

THE PERFORMANCE OF THE AQUINO ADMINISTRATION (2010-2016):AN ASSESSMENT

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UNIVERSITY OF THE PHILIPPINES
NATIONAL COLLEGE OF PUBLIC
ADMINISTRATION AND GOVERNANCE

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The Performance of the Aquino Administration (2010-2016): An Assessment

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Cover: Vector art by gilbert86

This book is published in April 2018 with funding assistance from the U.S. Agency for International Development, through the Facilitating Public Investment Project (FPI) implemented by the Development Alternatives, Inc. (DAI) Global LLC.

The opinions expressed herein are those of the authors and do not necessarily reflect those of the National College of Public Administration and Governance, the University of the Philippines nor of the United States Agency for International Development (USAID) and Development Alternatives, Inc. (DAI).

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Glossary of Acronyms

AAS	Association for Asian Studies
ADB	Asian Development Bank
AMLC	Anti-Money Laundering Council
ARB	agrarian reform beneficiaries
ARC	agrarian reform communities
ARMM	Autonomous Region in Muslim Mindanao
ASEAN	Association of Southeast Asian Nations
BBL	Bangsamoro Basic Law
BOC	Bureau of Customs
BIR	Bureau of Internal Revenue
BJE	Bangsamoro Juridical Entity
BTC	Bangsamoro Transition Commission
BUB	bottom-up budgeting
CAMANAVA	Caloocan, Malabon, Navotas and Valenzuela City
CARHRIHL	Comprehensive Agreement on the Respect for Human Rights and International Humanitarian Law
CARP	Comprehensive Agrarian Reform Program
CCT	conditional cash transfer
CEP	Cadet Engineering Program
CIDS	Center for Integrative Development Studies
COA	Commission on Audit
CPA	citizens participatory audit
CPI	corruption performance index
CSO	Civil Society Organizations
DA	Department of Agriculture
DAP	disbursement acceleration program
DAR	Department of Agrarian Reform
DBM	Department of Budget and Management
DENR	Department of Energy and Natural Resources
DILG	Department of the Interior and Local Government
DND	Department of National Defense
DOE	Department of Energy
DOF	Department of Finance
DOH	Department of Health
DOJ	Department of Justice
DOT	Department of Tourism
DPWH	Department of Public Works and Highways
DTI	Department of Trade and Industry
e-CAR	electronic certificate authorizing registration
EODB	Ease of Doing Business
EBNRS	Electronic business name registration system
EDSA	Epifanio de los Santos Avenue
EFI	Economic Freedom Index
EJK	extrajudicial killing
EO	Executive Order
EODB	Ease of Doing Business
EOP	end of plan

FAB	Framework Agreement on the Bangsamoro
FOI	Freedom of Information
FPIC	free, prior and informed consent
GAA	General Appropriations Act
GCI	Global Competitiveness Index
GCG	Governance Commission for Government-Owned and Controlled Corporations
GDP	gross domestic product
GNP	gross national product
GOCC	Government-Owned and Controlled Corporations
GRP	Gross Rating Point
GSIS	Government Service Insurance System
HEIs	higher education institutions
HMDF	Home Mutual Development Fund
HRW	Human Rights Watch
HUDCC	Housing and Urban Development Coordination Council
IMF	International Monetary Fund
IP	indigenous people
IPRA	Indigenous People's Rights Act
JASIG	Joint Agreement on Safety and Immunity Guarantees
KALAHI-CIDSS	Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services
KPI	key performance indicators
KRA	key result area
LAD	land acquisition and distribution
LGU	local government unit
MDGs	Millennium Development Goals
MILF	Moro Islamic Liberation Front
MNLF	Moro National Liberation Front
MOA	Memorandum of Agreement
MRT	Metro Rail Transit
MTEF	medium-term expenditure framework
Napocor	National Power Corporation
NBI	National Bureau of Investigation
NBN	National Broadcasting Network
NCCAP	National Climate Change Action Plan
NCIP	National Commission on Indigenous Peoples
NCPAG	National College of Public Administration and Governance
NCR	National Capital Region
NDF	National Democratic Front
NDFP	National Democratic Front of the Philippines
NEDA	National Economic and Development Authority
NFA	National Food Authority
NGA	National Government Agencies
NGO	non-government organizations
NHA	National Housing Authority
NPA	New People's Army
NSCB	National Statistical Coordination Board

NSO	National Statistics Office
OECD	Organisation for Economic Co-operation and Development
OGP	Open Government Partnership
OPIF	organizational performance indicator framework
Pag-IBIG	Pagtutulungan sa Kinabukasan: Ikaw, Bangko, Industriya at Gobyerno
PAGASA	Philippine Atmospheric Geophysical and Astronomical Services Administration
PAGC	Presidential Anti-Graft Commission
PAMANA	Payapa at Masaganang Pamayanan
PBB	performance-based bonus
PBR	Philippines Business Registry
PCA	Permanent Court of Arbitration
PCSO	Philippine Charity Sweepstakes Office
PDAF	Priority Development Assistance Fund
PDP	Philippine Development Plan
PGMA	President Gloria Macapagal-Arroyo
PhilGEPS	Philippine Government Electronic Procurement System
PEI	Productivity Enhancement Incentive
PNP	Philippine National Police
PPP	public-private partnership
PSALM	Power Sector Assets and Liabilities Management Corp.
RA	Republic Act
RATE	Run After Tax Evaders
RATS	Run After The Smugglers
RIPS	Revenue Integrity Protection Service
SC	Supreme Court
SEC	Securities and Exchange Commission
SEER	Sectoral Effectiveness and Efficiency Review
SHFC	Social Housing Finance Corporation
SONA	State of the Nation Address
SPI	Social Progress Index
SSS	Social Security System
SWS	Social Weather Stations
TESDA	Technical Education and Skills Development Authority
TSP	total suspended particulate
UHC	Universal Health Care
UN	United Nations
UN-ODRR	United Nations – Office for Disaster Risk Reduction
UNCHR	United Nations Commission on Human Rights
UNCLOS	United Nations Convention on the Law of the Sea
UNDP	United Nations Development Programme
UP	University of the Philippines
USAID	United States Agency for International Development
WB	World Bank
WEF	World Economic Forum
ZOPFFC	Zone of Peace, Freedom, Friendship, and Cooperation
ZTE	Zhongxing Telecommunication Equipment Corporation

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INTRODUCTION

Maria Fe Villamejor-Mendoza

THE RESEARCH

This research is an assessment of the performance of the Aquino administration from 2010-2016. It reviews the former administration's plans, legacies and gains. It also critiques its flaws, failings and some inadvertent mistakes, both of which are with the end in view of learning from the past and moving forward more strategically to the next administration. With this undertaking, the National College of Public Administration and Governance (NCPAG) Team of the University of the Philippines hopes to provide the Filipino people a document that can be used in making a more objective, factual and guided assessment of the record and legacy, challenges and issues and ways forward of a Presidential term.

Specifically, the research hopes to (a) review the accomplishments of the administration of Benigno Aquino III, vis-à-vis the development plans, flagship programs and initiatives it designed and implemented. The latter are those anchored on Aquino's Social Contract with the People and as contained in the Philippine Development Plan 2011-2016, State of the Nation Address (SONA) Technical Reports and other official documents. The review will also (b) assess the financial dimension of the performance narrative, e.g., budgetary allocation, expenditure and problems in implementing these plans, programs and initiatives; and (c) uncover some of the pressing issues and challenges, difficulties and concerns related to the effectiveness in delivering these public services. It (d) concludes with general recommendations to improve public service in the country.

SCOPE OF THE REVIEW

The research is a desk review of the record, performance, financial narrative, issues and challenges of the Aquino administration from 2010 until 2016. It relies on publicly available reports, studies and information. It also focuses on major programs or departments involved in the design, implementation and reporting of the five thematic clusters, which correspond to the five key result areas of the President's social contract with the Filipino people. These include the following:

- 1) transparent, accountable, and participatory governance;
- 2) poverty reduction and empowerment of the poor and vulnerable;
- 3) rapid, inclusive, and sustained economic growth;
- 4) just and lasting peace and the rule of law; and
- 5) integrity of the environment and climate change adaptation and mitigation
(Executive Order No. 43 issued on May 13, 2011).

The cabinet cluster system as defined in Executive Order 43 serves as a general basis for grouping and review of some of the major policies, plans and initiatives of the different departments involved in the clusters.

FRAMEWORK OF ASSESSMENT

Being mainly a desk review, the research, to the extent possible, maps out the important policies, flagship programs and philosophies that define the administration of Aquino III. It is not department-centered (i.e., different executive departments involved), but focuses more on the cluster goals. It also balances contending reports: self and alternative assessments by cluster, as espoused by government and by other sectors and stakeholders, e.g., business, and non-government, particularly the academe. In the end, it captures snap-shots of the collective assessment per cluster.

The research, and thus this report, did a passing review of the following:

1. development problems of the Arroyo Administration and the plans to address these problems, basically to discuss the situation or state of affairs, impetus and major development challenges before the assumption of the Aquino administration;
2. flagship policies, programs and initiatives (innovations and reforms), e.g., the major policies, flagship programs and initiatives put in place from 2010-2016; changes in perspective, goals, policies, programs, organization and management the incumbent government introduced;
3. institutions involved, and the budget allocation and expenditure, which is the financial narrative of the administration, for these programs and initiatives;
4. accomplishments to date or the results and outcomes of these initiatives and their administration;
5. challenges and concerns, which includes the burning issues and major take aways; and
6. summary and ways forward, which integrates the main findings of the research and draws lessons and recommendations for consideration of the current administration

Thus, the cluster assessments follow the outline below:

1. situation and development problems and issues from the past administration;
2. current administration's policies, plans and programs to address these concerns;
3. financial narrative including budget allocation and expenditures and the problems therein;
4. accomplishments, challenges and difficulties;
5. self/alternative ratings per key result areas (strengths and weaknesses; gains and gaps); and
6. lessons learned and recommendations for the next administration.

METHODOLOGY

The study is a review of existing relevant qualitative and quantitative assessments of the Aquino administration. Governmental reports, independent reviews by members of the academe, civil society organizations, media, and developmental institutions, and other helpful sources were utilized to guide the analyses. Using available frameworks and metrics applicable to each thematic area or cluster, a numeric or adjectival "grading system" is used to measure the performance of the Aquino administration by thematic cluster.

SECTIONS OF THE REPORT

The report, which is a collaborative and collective effort of the UP NCPAG Team, consists of the following sections:

- I. Introduction – presents the nature of the research, its objectives, framework and methodology
- II. Cluster Assessment: Good Governance and Anti-Corruption
- III. Cluster Assessment: Human Development and Poverty Alleviation
- IV. Cluster Assessment: Economic Development
- V. Cluster Assessment: Peace and the Rule of Law
- VI. Cluster Assessment Climate Change Adaptation and Mitigation
- VII. Summary and Ways Forward

Good Governance and Anti-Corruption

CLUSTER ASSESSMENT

Minerva S. Baylon

INTRODUCTION

Former President Benigno Aquino III ran and won the 2010 Presidential elections under a campaign platform anchored on good governance. Slogans or, better yet, battle cries such as “*matuwid na daan*”, “*Kung walang corrupt, walang mahirap*,” and “transformational leadership” were proofs of this.

This campaign platform was further refined and translated into the “Social Contract with the Filipino People”; to become the cornerstone of his administration. The Social Contract “embraces the qualities of integrity, humility and trustworthiness in public leadership.” These qualities were emphasized by the administration as it attributed the widespread poverty, misery and despair among the Filipino people to the absence of these qualities in the previous leadership.

The vision of his administration also speaks of good governance: a government where the highest leaders serve as living examples of a reawakened sense of right and wrong, a shared and collective belief that doing the right thing does not only make sense morally, but translates into economic value, and public institutions rebuilt on the strong solidarity of the society and its communities.

Six sectoral concerns of the 16-point agenda of the Social Contract where changes would be instituted recognized the role of good governance in the pursuit of these priorities, namely:

A Commitment to Transformational Leadership

1. From a President who tolerates corruption to a President who is the nation’s first and most determined fighter of corruption;
2. From treating health as just another area for political patronage to recognizing the advancement and protection of public health... as key measures of good governance;
3. From justice that money and connections can buy to a truly impartial system of institutions that deliver justice to rich or poor;

Economy

4. From government policies influenced by well-connected private interests to a leadership that executes all the laws of the land with impartiality and decisiveness;

Government Service

5. From Presidential appointees chosen mainly out of political accommodation to discerning selection based on integrity, competence and performance in serving the public good; and
6. From demoralized but dedicated civil servants, military and police personnel destined for failure and frustration due to inadequate operational support, to professional, motivated and energized bureaucracies with adequate means to perform their public service missions. (*Social Contract of the Filipino People*)

All the executive issuances and other official government documents during PNoy’s administration such as the Philippine Development Plan (PDP) 2011-2016 directly referred to the pursuit of these priority agenda as enunciated in the Social Contract and translated it into more concrete and doable plans, programs and projects. PDP 2011-2016 acknowledged that good governance and anti-corruption served as the overarching theme of each and every intervention indicated in the document.

MEANING OF GOOD GOVERNANCE

The need to define good governance as used in this assessment is in order for at least two major reasons. One is good governance is one of the most discussed concepts and therefore meanings and definitions abound. Second, this assessment subscribes to the view that good governance is not an end in itself, but rather a means to achieve the goals and priorities of an organization or, in the case of a government, the development goals of a country. Thus, it assumes that the accomplishments of the PNoy administration were a result of good governance.

The administration's "*daang matuwid*" slogan did not pertain only to the President's anti-corruption campaign but "also encompasses a way of doing things right, where the process is participatory, the programs are wholistic, growth is sustained, the peace policy is comprehensive and development is sustainable" (Generalao, 2015).

The Organisation for Economic Co-operation and Development (OECD) defines good governance as management of government that is free from abuse of power and corruption (OECD website). This is consistent with the Philippine definition where good governance is equated to responsible use of authority, and clean and honest government, free of corruption.

The many attempts and various ways to define good governance, especially by the international organizations and development partners (e.g., United Nations Development Programme [UNDP], World Bank [WB], International Monetary Fund [IMF], Asian Development Bank [ADB], UN Economic and Social Commission for Asia and the Pacific, UN Commission on Human Rights [UN-CHR], OECD) point to at least eight major characteristics or elements of good governance, namely: (1) adherence to the rule of law, (2) transparency, (3) responsiveness, (4) consensus orientation, (5) equity and inclusiveness, (6) effectiveness and efficiency, (7) accountability, and (8) participation.

The extent of the achievement of the five specific goals to be pursued by the Cabinet Cluster on Good Governance and Corruption created under Executive Order (EO) 43, s. 2011 ("Pursuing Our Social Contract with the Filipino People through the Reorganization of the Cabinet Clusters") was assessed. The primary function of this Cluster was to promote transparency, accountability, participatory governance, and to strengthen public institutions. It is also tasked to regain the trust and confidence of the public in government. The Cluster was to pursue the following specific goals:

1. uphold transparency in government and our commitment to combating graft and corruption;
2. strengthen the capacity of government institutions to link their respective budgets with performance outcomes and to cultivate enable citizens and civil society to monitor and evaluate these;
3. a professional, motivated and energized bureaucracy with adequate means to perform their public service missions;
4. improve public sector asset and resource management and revenue performance; and
5. establish an improved policy and regulatory environment that will reduce the cost of doing business in the country and improve competition. (EO 43, s.2011).

METHODOLOGY

The PNoy administration was therefore evaluated based on the extent by which these eight elements of good governance had been promoted and enhanced. The bases of assessment were:

First, the major initiatives that promoted the good governance elements through the policies enacted and decisions made; in its plans, programs and projects; processes, systems and procedures; and organizational changes. For this purpose, government documents such as Republic Acts (RAs) and other congressional initiatives, executive issuances, PDPs, state of the nation address (SONA) technical reports, socioeconomic reports, Presidential speeches, and court decisions, among others, were reviewed. To the extent possible, accomplishments directly attributed to these reform initiatives were included. Initiatives of the Cabinet Cluster on Good Governance and Anti-Corruption were highlighted as it also served as the government's overall good governance and anti-corruption accomplishments. Results of the anti-corruption campaign were also highlighted. Policy pronouncements and initiatives that were not implemented or acted upon were also covered. Challenges that constrained the carrying out of these initiatives were identified.

