cagayan de Oro City	103	*	115	119	121	*		
Davao City	89	*	87	79	86	*		
Coverage of 24/7 water supply (WS) services in cities increased (in %)	85.81	*	88.62	89.34	90.12	*		
24/7 water supply services in the Water District (WD) areas	58	61						
Level III WS service coverage increased (in %)	97	*	99	99	100	*		
Level III water supply coverage in the WD areas	64.06	64.40						
Non-revenue water decreased (in % of total water volume produced)	30	*	25	24	23	*		
Tourist Destination Areas (TDAs) with improved water system increased (in % of TDAs identified as waterless)	N/A	*	100	100	100	*		

Indicators	Baseline 2012	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014 (Q1-Q3 Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
Intermediate outcome B: Adequacy and accessibility of basic infrastructure services enhanced, and infrastructure gaps in far-flung areas reduced								
Strategy 5: Improve access to and adequacy of basic infrastructure services								
Classroom-to-pupil ratio improved								
Primary	1:40	1:34	1:32	1:31	1:30	*		
Secondary	1:51	1:49	1:47	1:46	1:45	*		
WatSan facilities-to-pupil ratio increased								
Primary	*	*	1:52	1:51	1:50	*		
Secondary	*	*	1:65	1:55	1:50	*		
Households (HH) with electricity increased (in % of total number of HH)	76.69	79.12	79.43	82.67	86.20	*		
Sitios with electricity increased (in % of total number of sitios) ¹⁵⁵	76.08	81.16%	91.18	100.00	100.00	*		
HH access to water supply increased (in % of total number of HH)	84.47	*	86.48	86.90	88.21	*		
Number of resettlement housing units constructed for ISFs affected by infrastructure projects in MM and those living in danger areas in nearby provinces	*	*	11,816.00	94,300.00	107,367.00	2,600.00		

Indicators	Baseline 2012	2013 Actual	Target based on PDP Update			Accomplishment in 2014 (Q1-Q3 Actual)	Accomplishment gap in 2014 †	Re- marks
			2014	2015	2016			
Outside MM			*	*	*	1700		
MM			9,932	16,745	20,550	25,260		
Number of resettlement housing units constructed for ISFs affected by infrastructure projects in MM			*	*	*	900		
Number of regional resettlement housing units constructed			17,882	7,875	16,144	8,564		
Number of provided with housing Assistance in Calamity/Conflict Affected Areas			2155	48000	48000	123037		
Number of settlements upgraded	*	*	1,447.00	1,500.00	3,000.00	2,193.00		
Number of AFP/PNP/BJMP/ BFP provided with adequate shelter	*	23,668.00	20,000.00	20,000.00	4,502.00	1,258.00		
Number of socialized housing provided	*	*	11,437.00	11,725.00	12,021.00	10,453.00		
Number of low-cost housing provided	*	*	34,843.00	35,711.00	36,604.00	27,514.00		
Barangays with zero open-defecation increased (in % of total number of barangays)	23.82	*	47.65	59.56	71.47	*		
Strategy 6: Address infrastructure gaps in far-flung areas								
Access to ICT in public schools increased (in % of total number of public schools)								
Primary			90	90	91			

Indicators	Baseline 2012	2013 Actual	Target based on PDP Update			Accomplishment in 2014 (Q1-Q3 Actual)	Accomplishment gap in 2014 +	Re-remarks
			2014	2015	2016			
Secondary		100	91	91	91			
increased number of Community e-Centers (CeCs)/ Technology for Economic Development (Tech4Ed) Centers		1,573				2,156		
Operational CeCs established						224		
Strategy 10: Provide Safety and Security Measures								
PCG responsiveness increased (in % of calls for assistance responded to)			46.4	67.83	82.11			
Strategy 13: Improve wastewater and solid waste management								
Volume of treated municipal wastewater increased (% of volume of municipal wastewater produced)								
MWSS total concession area (data is in million liters)		40,455	66.86	67.93	68.85	21,587		
Clark Economic Zone			100	100	100			
Household coverage of sewerage systems increased (in % of total number of HH)			7.87	13.56	18.49			
Highly urbanized centers (HUCs) outside Metro Manila with installed sewerage systems increased (in % of total number of HUCs outside Metro Manila)			6.25	6.25	25			

Indicators	Baseline 2012	2013 Actual	Target based on PDP Midterm Update			Accomplishment in 2014 (Q1-Q3 Actual)	Accomplishment gap in 2014 †	Re-remarks
			2014	2015	2016			
HH coverage of septage management systems increased (in % of total number of households)			3.24	4.07	56.15	58,939		
Sanitary Landfills constructed		116				138		
Materials Recovery Facility installed		8,432				8,512		
Strategy 14: Support measures to improve air quality								
Annual amount of electricity and fuel conserved (in Kilo Tons Oil Equivalent [KTOE])	3,185.46	3,721.20	987.7	1,054.40	1,115.10			

Notes:

† indicates what needs to be achieved in 2014Q4 in order to meet 2014 FY targets.

Glossary

Access to Finance

Sustained availability of reasonably priced, socially responsible and environment friendly financial products, services and support programs that are designed for MSMEs, and that MSMEs can conveniently and readily access.

