

## Highlights of the Updated 2017-2022 Public Investment Program (PIP) as Input to the Fiscal Year (FY) 2019 Budget Preparation

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### I. Legal Basis and Rationale

Consistent with its mandate to coordinate the formulation of public investment programs and pursuant to Section 5 of the Executive Order (EO) No. 230 s. 1987 on the reorganization of the National Economic and Development Authority<sup>1</sup> (NEDA), Section 3 of EO No. 27 on the implementation of the 2017-2022 Philippine Development Plan (PDP) and PIP,<sup>2</sup> and the Special Provision in the General Appropriations Act (GAA) for FY 2018,<sup>3</sup> NEDA issued on February 7, 2018 the call for the updating of the 2017-2022 PIP. The call was issued to all the heads of National Government Agencies (NGAs), Government-Owned and Controlled Corporations (GOCCs), Government Financial Institutions (GFIs), Other National Government Offices and Instrumentalities, and State Universities and Colleges (SUCs).

### II. PIP as a Programming Document

The Updated 2017-2022 PIP contain the rolling list of priority programs and projects (PAPs) to be implemented by NGAs, GOCCs, GFIs, other NG offices and instrumentalities and SUCs within the medium-term under the current Administration that contribute to the achievement of the societal goal and targets in the Philippine Development Plan 2017-2022, and respond to the outcomes and outputs in its Results Matrices (RM). These PAPs may be financed using national government (NG) funds, including internal cash generated by GOCCs, in partnership with the private sector or through Official Development Assistance (ODA).

As a programming document, the Updated PIP is expected to:

- a. Serve as pipeline of big ticket priority PAPs for Investment Coordination Committee (ICC) and/or NEDA Board approval in 2018 and succeeding years under the current Administration;
- b. Identify new and expanded or Tier 2 priority PAPs responding to PDP/RM outcomes that are proposed by the agencies to be considered in the FY 2019 budget, and succeeding fiscal years under the current Administration; and
- c. Monitor the status of ongoing or Tier 1 priority PAPs responding to PDP/RM outcomes, especially those that have been approved by the ICC and/or NEDA Board, and recently included in the GAA with assigned Unified Accounts Code Structure code.

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<sup>1</sup> EO No. 230 issued on July 22, 1987, Reorganizing the National Economic and Development Authority. Section 5 indicates that 'NEDA...shall be responsible for coordinating the... formulation of annual and medium-term public investment programs...'.

<sup>2</sup> EO No. 27 issued on June 1, 2017, Directing All Government Agencies and Instrumentalities, Including Local Government Units, to Implement the PDP and PIP for the Period 2017-2022. Section 3 provides that the 2017-2022 PIP shall be updated annually and simultaneously with the preparations for the annual NG budget, or as may be determined by NEDA.

<sup>3</sup> Special Provision 3, Section XXV, Volume I of GAA FY 2018 states that NEDA shall submit to the House Committee on Appropriations, the Senate Committee on Finance, and the Committees on Economic Affairs of both Houses of Congress a copy of the PIP every time that it is updated.

The PIP incorporates the following:

- a. **Core Investment Programs and Projects (CIPs)** - refer to the proposed big ticket PAPs of the PIP that serve as the pipeline for the ICC and NEDA Board;
- b. **Non-CIPs** - refer to proposed priority PAPs that need not go through the ICC or NEDA Board review and approval process, as well as to ongoing priority PAPs; and
- c. **Three-Year Rolling Infrastructure Program (TRIP)** - a three-year programming document containing NG-funded priority infrastructure PAPs. It shall form the basis of the Department of Budget and Management (DBM) for the determination of the infrastructure PAPs to be included in the national budget of the Government. It also serves as a mechanism to monitor progress on the NG's target to increase infrastructure spending as a percentage of the country's gross domestic product (GDP).