Second, the government's assessment was validated by the assessment made by the different groups/sectors of the society, which included:

- a. incoming Duterte administration through in its PDP 2017-2022;
- b. academicians in separate forums conducted by two units of the University of the Philippines (UP)—the Center for Integrative and Development Studies (CIDS) and NCPAG
- c. two civil society organizations (CSOs)—the Movement for Good Governance and Ibon Foundation
- d. media and social media, represented by Rappler.com, Inquirer.net, TheGuidon.com, and Twitter
- e. international organizations/development partners, through the ranking of the Philippines in international surveys on good governance (e.g., Corruption Perception Index, World Governance index).

Finally, general findings and conclusion on the performance of the PNoy administration based on these assessments was made.

STATE OF GOVERNANCE WHEN THE PNOY ADMINISTRATION TOOK OVER IN 2010

In an attempt to present a balanced and objective perspective, the state of governance under the Arroyo administration was based on the assessments presented by Arroyo (which, for obvious reasons, was a positive one) and by the PNoy administration upon his assumption as President (which is very critical of the past administration). The observations of Rood (2010) of the Asia Foundation and the World Bank were also included.

President Arroyo, who was then vice-president, came into power as a result of EDSA People Power II, which ousted President Estrada on charges of corruption. She served the unfinished term of Estrada from 2001-2004. Her term as a duly elected President which started in 2004 was hounded by controversies that eroded her integrity and credibility—from the Hello Garci incident which forced her to make a public apology to charges of corruption, even involving the First Gentleman, such as the ZTE-NBN deal with China.

At the end of her nine-year administration in 2010, President Arroyo proclaimed that she was turning over to her successors a stronger and healthier nation. She claimed of having made the national economy far stronger than when she found it at the start of her term in 2001. Gross national product (GNP) growth posted during her administration rose from 6.1% in 2006 to 8.0% in 2007, for an average of 5.4% growth. She attributed the sustained growth to world-class infrastructure, a stable fiscal order, and stronger public institutions that her administration has set. She expected that the gains made during her watch will continue to benefit many generations to come (Jurado & Olivar, 2010, Foreword). President Arroyo attributed the strong economy to the hallmark of good leadership that “[stood] firm ... against the headwinds of resistance posed by the forces of special interests and those who benefited from the status quo when it came to [our] fight for fundamental economic and fiscal reforms” (Jurado & Olivar, 2010, Foreword). In her ten-point agenda, otherwise called BEAT THE ODDS¹, only budget reforms directly relate to good governance. Institutionalizing good governance was one of the areas of accomplishment under budget. Anti-corruption was one of the thrusts of her government (PDP 2004-2010) and the transformation of the bureaucracy into “an efficient institution capable of delivering the basic services needed to spur growth and eradicate social disparities” (Velasco & Saludo, 2010, p. 234).

Among the reforms in the budget process were the adoption of the medium-term expenditure framework (MTEF) complemented by the sectoral effectiveness and efficiency review (SEER), the goal of which was to increase discipline; the organizational performance indicator framework (OPIF) and stricter government procurement; use of information and communication technology in the Bureau of Internal Revenue (BIR) and Bureau of Customs (BOC) to track down tax evaders and help eliminate corruption; doubled budget of the Presidential Anti-Graft Commission (PAGC); and the rationalization of the bureaucracy (Velasco & Saludo, 2010). Notable reforms in the BIR consisted of the 3Rs: Revenue Integrity Protection Service (RIPS), Run After Tax Evaders (RATE) and Run After Smugglers (RATS). A system of rewards and incentives for revenue and customs officials and employees who reach their target revenue collections was instituted under RA 9335 (Jurado & Olivar, 2010; Velasco & Saludo, 2010).

President Aquino took over the helm of the country from President Arroyo, who dominated the political scene for almost a decade (2001-2010). Under PNoy's administration, she was charged with plunder for alleged misuse of Php366 million of Philippine Charity Sweepstakes Office's (PCSO) intelligence funds from 2008-2010, and was placed under hospital arrest. She was acquitted by the Supreme Court in July 2016.

President Aquino was very critical of the Arroyo administration. In his Social Contract with the Filipino People, he attributed the worst possible governance problems to characterize Arroyo's term: (a) national leadership's legitimacy was in question; (b) it persecuted those who expose the truth about its illegitimacy and corruption; (c) it stayed in power by corrupting individuals and institutions; (d) confused the people with half-truths and outright lies; (e) rewarded, rather than punished, wrongdoing; (f) offered no lasting solutions for the many problems of the country; (g) weakened the democratic institutions that hold our leaders accountable; (h) hindered local governments from delivering basic services; and (i) had no vision of governance beyond political survival and self-enrichment. Political instability, corruption, inefficient government bureaucracy and weak rule of law characterized the state of governance when he became President (Philippine Development Plan 2011-2016, Chapter 7). As mentioned earlier, these problems became the object and bases of reforms of his administration.

1 BEAT THE ODDS stands for : Budget Reforms, Ensuring education for everyone of school age, Automating elections, transportation and digital infra, Terminating hostilities with armed rebel groups, Healing the wounds of EDSA, Electricity and water provision, Opening up opportunities for employment, Decongesting Metro Manila, Developing Subic-Clark corridor.

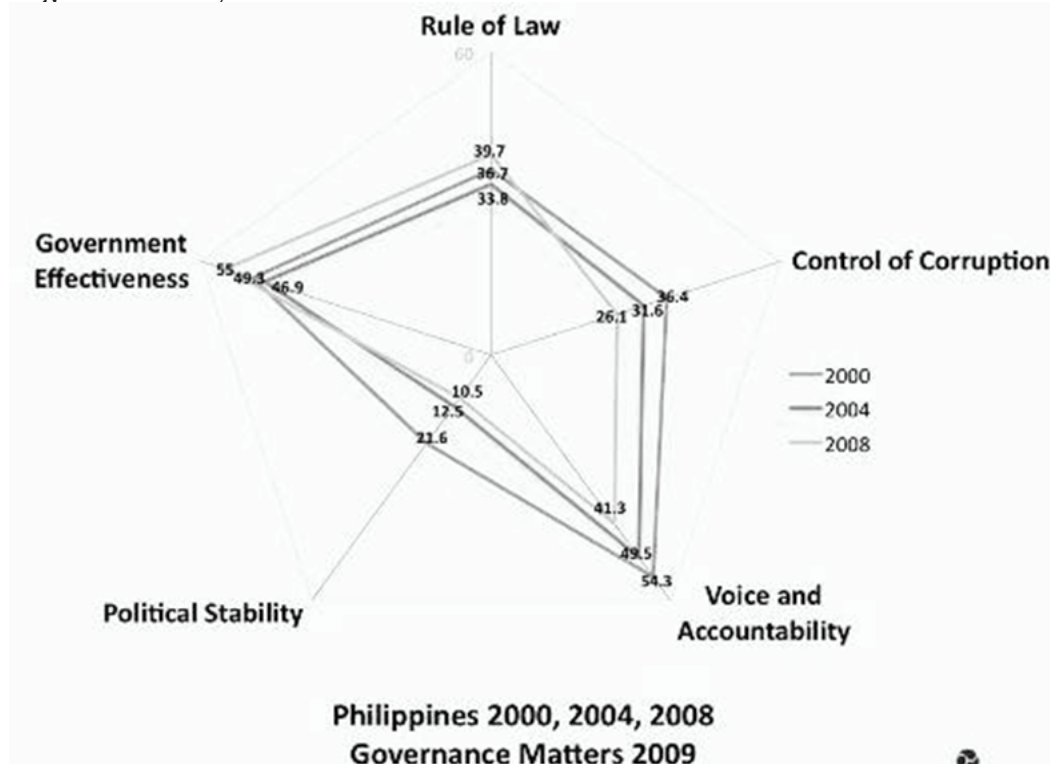
Rood (2010) presented a mixed characterization of the Arroyo administration in his assessment of its legacy. He articulated the paradoxes and contradictions posed by the absence of good governance resulting in positive gains.

Using the net satisfaction ratings of Philippine Presidents from Cory Aquino to Arroyo based on SWS surveys, the conclusion was that “Her popularity (as measured by periodic citizen surveys) subsequently plumbed to depths never before reached in Philippine politics, and has consistently remained low for five years” (Rood, 2010, para. 1). Arroyo obtained the lowest among the four Presidents, even lower than Estrada, at -38 in 2007.

Rood (2010) cited the results of discussions during the Association for Asian Studies (AAS) 2010 Conference in March 2010. Panel chair David Timberman outlined four contrasts in Arroyo’s legacy: (1) contested legitimacy and unpopularity (as measured in opinion surveys); (2) continued defensiveness of the administration in the face of these attacks versus the success in making policy; (3) effective wielding of presidential powers with the marginalization of other potential policymakers; and (4) lack of significant new investment or jobs in the Philippines and prevailing poverty despite sustained gross domestic product (GDP) growth.

These contradictions were reflected in the overall World Governance indicators that showed the decidedly mixed Arroyo legacy. Between 2000 and 2008, there was a steady increase in government effectiveness and rule of law (under the consistent leadership of three successive chief justices), and at the same time, a steady decline in political stability, voice and accountability, and control of corruption (Figure II.1).

Figure II.1. Arroyo Administration’s Performance in the World Governance Indicators



Source: Rood (2010)

These foregoing assessments of the Arroyo administration painted a picture of governance and anti-corruption that needed to be improved.

MAJOR REFORMS INTRODUCED/IMPLEMENTED BY THE PNOY ADMINISTRATION

In his last SONA in 2015 (2015 SONA Technical Report), PNoy again referred to the sorry state of governance and massive corruption when he assumed office in 2010. He reiterated that it would be through honest and effective governance that inclusive growth would be achieved. One of the areas he mentioned where significant reforms were instituted by his government was in the bureaucracy in order to restore the public’s trust in its institutions and create a climate of confidence and optimism. The same major reforms were also cited in the 2015 Socioeconomic Report.

He reported that transparent, accountable and participatory governance was achieved through the following initiatives:

- a. *Institutionalization of public accountability* by improving processes and mechanisms and by relentlessly pursuing those who betrayed public trust for personal gain. These include:
 1. **Reforming the budget process** that made it possible for the administration to submit the proposed annual national budget early for Congress approval on time, a marked departure from delayed and/or re-enacted budgets of the past. This ensured transparency and limited the discretion of the executive in using public funds. The General Appropriations Act (GAA)-as-release-document policy implemented since 2014 enabled the proper implementation of government programs and projects within the set timeline, thereby avoiding costly delays.
 2. **Intensifying the fight against graft and corruption** by holding public officials to the highest standards of integrity and accountability in the use of public funds, regardless of position, wealth or status. Plunder and graft cases were pursued against erring government officials which included a former president and three senators implicated in the alleged priority development assistance fund (PDAF) misuse. A former Supreme Court Chief Justice was impeached for betrayal of public trust and culpable violation of the Constitution, while a former Ombudsman resigned from her post after Congress voted to impeach her for alleged betrayal of public trust. Since 2010, 710 cases have been filed against tax evaders, smugglers, and erring government officials and employees.

His government also focused on reforming institutions long considered as breeding ground of corruption, such as the Bureau of Customs (BOC), BIR, and Department of Public Works and Highways (DPWH), through programs such as Tax Watch Campaign, which made public through the media tax information on key products and tax compliance of corporations and professionals. These anti-corruption and transparency efforts in revenue generating agencies greatly increased tax collection as a percentage of GDP from 12.1% in 2010 to 13.6% in 2014 or a Php156.6 billion average annual increase in tax collections.

The DPWH continued to use the 5Rs (right projects, right cost, right quality, right people, and right-on-time project implementation) approach in identifying and procuring projects. This has resulted in the reduction of bidding requirements from 20 to five documents, curbing of collusion among bidders, and the piloting of the e-bidding system in the central office. The increased competition realized savings amounting to Php48.55 billion.

In an effort to reform the government corporate sector by checking past excesses and financial mismanagement, the Government-owned or controlled corporations (GOCC) Governance Act (RA 10149) was enacted, creating the Governance Commission for GOCCs, an oversight and policymaking body for the sector. Among the reforms instituted by the GCG was the professionalization of board governance, stopping of the granting of allowances and bonuses to GOCC boards without prior approval from the Office of the President, and incentives and bonuses based on performance with the use of the performance evaluation system to appointive directors. The rationalization of the sector through abolition, privatization and deactivation of poor or nonperforming GOCCs resulted in the reduction of the number of GOCCs from 140 in 2011 to 102 in 2015. There was also a significant increase in the total GOCC dividends remitted, from Php127.51 billion collected from 1995 to mid-2010 to Php131.86 billion collected from July 2010 to June 2015. The overall profitability of the entire sector also improved. Dividend contribution to non-tax revenues almost doubled. All these significantly contributed to the overall government revenue generation effort.

3. **Institutionalizing good governance practices** by incentivizing good performance. Using the Seal of Good Housekeeping as basis, rewards were granted to LGUs with exemplary performance in internal housekeeping, particularly in fiscal management. It was later on expanded as the Seal of Good Local Governance to include business friendliness, disaster preparedness, social protection and effective peace and order policies in the assessment criteria. Access to assistance of awardees coming from the Performance Challenge Fund enabled LGUs to start business and economic enterprises in their locality. Public disclosure of their respective financial transactions was also made through the Full Disclosure Policy.

4. **Professionalizing and motivating the civil service** through a merit/performance-based program that recognizes and rewards exemplary performance of government employees under the performance-based incentive system. Agencies were rewarded based on their accomplishment of overall commitments and targets, and their compliance with good governance requirements that include disclosure of financial transactions, budget utilization and program and project implementation in their websites under the Transparency Seal program; posting of Citizen's Charter; and posting of bidding in the PhilGEPS for government requirements. Launched in 2012, the performance-based bonus (PBB) ultimately aims to improve the delivery of goods and services to all Filipinos, as well as to institute a culture of fairness and excellence in the bureaucracy.

A World Bank study on the PBB implementation affirmed that it improved management practices in government offices and encouraged managers to foster teamwork, be more diligent in setting performance targets and in monitoring accomplishments, and work on building trust within the unit (2015 SONA Technical Report).

5. **Enforcing frontline and regulatory processes** by simplifying start-up business processes to help ease of doing business in the country. Processing of application was reduced from four to five days to only 30 minutes.

Other reforms introduced include the Integrated Business Registration System of the Securities and Exchange Commission (SEC) that reduced the procedures from 16 to six steps and shortened incorporation period from 34 to a maximum of eight days; the business permits and licensing systems adopted by at least 83% of LGUs that reduced the approving signatories to at most five, resulting in the shortening of the process from one to three months to one to three days; the Regulatory Simplification for Local Governments Project, which provides standards for business applications and renewals as well as for costs/fees and processes for required government applications across LGUs; and the BIR's electronic certificate authorizing registration (e-CAR) that simplified the property registration process resulting in reduction of processing time from 14 to five to ten days and at the same time addressing issues of under or lack of payment and forgery of transfer certificates.

b. Upholding transparency and citizen engagement in government by:

1. **Engaging the public through the CSOs** in government affairs through the bottom-up-budgeting (BUB). CSOs helped in determining the needed services at the grassroots level. This reform received the Gold Medal during the inaugural Open Government Partnership Awards in 2014 at the UN Headquarters in New York.

Under the enhanced *Kapit-Bisig Laban sa Kahirapan*-Comprehensive and Integrated Delivery of Social Services (KALAHY-CIDSS), poor communities were trained to design, implement and manage local projects that they themselves identified, thereby strengthening their participation in local governance. A World Bank impact evaluation of the KALAHY-CIDSS revealed that its road improvement and livelihood projects reduced transportation and production costs and opened business and employment opportunities. An increase of about 12% in the per capita consumption of the poor households in KALAHY-CIDSS areas was recorded. Its success led to its expansion into the National Community-Driven Development Project in 2014, increasing community beneficiaries from 48 to 58 poorest provinces comprised of 847 municipalities.