A fully inclusive financial system is characterized by (a) the provision of a wide range of financial services (credit, savings, payments, insurance, innovative products) to serve the demands of different market segments, (b) the development of financial products that are appropriately designed and priced, tailor-fitted to market needs and capacities, (c) the participation of a wide variety of strong, sound and duly authorized financial institutions utilizing innovative delivery channels to provide financial services to more Filipinos, and (d) the effective interface of bank and non-bank products/delivery channels, technology and innovation to reach the financially excluded.

Acquired Immune Deficiency Syndrome (AIDS)

A condition characterized by a combination of signs and symptoms, caused by the Human Immunodeficiency Virus (HIV) which attacks and weakens the body's immune system, making the afflicted individual susceptible to other life-threatening infections.

Adaptation

Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.

Agrarian Reform

The redistribution of lands, regardless of crops or fruits produced, to farmers and regular farm workers who are landless, irrespective of tenurial arrangement, to include the totality of factors and support services designed to lift the economic status of the beneficiaries and all other arrangements alternative to the physical redistribution of lands, such as production or profit-sharing, labor administration, and the distribution of shares of stock, which will allow beneficiaries to receive a just share of the fruits of the lands they work. (Source: RA 6657).

Agrarian Reform Community

A community composed and managed by agrarian reform beneficiaries (ARBs) who are willing to be organized and to undertake the integrated development of an area and/or their organizations or cooperatives (Source: RA 9700).

Agribusiness

The sum of all operations involved in the manufacture and distribution of farm supplies; production activities on the farm; and the storage, processing and distribution of farm commodities and items made from them (Source: Department of Agrarian Reform Administrative Order No. 5, Series 2009).

Alternative Dispute Resolution (ADR)	A procedure used to resolve a dispute or controversy, other than by adjudication of a presiding judge of a court or an officer of a government agency in which a neutral third party participates to assist in the resolution of issues, which includes arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof (as defined under RA 9285).
Alternative Learning System	A parallel learning system aimed to provide a viable alternative to the existing formal education instruction. It encompasses both the informal and the nonformal sources of knowledge and skills.
Barangay	The smallest administrative division in the Philippines; the native Filipino term for a village, district or ward. Municipalities and cities are composed of barangays.
Basic Education	The education intended to meet basic learning needs, which lays the foundation for subsequent learning. It encompasses early childhood, elementary and high school education as well as alternative learning systems for out-of-school youth and adult learners and includes education for those with special needs (Source: RA 9155).
Basic Literacy	The ability to read and write with understanding a simple message in any language or dialect. Also known as simple literacy.
Biodiversity	Variability among organisms from all sources, including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems. (Source: RA 9125)
Budget Partnership Agreements (BPAs)	A formal agreement entered into by a national government agency (NGA) or a government-owned and controlled corporation (GOCC) and a partner civil society organization (CSO) defining the roles, duties, responsibilities, schedules and expectations with regard to implementing the CSO's participation in monitoring and evaluating budget programs/ activities/projects (PAPs) of the counterpart NGA GOCC for preparation of the annual budget.
Business Process Management	The discipline of managing processes (rather than tasks) as the means for improving business performance outcomes and operational agility. Processes span organizational boundaries, linking together people, information flows, systems and other assets to create and deliver value to customers and constituents. Processes may be IT-enabled but do not necessitate on-shore presence and may be outsourced to off-shore providers. BPM involves the deliberate, collaborative and increasingly technology-aided definition, improvement, innovation, and management of end-to-end business processes that drive business results, create value, and enable an organization to meet its business objectives with more agility.
Business Process Outsourcing (BPO)	A form of outsourcing that involves the contracting of the operations and responsibilities of a specific business function (or process) to a third-party service provider. It is typically categorized into back office outsourcing which includes internal business functions such as human resources or finance and accounting, and front office outsourcing which includes customer-related services such as contact center services.
Capital Flows	The movement of money for the purpose of investment, trade or business production.
Capital Outlay	Appropriations for the purchase of goods and services, the benefits of which extend beyond the fiscal year and which add to the assets of the Government, including investments in the capital stock of GOCCs and their subsidiaries.
Category 1 Provinces	Areas which have the highest number of poor families; provinces where development opportunities exist but pockets of poverty also exist.

