

04

Philippine Development Plan Framework and Headline Targets

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The Philippine Development Plan (PDP) 2017-2022 complies with Executive Order (EO) No. 5, s. 2016, which mandates that the four Philippine Development Plans to be crafted and implemented until 2040 shall be geared towards the achievement of *Ambisyon Natin 2040* for *a matatag, maginhawa, at panatag na buhay para sa lahat*.

Achieving the targets set in the PDP requires that the entire government, along with the private sector, work together in an integrated and holistic manner. This is mandated by EO 27, s. 2017, directing all departments, offices, and instrumentalities of the national government, including government-owned and controlled corporations and local government units to adopt, disseminate, and undertake efforts for the full implementation of the PDP 2017-2022. This is an important milestone in plan implementation as it accords the PDP 2017-2022 the primacy as the government's official guide on all matters pertaining to the country's socioeconomic development. Hence, all sectoral, thematic, and agency plans are to be consistent and aligned with the targets and strategies in the PDP.

While much has been done within the seven months since EO 27 was issued, most of these are to lay down the groundwork for change towards more inclusive growth, a high trust and resilient society, and a globally-competitive knowledge economy. Among the overall targets with annual breakdown, accomplishment has been mixed. Table 4.1 presents the accomplishments versus targets.

On becoming an upper middle-income country by 2022. The strong economic growth performance of the country in 2017 enabled us to achieve gross national income per capita growth rate of 4.8 percent, higher than the target of 4.5 percent. This would make it possible for us to reach the upper middle-income country standard definition of just below US\$4,000 income per capita by end-2019.

On achieving inclusive growth. Poverty incidence¹ is yet to be determined; results are expected in early 2019. There are indications that the 2017 numbers are better than in 2015, given the sustained economic growth and the moderate food inflation (3.8% for 2017). However, this target may be at risk in 2018, if inflationary pressures are not addressed effectively and immediately.

On reducing unemployment rate. The national unemployment rate registered 5.7 percent in 2017 vs. 5.5 percent in 2016. While the current unemployment rate has improved compared to previous decades, this is behind the 5.1 to 5.4 percent target set in 2017. In January 2018, unemployment rate declined to 5.3 percent—the lowest for all labor force surveys conducted in January rounds since 2009.

¹ Poverty incidence is determined using the Family Income and Expenditure Survey of the Philippine Statistics Authority. The next round will be conducted in 2018, and every other year thereafter.

Employment creation remains a challenge as there were around 663,243 net employment losses in 2017, far from the target of increasing employment by 900,000 to 1.1 million per year. On the bright side, underemployment rate in areas outside the National Capital Region (AONCR) continues to decrease and is at 17.1 percent in 2017 from 19.7 percent in 2016, exceeding the target of 18.3 to 20.3 percent for the year.

On reducing youth unemployment. Youth unemployment rate for 2017 is at 14.4 percent, short of the 11.0 percent target. In fact, youth unemployment rate for October 2017 increased to 11.9 percent from 11.5 percent in October 2016.

On being a globally-competitive knowledge economy. The Philippines ranked 73rd of 127 economies in the 2017 Global Innovation Index Report. The report branded the country as one of the new Asian Tigers and the leader in information and communications technology services exports in Southeast Asia. The 2017 rank is marginally better than the 2016 rank of 74th out of 128 economies.

Table 4.1 Accomplishments Versus Targets

INDICATOR	BASELINE		ANNUAL PLAN TARGETS			2017 ACTUAL DATA
	YEAR	VALUE	2017	2018	2019	ACCOMPLISHMENT
Economic growth (%) sustained	2016	6.9	6.5-7.5	7.0-8.0	7.0-8.0	6.7
GNI per capita (growth rates) increased	2015	4.1	4.5	5.0	5.0	4.8
Poverty Incidence (% of population) reduced	2015	21.6		17.3-19.3		N/A
Rural Poverty Incidence (%) reduced	2015	29.8		25.6		N/A
Subsistence Incidence (%) reduced	2015	8.1		6.8		N/A
Food Inflation (%) kept stable	2016	2.6	2-4	2-4	2-4	3.8
Human Development Index improved	2015	0.682	increasing	increasing	increasing	N/A
Unemployment Rate (%) decreased	2016	5.5	5.1-5.4	4.7-5.3	4.3-5.3	5.7
Employment Generated increased	2016	N/A	900,000 - 1,100,000	900,000 - 1,100,000	900,000 - 1,100,000	-663,243
Youth Unemployment Rate (%) decreased	Oct 2016	11.5	11	10.4	9.8	11.9*
Underemployment Rate in AONCR (%) decreased	2016	19.7	18.3-20.3	17.8-19.8	17.4-19.4	17.1
Global Innovation Index (rank) improved	2016	74 out of 128 economies	increasing	increasing	increasing	73 out of 127 economies

Note:

*Data as of October 2017

The subsequent chapters will present and discuss the accomplishments based on the overall strategic framework of the PDP 2017-2022 (Figure 4.1). The framework shows that overall and thematic targets shall be achieved through strategies under the three major pillars of “*Malasakit*,” “*Pagbabago*,” and “*Patuloy na Pag-unlad*.”

Figure 4.1 PDP 2017-2022 Overall Strategic Framework