The citizens participatory audit (CPA) which was launched in 2014 features the conduct of joint audits by Commission on Audit (COA) and CSOs of selected infrastructure projects, including the setting-up of systems, tools, and processes to institutionalize participatory audit. Three of the four pilot audits have already been completed (DPWH CAMANAVA Flood Control Project, Marikina Health Center, Quezon City Solid Waste Management Program).

2. **Enhancing public access to government information using technology.** Available in the agency websites is a wide range of documents and data. The National Government Portal (www.gov.ph) launched in 2010 serves as the premier platform for publishing official government documents, statements and public pronouncements and the institutional memory of the country, in conjunction with the Presidential Museum and Library website (www.malacanang.gov.ph). Another website, the Open Data Portal (data.gov.ph)

launched in 2014 also provides access to government information databases of various government agencies. The expansion and increased use of the PhilGEPS online portal increased government savings from Php29.93 million in 2010 to Php65.17 million in 2014 on newspaper advertisements alone.

3. **Strengthening control and accountability in government operations** through the establishments of the Treasury Single Account in 2013 that enabled the government to consolidate the bank accounts of national government agencies (NGAs) and selected GOCCs, allowing the government to better manage and monitor its funds and debt, facilitate more accurate accounting and reduce transaction cost while increasing interest earned. The piloting of the cashless purchase card system in the Department of Budget and Management (DBM) and Department of National Defense (DND) eliminated petty cash advances and payments during procurement and recorded transactions in realtime on a secure web-based platform.

Good Governance Cluster Status Report

The status report of the Good Governance Cluster Plan also reported favorable marks on the good governance initiatives of the PNoy administration. The Plan contains 30 key initiatives that aim to curb corruption, improve the delivery of public services especially to the poor, and enhance the business and economic environment. Of these key initiatives, 24 were given the on-time implementation status and a good performance rating, having met 75-100% of the milestones/key performance indicators (KPIs). Additional initiatives not cited in the 2015 SONA of the President but were given “good performance” rating were the anti-red tape program, citizen satisfaction index system, monitoring and evaluation of government services, and the cabinet performance pledge.

Only three initiatives suffered from delayed implementation (for three months or less), posting an Average Performance, equivalent to 50-75% achievement of milestones/KPIs. These included the PhilGEPS software modernization, strengthening of the budget and treasury management system, and the Bureau of Customs Reform Project. Only two programs, the Comprehensive Human Resource Information System - National Payroll System and the Medium-Term ICT Harmonization Initiative, received a Poor Performance rating (less than 50% of Milestones/KPIs achieved) due to their very delayed implementation (for more than 3 months).

In addition, joint initiatives under the third Philippine Open Government Partnership (OGP) national action plan consists of 12 commitments that will take on the OGP Grand Challenges of increasing public integrity, more effectively managing public resources, improving public services, and increasing corporate accountability. One unique feature of the new plan is the inclusion of commitments not only from the government but also from the civil society and the private sector.

The Cabinet Cluster on Good Governance took pride in the passage of four major legislations, one of which was RA 10149 passed in 2011, creating the Governance Commission for GOCCs (GCG). It aimed to curb excesses in the sector and ensure that GOCCs are managed in a transparent, responsible, and accountable manner, with the utmost degree of professionalism and effectiveness. More specifically, the creation of a governing body for the corporate government sector sought to promote financial viability and fiscal discipline among GOCCs and in the process strengthen the role of the state in the governance and management of the sector to ensure its responsiveness to the needs of the people.

Three other laws were enacted to strengthen the country’s fight against transnational criminality and terrorism, namely:

1. *Ex parte* application of court order, which grants the Anti-Money Laundering Council authority to undertake *ex parte* inquiry into suspicious financial transactions after securing court approval without the need to inform the suspects;
2. Republic Act 10365, which amended the Anti-Money Laundering Act to include the list of covered institutions and transactions; and
3. Terrorist Financing Suspension Act of 2012, which that defined the crime of terrorism financing.

ALTERNATIVE ASSESSMENTS

There were mixed assessments of the state of governance under the PNoy administration, but it can generally be characterized as positive, except that of the Ibon Foundation. These assessments include the present Duterte administration, the academe represented by two UP units, that is, the Center for Integrative Development Studies (CIDS) and the National College of Public Administration and Governance (NCPAG), media and social media, CSOs and development partners.

Duterte Administration's Assessment

The assessment of PNoy's contributions to the overall positive performance of the country by the Duterte administration was a favorable one. Good governance was given special credit for these. According to the PDP 2017-2022:

Since embarking on a program of inclusive growth and poverty reduction under the Philippine Development Plan 2011-2016, the Philippines has gradually transformed from being the economic laggard in Asia to one of the region's best-performing economies.

Sustaining growth at the rate of 6.3 % during the previous plan period, the economy is now clearly on a higher growth trajectory. Strong macroeconomic fundamentals have steeled it against disruptions caused by natural calamities and the global business cycle. The larger fiscal space created has enabled government to support the provision of public goods and services, stimulate private ventures, finance social programs to reduce poverty, and widen economic opportunities for the citizenry. These gains, combined with maintaining a low and stable inflation environment, have contributed to the significant decline in income poverty during the previous Plan period.

Moreover, the emphasis on good governance and respect for the rule of law has paid off with the unprecedented level of confidence accorded by the international community on the country as a travel and investment destination, and the generally stable political environment that has been conducive to sustained economic growth and peaceful political transitions. (p. 1-1)

In its PDP 2017-2022, the present administration of President Duterte duly recognized the "significant achievements" (NEDA, 2017a, p. 5-1) of the PNoy administration in terms of its PDP 2011-2016, which focused on increasing transparency, citizen's participation, and accountability. It cited the improving ranking of the Philippines in most global indicators including the Worldwide Governance Indicators, Corruption Performance Index (CPI), Economic Freedom Index (EFI), Global Competitiveness Index (GCI), and Ease of Doing Business (EODB).

But the present administration concluded that much needs to be followed through. Amidst improving ranking and recognition from international award-giving bodies, it still ranked lower than most of its ASEAN neighbors. It gave as an example the inconsistent performance of the Philippines in the Worldwide Governance Indicators in 2015, notably on the control of corruption. The country met and even exceeded the end of plan (EOP) target for voice and accountability ($\geq 50\%$) but did not meet the targets for other core indicators under governance. But compared to past percentile rankings, it rose steadily over the past six years, indicating effectiveness of governance reforms. This boosted the country's ranking higher than most ASEAN countries in voice and accountability (NEDA, 2017a).

The Duterte administration acknowledges the soundness of the governance reforms and declared that Duterte will continue these reforms. The challenge in continuing these reforms is how to strengthen the system in order to sustain or even surpass past achievements. The administration will aim to translate these reforms in terms of making frontline government services more accessible, efficient and effective at all levels by further reducing requirements, processing time, and the signatories for the transactions.

According to the Ease of Doing Business Report, it takes 28 days to secure a business permit. This is almost the opposite of the significant improvements on the ease of doing business in the country reported by the PNoy administration. The citizens also complained of difficulty in accessing basic services such as getting driver's licenses and passports (NEDA, 2017a). To address this, President Duterte issued a directive to reduce it to three days.

Academe

Two UP institutions—NCPAG and CIDS—conducted their respective fora where academicians, government officials and reactors presented their assessments of the Pnoy administration's good governance reforms.

The efforts of PNoy to institutionalize transparent, accountable and participatory governance was duly recognized and appreciated in a preliminary mid-term assessment (2010-2014) presented by Prof. Maileenita Peñalba of UP Baguio during a series of discussion-forums conducted by the UP-CIDS. Her overall assessment was that the administration values and therefore continues to seek the consent of the governed by establishing a government that is participatory and trustworthy (Peñalba, 2016). She described the PNoy administration as “a government that exerts effort to fulfill a duty, a government that [she] can call at the very least decent” (p. 7). She also noted that there was no more “wang-wang” in the streets and that a simple thing done such as this could lead to great things.

She based her assessment on the official pronouncements of President Aquino and the notable accomplishments reported in the SONA Technical Reports. For example, she cited the 2011 SONA Technical Report saying that “there was an increasing civil society participation in governance through the implementation of the participatory budgeting, forging an integrity pact between government and the private sector, a memorandum of agreement (MOA) with civil society groups and non-government organizations (NGOs) on the conditional cash transfer (CCT) Program, and the CSO participation in monitoring infrastructure projects” (Peñalba, 2016, p. 3). She singled out the revisions made by the Aquino administration on the free, prior and informed consent (FPIC) legally enshrined as an integral part of indigenous people’s (IPs) right to self-determination under the Indigenous People’s Rights Act of 1997. It gave the IPs greater control over the process that would ensure the exercise of their right to self-determination and cultural integrity. The FPIC is a framework for participatory governance (Peñalba, 2016, p. 6).

The assessment of the good governance initiatives in the NCPAG forum was done by the DBM, representing the government, while the alternative assessment was done by former DBM Secretary and UP Professor Benjamin Diokno.

Prof. Diokno based his assessment on what PNoy administration had done and not done and the policy outcomes of his acts of commission and omission. His review focused on the fiscal performance of Aquino but those related to good governance will be discussed here. His assessment was critical of the policies and decisions of the administration.

He cited the following acts of commission:

- DAP as a usurpation of the congressional power of the purse and a Php45 billion mistake should not go unpunished
- BUB is another form of political patronage which even made local authorities depend on Malacanang
- Underspending due to poor budget preparation and incompetence

He contended that early approval of the budget is a necessary but not a sufficient condition for early implementation.

The major acts of omission consisted of:

- Failure to pass the FOI and the Fiscal Responsibility bills
- Failure to pass the performance-based budgeting system, which includes the medium-term expenditure framework and the organizational performance indicators framework, which would require legislation for institutionalization and sustainability
- Failure to pass the proposal to limit the power of the President to impound appropriations.

Media/Social Media

1. Rappler.com

Rappler, an online news site based in the Philippines, assessed the extent by which the Aquino administration has delivered its promises to promote good governance in his last year in office. Rappler divided the 16 points of his *Social Contract* into seven clusters – corruption, economy, poverty, justice, overseas Filipino workers, peace and order, and environment. The focus of the discussion will be on corruption.

Its overall assessment was that it “still has a lot to do to deliver on his promises in his 2010 campaign” (Table II.1).

Table II.1. Extent by which PNoy Administration Delivered his Campaign Promises on Corruption

Promise	Delivered	Not delivered	Mixed/partially delivered
<i>From a president who tolerates corruption to a president who is the nation's first and most determined fighter of corruption</i>	Aquino walked the talk in terms of the impeachment of former chief justice Renato Corona, one of the so-called midnight appointees of Arroyo; filed plunder case against former President Arroyo and had her under hospital arrest; o the alleged pork barrel queen Janet Lim Napoles is now in prison. Opposition Senators Juan Ponce Enrile, Ramon "Bong" Revilla, and Jinggoy Estrada are also in jail for alleged misuse of their funds coursed through non-existent or bogus non-governmental organizations of Napoles.	No one has been convicted yet. Priority development assistance fund (PDAF) was nullified by the SC in 2013.	
<i>From Presidential appointees chosen mainly out of political accommodation to discerning selection based on integrity, competence and performance in serving the public good</i>	The President has exhibited political will in the cases of Arroyo, Corona, and the highly controversial Reproductive Health and Sin Tax Reform laws.	<p>His administration had to contend with corruption issues.</p> <ul style="list-style-type: none"> - Alleged link of some of his allies to the misuse of their pork barrel. Most of these administration senators remain untouched, with only former Customs chief Ruffy Biazon charged with malversation. -The Development Acceleration Program (DAP), which critics called the President's pork barrel was abolished per the ruling of the Supreme Court. - Transparency of the budget. It was alleged that the DAP-funded projects posted by the DBM on its website DAP was incomplete and unclear since there were unspecified projects and those identified only as "various infrastructure projects" and "various (women) empowerment programs." - Wide-scale corruption at the Bureau of Corrections which was shown in the extent of freedom and luxuries enjoyed by wealthy criminals inside their prison cells. The usual solution was to relieve prison officials, appoint new heads, and conduct investigations, but the problem persisted. - Aquino questioned the appointees of Arroyo, especially those midnight appointments done during the ban, but he himself had questionable appointments as well. The term KKK or "kaibigan (friend), <i>kaklase (classmate), kabaliran (shooting buddies)</i>" was coined during the start of his term, following his appointment of 	He has to flex his muscles some more in the case of the Freedom of Information bill, which continues to languish in the administration-controlled Congress.

Promise	Delivered	Not delivered	Mixed/partially delivered
		<p>friends to government posts.</p> <p>-Aside from the multi-million-peso corruption allegations against him, ex-PNP Chief Allan Purisima was questioned for his involvement in the Mamasapano incident while under suspension as PNP chief. Despite calls for him to do so, Aquino refused to sack his long-time ally. It took the Office of the Ombudsman to act on it.</p>	
<p><i>From justice that money and connections can buy to a truly impartial system of institutions that deliver equal justice to rich or poor</i></p>		<p>Non-resolution of the Maguindanao massacre case</p> <p>- The case moved so slowly that the prime suspect Andal Ampatuan Sr died even before getting a sentence.</p> <p>-Ampatuan's son released after posting Php 12M bail</p>	undelivered
<p><i>From demoralized but dedicated civil servants, military and police personnel destined for failure and frustration due to inadequate operational support to professional, motivated and energized bureaucracies with adequate means to perform their public service missions (under peace and order)</i></p>		<p>The bungled rescue operation of the Philippine security forces during the Manila hostage crisis, when a disgruntled police officer hijacked a tourist bus in Manila, killed eight Hong Kong nationals and wounded seven.</p> <p>The Philippine and Hong Kong governments both concluded that local officials erred in the handling of the situation. The Hong Kong government issued a "black" travel alert for the Philippines. Amid the demands of the HK government, Aquino refused to apologize, even until four years after when the two countries reconciled.</p> <p>The crisis highlighted two problems: 1) the deficiencies in training and operational support of local security forces; and 2) corruption and arbitrary undertakings in the government. Seven months after the incident, Malacañang's investigation revealed that there was unjustified delay in the resolution of the suspect's appeal on his dismissal from police service. The suspect alleged he was asked Php 150,000 for the speedy disposal of his case.</p>	

Source: Elemia (2015a, 2015b)

2. *Inquirer.com*

The Philippine Daily Inquirer developed the Inquirer Report Card to ascertain whether or not PNoy has kept his 2010-2015 SONA promises. Of the 15 sectors identified, His administration kept its promises in five sectors, namely: doing business, energy, poverty incidence, disaster management, Metro Manila flooding and national security. It has not yet kept its SONA promises in three areas: agriculture, peace and justice, and extra-judicial killings. Governance, together with transportation, education, health, agrarian reform, and passing important bills and legislations has promises that are both kept and not yet kept.

Table II.2. Inquirer Report Card: Has Aquino Kept His 2010-2015 SONA Promises?

	Kept	Not Yet Kept
<i>Doing business</i>	•	
<i>Agriculture</i>		•
<i>Energy</i>	•	
<i>Transportation</i>	•	•
<i>Poverty incidence</i>	•	
<i>Disaster management</i>	•	
<i>Governance</i>	•	•
<i>Education</i>	•	•
<i>Health</i>	•	•
<i>Metro Manila flooding</i>	•	
<i>Agrarian reform</i>	•	•
<i>Passing important bills and legislative agenda</i>	•	•
<i>National security</i>	•	
<i>Peace and justice</i>		•
<i>Extrajudicial killings</i>		•

Source: *Inquirer.net* (2015)

**Table II.3. Kept/Unkept Promises
(Legislation, Doing business, Agriculture and Energy)**

Promises	Delivered	Not delivered
Priority legislations		<p>Little progress of priority legislations</p> <ul style="list-style-type: none"> - proposed <i>Whistle-blowers Protection Law and Witness Protection Act amendments</i> are waiting to be calendared and debated on the plenary floor. - controversial <i>Freedom of Information (FOI) bill</i>, technically not a priority measure, as Aquino never officially asked the Congress for it. But these two bills were included in his first SONA. A congressman said that if this were a priority bill, the 16th Congress should find no difficulty in passing it.