Category 2 Provinces	Areas which have the highest poverty incidence; typically these are provinces with small population, or those that less densely populated, or are in remote areas.
Category 3 Provinces	Areas exposed and prone to multiple natural and man-made hazards, such as landslides, extra ordinary strong winds, flooding, earthquakes, and volcanic eruption.
Certificate of Land Ownership Award (CLOA)	A document evidencing ownership of the land granted or awarded to the beneficiary by Department of Agrarian Reform (DAR), and contains the restriction and conditions provided for in RA 6657 and other applicable laws. (Source: Administrative Order No. 3 Series 1990)
Certification rate	The percentage of examinees who passed the national competency assessment for or within a given period.
Civil Society Organization	Refers to a wide array of organizations, such as community groups, nongovernment organizations (NGOs), labor unions, indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations.
Climate Change	Refers to a change in climate that can be identified by changes in the mean and/or variability of its properties and persists for an extended period typically decades or longer, whether due to natural variability or as a result of human activity (Source: RA 9729).
Cohort survival rate	The percentage of enrolees at the beginning grade or year in a given school year who reached the final grade or year of the elementary/secondary level.
Completion Rate	The percentage of first grade or first year entrants in a level of education who complete the level in accordance with the required number of years of study.
Comprehensive Land Use Plan	A document accompanied by maps and similar illustrations, which represent the community-deserved pattern of population distribution and proposal for the future allocation of land for the various land use activities, in accordance with the social and economic objectives of the people. It identifies the location, character and extent of the area's land resources to be used for different purposes and includes the process and the criteria employed in the determination of the land's use (Source: Department of Agrarian Reform Administrative Order No. 1, Series of 2002.)
Conflict-affected Area	An area where the local and peripheral population is heavily impacted by the infighting of armed groups.
Contraceptive prevalence rate (CPR)	The percentage of currently married women 15 to 49 years of age reporting current use of any method of contraception.
Convergence	May refer to one of two different trends: <ul style="list-style-type: none"> (a) Convergence between the broadcasting and telecommunications sectors, where advances in technology make it possible to use different media (cable networks, terrestrial and satellite radio relay systems, computer terminals and television sets) to carry and process all kinds of information and services, including sound, images and data; and (b) Fixed/mobile convergence, where increasingly similar technologies are used and services provided by fixed telephone and mobile telephone systems. This type of convergence opens up prospects for operators to propose the same services to all users, regardless of the technology or networks they use.

Coverage	The geographical reach, or the area on earth capable of effectively receiving transmission of a certain network (e.g., coverage for cellular or satellite network).
Current Account	This consists of transactions in goods, services, primary income and secondary income. It measures the net transfer of real resources between the domestic economy and the rest of the world.
Disaster Risk Reduction (DRR)	The concept and practice of reducing disaster risks through systematic efforts to analyze and manage the causal factors of disasters, including through reduced exposure to hazards, lessened vulnerability of people and property, wise management of land and the environment, and improved preparedness for adverse events.
Disbursements	The settlement of government obligations and/or accounts payable by cash; movement of cash from the Bureau of Treasury or from an authorized disbursing officer to the final recipient.
Diversion Rate	The rate or percentage of a potentially recyclable material that has been diverted out of the waste disposal stream and therefore not put into disposal sites.
Economic growth	Growth in the total, or per capita, output of an economy, often measured by an increase in real GDP and caused by an increase in the supply of factors of production or their productivity.
Electricity	The fundamental form of energy created by the movement of electrons or an electric current supplied as a public utility for lighting, heating, etc.
Employment	Employed persons include all those who, during the reference period are 15 years and over as of their last birthday and are reported either: <ul style="list-style-type: none"> a. At work. Those who do any work even for one hour during the reference period for pay or profit, or work without pay on the farm or business enterprise operated by a member of the same household related by blood, marriage or adoption; or b. With a job but not at work. Those who have a job or business but are not at work because of temporary illness/injury, vacation or other reasons. Likewise, persons who expect to report for work or to start operation of a farm or business enterprise within two weeks from the date of the enumerator's visit, are considered employed.
Employment generated	Derived from the Labor Force Survey conducted by the Philippine Statistics Authority, and pertains to the number of "individuals" that were granted with work.
Employment rate	The ratio of the total number of employed persons to the total number of persons in the labor force.
Executive Order No. 533, s. 2006 (Adopting Integrated Coastal Management as a national strategy to ensure the sustainable development of the country's coastal and marine environment and resources and establishing supporting mechanisms for its implementation)	<p>An order adopting an Integrated Coastal Management as a National Strategy to ensure the sustainable development of the country's coastal and marine environment and resources in order to achieve food security, sustainable livelihood, poverty alleviation and reduction of vulnerability to natural hazards, while preserving ecological integrity. It mandates the DENR to develop a National ICM Programme, in consultation with other concerned agencies, sectors, and stakeholders, to provide direction, support and guidance to the local government units (LGUs) and stakeholders in the development and implementation of their local ICM programmes.</p> <p>The EO seeks to address environmental and socioeconomic issues in a and integrated manner in order to promote optimum resource utilization and comprehensive sustainable coastal and marine development; and establishes support mechanisms for its implementation.</p>