The 2017-2022 PIP likewise incorporates region-specific<sup>4</sup> and interregional<sup>5</sup> NG-implemented PAPs that are included in the Regional Development Investment Program (RDIP) endorsed by the Regional Development Councils.<sup>6</sup>

### III. PIP Updating Process

Following the issuance of the February 7, 2018 PIP Updating Call to agencies/offices for the submission of priority PAPs, the following processes were undertaken for the PIP Updating (refer to Figure 1 for the process flowchart):

- a. Submission of PAPs through the PIP Online (PIPOL) System. Agencies/offices submitted the list of ongoing and new priority PAPs to be implemented over the medium term, in consultation with their respective regional and attached offices. The updating of the PIP utilized the enhanced PIPOL System, which is an online database system that manages data entry and updates on PAPs under the PIP.
- b. NEDA Secretariat Validation. The NEDA Secretariat validated the submissions from agencies/offices in terms of project's responsiveness to the PDP/RM, readiness for implementation, among others.
- c. Confirmation by Inter-Agency Bodies. Upon review and validation, the NEDA Secretariat submitted the result of its validation to the appropriate NEDA Board Committees, Cabinet Clusters, and/or inter-agency committees, for

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<sup>4</sup> Region-specific - if spatial coverage/impact of a program or a project pertains to one region (in parts or as a whole).

<sup>5</sup> Interregional - if spatial coverage/impact of a program or project pertains to more than one region (in parts or as a whole) but not all regions.

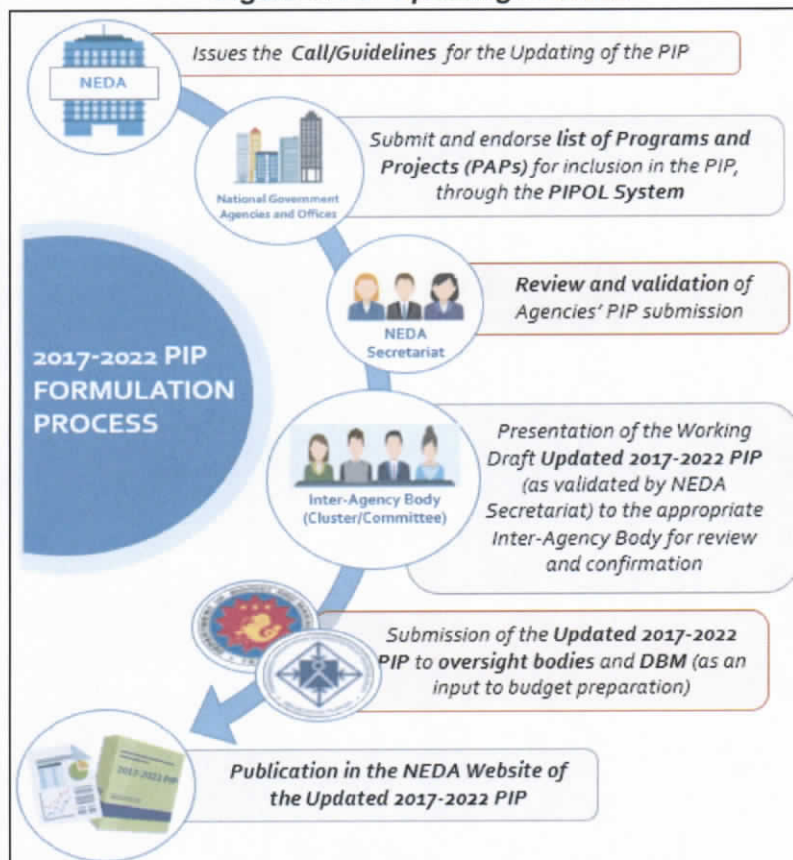
<sup>6</sup> The RDIP contains priority PAPs that contribute to the societal goals and outcomes spelled out in the Regional Development Plan and its Matrices.



confirmation, based on the coordination mechanism identified in Chapter 21 of the 2017-2022 PDP and the NEDA Memorandum Circular (MC) No. 1, s. 2018.<sup>7</sup>

The Updated PIP was then submitted to DBM as input in the technical budget hearings for the FY 2019 budget.

**Figure 1. PIP Updating Process**



#### IV. Highlights of the Major Priority PAPs in the Updated PIP

Focusing on the critical undertakings which will involve an investment of PhP 1 billion and above, presented below are the highlights of the major priority PAPs in the Updated 2017-2022 PIP.

##### a. By Theme (PDP Chapter)

With estimated total investment targets for the Plan period (2017-2022) amounting to **PhP7,809.27 billion**, there are **582 major priority PAPs (with total project cost of PhP1 billion and above)** in the Updated 2017-2022 PIP,<sup>8</sup> which are responsive to strategies and targets laid out in the PDP 2017-2022 and its RM (see Table 1).

