

Highlights of the Updated 2017-2022 Public Investment Program (PIP) as Input to the Fiscal Year (FY) 2020 Budget Preparation

I. Legal Basis and Rationale

Pursuant to Section 3 of the Executive Order (EO) No. 27 on the implementation of the 2017-2022 Philippine Development Plan (PDP) and PIP issued on June 1, 2017¹, the 2017-2022 PIP shall be updated annually and simultaneously with the preparations for the annual National Government (NG) budget, or as may be determined by NEDA.

Further, through Joint Circular No. 2017-1 dated June 30, 2017 among the Department of Budget and Management (DBM), Department of Finance (DOF), and NEDA on the NG Fiscal Calendar², NEDA is assigned to spearhead the necessary activities for the formulation/preparation of development planning and investment programming reports [i.e., PDP, PIP, Core Investment Programs and Projects (CIPs), Three-Year Rolling Infrastructure Program (TRIP), Socio-Economic Reports] and other documents.

Lastly, pursuant to the Special Provision in the General Appropriations Act (GAA) for 2018³ stating that NEDA shall submit a copy of the PIP, every time it is updated, to the House Committee on Appropriations, the Senate Committee on Finance, and the Committees on Economic Affairs of both Houses of Congress.

In view of the above, NEDA issued on September 10, 2018 the Joint Call for the agencies⁴ to submit its priority programs and projects (PAPs) for inclusion in the Updated PIP and FY 2020-2022 TRIP, as input to the FY 2020 budget preparation. 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. Plan-Program-Budget Linkage

As a six-year programming document accompanying the PDP or the Plan⁵, the PIP contains proposed and ongoing priority PAPs that are responsive to the outcomes and outputs under the Results Matrices (RM)⁶ of the Plan.

During the programming stage, each agency or office shall undertake investment programming activities taking note of the development agenda contained in the PDP and RM, specifically towards contributing to meeting the Plan targets and achieving the RM outcomes. Each agency or office shall update its rolling list of Tier 1 and Tier 2 priority PAPs, which should include NG-implemented PAPs in the Regional

¹ Copy of EO No. 27, s. 2017 'Directing All Government Agencies and Instrumentalities, Including Local Government Units, To Implement the Philippine Development Plan and Public Investment Program for the Period 2017-2022' could be accessed at this link: <http://www.officialgazette.gov.ph/downloads/2017/06jun/20170601-EO-27-RRD.pdf>.

² Copy of the DBM, DOF and NEDA Joint Circular No. 2017-1 dated June 30, 2017 on the National Government Fiscal Calendar could be accessed at this link: <https://www.dbm.gov.ph/wp-content/uploads/issuances/2017/Joint%20Circular/DBM-DOF-NEDA%20JOINT%20CIRCULAR%20NO.%202017-1%20DATED%20JUNE%2030,%202017.pdf>.

³ Copy of the 2018 General Appropriations Act Special Provision on the Public Investment Program could be accessed at this link: <https://www.dbm.gov.ph/wp-content/uploads/GAA/GAA2018/Volume1/NEDA/A.pdf>.

⁴ Agencies as used in this document refers collectively to all NGAs, GOCCs, GFIs, other national government offices and instrumentalities, and SUCs.

⁵ The PDP is a national planning document prepared at the start of a new leadership, which highlights the aspirations and goals of the country for next six years, including sector and sub-sector outcomes that are contained in the RM. Copy of the 2017-2022 PDP can be accessed through the following link: <http://pdp.neda.gov.ph/wp-content/uploads/2017/01/PDP-2017-2022-07-20-2017.pdf>.

⁶ The RM is an instrument designed to provide results orientation of the Plan by highlighting the achievement of results at different levels (i.e., outputs, outcomes and impacts). It contains statement of results to be achieved for sector and sub-sector outcomes with corresponding baseline information, indicators, end-of-Plan targets and responsible agencies. Copy of the 2017-2022 PDP-RM can be accessed through the following link: <http://www.neda.gov.ph/wp-content/uploads/2017/11/Consolidated-Chapter-RMs-as-of-October-9-2017.pdf>.