Exports	Covers all goods in which ownership has been transferred from Philippine residents to non-residents through sales, grants, gifts, and donations (BOP-based).
Exports of Goods	Refers to all goods leaving the country, which are properly cleared through the customs (Customs-based).
External Debt	Covers all short-term and medium-term obligations of the BSP, domestic commercial banks, public and private sectors' payable to non-residents. Short-term external debt obligations are those with maturities of one year or less, while medium- and long-term external debt consists of foreign borrowings with maturities of more than one year.
Farm-to-Market Roads	Roads linking the agriculture and fisheries production sites, coastal landing points and post-harvest facilities to the market and arterial roads and highways.
Financial Inclusion	A state wherein there is effective access to a wide range of financial services for all.
Fiscal Deficit	Refers to a shortfall or deficiency of revenues over the expenditures of the government.
Fiscal Policy	The part of government policy which is concerned with the raising of resources through taxation and borrowing and deciding on the level and pattern of expenditures.
Foreign Direct Investment	Defined as an international investment by a resident entity in one economy ("direct investor") in an enterprise resident in another economy ("direct investment enterprise") made with the objective of obtaining a lasting interest. The "lasting interest" implies the existence of long-term relationship between the direct investor and the enterprise and a significant degree of influence on the management of the enterprise. This lasting interest is generally indicated by ownership of at least 10 percent of the ordinary shares or voting power (for incorporated enterprise) or the equivalent (for an unincorporated enterprise). FDI covers equity capital, reinvested earnings and other capital (i.e. intercompany loans).
Forward and backward linkages	Refers to the channels through which products, materials, information, and money flow from suppliers to the firms (backward) and from suppliers to customers (forward). Backward and forward linkages are also descriptive measures of the economic interdependence of industries.
Full Disclosure Policy (FDP)	Enables the public to view, download, and print local government units (LGUs) financial documents to allow their constituents to understand how their local governments budget and spend for public services. The FDP mandates LGUs to post plans, budgets, and full utilization reports in a designated web portal, print media, and in conspicuous places. It also obliges provinces, cities, and municipalities (PCMs) share their financial documents with their constituents.
Grassroots Participatory Budgeting Process (GPBP formerly Bottom-Up Budgeting (BUB))	The enhancement of budget and planning process to involve grassroots organizations and local government units (LGUs) in the identification of – priority poverty reduction projects that will be funded by national government agencies (NGAs).
Gross Domestic Product(GDP)	Refers to the value of all goods and services produced domestically. It is the sum of gross value added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the values of their outputs).
Higher Education (HE)	The stage of formal education requiring secondary education covering the programs on all courses of study leading to bachelor's degree and all degree courses of study beyond bachelor's degree level.

High-value crops	Non-traditional agricultural and horticultural commodities that include coffee, cacao, fruits, root crops, vegetables, spices and condiments, cutflowers, and ornamental plants. Because of their high industrial and commercial potentials, these commodities are covered by the DA Agrikulturang Pinoy - High Value Crops Development Program.
Household	A person or a group of persons who occupy a housing unit such as a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters.
Housing Unit	A building or structure that is a dwelling or place for habitation by human beings.
Human Capital	Productive wealth embodied in labour, skills and knowledge.
Imports	These cover all goods in which ownership has been transferred from nonresidents to Philippine residents through purchase, grants, gifts, and donations (BOP-based).
Inclusive growth	Usually referred as growth for all. For economic growth to be inclusive it has to be rapid enough to matter, given the country's large population, geographical differences, and social complexity, and sustained. It should create massive quality of jobs, draw the vast majority into the economic and social mainstream, and continuously reduce mass poverty. The idea of equality of opportunity is emphasized in terms of access to markets, resources, and unbiased regulatory environment for businesses and individuals.
Indigenous People (IP)/ Indigenous Cultural Communities (ICC)	A group of people or homogenous societies identified by self-ascription and ascription by others, who have continuously lived as organized community on communally bounded and defined territory, and who have, under claims of ownership since time immemorial, occupied, possessed customs, tradition, and other distinctive cultural traits, or who have, through resistance to political, social and cultural inroads of colonization, non-indigenous religions and culture, become historically differentiated from the majority of Filipinos. IPs shall likewise include peoples who are regarded as indigenous on account of their descent from the populations which inhabited the country, at the time of conquest or colonization, or at the time of inroads of non-indigenous religions and cultures, or the establishment of present state boundaries, who retain some or all of their own social, economic, cultural and political institutions, but who may have been displaced from their traditional domains or who may have resettled outside their ancestral domains.
Infant mortality rate (IMR)	The number of deaths among children below one year old per 1,000 live births at a specified period of time.
Inflation	Refers to the rate or the year-on-year percentage change in overall prices as measured by the Consumer Price Index (CPI).
Informal settlers	Occupants of public or private lands without any legal entitlement or authority to said lands.
Information and Communications Technology (ICT)	An umbrella term that covers all technical means for processing and communicating information. It defines a broad range of technologies, including methods for communication (communication protocols, transmission techniques, communications equipment, media communication), as well as techniques for storing and processing information (computing, data storage, etc.)