Promises	Delivered	Not delivered
Doing business	<p>Made good on its promise to streamline registration processes as part of its efforts to ease doing business in the country and boost its position as a more attractive investment destination in the region.</p> <p>1. <i>Electronic business name registration system (EBNRS)</i>, one of the DTI's anti-rap initiatives in line with the government's policy of streamlining the bureaucratic processes and curbing corruption in the frontline agencies.</p> <p>Results:</p> <ul style="list-style-type: none"> -application for a business name through the EBNRS takes only 15 minutes and requires a one-page application form and one signature, drastically improving the process by cutting the length of time, and the number of documents and signatures required to register a business name. -entrepreneurs can get their DTI business name registration certificate in less than 30 minutes <p>2. <i>One stop shop Philippine Business Registry (PBR)</i> to link the EBNRS with the registration processes of other line agencies, such as the BIR, Social Security System (SSS), Home Mutual Development Fund (Pag-IBIG Fund), Philippine Health Insurance Corp. (PhilHealth), SEC and local governments to provide seamless transactions for entrepreneurs.</p> <p>3. Electronic payment (e-payment) scheme for business name registration, as it moved to further ease the processes involved in doing business in the country. The establishment of an e-payment scheme was done in partnership with BancNet, Development Bank of the Philippines, Globe Xchange Inc., and Land Bank of the Philippines.</p> <p>4. Simplifying the process</p> <ul style="list-style-type: none"> -twelve government agencies unveiled reforms simplifying the process of starting a business to six steps and eight days, down from the previous setup requiring 16 steps and 34 days. -through an integrated system put together by the SEC, BIR, SSS, Pag-IBIG and PhilHealth, the process at the SEC now takes one day for about 80 percent of applicants. 	

Promises	Delivered	Not delivered
<i>Agriculture</i>		<p>Corruption in the agriculture sector - effort to catch greedy rice hoarders hit a snag when one trader, whose warehouse was closed following a raid by National Food Authority (NFA) and Philippine National Police (PNP) accused NFA officials of extorting from him millions of pesos to allow him to reopen his business.</p> <p>In a sworn statement submitted to the National Bureau of Investigation (NBI), businessman Soliman said then NFA Administrator Arthur Juan had told him that Php5 million each was meant for Interior Secretary Mar Roxas and Secretary Pangilinan, and another Php5 million for Juan himself. All three officials were present during the raid.</p> <p>Juan resigned in September 2014, citing health problems as the reason for his stepping down.</p>
<i>Energy</i>	<p>No widespread brownouts in Luzon</p> <p>Processing time for service contracts had been cut from two years to 45 days, particularly for renewable energy.</p> <p>According to Power Sector Assets and Liabilities Management Corp. (PSALM), privatization had helped trim down the financial obligations assumed from Napocor by 42 % to Php698.9 billion as of end-2014 from Php1.2 trillion as of end-December 2000 (inclusive of interest).</p>	<p>Unresolved issues</p> <p>On Luzon's electricity price shock in late 2013, the Department of Energy (DOE) said it had done "everything that needed to be done." It is now up to the Energy Regulatory Commission to resolve the issue and put it to rest.</p> <p>The bidding of new oil exploration sites did not make headway given the hit taken by oil firms from soft demand since 2014, as well as geopolitical issues in the oil-and-gas-rich West Philippine Sea, is. Few investors applied for such areas, raising concerns on new investments in the sector.</p> <p>Ongoing is the privatization of the assets of National Power Corporation (Napocor) so it can pay off its debts and restore its financial health</p>

Sources: Yap, (2015,); *Inquirer.net* (2015a)

Table II.4. Kept/Unkept Promises - Governance

Promises	Delivered	Not delivered
<p>Eight promises to prosecute the corrupt in the government, comprising more than half of his 13 governance promises</p> <p>Prosecute the corrupt and file weekly cases against tax evaders and smugglers</p>	<p>As of Dec. 31, 2014, the BIR had filed 327 cases (against the target of 234 cases for the period), with taxes due estimated at Php64.98 billion. Adding to these are 170 cases (still below the weekly target), with total taxes due amounting to Php26 billion.</p> <p>As of June 2014, 101 cases had been filed against erring government officials, including BOC collectors.</p>	<p>For all three campaigns (RATE of the BIR, RATS of the BOC and RIPS of the Department of Finance [DOF]), there had been very low conviction rates. For example, of the 327 tax evasion cases, 98 percent were pending (283 at the Department of Justice [DOJ] and 39 in the courts) as of December 2014. Five cases were dismissed.</p> <p>Lingayen-Dagupan Archbishop Emeritus Oscar Cruz named administration officials believed to be receiving bribes from operators of</p>

Promises	Delivered	Not delivered
<p>(SONA 2010); prosecute and imprison Customs officials involved in smuggling and illegal practices (SONA 2014)</p> <p>End the culture of <i>wang-wang</i> and continue to hold accountable those who practice the culture of entitlement (SONA 2011) and file the government's first major case against the corrupt officials and their accomplices (2011)</p>	<p>Appointment in 2010 of former Commission on Human Rights Chair Leila de Lima as justice secretary was hailed because the justice portfolio was considered crucial in the fight against corruption.</p> <p>High-profile cases:</p> <ul style="list-style-type: none"> - Former President Gloria Macapagal-Arroyo and former Commission on Elections Chair Benjamin Abalos Sr. charged with election sabotage. - Plunder charges filed against Arroyo and officials of the Philippine Charity Sweepstakes Office (PCSO) and Commission on Audit over the misuse of the PCSO's intelligence fund. Arroyo is still detained while Abalos is out on bail. - In September 2013, charges of plunder, malversation, bribery, graft and corrupt practices were filed in the Office of the Ombudsman against Napoles, Senators Juan Ponce Enrile, Bong Revilla and Jinggoy Estrada and 34 other people. The three senators are in jail. - An impeachment complaint was filed against former Ombudsman Merceditas Gutierrez for alleged betrayal of public trust in connection with her handling of the cases involving the fertilizer fund scam, the euro general scandal, the Mega-Pacific deal and the NBN-ZTE deal among other controversies. She was forced to resign. - Chief Justice Renato Corona was convicted and removed from office by the Senate impeachment court for betrayal of public trust and culpable violation of the Constitution, particularly for dishonesty and failure to disclose his assets. <p>Reforms to institutionalize good governance have led to improvements in the country's CPI ranking by Transparency International, a Berlin-based civil society organization engaged in fighting corruption. The Philippines' CPI moved 40 notches higher, from 134th place in 2010 to 94th in 2013.</p>	<p>jueteng, an illegal numbers game. Among the officials was one of Aquino's closest allies, Interior Undersecretary Rico E. Puno, who denied the charge but eventually resigned.</p> <p>Perceived slowness in dealing with charges against his allies, including former Land Transportation Office chief Virginia Torres and former PNP chief Alan Purisima marred an otherwise good record of quick and brave action against corruption in high places</p>
<p>Prosecute government officials involved in illegal logging (SONA 2012)</p>	<p>EO 23, which declared a nationwide moratorium on logging significantly reduced illegal logging hot spots from 197 in 2010 to 23 as of April this year. With the 88% decrease in hot spots came massive reforestation efforts that led to the increase in forest cover from 6.8 million hectares to 7.8 million hectares in four years.</p> <p>By October 2013, the Department of Environment and Natural Resources</p>	

Promises	Delivered	Not delivered
	(DENR) had fired 22 employees, among them two regional directors, while 306 personnel were under investigation. As of April this year, 1,411 illegal logging cases had been filed and 197 people had been convicted.	
Use zero-based budgeting (ZBB) to review government programs (SONA 2011)	<p>Started to use ZBB in 2010 which enabled the government to identify and terminate programs that were no longer delivering intended outcomes. The savings generated from the terminated programs were channeled to programs that were performing well and to other critical priority programs to fill gaps in education and health.</p> <p>The savings from ZBB in 2011 came up to Php12 billion. The savings became one of the sources of the “stimulus package” called the disbursement acceleration program (DAP), which was launched in October 2011 to fast-track public spending and push economic growth. The other sources, according to Budget Secretary Florencio Abad, were “unprogrammed funds,” which were “windfall revenue collections” like large dividends from government corporations and financial institutions (SSS, GSIS, Landbank, etc.), and proceeds of the sale of government assets and of new loans.</p>	<p>In June, the Supreme Court ordered the AMLC to explain its inquiry into the bank accounts of Sen. Jinggoy Estrada and his wife.</p> <p>Estrada, who is being tried in the Sandiganbayan for alleged involvement in the Php10-billion pork barrel scam, claimed that the bank accounts that were subject of the AMLC inquiry were opened before the amendment of RA 10167, which allowed ex-parte bank inquiries. Hence, he should not be covered because the law could not be applied retroactively.</p>
Pass amendments to the Anti-Money Laundering Act (SONA 2012)	<p>Three amendments were passed. RA 10167 now waives the requirement for the Anti-Money Laundering Council (AMLC) to notify suspected launderers that their bank deposits are being monitored. RA 10168 criminalizes financial support for known terrorists as a stand-alone offense (enacted in 2012), and RA 10365 requires foreign exchange establishments, real estate dealers and jewelry and precious metal dealers to report any suspicious transactions (enacted in February 2013).</p> <p>The last amendment would shield the country from being blacklisted by the International Financial Action Task Force. A blacklist could mean difficulties for overseas Filipinos sending money home, as they would be required more documentation.</p>	
Push for good governance in Autonomous Region of Muslim Mindanao (ARMM) (SONA 2011)	<p>Two objectives: search for peace in Mindanao in the long term, a clean and synchronized 2013 elections in the short term. The elections were relatively peaceful, with only six election-related violent incidents (compared with 33 and 15 incidents in the 2010 and 2007 elections, respectively) and with failure of elections declared in only one precinct, a marked improvement over previous years (failures were declared in six municipalities in 2010 and 17 municipalities in 2007).</p>	<p>The ARMM is deemed abolished and will cease to exist upon the ratification of the Bangsamoro Basic Law (BBL). Congress has still to pass the BBL.</p>

Promises	Delivered	Not delivered
	<p>A number of initiatives had been put in place in the ARMM to promote good governance:</p> <ul style="list-style-type: none"> - ensured compliance of all regional line agencies with the Transparency Seal requirements (websites to show information about respective budgets, bids, public offerings and project implementation status) - publishing of bid invitations online - professionalized selection and promotion of ARMM employees - validation of licenses of hired teachers with the Professional Regulation Commission 	
End patronage politics in the DPWH and replace it with a culture of merit (SONA 2011)	<p>Instituted reforms in the DPWH to promote 5Rs. Key to these are improved procurement procedures that reduced the requirement of bidders from 20 to five documents and the removal of the requirement to submit a letter of intent, and the pilot of electronic bidding system in the central office.</p> <p>E-bidding will reduce face-to-face interaction with bidders and thus help reduce opportunities for collusion. It is to be fully implemented in all DPWH offices in 2016.</p> <p>The DPWH also implemented the Cadet Engineering Program (CEP) in 2013. The DPWH selected 40 engineers from 197 applicants after a series of interviews and examinations and trained them for 26 weeks on technical knowledge, strategic thinking, leadership, public service and values and professional ethics. The first graduates of the CEP program in December 2013 were deployed to different DPWH technical offices.</p>	

Promises	Delivered	Not delivered
Implement performance-based bonuses	<p>EO 80 s. 2012 grants government employees performance-based bonus (PBB) on top of the productivity enhancement incentive (PEI), which is given to employees across the board regardless of their actual performance. The PBB replaced the across-the-board Php10,000 cash gift given at the end of the year to all government employees during the Arroyo administration.</p> <p>The amount ranged from Php5,000 to Php35,000 depending on the performance rating of an agency and its employees.</p> <p>Under the PBB plan, agencies within a department vied for the best performing agency rating, while employees were ranked against each other so that only a small percentage of the entire government work force got the maximum bonus.</p>	<p>In July 2013, a group of teachers decried the PBB for not living up to its promise of rewarding the best-performing government employees.</p> <p>Teachers Dignity Coalition chair Benjo Basas said the promised maximum bonus of Php35,000 was given to only 10% of the government work force, contrary to official pronouncements that it would be given to all those who performed their jobs exceedingly well.</p> <p>He said the teachers also complained that the bonus was based on individual school performance, namely, aptitude test results, dropout rate and budget liquidation, over which the teachers had no control.</p> <p>Basas said it turned out that the DBM placed a 10% cap on the number of best-performing employees in the best-performing agencies.</p> <p>Other complaints were on the delay of the release of the performance-based bonuses and the fat bonuses of government-owned and controlled corporations.</p> <p>The grant of bonuses of around Php1 million each to members of board of the SSS in 2012, which was reported in the media about the same time as the announcement of an increase in SSS members' contributions beginning 2014, was condemned by SSS employees and members and others outside the agency.</p> <p>Another issue on the exercise of the legislative's oversight function over the budget to prevent excesses of the government</p>
<p>Early passage of the annual national budget</p> <p>Sources: Inquirer Archives, Office of the President Sona Technical Reports 2011-2014, government websites</p>	<p>National budget always passed on time, that is before the start of the fiscal year and implemented early.</p>	<p>Little was known of the DAP until Sen. Jinggoy Estrada slammed the Php50 million in additional pork barrel funds given by the administration as "incentive" to senators who voted to convict Corona in his impeachment trial in 2013. Abad later said the funding came from the DAP.</p> <p>In July 2014, the Supreme Court, voting 13-0, struck down the DAP for certain unconstitutional practices involving the use of government savings and budget realignments.</p> <p>Later SC said that the ruling did not mean the invalidation of the 116 DAP projects discussed in its earlier decision, and that funding authorities retained the right under the Constitution to augment projects identified in the budget law.</p>

Sources: *Inquirer.net* (2015b)

3. *Huffington Post*

Tupaz and Wagner (2016) of the *Huffington Post* characterized the economic gains under Aquino as a stunning achievement. They cited that since 2010, the country's GDP growth posted an average of 6.2%, the highest in four decades and coinciding with the Great Recession at that. They also see this economic growth to be sustainable in the long term.

The article also took note of the “rather strange dichotomy” in the ranking of the Philippines in the World Economic Forum's competitiveness ranking and in the World Bank's doing business ranking—that while the Philippines is becoming more competitive, it is becoming less desirable as a place to do business. WEF, in its 2014-2015 report, noted that the Philippines jumped by seven slots, from 52 in 2013-2014 to 59 in 2014-2015. It cited that “The country's gain of 33 places since 2010 is the largest over that period among all countries studied”. The country, however, performed poorly in the WB's Doing Business rankings, as it slipped nine places from 86th in 2014 to 95th in 2015 out of 189 countries surveyed. WB's ranking judges the desirability of doing business in a country based on ten key indicators.

The good performance of the Aquino administration was attributed to Daang Matuwid platform of good governance. The authors characterized the accomplishments under Aquino's anti-corruption thrust as resounding. They cited the string of high level corruption cases which have led to three senators jailed, a former president under hospital arrest, a chief justice impeached and convicted by the Senate, and an Ombudsman having resigned to avoid impeachment.

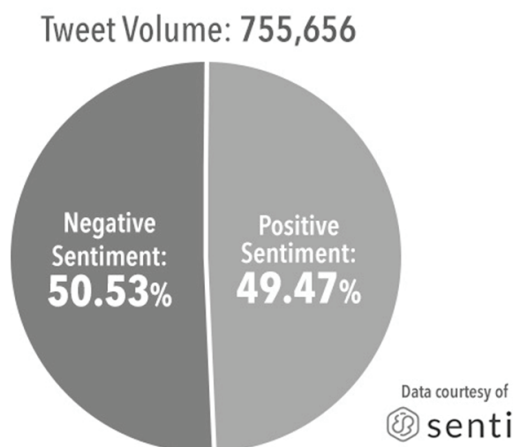
On the downside, the authors recognized that the significant economic gains have not translated into inclusive and jobless growth, into tangible gains in human development. This they consider as the biggest challenge to Aquino's successor.