Development Investment Programs⁷ (RDIPs) that are endorsed by the Regional Development Council (RDC), and submit the same to NEDA for possible inclusion in the Updated PIP. The sectoral inputs of agencies are intended to be spatially coherent with the RDIP as part of NEDA's continuing effort to link the PIP with the RDIPs.

During budget preparation, agencies should link the annual budget to the Plan. Agencies should ensure that priority PAPs to be allocated with resources or submitted for inclusion in the National Expenditure Program (NEP) and/or funded under the GAA are responsive to the Plan, and included in the PIP. In this way, the PIP serves as a mechanism in improving resource mobilization towards PAPs that contribute to meeting the Plan targets and in achieving RM outcomes. PAPs included in the PIP shall be accorded priority in DBM's review of the annual budget proposal of agencies and are expected to be provided annual allocation.

III. PIP as a Programming Document

The Updated PIP contains the rolling list of priority 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 PDP 2017-2022, and respond to the outcomes and outputs in its RM. These PAPs may be financed using NG funds, including internal cash generated by GOCCs/ GFIs, in partnership with the private sector or through Official Development Assistance (ODA).

The Updated PIP incorporates the following:

- a. **CIPs** - refer to the **new or proposed big ticket PAPs** of the PIP that serve as the pipeline for the Investment Coordination Committee (ICC) and the 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. **TRIP** - a three-year programming document containing NG-funded priority infrastructure PAPs. It shall form the basis of 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.

IV. PIP Updating Process

In view of the September 10, 2018 memorandum to the agencies on the Updating of the 2017-2022 PIP as Input to the FY 2020 Budget Preparation, the following processes were undertaken (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 PIPOL System Version 2.0, which is an online database system that manages data entry and updates on PAPs under the PIP.

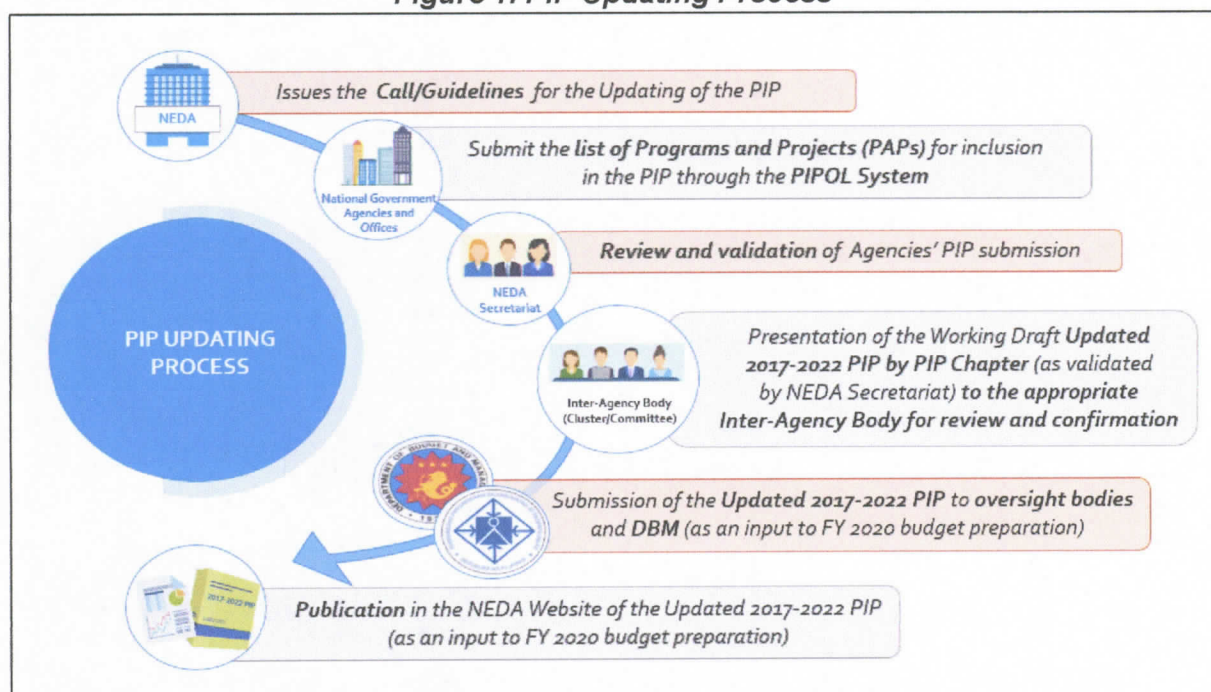
⁷ The RDIP contains priority PAPs that contribute to the societal goals and outcomes spelled out in the Regional Development Plan and its Matrices.