Innovation	The act or process of generating and introducing new ideas in the form of products, process, as well as marketing and organizational methods. Innovative capacity is the internal potential to generate new ideas, identify new market opportunities and implement marketable innovations through exploration of the firm's existing resources and capacities.												
K to 12 Program	The K to 12 Program covers Kindergarten and 12 years of basic education (six years of primary education, four years of Junior High School, and two years of Senior High School [SHS]) to provide sufficient time for mastery of concepts and skills, develop lifelong learners, and prepare graduates for tertiary education, middle-level skills development, employment, and entrepreneurship.												
Labor Force	Refers to the population 15 years old and over who are either employed or unemployed.												
Ladderized Education	A new system of education in the Philippines that allows learners to progress between TVET and college, and vice-versa.												
LGU Income Re-classification System Bill	A legislative proposal that seeks to establish updated, rationalized and transparent processes for the income re-classification of provinces, cities and municipalities by amending EO 249, issued on July 25, 1987. It seeks to empower the Secretary of Finance to review and revise the income ranges for the different income classes of provinces, cities and municipalities at least once every four (4) years to conform to prevailing economic conditions and over-all financial status of LGUs.												
Low-Cost housing	Housing units that are priced from PhP 450,000 to PhP3,000,000.												
Maintenance and Other Operating Expenses (MOOE)	Expenditures to support the operations of government agencies such as expenses for supplies and materials; transportation and travel; utilities (water, power, etc) and repairs, etc.												
Maternal mortality ratio (MMR)	The number of women who die from any cause related to or aggravated by pregnancy or its management (excluding accidental or incidental causes) during pregnancy and childbirth or within 42 days of termination of pregnancy, irrespective of the duration and site of the pregnancy, per 100,000 livebirths.												
Micro, Small and Medium Enterprises (MSMEs)	<p>Any business activity or enterprise engaged in industry, agribusiness, or services; whether single proprietorship, cooperative, partnership, or corporation; whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have value falling under the following categories:</p> <table><tr><th>Category *</th><th>Asset Size</th><th>No. of employees**</th></tr><tr><td>Micro</td><td>not more than P3,000,000</td><td>1-9</td></tr><tr><td>Small</td><td>P3,000,001 - P 15,000,000</td><td>10-99</td></tr><tr><td>Medium</td><td>P15,000,000 - P100,000,000</td><td>100-199</td></tr></table> <p><i>*Based on Republic Act No. 9501</i> <i>**Based on MSME Development Plan 2011-22016</i></p>	Category *	Asset Size	No. of employees**	Micro	not more than P3,000,000	1-9	Small	P3,000,001 - P 15,000,000	10-99	Medium	P15,000,000 - P100,000,000	100-199
Category *	Asset Size	No. of employees**											
Micro	not more than P3,000,000	1-9											
Small	P3,000,001 - P 15,000,000	10-99											
Medium	P15,000,000 - P100,000,000	100-199											
Mitigation (Climate change)	Refers to efforts and interventions to reduce or prevent the emission of greenhouse gases and ozone-depleting substances.												
Monetary Policy	The part of economic policy which regulates the level of money or liquidity in the economy to achieved desired policy objectives, such as inflation control, improvement of the BOP or growth of the economy.												

Most-at-risk population(MARP)	Refers to groups that are at higher risk of being infected or affected by HIV. This includes female sex workers (FSW), clients of female sex workers, injecting drug users (IDU), and males who have sex with males (MSM).
Network	A combination of telecommunications resources, for example, exchanges, wire links (copper cable, optical fiber) and terrestrial or satellite radio transmission links.
NG Deficit	A shortfall/deficiency of revenues over expenditures of the National Government.
Pantawid Pamilyang Pilipino Program (4Ps program)	The Philippines' conditional cash transfer (CCT) program, which provides direct cash transfers to the poor on condition that (a) their children continue to attend school and (b) the family makes use of preventive health care and nutrition services.
Payapa at Masaganang Pamayanan Program	The national government's peace and development framework to respond and strengthen peace building, reconstruction and development in conflict affected areas.
Performance Challenge Fund (PCF)	A financial subsidy given to local government units (LGUs) that were awarded with the Seal of Good Local Governance (SGLG) for projects that are aligned with national government priorities, such as achieving the Millennium Development Goals (MDGs), improved solid waste management, disaster risk reduction and management (DRRM), and tourism and local economic development.
Performance-Based Incentive System (PBIS)	A system of incentives for government employees introduced in 2012, per Executive Order (EO) No. 80. Under this system, employees may receive two incentives: the Performance-Based Bonus (PBB) and the Productivity Enhancement Incentive (PEI).
Post -Harvest Facilities	Facilities and equipment that handle the processing, packaging, storage, and transportation of agricultural products in order to reduce losses and increase market value. Includes, but is not limited to, threshers, moisture meters, dryers, weighing scales, milling equipment, fish ports, fish landings, ice plants and cold storage facilities, processing plants, warehouses, buying stations, market infrastructure and transportation (RA 8435).
Poverty incidence	The proportion of families/individuals with per capita income/ expenditure less than the per capita poverty threshold to the total number of families/individuals.
Power	The rate at which work is performed or energy is converted. It can be expressed in kilojoules per second (kJ/sec) or kilowatts (kW).
Productivity	Commonly defined as the ratio between the output vs. measures how efficiently production inputs, such as labour and capital, are being used in an economy to produce a given level of output. Productivity is considered a key source of economic growth and competitiveness and, as such, is basic statistical information for many international comparisons and country performance assessments.
Public-Private Partnership (PPP)	A contractual arrangement between the government and the private sector to deliver public infrastructure and/or public services.
Rationalization of the Mining Fiscal Regime	Refers to the adoption of a fiscal regime framework for the mining industry covering areas such as revenue sharing arrangement, incentives and royalties, as well as the allocation and utilization of mining revenues. Moreover, the government wants to develop a system that will support its entry into the Extractive Industries Transparency Initiative (EITI), the internationally accepted practice which makes the payment and collection of all mining related fees and taxes paid by mining companies to national and local government units more transparent through standardized disclosures.