<sup>7</sup> NEDA MC No. 1, s. 2018 Integrating the Reorganized Cabinet Cluster System in the PDP Coordination Mechanism And Directing All Concerned National Government Agencies To Align Their Performance And Projects Roadmap With The PDP Implementation Workplan.

<sup>8</sup> As of September 18, 2018.

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Of the said major priority PAPs, **400 major PAPs** with total investments targets of **PhP5,468.56 billion (70.03%)** are under **Chapter 19: Accelerating Infrastructure Development**, which involves strategic investment on transportation, water resources, information and communication technology, power, social infrastructure, government buildings, among others.

The remaining major priority PAPs are expected to contribute in attaining the development outcomes in other PIP Chapters such as on human capital development, agriculture, forestry, and fisheries, environment, peace and security, governance and justice, technology and innovation, macroeconomic policy and culture.

**Table 1. By Theme (PDP Chapter)\***

Sector (PDP Chapter)	No. of PAPs	Investment Targets (in PhP Billion)		%
		2019 (Target FY)	2017-2022	
Ensuring People-Centered, Clean, and Efficient Governance (Chapter 5)	16	14.76	75.49	0.97%
Pursuing Swift and Fair Administration of Justice (Chapter 6)	3	1.40	5.80	0.07%
Promoting Philippine Culture and Values (Chapter 7)	5	2.38	6.79	0.09%
Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries (Chapter 8)	53	79.51	422.16	5.41%
Expanding Economic Opportunities in Industry and Services through Trabaho at Negosyo (Chapter 9)	13	8.54	35.11	0.45%
Accelerating Human Capital Development (Chapter 10)	33	188.87	859.10	11.00%
Reducing Vulnerability of Individuals and Families (Chapter 11)	7	62.32	620.69	7.95%
Building Safe and Secure Communities (Chapter 12)	1	0.85	4.62	0.06%
Science, Technology, and Innovation (Chapter 14)	6	6.00	43.00	0.55%
Ensuring Sound Macroeconomic Policy (Chapter 15)	1	1.00	2.35	0.03%
Attaining Just and Lasting Peace (Chapter 17)	2	4.55	6.34	0.08%
Ensuring Security, Public Order, and Safety (Chapter 18)	15	46.77	152.70	1.96%
<b>Accelerating Infrastructure Development (Chapter 19)</b>	<b>400</b>	<b>929.65</b>	<b>5,468.56</b>	<b>70.03%</b>
Ensuring Ecological Integrity, Clean and Healthy Environment (Chapter 20)	27	21.36	106.55	1.36%
<b>Total</b>	<b>582</b>	<b>1,367.96</b>	<b>7,809.27</b>	<b>100.00%</b>

- \* a. No major priority PAPs costing PhP 1 billion and above for PIP Chapters 13 (Reaching for the Demographic Dividend) and 16 (Leveling the Playing Field through a National Competition Policy).
- b. The total investment targets and major priority PAPs of the Department of Transportation does not include 11 rail and other priority PAPs, which are for submission during the PIP Updating this second semester.
- c. The mode of implementation, investment targets and other PAP details may be updated in the course of project development, appraisal and implementation.

b. By Spatial Coverage

Nationwide PAPs have the largest share in terms of 2017-2022 total investment targets at **51.52 percent** followed by interregional PAPs at **35.38 percent** and region-specific PAPs at **13.10 percent**. In terms of number, bulk of the major



priority PAPs (341) will be implemented in specific regions across the country. The National Capital Region, Davao Region and Northern Mindanao account for the largest shares in terms of 2017-2022 total investment targets among region-specific PAPs (see Table 2). In terms of major island group, more than half (52.86%) of the total region-specific investment targets for 2017-2022 cover Luzon, followed by Mindanao (40.11%), and Visayas (17.52%).