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- 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 confirmation, based on the coordination mechanism identified in Chapter 21 of the 2017-2022 PDP and the NEDA Memorandum Circular (MC) No. 1, s. 2018.⁸

The Updated PIP was submitted to DBM, the House Committee on Appropriations, Senate Committee on Finance, and the Committees on Economic Affairs of both Houses of Congress on March 28, 2019⁹.

Figure 1. PIP Updating Process



V. Highlights of the Updated PIP as Input to the FY 2020 Budget Preparation

The Updated PIP has a total of **9,854 priority PAPs** with corresponding total investment targets amounting to **PhP11,025.51 billion** for the Plan period (2017-2022)¹⁰. These PAPs were validated to have met the criteria for inclusion in the Updated PIP (see Attachment 1).

a. By Theme (PDP Chapter)

Accelerating Infrastructure Development (Chapter 19) remains to have the largest share in the total 2017-2022 investment targets amounting to **PhP7,380.89 billion (66.94%)** with a total of **7,816 priority PAPs** (see Table 1).

⁸ 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.

⁹ Through letters dated March 27, 2019 sent through email on March 28, 2019. The Supplemental Updated PIP and TRIP was also provided to DBM through a letter dated May 3, 2019.

¹⁰ The list of priority PAPs by PIP Chapter have been circulated to the appropriate inter-agency bodies as reflected in Chapter 21-Plan Implementation and Monitoring of the 2017-2022 Philippine Development Plan as amended by NEDA Memorandum Circular No. 1, s. 2018.

The other themes under the Updated PIP with highest total 2017-2022 investment targets are **Accelerating Human Capital Development (Chapter 10)** and **Reducing Vulnerability of Individuals and Families (Chapter 11)** with PhP1,078.14 billion (9.78%) and PhP609.08 billion (5.52%), respectively.

Table 1. By Theme (PDP Chapter)*

Theme (PDP Chapter)	No. of PAPs	Investment Targets (in PhP Billion)		%
		2020	2017-2022	
Ensuring People-Centered, Clean, and Efficient Governance (Chapter 5)	396	80.20	360.42	3.27%
Pursuing Swift and Fair Administration of Justice (Chapter 6)	63	62.01	102.70	0.93%
Promoting Philippine Culture and Values (Chapter 7)	153	6.25	16.64	0.15%
Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries (Chapter 8)	527	144.15	587.81	5.33%
Expanding Economic Opportunities in Industry and Services through Trabaho at Negosyo (Chapter 9)	63	9.61	45.74	0.41%
Accelerating Human Capital Development (Chapter 10)	144	229.90	1,078.14	9.78%
Reducing Vulnerability of Individuals and Families (Chapter 11)	16**	120.29	609.08	5.52%
Building Safe and Secure Communities (Chapter 12)	13	75.15	239.91	2.18%
Reaching for the Demographic Dividend (Chapter 13)	2	-	0.04	0.00%
Science, Technology, and Innovation (Chapter 14)	94	7.74	56.41	0.51%
Ensuring Sound Macroeconomic Policy (Chapter 15)	6	0.52	2.43	0.02%
Leveling the Playing Field through a National Competition Policy (Chapter 16)	1	0.25	0.94	0.01%
Attaining Just and Lasting Peace (Chapter 17)	5	0.50	18.55	0.17%
Ensuring Security, Public Order, and Safety (Chapter 18)	248	70.51	260.87	2.37%
Accelerating Infrastructure Development (Chapter 19)	7,816	1,958.16	7,380.89	66.94%
Ensuring Ecological Integrity, Clean and Healthy Environment (Chapter 20)	307	82.11	264.94	2.40%
Total	9,854	2,847.36	11,025.51	100.00%

*Based on the submission of the agencies and as validated by the NEDA Secretariat and confirmed by respective inter-agency bodies, including supplemental submission as of April 12, 2019. The mode of implementation, investment targets and other PAP details may be updated in the course of project development, appraisal and implementation.