Real gross domestic product	The total value of output, adjusted to inflation, produced within the geographical boundaries of the country regardless of the nationality of the entities producing the output.
Real Per Capita GDP	An approximation of the value of goods produced per person in the country, equal to the country's constant GDP divided by the total number of people in the country.
Remunerative Employment	Refers to employment opportunities for which fair compensation is provided; engagement in work for which the working individual is being paid
Report Card Survey (RCS)	Used to obtain feedback on how provisions in the Citizen's Charter are being followed and how the agency is performing. The RCS shall also be used to obtain information and/ or estimates of hidden costs incurred by clients to access frontline services which may include, but is not limited to, bribes and payment to fixers.
Republic Act 10351(Sin Tax Reform Law)	An act restructuring the excise tax on alcohol and tobacco products. Revenues from these products will support the Universal Health Care (UHC) Program of the administration.
Republic Act 10354(Responsible Parenthood and Reproductive Health Act of 2012)	An act providing for a national policy on responsible parenthood and reproductive health. It mandates the government to promote all effective natural or modern methods of family planning, which are safe and legal.
Republic Act 6657 (Comprehensive Agrarian Reform Law of 1988)	Refers to the law that established the comprehensive agrarian reform program (CARP) and provided the mechanism for its implementation.
Republic Act 7898 AFP Modernization/ Development Program)	A comprehensive modernization of the AFP primarily for defense capability (with support mechanisms for national development.
Republic Act 8371 (Indigenous Peoples Rights Act of 1997)	An act which recognizes, protects and promotes the rights of indigenous cultural communities/indigenous people, creating a national commission of indigenous people, establishing implementing mechanism, appropriating funds therefore, and for other purposes. The law restores the rights of indigenous peoples over their ancestral lands and ancestral domains.
Republic Act 9700 (Comprehensive Agrarian Reform Program Extension with Reforms (CARPER))	An act that extended the acquisition and distribution of agricultural lands through the CARP. RA 9700 also amended certain provisions of the Comprehensive Agrarian Reform Law of 1988 (RA 6657), and instituted reforms in the implementation of agrarian reform.
Repurchase Agreement	One of the two open market operations (OMO) instruments of the BSP. Under a repurchase (repo) agreement, the BSP buys government securities from a bank with a commitment to sell it back at a specified future date at a predetermined rate. A repo transaction expands the level of money supply as it increases the bank's level of reserves. At present, the BSP enters into a repo agreement for a minimum of one day (overnight) and for a maximum of 91 days.
Resettlement	The act or instance of settling or being settled in another place; also, movement of informal settlers from land where they have no legal right, to land provided by the government and with just title.
Revenue Effort	Computed as the ratio of total government revenues (both tax and non-tax) to gross domestic product (GDP) at current prices. It aims to measure the capability of the government sector to generate revenues to support the development needs of the economy. Revenue data are sourced from the Department of Finance (DoF) while GDP data are sourced from the National Statistical Coordination Board (NSCB).

Rule of Law	A principle of governance in which all persons, institutions and entities, public and private, including the State itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards. It requires measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency. In international governance indices, rule of law reflects perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
Run After the Smugglers(RATS)	A program of the Bureau of Customs (BOC) under the Department of Finance (DOF) that focuses on monitoring or profiling, case-building, and prosecution of smugglers.
Run After Tax Evaders(RATE)	A program initiated by the DOF and BIR to investigate and prosecute individuals and/or entities engaged in tax evasion and other criminal violations of the National Internal Revenue Code (NIRC) of 1997. RMO No. 24-2008 issued on June 11, 2008 provides the policies and guidelines for the development, investigation and prosecution of cases under the RATE Program of the BIR.
Seal of Good Local Governance (SGLG) – formerly Seal of Good-Housekeeping (SGH)	A mechanism that monitors and recognizes adherence of local government units (LGUs) to performance criteria on any of the following areas: good financial housekeeping, disaster preparedness, social protection for the basic sector, business friendliness and competitiveness, environmental compliance, law and order, and public safety. An LGU must comply with all three core elements of the SGLG (good financial housekeeping, disaster preparedness, and social protection) and at least one from the other assessment areas in order to receive the SGLG.
Social Protection	Refers to policies and programs that seek to reduce poverty and vulnerability to risks and enhance the social status and rights of the marginalized by promoting and protecting livelihood and employment, protecting against hazards and sudden loss of income, and improving people's capacity to manage risks.
Social Services	Refers to an area of public service related to the provision of education, manpower development, health, housing and social security and welfare services.
Socialized Housing	Provision of affordable housing (usually by the government) through efficient production of housing units for ownership and sustainable housing financing. Currently, socialized housing units refer to house and lot packages costing less than PhP450,000.
Solid Waste Management(SWM)	The discipline associated with the control of generation, storage, collection, transfer and transport, processing, and disposal of solid wastes in a manner that is in accord with the best principles of public health, economics, engineering, conservation, aesthetics, and other environmental considerations, and that is also responsive to public attitudes.
Standardization	The creation and use of guidelines for the production of uniform, interchangeable components, especially for use in mass production.