**Table 2. By Spatial Coverage**

Spatial Coverage	No. of PAPs	Investment Targets (in PhP Billion)		%
		2019 (Target FY)	2017-2022	
<b>Nationwide</b>	<b>153</b>	<b>711.15</b>	<b>4,023.36</b>	<b>51.52%</b>
<b>Interregional</b>	<b>88</b>	<b>365.28</b>	<b>2,762.64</b>	<b>35.38%</b>
<b>Region-specific</b>	<b>341</b>	<b>291.53</b>	<b>1,023.27</b>	<b>13.10%</b>
Autonomous Region in Muslim Mindanao (ARMM)	15	22.15	40.85	0.52%
Cordillera Administrative Region (CAR)	9	1.39	9.51	0.12%
<b>National Capital Region (NCR)</b>	<b>48</b>	<b>59.92</b>	<b>213.56</b>	<b>2.73%</b>
Ilocos Region (I)	13	6.66	29.64	0.38%
Cagayan Valley (II)	27	7.29	65.16	0.83%
Central Luzon (III)	24	34.15	88.46	1.13%
CALABARZON (IVA)	19	56.26	86.68	1.11%
MIMAROPA (IVB)	11	3.40	14.91	0.19%
Bicol Region (V)	18	5.13	32.97	0.42%
Western Visayas (VI)	11	3.22	29.57	0.38%
Central Visayas (VII)	9	8.76	30.71	0.39%
Eastern Visayas (VIII)	8	1.75	11.64	0.15%
Zamboanga Peninsula (IX)	14	4.70	27.93	0.36%
<b>Northern Mindanao (X)</b>	<b>35</b>	<b>17.39</b>	<b>99.33</b>	<b>1.27%</b>
<b>Davao Region (XI)</b>	<b>38</b>	<b>38.96</b>	<b>132.93</b>	<b>1.70%</b>
SOCSESKSARGEN (XII)	10	5.42	41.26	0.53%
Caraga Region (XIII)	32	14.96	68.18	0.87%
<b>Total</b>	<b>582</b>	<b>1,367.96</b>	<b>7,809.27</b>	<b>100.00%</b>

Table 3 shows the distribution of region-specific PAPs by major island group.

**Table 3. By Major Island Group for Region-Specific PAPs**

Major Island Group	No. of PAPs	Investment Targets (in PhP Billion)	
		2019 (Target FY)	2017-2022
Luzon	169	174.20	540.88
Visayas	28	13.74	71.91
Mindanao	144	103.59	410.47
<b>Region-specific Total</b>	<b>341</b>	<b>291.53</b>	<b>1,023.27</b>

c. By Mode of Implementation

Taking into account the comparative advantages of each modality, most of the major priority PAPs (**489 out of 582 PAPs**) in the Updated PIP will be implemented through the traditional mode of procurement pursuant to the Republic Act No. 9184 or Government Procurement Reform Act (GPRA) while **73 PAPs** will be carried out through ODA and **20 PAPs** will be implemented through public-private partnership (PPP) or joint venture arrangements (see Table 4).

**Table 4. By Mode of Implementation**

	Mode of Implementation	No. of PAPs
GPRA (RA No. 9184)		489
ODA (pursuant to ODA Act of 1996)		73
PPP and JV		20
	<b>Total</b>	<b>582</b>

d. By Level of Readiness

Implementation readiness is one of the criteria for inclusion of PAPs in the Updated PIP. Of the 582 PAPs, **448 major priority PAPs** are targeted to be completed within the end of this Plan period (2022) while the rest are expected to continue implementation beyond the medium-term.

**Table 5. By Target Completion**

Target Year of Completion*	No. of PAPs	Investment Targets (in PhP Billion)		%
		2019 (Target FY)	2017-2022	
<b>To be completed by 2022</b>	<b>448</b>	<b>952.33</b>	<b>4,854.08</b>	<b>62.16%</b>
2017	1	-	0.32	0.00%
2018	24	1.92	45.49	0.58%
2019	57	141.22	245.02	3.14%
2020	64	80.90	281.42	3.60%
2021	101	110.29	461.26	5.91%
2022	205	618.01	3,820.59	48.92%
<b>To be completed by 2023 and beyond</b>	<b>130</b>	<b>415.62</b>	<b>2,955.16</b>	<b>37.84%</b>
<b>Total</b>	<b>582</b>	<b>1,367.96</b>	<b>7,809.27</b>	<b>100.00%</b>

**Note:** Accompanying this briefier, is the list of the **582 major priority PAPs**, costing PhP1 billion and above, in the Updated 2017-2022 PIP by Chapter.

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