Nevertheless, the overall assessment was very favorable: “There is no question that in just five years, Aquino's accomplishments have exceeded many expectations and have outperformed all previous administrations.”

4. *Twitter*

According to social media analysis tool Senti, Twitter data gathered throughout the President's term showed that negative sentiment towards him just about outweighs the positive sentiment, that is 50.53% negative and 49.47% positive. Tweets using the keywords “PNoy,” “Noynoy Aquino,” “President Aquino,” “President Noynoy,” “SONA,” and “SONA2015,” between December 4, 2010, to April 26, 2016, numbered to roughly 755,656 (*Rappler.com*).

Figure II.2. Sentiments towards PNoy Administration



According to *Rappler*, President Aquino III's term coincided with the rise of social media in the Philippines. In 2010, citizens were only just learning to incorporate social media into their everyday lives, but by the end of his six-year term, his administration was fully under the social media microscope. Every major event involving the government was put on public display and scrutinized in excruciating detail by a jury of netizens (Villa, 2016).

Among the biggest social media issues concerning the Aquino were:

- a. Metro Manila traffic
- b. Quirino Grandstand hostage crisis
- c. Corona on trial
- d. RH Law
- e. Pork barrel scam
- f. Super Typhoon Yolanda
- g. Mamasapano massacre
- h. Mary Jane Veloso

These individual events and more added up to an overall online sentiment towards Aquino.

5. *The Guidon*

Baluyot and Mendoza of *The Guidon*, the official student publication of the Ateneo de Manila University, made a half-time (mid-term) assessment of the Aquino administration in 2013. He was evaluated based on what he has so far done in terms of his promises in the areas of leadership, economy, peace and order, gender equality, environment and government service. He got good marks relative to transformational leadership as he was seen to have aggressively worked to combat corruption, including the case Chief Justice Renato Corona as a high profile one. Included here also was the diligent pursuit for a solution to education through the K-12.

The student organ recognized the gains from the health care system but felt that there was still much to be done. The PhilHealth KalusugangPangkalahatan (Universal Health Care) program, contrary to its title, is still not available to everyone and critical health services remain unavailable to many.

Regarding the administration's promise that appointment of government positions would be based mainly on politician's performance and integrity in serving the people, PNoy again got good mark citing that the President has been maintaining this process, appointing judicial members such as Chief Justice Maria Lourdes Sereno and removing any midnight appointees made by the previous administration.

CSOs

1. *Movement for Good Governance (MGG)*

MGG is a coalition of Filipino individuals and organizations established in 2008 with the objective of promoting transparent, participatory and accountable governance. Specifically, it contributed to the effort of assessing how the PNoy administration has remained faithful to its Social Contract with the Filipino people by using a scorecard to benchmark his performance since 2010. The scorecard is a tool that tracks program implementation and therefore directs attention to strengths as well as gaps that need to be addressed. According to the MGG, the assessment study was meant "not to be a critique but a tool for identifying successes and alerting govt on areas that need strengthening and improvement." MGG emphasized that the results were assessed based on data anecdote. The areas assessed include economics, public finance, health, agriculture, and governance.

The scores and corresponding meaning are as follows:

- 1 - The President has broken his promise
- 2 - There has been very slow or little progress on his promise
- 5 - Something has been accomplished but is lower than target
- 7.5 - The Administration is on track and is expected to achieve the target as scheduled
- 10 - The target has been achieved as scheduled.

The PNoy administration received a perfect 10 in governance. The successes cited were:

- increased transparency through the mandatory disclosure of budget information by national government agencies;
- continuation of the performance incentive scheme for local governments under the Seal of Good Governance; and
- significant strides in the fight against corruption (but no specifics were mentioned)

It got lower scores in the following:

- deficit management largely due to underspending which contributed to the inability of government to meet growth targets and inadequate service delivery in health and support services to farmers need for greater transparency, particularly in how the projects proposed by communities get to be approved;
- provision of health services due to the unequal distribution of health care personnel with a ratio of about 3 health personnel for every 10,000 of the population; and
- inability to meet Millennium Development Goals (MDGs) due to lack of affordable services, lack of transportation, unavailability of facilities, as well as the lack of information on the benefits of health insurance coverage, reasons cited by the mothers that prevent them from seeking consultation in health care facilities.

MGG noted that the reforms resulted in the improvement in Philippine ranking in the Transparency International CPI. However it lamented that corruption issues continue to be a serious cause for concern especially in the bureaucracy and the judiciary. The overall score of the PNoy administration in 2014 was 5.93, which was lower than its rating in 2013.

2. Ibon Foundation

The Ibon Foundation is a non-stock, non-profit development organization founded in 1978 in the Philippines. It has been serving the Filipino people by promoting an understanding of socioeconomics that serves the interests and aspirations of the Filipino people through research and education. It studies the most urgent social, economic and political issues confronting Philippine society and the world.

Ibon Foundation was very critical of the Aquino Administration.

He campaigned on reformed governance, dubbed as “Daang Matuwid” to address the country’s acute poverty. Apart from its narrow interpretation of the causes of poverty, the campaign leaves question whether Aquino has instituted reforms in government.

It considered the government’s promotion of private sector interests especially through its centerpiece program, public-private partnership (PPP), as the biggest failure of his “Daang Matuwid”. Proof of this failure was the widened gap between the economic oligarchs and the poor majority. It reinforced the elite and patronage politics which worked against the achievement of any meaningful reform. The Aquino government’s overt support of foreign economic agenda accelerated the drift towards a more pro-foreign policymaking.

Ibon Foundation cited the following lingering and unattended issues that increased the political isolation of the Aquino administration from the citizenry, greatly delegitimizing “Daang Matuwid”:

- pork barrel and the DAP challenged the credibility of the administration (p. 23);
- Mamasapano tragedy especially the liability of the administration;
- Typhoon Yolanda, wherein relief work miserably failed (p. 24);
- PPP/Metro Rail Transit (MRT);
- more repressive state, anti-poor, anti-people character, shown by its veto of the P2,000 increase in the monthly pension of SSS pensioners;
- Lumad killings (p. 27) and other human rights violations;
- broken peace talks with National Democratic Front (NDF) with the arrest of NDF’s consultants; and
- support to the US (p. 30).

Development Partner

Dr. Peter Koeppinger, resident representative of the Konrad Adenauer Foundation made a critical midterm assessment of the policies and achievements of the Aquino administration in three key areas. It talked about the accomplishments as well as areas that still needed to be addressed.

1. Fight against corruption

There can be no doubts that the climate has changed but there are critical voices regarding the selectiveness of his public campaign against corruption. For example, PNoy took personal interest and political initiatives in the impeachment of Chief Justice Corona. “...if the same criteria, which were used in this impeachment process, would be used to scrutinize all members of the government, legislators and Supreme Court judges, probably a relevant number of them would have to resign.”

What is even more important in the assessment was the question of whether corruption had also decreased on the level where citizens and companies are affected. Answering in the negative, it may even be increasing in important areas like customs. A much more comprehensive strategy is needed to reduce the “omnipresent endemic corruption to a level where it does not burden too heavily any more the life of the people and companies.”

2. Rule of law, human rights, good governance

The Philippine judicial system, plagued by an antiquated criminal procedural law, high levels of corruption among judges, intimidation from ruling clans and warlords and many other problems, had not improved during the last years. There are many examples exposed by the media showing the lack of progress in the fields of rule of law, protection of human rights and orientation on good governance: the Maguindanao massacre; failing to stop the culture of impunity, prosecute the perpetrators of these abuses, and bring them to justice; increase in vote buying, and cynicism compared with former elections in the campaign for the May 2013 elections.

While there were efforts to address these issues,” they have not been successful, because the Aquino administration did not touch the underlying sources of the problems: the grip of rich, powerful families on a weak state; political dynasties with huge patronage structures.”

3. Inclusive growth, fight against poverty

The high economic growth is not inclusive at all and might also not be sustainable. In looking at the perspectives for the second three years, Koeppinger strongly emphasized the need to address the structural power.

There is a broad and further growing consensus among Philippine political scientists, political analysts in the media and foreign observers that the problems of the Philippines with (i) a weak state and poor performance of democratic institutions, (ii) human rights violations and non-functioning rule of law, and (iii) high, hardened poverty, are closely related to the existing linkages between political power and economic power in the hands of about 200 political families, which dominate the country as a whole as well as the big majority of its provinces and cities. The President will have to realize that if he continues to protect the traditional power structures for the second part of his term during the next three years, none of the problems of weak democracy, hardened poverty and poor governance can be solved.

International Surveys and Indices on Global Competitiveness and Good Governance

Table II.5 below shows that, compared to the other five member countries of the Association of Southeast Asian Nations (ASEAN), the Philippines is second highest in rank after Indonesia in voice and accountability but third to the lowest in terms of government effectiveness and control of corruption (Table II.5).

From 2010 to 2014, the country’s Corruption Perceptions Index (CPI) improved except in 2015, which has been attributed to the priority development assistance fund (PDAF) scam. Even so, the business and economic climate of the country steadily rose, with favorable results for the EFI, GCI, and Ease of Doing Business (Figure II.3). Economic Freedom reached its peak in 2016 (62pctl), the highest ever since the EFI’s first ranking in 2008. Stable macroeconomic environment, favorable market size, and increased business sophistication drove the steady increase of the country’s ranking in GCI. Meanwhile, ease of trading across borders and ease of getting electricity promoted the country’s rankings in the EODB Index (PDP 2017-2022).

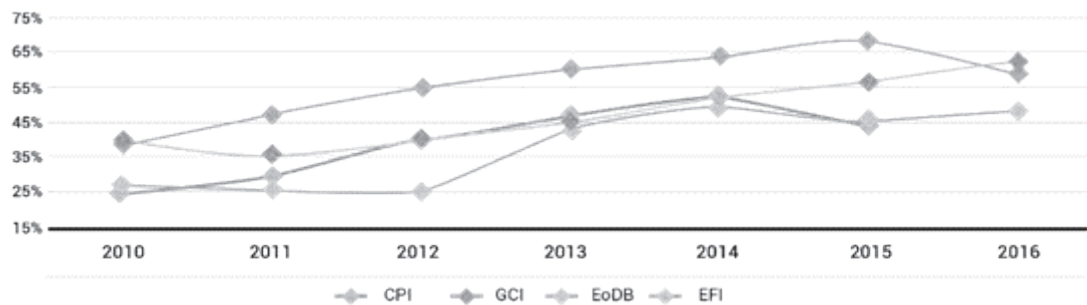
Table II.6 summarizes the metrics used by the assessments discussed above while Table II.7 summarizes the ratings given by the alternative assessments.

**Table II.5. Philippines' Performance in the Worldwide Governance Indicators (WGI)²
Selected ASEAN Counterparts, 2010-2015**

Country	Voice and Accountability			Government Effectiveness			Control of Corruption		
	2010	2013	2015	2010	2013	2015	2010	2013	2015
Indonesia	47.87	49.30	52.22	47.37	47.39	46.15	25.24	30.81	38.46
Malaysia	33.65	38.50	36.45	82.78	79.15	76.92	62.86	68.25	65.87
Philippines	48.34	47.89	51.72	55.50	59.24	57.69	22.38	43.13	41.83
Singapore	40.76	52.58	42.86	100.00	99.53	100.00	98.57	96.68	97.12
Thailand	32.23	33.80	23.65	62.20	62.09	65.87	48.57	49.29	43.75
Vietnam	8.53	11.74	10.84	45.93	46.45	55.29	31.43	36.49	39.42

Source: World Bank (WB), as cited in PDP 2017-2022

Figure II.3. Philippines' Performance² in the Worldwide Governance Indicators



Source: World Bank, as cited in PDP 2017-2022.

² Philippines' Percentile Rank in selected governance indices, 2010 to 2016 sources: 2010-2016 reports from transparency International's CPI; WorldEconomic Forum's GCI; World Bank's EODB Index; Heritage International's EFI. The closer to 100 percent, the better the percentile rank. The WGI is a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. The CPI measures the perceived level of public sector corruption in 178 countries and territories based on 13 expert and business surveys. The GC Report analyzes competitiveness along 12 areas of development. The Doing Business project ranks 190 economies and selected cities at the subnational and regional level in terms of: ease of doing business. The EFI evaluates countries in four policy areas that affect economic freedom: rule of law; limited government; regulatory efficiency; and open markets.

Table II.6. Bases of the Assessments of Good Governance

PNoy administration	Duterte administration	Academe	CSOs	Media/social media	Development partners
<p>Metrics</p> <p>Implemented/ not implemented:</p> <p>Policies, decisions</p> <p>Plans, programs & projects</p> <p>Processes, systems & procedures improvement</p> <p>Organizational changes/reforms</p>	<p>Extent of implementation and effectiveness of reforms aimed at increasing transparency, citizen's participation and accountability (Philippine Development Plan 2017-2022)</p>	<p>1. <u>CIDS Forum</u> (Peñalba's mid-term assessment)</p> <p>A. no more "wang-wang"</p> <p>B. participatory governance</p> <p>- Increasing CSO participation (e.g., Revisions on the Free, Prior and Informed Consent (FPIC) legally enshrined as an integral part of indigenous people's (IPs) right to self-determination)</p> <p>2. <u>NCPAG Forum</u></p> <p>Former DBM Secretary Diokno's assessment: had done and not done and the policy outcomes of his acts of commission and omission, focusing on fiscal performance</p>	<p>1. <u>Movement for Good Governance</u></p> <p>How the Administration remained faithful to its Social Contract with the Filipino people using a scorecard to benchmark his performance; governance was one of the 5 areas assessed</p> <p>2. <u>Ibon Foundation</u></p> <p>social, economic and political issues (e.g., PPP increased the gap between the rich and the poor, lingering and unattended issues)</p>	<p>1. <u>Rappler</u></p> <p>Extent by which the Aquino administration has delivered its 2010 campaign promises that will promote good governance, divided the 16 points of his <i>Social Contract</i> into 7 clusters, one of which is corruption</p> <p>2. <u>Inquirer.com</u></p> <p>Inquirer Report Card to ascertain whether or not PNoy has kept his 2010-2015 SONA promises; good governance was one of the 15 sectors identified</p> <p>3. <u>Twitter</u></p> <p>Positive vs. negative sentiments</p> <p>4. <u>Huffington Post</u></p> <p>Economic gains, high profile corruption cases</p>	<p>1. Dr. Peter Koeppinger, Resident Representative of the <u>Konrad Adenauer Foundation</u></p> <p>Mid-term assessment of the policies and achievements of the Aquino administration in three key areas: fight against corruption; rule of law, human rights, good governance; inclusive growth; and fight against poverty</p> <p>2. <u>World Bank</u></p> <p>World Governance Indicators – voice and accountability, government effectiveness and control of corruption</p> <p>3. <u>Performance in international surveys</u></p> <p>Corruption Perception Index, Economic Freedom Index (EFI), Global Competitiveness Index (GCI), and Ease of Doing Business (EODB) Index</p>

PNoy admin	Duterte admin	Academe	CSOs	Media/social media	Development partners
				<p>5. <u>The Guidon</u></p> <p>Half-time (mid-term) assessment of the Aquino administration based on what he has done so far in terms of his promises in the areas of leadership, economy, peace and order, gender equality, environment and government service</p>	

Table II.7. Ratings Given to the PNoy Administration

PNoy Admin	Duterte Admin	Academe	CSOs	Media/Social media	Development Partners
Positive/Favorable	Positive/Favorable but reforms need follow through	<p><u>Peñalba (UP-CIDS Forum)</u></p> <p>positive/favorable</p> <p><u>Diokno (UP-NCPAG Forum)</u></p> <p>negative</p>	<p><u>MGG</u></p> <p>perfect score of 10 in governance but overall rating was 5.93.</p> <p><u>Ibon Foundation</u></p> <p>negative</p>	<p><u>Rappler.com</u></p> <p>mixed- partially delivered/ undelivered, still has a lot to do to deliver his 2010 promises</p> <p><u>Inquirer.com</u></p> <p>positive/favorable</p> <p>12 kept, 9 not yet kept</p> <p><u>Huffington Post</u></p> <p>very positive/favorable</p> <p><u>Twitter</u></p> <p>mixed sentiments</p> <p><u>The Guidon</u></p> <p>positive/favorable</p>	<p><u>Konrad Adenauer Foundation</u></p> <p>critical</p> <p><u>World Bank: Worldwide Governance Indicators</u></p> <p>– positive : improving performance from 2010-2016 based on the indeces in Corruption Perception except in 2015, Economic Freedom, Global Competitiveness, Ease of Doing Business</p>

CONCLUSION

The assessments of the different sectors, including the incoming administration, the academe, media/social media, CSOs and international development partners, on the state of good governance under the PNoy administration are generally positive and favorable. Reforms and the results of these reforms were recognized. Notable among these reforms are the BUB, CPA, ease in doing business, budget reforms, high profile cases in its anti-corruption campaign.