Strategic Performance Management System (SPMS)	A mechanism that links individual employees' performance to their agency's organizational vision, mission and strategic goals. It is designed by the Civil Service Commission to ensure that the employee achieves the objectives set by the organization; and that the organization achieves the objectives that it has set itself in its strategic plan. The SPMS focuses on the agency's major final outputs (MFOs), together with their corresponding performance indicators, as these relate to the achievement of the agency's strategic objectives.
Subsidy	A grant or financial aid, usually provided by a government body, to persons, institutions, or GOCCs; it may also refer to amounts used to cover operational expenses not supported by corporate revenues or to cover corporate deficits and losses.
Sustainable Land Management	The use of the land to meet changing human needs (agriculture, forestry, conservation), while ensuring long term socioeconomic and ecological functions of the land. (The Updated Philippine National Action Plan to Combat Desertification, Land Degradation and Drought 2010-2020).
Tariff	Tax levied on imports and exports.
Tax Effort	The ratio between the government's tax revenue collection vis-à-vis GDP at current prices.
Technical Vocational Education and Training (TVET)	The education process designed at secondary and lower tertiary levels, officially recognized as nondegree programs aimed at preparing technicians, para- professionals and other categories of middle-level workers by providing them with a broad range of education, theoretical, scientific, artistic and technological studies, social services and related jobs skills training.
Total suspended particulates (TSP)	Small airborne particles such as dust, fume and smoke with diameters less than 100 micrometers.
Tourism enterprises	Facilities, services and attractions involved in tourism, such as, but not limited to: travel and tour services; tourist transport services, whether for land, sea or air transportation; tour guides; adventure sports services involving such sports as mountaineering, spelunking, scuba diving, and other sports activities of significant tourism potential; convention organizers; accommodation establishments, including, but not limited to, hotels, resorts, apartelles, tourist inns, motels, pension houses, and home stay operators; tourism estate management services, restaurants, shops and department stores, sports and recreational centers, spas, museums and galleries, theme parks, convention centers and zoos.
Tourism receipts	The receipts of the country in the form of consumption expenditures or payments of goods and services made by foreign visitors out of foreign currency resources.
Transparency Seal	The mandatory disclosure of key budget and major plans of national government agencies (statement of allotment, obligation and balances or SAOB, disbursement and income, procurement plans) in their respective websites under the Seal.
Underemployed (persons)	All employed persons who express the desire to have additional hours of work in their present job or an additional job, or to have a new job with longer working hours. Visibly underemployed persons are those who work for less than 40 hours during the reference period and want additional hours of work.
Underemployment Rate	Percentage of the total number of underemployed persons to the total number of employed persons.

Unemployed	Includes all persons who are 15 years old and over as of their last birthday and are reported as: without work, i.e., had no job or business during the basic survey reference period; and currently available for work, i.e., were available and willing to take up work in paid employment or self employment during the basic survey reference period, and/or would be available and willing to take up work in paid employment or self employment within two weeks after the interview date; and seeking work, i.e., had taken specific steps to look for a job or establish a business during the basic survey reference period; or not seeking work due to the following reasons: (a) tired/ believe no work available, i.e., the discouraged workers who looked for work within the last six months prior to the interview date; (b) awaiting results of previous job application; temporary illness/ disability; (d) bad weather; and (e) waiting for rehire/job recall.
Unemployment rate	Percentage of the total number of unemployed persons to the total population 15 years old and over.
Universal Health Care	A focused approach to health reform implementation, ensuring that all Filipinos especially the poor receive the benefits of health reform. This is a deliberate focus on the poor to ensure that they are given financial risk protection through enrolment to PhilHealth and that they are able to access affordable and quality health care and services in times of needs.
Valuation Reform Act	A proposed legislative measure that seeks to institutionalize reforms in land and real property valuation intended to improve the administration of real property and related taxes.
Value Chain	In agriculture, the value chain identifies the set of actors and activities that bring a basic agricultural product from production in the field to final consumption, where value is added to the product at each stage. A value chain can be a vertical linking or a network between various independent business organizations and can involve processing, packaging, storage, transport and distribution. The terms “value chain” and “supply chain” are often used interchangeably (FAO, 2005).
Vulnerability	The susceptibility to deterioration in wellbeing as a result of risks including external shocks and seasonal fluctuations, as well as of opportunities offered by resources owned or transfers through various means.
Vulnerable groups	Groups of people who are susceptible to poverty as a result of risks and external shocks.
Water Quality	The characteristics of water, which define its use in characteristics by terms of physical, chemical, biological, bacteriological or radiological characteristics by which the acceptability of water is evaluated.
Waterless Barangay/ Municipality	A barangay or municipality wherein 50 percent or less of the population has safe water.
Watershed	Land area drained by a stream or fixed body of water and its tributaries having a common outlet for surface runoff.