**The investment targets and per-project breakdown of the three programs of the Department of Social Welfare and Development are reflected in PIP Chapter 19.

b. By Implementing Agency

The Department of Public Works and Highways, Department of Transportation and Department of Education are the top 3 agencies with the highest share in the total 2017-2022 investment targets. Table 2 below shows the top 10 agencies in the Updated PIP.

Table 2. By Implementing Agency

Implementing Agency*	No. of PAPs	Investment Targets (in PhP Billion)		%
		2020	2017-2022	
Department of Public Works and Highways	921	670.03	3,626.19	32.89%
Department of Transportation	600	675.29	1,536.01	13.93%
Department of Education	18	252.43	1,133.95	10.28%
Department of the Interior and Local Government	317	196.52	702.89	6.38%
Department of Agriculture	168	176.87	695.71	6.31%

Implementing Agency*	No. of PAPs	Investment Targets (in PhP Billion)		%
		2020	2017-2022	
Department of Social Welfare and Development	129	124.54	605.97	5.50%
Department of Science and Technology	938	162.07	580.91	5.27%
Commission on Higher Education**	2,774	129.38	395.99	3.59%
Department of Health	113	47.48	358.24	3.25%
Office of the Cabinet Secretary	261	85.77	315.25	2.86%

*Including the submissions of attached agencies/offices.

**Including the submissions of SUCs.

c. By Spatial Coverage

Of the total 2017-2022 investment targets under the Updated PIP, nationwide PAPs remain to have the largest share at **PhP6,564.58 billion (59.54%)** followed by region-specific PAPs at **PhP2,727.76 billion (24.74%)** and interregional PAPs at **PhP1,733.17 billion (15.72%)**. In terms of number, most of the PAPs (**8,701**) are region-specific. The *National Capital Region, Davao Region* and *Central Luzon* are the top 3 regions in terms of total 2017-2022 investment targets (see Table 3).

Table 3. By Spatial Coverage

Spatial Coverage	No. of PAPs	Investment Targets (in PhP Billion)		%
		2020	2017-2022	
Nationwide	837	1,352.85	6,564.58	59.54%
Interregional	316	537.06	1,733.17	15.72%
Region-specific	8,701	957.46	2,727.76	24.74%
Autonomous Region in Muslim Mindanao (ARMM)	1,913	34.72	99.10	0.90%
Cordillera Administrative Region (CAR)	314	16.29	49.14	0.45%
National Capital Region (NCR)	900	397.54	905.00	8.21%
Ilocos Region (I)	558	24.49	68.93	0.63%
Cagayan Valley (II)	343	23.50	94.07	0.85%
Central Luzon (III)	499	95.63	222.74	2.02%
CALABARZON (IVA)	433	54.41	147.96	1.34%
MIMAROPA (IVB)	414	16.58	43.76	0.40%
Bicol Region (V)	426	23.74	79.67	0.72%
Western Visayas (VI)	605	33.77	117.99	1.07%
Central Visayas (VII)	270	14.20	90.27	0.82%
Eastern Visayas (VIII)	435	59.94	91.80	0.83%
Zamboanga Peninsula (IX)	319	20.42	70.84	0.64%
Northern Mindanao (X)	328	45.29	158.19	1.43%
Davao Region (XI)	397	53.03	331.18	3.00%
SOCCSKSARGEN (XII)	213	16.71	53.25	0.48%
Caraga Region (XIII)	319	26.13	99.63	0.90%
No specified region*	15	1.07	4.24	0.04%
Total	9,854	2,847.36	11,025.51	100.00%

*Refers to PAPs with spatial coverage classified as region-specific but the specific region was not yet identified by the agency in its submission.

d. By Mode of Implementation

Most of the PAPs (**9,602 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). The rest of the PAPs will be carried out either through ODA (**206 PAPs**) or through public-private partnership (PPP) or joint venture (JV) arrangements (**46 PAPs**) (see Table 4).

Table 4. By Mode of Implementation

Mode of Implementation	No. of PAPs	%
GPRA (RA No. 9184)	9,602	97.44%
ODA (pursuant to ODA Act of 1996)	206	2.09%
PPP and JV	46	0.47%
Total	9,854	100.00%