However, challenges good governance particularly effective and efficient delivery of public goods and services, remain these include: no car plate, delay in the issuance of driver's license, MRT woes, and EDSA traffic, among others. Elitism, selective prosecution and political patronage also marred the good governance reforms of the administration. Decisions and actions/inaction by PNoy on problems involving his appointees cast doubt on his sincerity and resolve to achieve good governance. The non-passage of the FOI and Whistleblower's laws were also mentioned as unkept promises. Other unresolved events often cited were the Mamasapano massacre, the Luneta hostage crisis, pork barrel scam, DAP, Yolanda rehabilitation, and BBL. A development partner's mid-term assessment of the Aquino administration strongly urged President Aquino to improve in his next three years in office the political and economic structure of the country, to achieve inclusive and sustainable growth.

The PNoy administration was not able to push for the enactment of two major bills that were expected to boost its anti-corruption program. The President included the Whistleblowers Protection Law and Witness Protection Act amendments and the FOI in his priority legislative agenda. These two bills were regarded as important legislations..., but they were the most often cited unkept promises.

The ultimate test of the success of these reforms is the attainment of inclusive growth, with the reduction of poverty incidence as the bottomline indicator. While there was a decrease in poverty incidence in 2015, it was not significant and on the average it could be said that it remained unchanged from 2006-2015. At 21.6%, poverty incidence is still very high.

To what extent has the PNoy administration promoted the eight major elements of good governance earlier identified? A bold attempt to capture the quantitative and qualitative assessments by using a scale of 1-10, with 10 as the highest rating, is hereby offered in Table II.8. It is in the equity and inclusiveness element that the PNoy administration fared the least. Related consensus-oriented and participation elements both got the highest score of 8. The average score is 6.375.

Table II.8. Score per Good Governance Elements

Elements of GG	Major Issues/Challenges	Score
Adherence to the Rule of Law	EJK, DAP	7
Transparency	Non-passage of the bills on the FOI and Whistleblowers	7
Responsiveness	Mamasapano massacre, Luneta hostage, Yolanda disaster	5
Consensus-Oriented		8
Equity and Inclusiveness	Growth not inclusive, KKK/patronage	4
Effectiveness and Efficiency	MRT, car plates, traffic	6
Accountability	PDAF, DAP	6
Participation		8
Average Score		6.375

Human Development and Poverty Alleviation

CLUSTER ASSESSMENT

Maria Faina L. Diola*

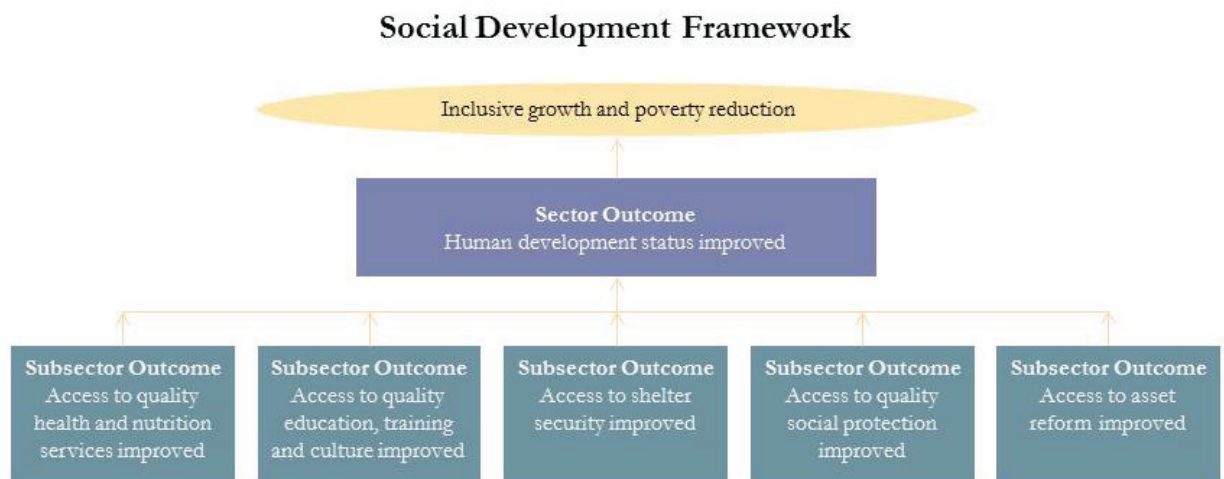
BACKGROUND

Development Milieu of the Poverty Reduction and Human Development Cluster

Executive Order 43, s. 2011 legally authorized then President Benigno S. Aquino III (PNoy) to thematically organize the Cabinet into smaller groups called Cabinet Clusters. The Cabinet Clusters—composed of Good Governance and Anti-corruption; Human Development and Poverty Reduction; Economic Development; Security, Justice, and Peace; and Climate Change Adaptation and Mitigation—served as the primary mechanism of the executive branch for directing all efforts towards the realization of the Social Contract with the Filipino People and its five key result areas (KRAs) or subsector outcomes.

The Human Development and Poverty Reduction Cluster in particular aimed at focusing on improving the overall quality of life of the Filipino and translating the gains of good governance into direct, immediate, and substantial benefits that will empower the poor and marginalized segments of society (PDP 2011-2016 Revalidated Results Matrices). Although the Cluster was named as such, its overall results-based framework, which served as guide, centered on Social Development (Figure III.1). Below was the original Social Development Framework guide for the Human Development (HD) and Poverty Reduction (PR) Cluster, which originally included access to asset reform as a KRA.

Figure III.1. Results-Based Framework for the Human Development and Poverty Reduction Cluster (Original Version)



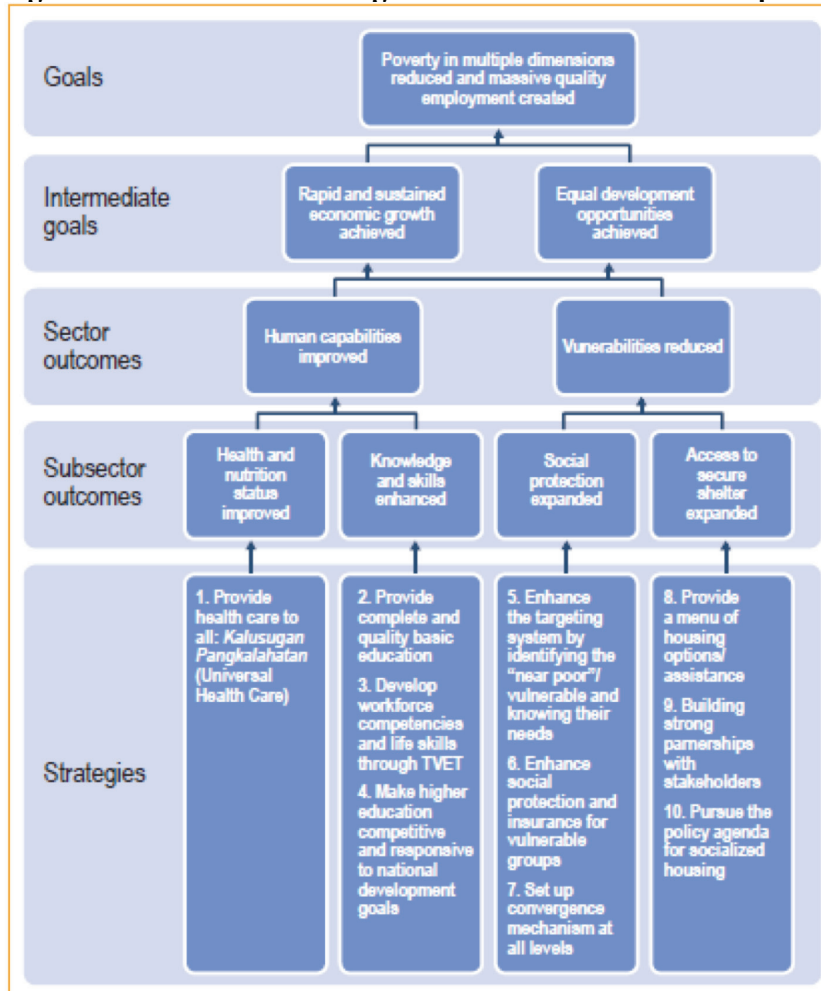
Source: *The 2011-2016 Philippine Development Plan Results Matrices*

However, in its Midterm Development Plan, the PNoy administration updated its Results Framework for Poverty Reduction as shown in Figure III.2. Notice that access to asset reform was no longer included in the updated version. This assessment however, still included as major outcome a cursory assessment of the government's performance in agrarian reform towards fulfilling access to asset reform based on the original guide¹. Furthermore, this outcome is deemed significant in bringing about inclusive growth, a catchphrase of the PNoy administration.

* with research associates Jayson Fajarda and Kim Robert De Leon

1 See discussion on selected key social welfare programs of the PNoy administration.

Figure III.2. Results and Strategic Framework on Social Development



Source: Philippine Development Plan 2011-2016 Midterm Update

Since the PNoy administration used social development as its results framework, this study also used the same as lens in assessing the general performance of the administration for the Human Development and Poverty Reduction Cluster.

As a take-off point for assessing achievements in social development, the general political and economic context of the PNoy administration as it initially took over the Gloria Arroyo administration is first described.

Philippine Economic Situation at the Beginning of PNoy's Administration

When former President Gloria Macapagal-Arroyo (PGMA) stepped down from the presidency in June 2010, the Philippines had a 7.9% growth rate. According to National Statistical Coordination Board (NSCB) Secretary General Jose Ramon Albert, PGMA's term had a yearly average of 4.1% growth rate, mainly driven by the services sector, based on a report by the Inquirer.Net (Olchondra, 2013). Among the Philippine leaders from 1986 to present, President Benigno Aquino III (PNoy, as the former president wished to be referred to), posted the fastest growth in his first year in office while PGMA posted the best average economic performance among those who completed their respective terms, the NSCB Secretary General said in the Inquirer.Net Report.

Citing a self-assessment account from PGMA herself regarding the growth rate of the economy during her term, the former President explains, "this growth rate capped 38 quarters of uninterrupted economic growth despite escalating global oil and food prices, two world recessions, Central and West Asian wars, mega-storms and virulent global epidemics." PGMA further claimed the significance of such a surge in economic achievement, stressing that "our country had just weathered with flying colors the worst planet-wide economic downturn since the Great Depression of 1930. As two-thirds of the world's economies contracted, we were one of the few that managed positive growth"(Arroyo, 2012).

However, the NSCB explained that their observations comparing the Arroyo and the PNoy administration economic performances were based on GDP growth, influenced by external factors such as regional and global financial crises as well as the political context at the time of each presidency. As such, the NSCB said, GDP growth could not be fully attributed to a certain president or his/her economic team (Olchondra, 2013).

PNoy's anti-corruption stance was a stark deviation from PGMA's leaning towards economic achievement. The PGMA's highest priority then was to advance economic growth, which she argued in her self-reflection was every postwar administration's highest priority, as she explained, "Only by enlarging the economic pie can there be more and bigger slices for everyone to enjoy" (Arroyo, 2012). In PGMA's essay during her hospital detention in 2012,

It is in poverty that we find the material roots of the problem of corruption – because the political system based on patronage--and ultimately, corruption to support patronage--is made possible only by the large gap between the rich and the poor. This will persist until and unless we enlarge the economic pie. Unfortunately, the present Administration has chosen to turn the problem upside down, anchoring their entire development strategy on one simplistic slogan: "Kung walang corrupt, walang mahirap." (Arroyo, 2012)

The ICT Boom as a Source of High Value Jobs

Information and communication technology (ICT) was an area given attention by PGMA. ICT employment in the sector rose by the end of the PGMA presidency. This is because of the former President's seeming obstinate commitment and insistence to economic growth as fuel for progress. The PGMA administration endeavored to "tap the opportunities of the 21st century" by developing and promoting ICTs, which her administration considered as fast-growing industries where high-value jobs are most plentiful, and where, hopefully, as she wrote in her 2012 essay, "going abroad for a job is a career option, not the only choice, for a Filipino worker." As she explained in her reflection:

My economic plans were designed to allow the Philippines to break out of the boom and bust cycle of an economy dependent on global markets for agricultural commodities, and pursue consistent and sustainable growth anchored on a large domestic market and the resiliency of Filipino workers at home and abroad. Arroyo, 2012.

Thus, by June 2010 when PNoy took office, there were half a million call centers and BPO workers, from less than 5,000. PGMA has claimed that this surge in ICT-based jobs should rightfully be credited to her administration as it was during her period when the government built the country's fifth, virtual super-region: the so-called "*cyber corridor*", the nationwide backbone for the country's call centers and BPO industry which she said has relied on constant advances in IT and the essentially zero cost of additional bandwidth.

Programs for the Poor

Even as PNoy's predecessor was insistent about adopting economic growth as impetus for progress, she also undeniably developed programs focused on the poor. In her own words:

Over the past decade—fueled by the windfall from our mid-term fiscal reforms—I initiated or expanded a raft of social programs for the poor. We increased PhilHealth insurance coverage, set up nearly 16,000 *Botika ng Barangay* outlets to deliver affordable medicines to the poor, ordered the drug companies by law to reduce their prices, energized 98.9 percent of our barangays, provided water service to 70 percent of previously waterless municipalities. And of course, we also introduced "Four P's", the highly successful conditional cash transfer program aimed at encouraging positive behavior among the poor in exchange for cash assistance.

But perhaps more than our social services, what the poor benefited the most from was the low inflation and the low unemployment we made possible through effective management of the economy. Despite the global food and oil price spikes of 2008, domestic inflation slowly declined on my watch, bottoming out at 3.9 percent by the time I stepped down in June 2010 (Arroyo, 2012).

Social Development Programs Continued from PGMA to PNoy Presidency

The conditional cash transfer program was obviously duly recognized by the PNoy administration and in fact continued to be a banner social welfare program of this presidency. For instance, as reported in PNoy's State of the Nation Address (SONA) Technical Report 2011, the government said it had reached an expanded coverage of the conditional cash transfer or the *Pantawid Pamilyang Pilipino* Program (*Pantawid Pamilya*) and garnered the targeted one million in 2010 (See Figure III.3).

As PGMA recounted in her 2012 essay, she had increased the country's total budget for education by nearly four times: from Php6.6 billion in 2000 to Php24.3 billion in 2010 when she stepped down. The premium given to education persisted until the PNoy administration. At the beginning of PNoy's term, the education sector, though found wanting in textbook distribution and classrooms as some reports (various sources) would dwell on, was given focus by President Aquino, even expanding its budget. From the PGMA to the PNoy regime, education got a lion's share in budget since.