Index

A

access to finance 21
Adaptation 33, 41, 42
Agrarian Reform 18, 20, 21, 22
Agrarian Reform Community 18, 20, 21, 22
Agribusiness 20, 21
Agriculture 18, 33, 61
AIDS 26, 29
Alternative Dispute Resolution 37, 78

B

Bangsamoro 38, 39
Barangay 37
Basic Education 30, 31, 95
Biodiversity 80
Budget Partnership Agreements 36, 75
Business Process Management vii, 12, 13, 16

C

capital flows 9, 10
capital outlay 7
Category 1 Provinces 5
Certificate of Land Ownership Award 18
Civil Society Organization 34
Climate Change 33, 41, 42, 67
Climate change mitigation 33, 42
Cohort survival rate 71
connectivity 21, 30, 43, 86
Contraceptive prevalence rate 29, 69
Convergence 22
Coverage 26, 28, 88, 89
Current Account 6, 58

D

deficit 6, 7, 57
Disaster Risk Reduction 79

E

economic growth 22
electricity 11, 12, 90, 93
employment 11, 12, 18, 31, 33, 67
employment generated 11, 12
energy 43, 46, 70, 88, 89
exports 10, 12, 60, 61
external debt 6, 10
External debt 58

F

farm-to-market roads 21, 38
financial inclusion 24, 25
fiscal deficit 6, 57
foreign direct investments 12
Full Disclosure Policy 36, 74

G

Grassroots Participatory Budgeting Process 37
gross domestic product 43
Gross Domestic Product 6, 7, 10, 12, 24, 43, 56, 57, 58, 68, 86

H

higher education 30, 31
high-value crops 21
household 68
housing unit 34
Human Rights 38

I

inclusive growth 1
Inclusive Growth 55
Industry 11, 12, 59
Infant mortality rate 29, 69
inflation 7, 8, 9, 10, 58
informal settlers 35
Information and Communications Technology 43,

47, 91
innovation 20, 22, 59
Integrated Coastal Management 42

J

justice 37, 77, 78

K

K to 12 program 30, 31

L

labor force 18, 31, 33
ladderized education 31
LGU Income Re-classification System Bill 9
logistics 9, 12, 21, 51, 52, 53, 54
low-cost housing 34, 91

M

Maintenance and Other Operating Expenses 7
maternal mortality ratio 26, 29
Mining 9
Monetary policy 58
most-at-risk population 27
MSMEs 25

N

network 9, 21

P

Pantawid Pamilyang Pilipino Program 32
Performance-Based Incentive System 36, 75
Performance Challenge Fund 37, 76
Persons with disabilities 33
Philippine Development Plan 12, 18, 19, 20, 24, 26,
31, 34, 35, 37, 43, 55, 56, 57, 58, 59, 60, 61, 62,
63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75,
76, 77, 78, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89,
90, 91, 92, 93
Poverty 26, 32, 36, 55, 75
Poverty Incidence 55
Power 88
productivity 12, 18, 19, 21, 22, 30, 59, 61, 67, 86
Public-private partnership 44

R

Rationalization of the Mining Fiscal Regime 9
Report Card Survey 36, 77
repurchase agreement 10
resettlement 34, 35, 43, 90, 91
Responsible Parenthood and Reproductive Health

Act 26, 28
revenue effort 8
rule of law 36, 37
Run After Tax Evaders 9, 36, 78
Run After the Smugglers 9, 36, 37, 78
Run After The Smugglers 36, 78

S

Seal of Good Local Governance 28, 76
Services v, vii, viii, 7, 11, 12, 26, 30, 40, 42, 59, 60
Sin Tax Reform Law 26, 28
socialized housing 34, 35, 43, 72, 91
Social protection 32, 72
solid waste management 42, 50, 92
standardization 42
Strategic Performance Management System 36, 75,
76
subsidy 6, 26, 76
sustainable land management 81

T

Tariff 9
tax effort 6, 8
Technical Vocational Education and Training 30, 31,
71
Total suspended particulates 41
Total Suspended Particulates 41
tourism 11, 12, 13, 17
Transparency Seal 36, 73
transport 12, 21, 39, 43

U

underemployment 20, 21, 56
unemployed 12
unemployment 56

V

Valuation Reform Act 9
value chain 22
vulnerability 22, 30, 33, 42
vulnerable groups 31, 32, 33

W

water 11, 38, 41, 42, 43, 44, 46, 70, 79, 81, 84, 85, 88,
89, 90
water quality 41, 84, 85

The Philippines, through its new administration in June 2010, committed itself to achieving inclusive growth through transparent and responsive governance, massive infrastructure investment, increased competitiveness, improved access to financing, improved social services, a stable macroeconomic environment, ecological integrity, quality education, appropriate science and technology appropriations, and advanced peace process alongside improved national security.

In 2014, the Philippines continued efforts to meet its targets, despite internal bottlenecks and external shocks that threatened its economic growth. The Socioeconomic Report 2014 provides details of the country's socioeconomic performance during the middle years of the Aquino Administration, and identifies strategies to ensure that commitments will be met by 2016.

Socioeconomic Report 2014: Assessment and implications for 2015-2016

Published by:

National Economic and Development Authority

12 Escrivá Drive, Ortigas Center, Pasig City

Tel: (+632) 631 0945 to 56

Email: info@neda.gov.ph

www.neda.gov.ph

Printed in the Philippines