In terms of the health sector, the PGMA administration appeared to have given attention to provision of health insurance so that by end of her presidency, nearly 9 out of 10 Filipinos had access to health insurance. In addition, the former president claimed in her self-assessment that more than 100,000 new classrooms had been built and 9 million jobs had been created (Arroyo, 2012). In addition, the PGMA presidency claimed it had provided free or subsidized rice, discounted fuel and electricity, or conditional cash transfers and advanced land reform for farmers and indigenous communities.

However, in his first SONA in 2010, PNoy pointed out flaws in statistics as regards the coverage of the Philippine government's health insurance in the previous administration. While pursuing the same principle of Universal Health Care, PNoy appeared to have countered that the figures should be corrected, saying,

[W]e will identify the correct number of Filipinos who sorely need PhilHealth coverage, as current data is conflicting on this matter. On one hand, PhilHealth says that eighty-seven percent (87%) of Filipinos are covered, then lowers the number to only fifty-three percent (53%). (Aquino, 2010)

PNoy further stated in his first SONA that according to the National Statistics Office (NSO), only 38% of Filipinos are covered by PhilHealth, hence clearly a discrepancy in figures on health insurance coverage.

Still, in his 2011 SONA Technical Report, PNoy stressed that his anti-corruption banner platform, "*kung walang corrupt, walang mahirap*" (without corruption, no one is poor), was considered as "a means to achieve a higher end, which was to reduce poverty and improve the quality of life of the Filipino people." Did this therefore fundamentally mean, that since poverty was still about one-fifth of the total population by 2016 (Box III.1), corruption had persisted during the PNoy Presidency as his dictum so implied? The figures contained in the Philippine Human Development statistics for 2010 – 2016 seem to belie the assumption for PNoy's banner platform, showing that the formula for poverty reduction is not as simple as the guiding principle of the PNoy presidency seems.

Selected Key Social Welfare Programs of the PNoy Administration: Inputs and Outputs

This section discusses in brief the inputs to selected key programs implemented during the PNoy Administration, as assumed responses to carry out the intended results for the HD and PR Cluster. The inputs discussed are mainly in the form of budgets or funds provided by the government and the legal framework that served to ensure the implementation of the key programs as well as some of the specific interventions carried out by the key programs. The corresponding outputs of the key programs are also presented to have a glimpse or sense of these programs' overall efficiency.

Among the various sectors, social services continued to receive the lion's share in the national budget since, according to the Presidential Midterm Official Report, in 2013

Investing in the Filipino people has always been the cornerstone of the Aquino administration's inclusive growth agenda—which is why social services continue to receive the highest share of the national budget, why the education system has been revamped to foster globally competitive lifelong learners, and why the administration is fervently pursuing the goal of universal health care. The government's mantra is clear: No one must be left behind on the straight path to progress. (Mid-Term Official Report, Gazette 2013)

The priority accorded by the government on the welfare of the poor and the marginalized is seen in its consistent allotment of the biggest share of the national budget every year to social services, increasing its allocation more than two-fold from 2010 to 2015 (Aquino, 2015).

Selected flagship programs are presented to illustrate and make sense of the PNoy Presidency's focus on inclusive government, which attempted to ensure that "*no one is left behind*". The next section briefly presents the overall trends in the provision of inputs to the program, i.e., legal (policies and laws) and financial support to these key programs, as well as the overall outputs of these key programs.

Box III.1. Philippine Human Development Indicators, 2010-2016

POPULATION

Total population (2016): 100.98 Million
Annual population growth rate: 1.72%
Total Fertility Rate (2011): 3.1% (slightly lower)
Life expectancy at birth (2015): 65.3 for men and 72.0 for women (shortened rates for both males and females from 2010 figures)
Contraceptive prevalence rate across: 55.1 (increased)

STANDARD OF LIVING

Poverty incidence (2015): 21.6% (declined from 26.3% in 2009)
Gini Coefficient ratio (2012): 0.4605 (dropped from 0.4641 in 2009)
Subsistence Incidence among Families (2015): 5.7%, (declined from 7.9% in 2009)

FOOD

Average expenditure on food (2015): 41.9% (declined from 42.6% in 2009)

WATER AND SANITATION

Access to safe water supply (2014): 85.5% (increased from 84.4% in 2011)¹
Families with sanitary toilet facility (2014): 94.1 (increased from 91.6% in 2011)

HEALTHCARE AND DISEASE

Reported HIV cases (June 2016): 34,999
(rose from 6,015 by December 2010)
Average number of newly-diagnosed HIV case per day: 26
(increased from 4 in 2010)
The annual rate of death caused by AIDS: 625
(increased from 482 in 2010)
Malaria morbidity rate per 100,000 population (2015): 5.5
(reduced from 9.5 in 2010)
Malaria mortality rate per 100,000 population (2015): 0.019
(slightly increased from 0.01 in 2011)
Under-five infant mortality rate (2015): 28
(slightly decreased from 34 in 2008)
Under-five malnutrition (underweight-for-age) rate (2013): 19.9%
(decreased from 20.2% in 2011)

EDUCATION AND EMPLOYMENT

Basic literacy rate (2013): 96.5% (increased from 95.6% in 2008)
Functional literacy rate (2013): 90.3% (increased from 86.4% in 2008)
Net enrolment rate for 5-year-old children (2014): 79.3%
(increased from 57.2% in 2010)
Net enrolment rate for 6-11-year-old children (2014): 94.5%
(decreased from 98.5% in 2010)
Net enrolment rate for 12-15-year-old children (2014): 92.5%
(decreased from 86.2% in 2010)
Spending for education by the national government (2015): Php1 7.282-billion
(increased from Php 8.815-billion in 2010)
Average spending per public school student (2015): Php 364.66
(increased from Php 174.75 in 2010)
Labor Force Participation Rate (2016): 63.4% (decreased from 64.1% in 2010)
Unemployment rate: 5%

PROGRAM BRIEF: PANTAWID FAMILYANG PILIPINO PROGRAM (4Ps)

Pantawid Pamilya was the flagship poverty alleviation initiative of the Aquino administration that extended cash assistance to the poorest households, although its beginnings could be traced to the time of PGMA. With the aim of providing an opportunity for the beneficiaries to break away from the cycle of intergenerational poverty, the program aimed to provide financial support to identified families who continue to fulfill the responsibilities of keeping their children healthy and in school (Office of the President of the Philippines, 2015, p. 62).

Beneficiaries were provided with conditional grants of not more than Php2,000.00 per month, which includes a Php500 health grant per household and an educational grant (for ten months only excluding April and May) of Php300 and Php500 per child in elementary and high school, respectively.

Figure III.3 shows that beneficiaries increased by 455.70% from 0.79 million household beneficiaries in July 2010 to 4.39 million households as of June 2015. Corollary to this, budget allocation for the program grew by 527% from Php10 billion in 2010 to Php62.7 billion in 2016 (Figure III.4) (Office of the President, 2014; 2015).

Figure III.3. No. of 4Ps Beneficiaries by Year

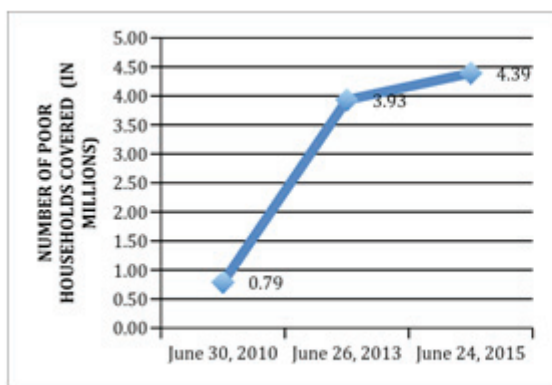
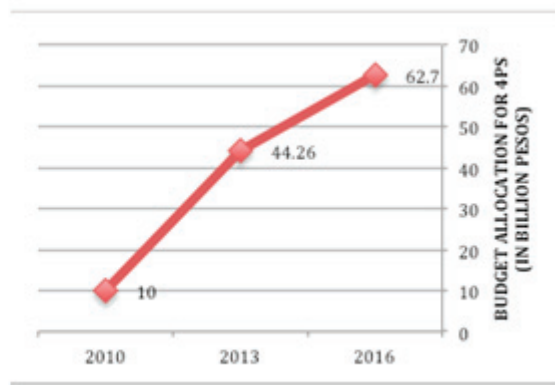


Figure III.4. Pantawid Pamilya Budget Allocation by Year



Graphs constructed for the PNoy Presidency Assessment from available government data

According to the two separate impact evaluation surveys (IES) conducted in 2012 and 2014, enrolment of young children (3-5 years old) in Pantawid beneficiaries was 10.3 and 39 percentage points higher against non-Pantawid households, respectively. Meanwhile, enrolment of children 12-15 years of age in Pantawid beneficiaries is 4.9 and 6 percentage points higher than non-Pantawid households in 2012 and 2014², respectively.

In terms of maternal health, there was an observed increase in the number of Pantawid mothers who delivered in health facilities in 2014 as compared with that in the initial assessment in 2012. According to the 2014 IES, 70% of live births by Pantawid mothers were delivered in a health facility, compared with the 55% rate among non-beneficiaries. While there was no statistically significant difference between Pantawid and non-Pantawid mothers when it comes to having post-natal check-ups within 72 hours after birth, there was a significant improvement in the number of beneficiaries who underwent check-ups by a skilled professional and in a health facility.

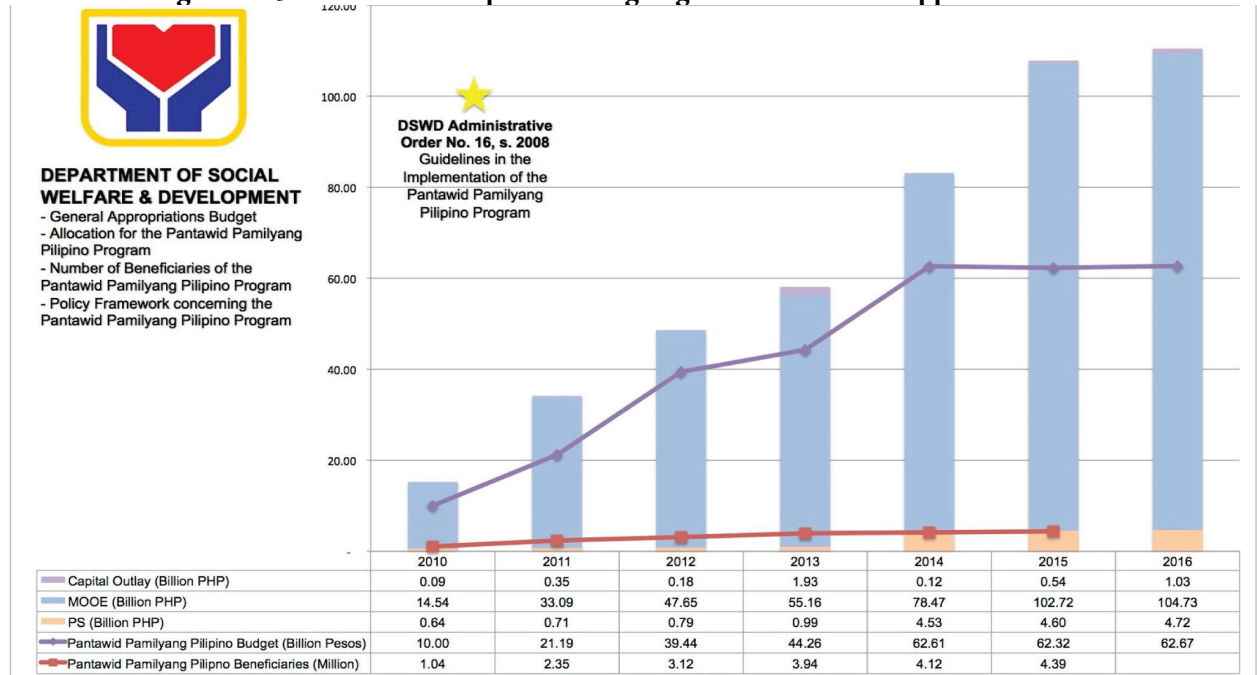
Among children, the number of Pantawid beneficiaries who received deworming pills at least once a year is nine percentage points more than non-beneficiaries. It was noted though that there was need to further increase the number of beneficiaries who were receiving at least two doses a year which is the recommended dose and one of the program conditionalities. Pantawid households also tended to spend Php206 more than non-beneficiaries when it comes to education-related items for school-aged children (Department of Social Welfare and Development, 2014).

In terms of its overall financial management, the 4Ps budget reached an uphill climb from 2013 to 2014, and slid a bit in 2015 before reaching its peak in 2016. The increase in the number of beneficiaries though did not rise in proportion to the rise in the 4Ps budget from 2013 to 2014, as Figure III.5 shows. As for budgets, except for capital outlay, the budget for maintenance and other operating expenses (MOOE) and personnel services (PS) were likewise

² This evaluation is based on a sample that is national in scope and covers Set 1 to Set 4 program areas, which were introduced into the program between 2008 and 2011. The beneficiary households in the sample areas have been exposed to the program for two to four years at the time of data collection from October to December 2013. The Sample includes 5,041 households from a total of 175 villages in 30 municipalities in 26 provinces.

increased. The figure below further shows that the legal support (DSWD Administrative Order No. 16, series of 2008) issued before the PNoy administration gave the impetus for the relatively smooth implementation of the 4Ps.

Figure III.5. Combined Graphs Showing Legal and Financial Support to the 4Ps



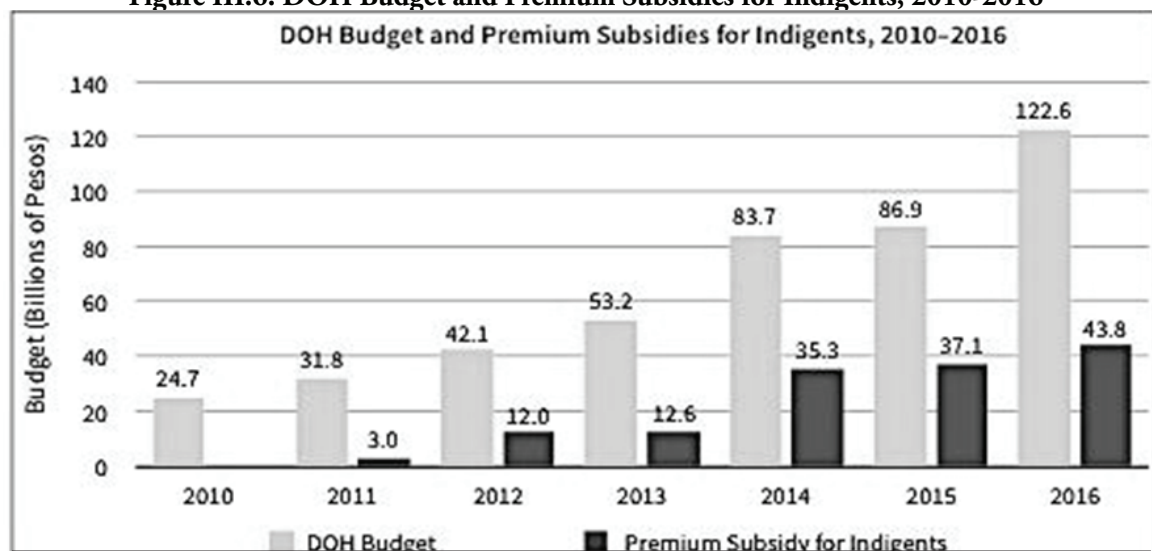
Graph constructed for the PNoy Presidency Assessment from available government data

PROGRAM BRIEF: UNIVERSAL PHILHEALTH COVERAGE (FINANCIAL RISK PROTECTION)

The Aquino administration aimed to achieve Universal Health Care for All Filipinos under the banner health program of Kalusugang Pangkalahatan (KP), which was a significant move towards inclusive development, a sub-goal towards social development (see Figure III.1 in previous section). One of the strategic thrusts under KP is financial risk protection through the expansion of the coverage of the National Health Insurance Program PhilHealth in the aspects of enrollment and benefits.

Budget subsidies for the PhilHealth premium payment for indigents started in 2011 at Php3 billion, which was 9.43% of the GAA-approved budget for the Department of Health (Figure III.6). Such allocation increased steadily from then on and ballooned to Php43.8 billion in 2016, which constituted 35.73%, or about one-third of the GAA-approved DOH budget during the Aquino administration's last budget in 2016, then featuring subsidies for senior citizens (See Figure III.6).

Figure III.6. DOH Budget and Premium Subsidies for Indigents, 2010-2016



Source: Department of Health (2016)

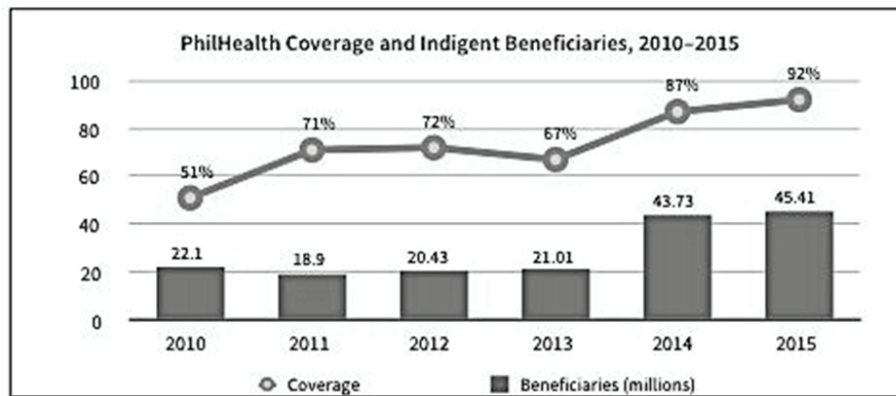
On the other hand, Figure III.7 shows that the increased subsidies also corresponded to an increase in indigent beneficiaries, a surge from 22.1 million in 2010 to 45.41 million in 2015. Of the 45.41 million, 5.8 million are senior citizens who were automatically enrolled in 2015 pursuant to RA 10645. In terms of coverage, PhilHealth covered 51% in 2010 to a remarkable 92% of the population in 2015.

Figure III.8 shows that the two major policies (RAs 10606 and RA 10645) apparently enabled the increase in budget and consequent rise in the number of beneficiaries. It must be noted, however, that the increase in PhilHealth coverage in 2011 did not necessarily translate in an increase in indigent beneficiaries, despite the further increase in coverage; conversely, in 2013, the number of beneficiaries increased despite the decrease in PhilHealth coverage for that year.

In terms of benefits, the following policies were implemented from 2011 to 2016 that ensured such benefits:

- implementation of case rates systems for efficient claims processing and containment of costs;
- no balance billing policy which aimed to have no out-of-pocket payments for indigents;
- Z benefit packages for complete management of catastrophic illnesses;
- point-of-care enrolment to provide convenient enrolment of indigents to PhilHealth;
- primary care benefit package to cover primary health care services; and
- all case rate systems to further improve claims processing and cost- containment.

Figure III.7. PhilHealth Coverage and Indigent Beneficiaries, 2010-2015

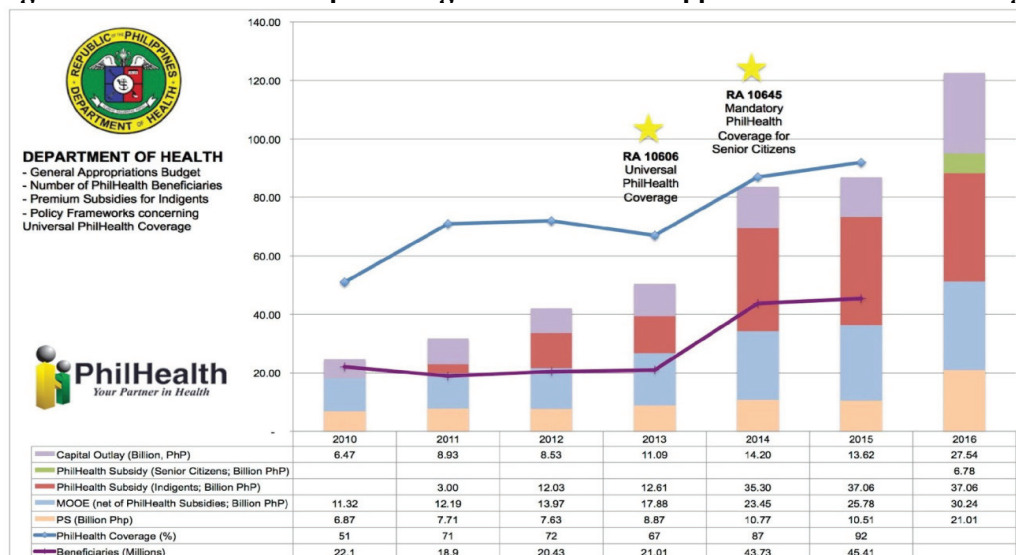


Source: Department of Health (2016)

However, the following issues still prevailed despite the interventions that were implemented:

- out-of-pocket expenses still accounted for 56% of total health expenditures, mostly for medicines;
- quality of data on spending patterns and the cost of health services could still be improved to guide the determination of fair case rates; and
- limited capacity of the human resource and information technology of the system to detect possible fraud, respond to process bottlenecks, and ensure compliance of service providers to the policies.

Figure III.8. Combined Graphs of Legal and Financial Support to PhilHealth Coverage



Graph constructed for the PNoy Presidency Assessment from available government data

PROGRAM BRIEF: ENHANCED BASIC EDUCATION (K-12 PROGRAM)

Major reforms in the education system were institutionalized during the Aquino administration with the enactment of the Kindergarten Education Act (RA 10157) in January 2012 and the Enhanced Basic Education Act (RA 10533) in May 2013. Under these laws, basic education cycle was extended from 10 to 12 years while kindergarten education became mandatory for all learners.

Curricula have been enhanced throughout the 12-year course of the basic education cycle covering one year of kindergarten, six years of elementary, four years of junior high school, and two years of senior high school. Career options/tracks are introduced during the senior high school level where students are being prepared for specific careers in academics, technical-vocational-livelihood, sports, and arts and designs (Office of the President, 2015).

Aside from this, the Aquino administration also prioritized addressing the backlogs in basic education inputs such as classrooms, textbooks, and teachers (Figures III.9 & III.10). From the 66,800-classroom backlog in 2010, 66,813 new classrooms were constructed by the end of 2013 and an additional of 33,608 new classrooms in 2014, mostly in preparation for the roll-out of the Senior High School Program (Department of Education, 2015). Meanwhile, the 145,827-teacher backlog in 2010 was addressed by the end of 2013 through the creation of 102,623 new teacher items from 2010 to 2013 combined with 43,000 kinder volunteers and LGU-hired teachers (Office of the President, 2012; 2015).

Figure III.9. Number of Classrooms Constructed, 2010-2014

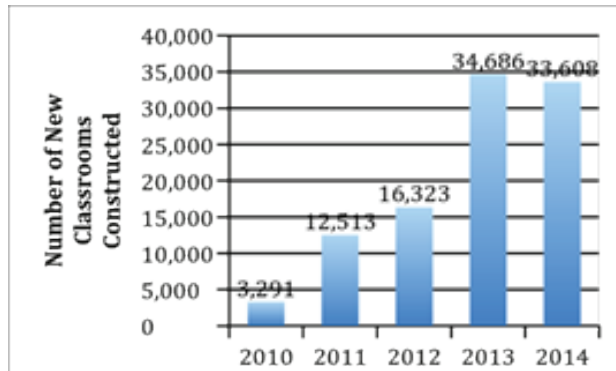
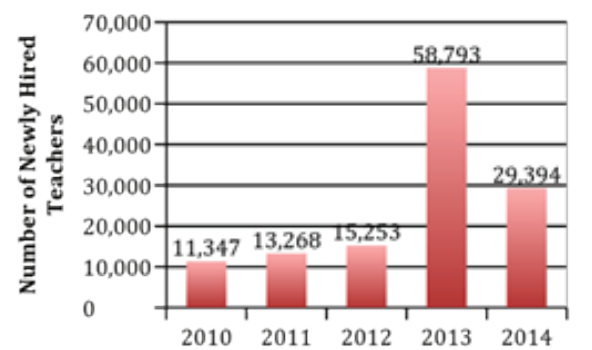


Figure III.10. Number of Newly Hired Teachers, 2010-2014

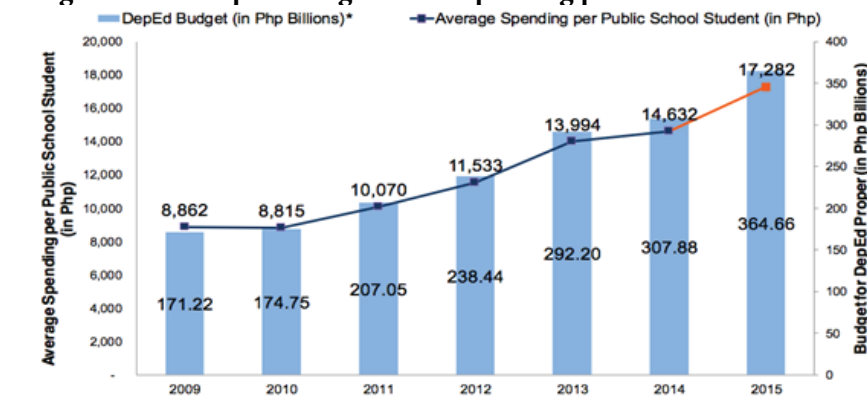


Graph constructed for the PNoy Presidency Assessment from available government data

Moreover, DepEd reports showed that the agency budget grew by 96.05% from 2010 to 2015 with the per capita spending per learner almost doubled from Php174.75 in 2010 to Php364.66 in 2015 (III, II).

Figure III.12 illustrates that, with the support of the two laws on the Kindergarten Act and the Enhanced Basic Education Act, more budget was poured in for Basic Education in 2013, showing a remarkably sizeable budget allocation for education. The building of classrooms and hiring of new teachers tapered off in 2014 despite the increased budget for that year.

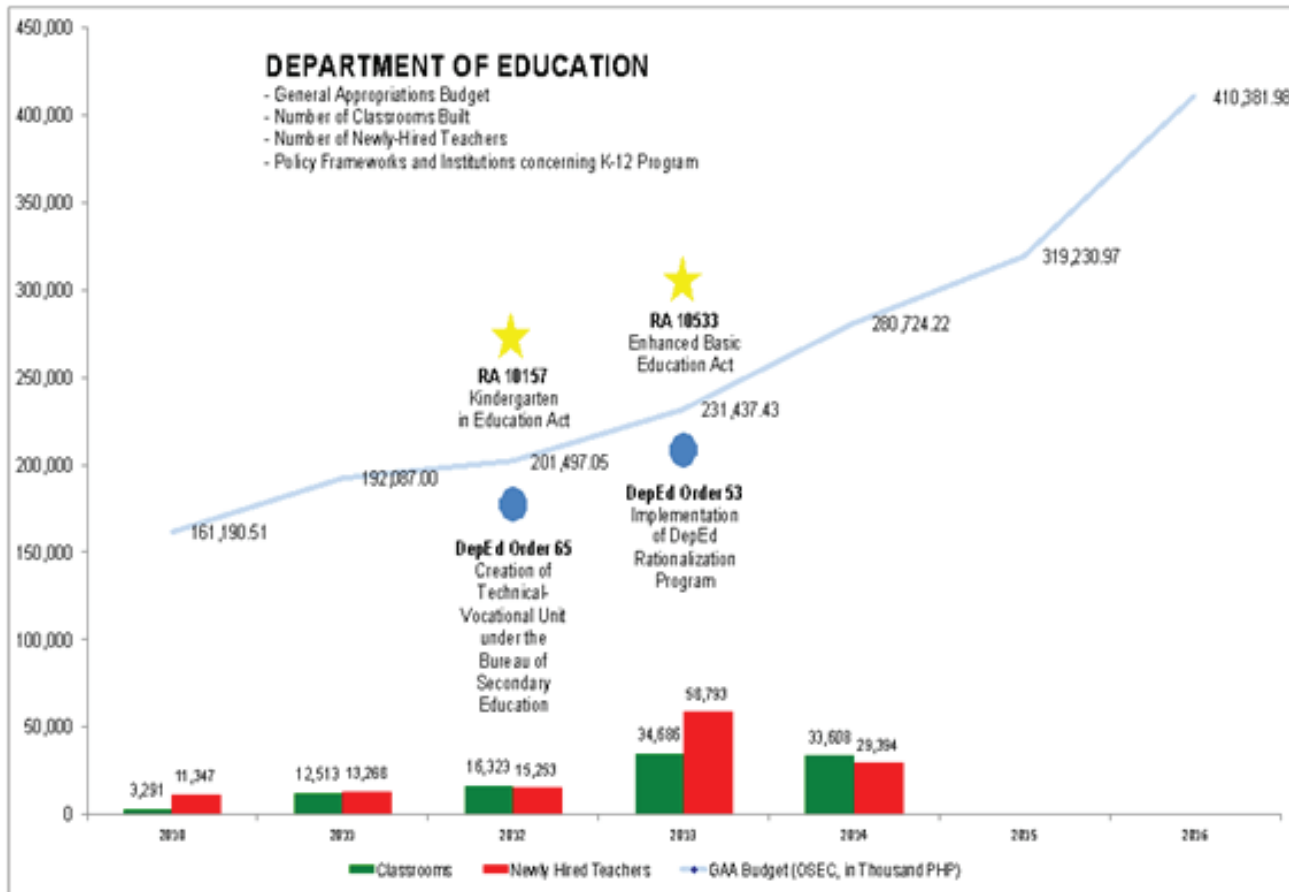
Figure III.11 DepEd Budget versus Spending per Public School Student



*Includes budget for E-GASTPE for private secondary schools; excludes budgets of attached agencies
— 2015 estimate based on projected enrollment of 21.1M in public elementary and secondary schools

Source: Department of Education (2015)

Figure III.12. Combined Graphs of Legal and Financial Support to DepEd



Graph constructed for the PNoY Presidency Assessment from available government data

PROGRAM BRIEF: COMPREHENSIVE AGRARIAN REFORM PROGRAM

Agrarian reform was one of the programs by the Aquino administration aimed at eradicating poverty. In fact, in the original results-based outcome framework for PNoY's presidency, asset reform was included as an outcome indicator (refer back to Figure III.1), but which was later missing in the revised framework (Figure III.2). The Department of Agrarian Reform (DAR) continues to implement the Comprehensive Agrarian Reform Program (CARP) pursuant to RA 6657, or the Comprehensive Agrarian Reform Law of 1988, as amended by RA 9700. As claimed by DAR Sec. Delos Reyes in his year-end report presented to the UP Public Lecture Series in April 2016, CARP is both a social justice and a poverty alleviation program:

The Comprehensive Agrarian Reform Law (CARL) or Republic Act 6657 mandated the Department of Agrarian Reform (DAR) as the government lead agency in the implementation of the Comprehensive Agrarian Reform Program (CARP) to broaden the land ownership base and provide the required resources and necessary support services to improve the socio-economic status of the agrarian reform beneficiaries. This makes CARP both a social justice and a poverty alleviation program. (Department of Agrarian Reform, 2016, p. 3)

From July 2010 to December 2015, DAR was able to distribute 611,598 hectares of land, of which 548,415 are categorized as CARP-able lands and the remaining 63,183 as non-CARP-able lands. This accomplishment represents 51.11% of the land acquisition and distribution (LAD) balance that was carried over to the Aquino administration in July 2010. It must be noted, however, that the beginning LAD balance has been adjusted due to inclusion of additional land holdings as well as adjustments in land areas, with a net increase of 50,422 hectares in CARP-able lands after adjustments while a net decrease of 18,430 hectares in non-CARP-able lands after adjustments.

DAR's (2016) self-assessment also indicated that in over a five-and-a-half year period (2011-2016) DAR had completed the documentation and processing of 47,727 landholdings consisting of 601,267 hectares which resulted in the distribution of 534,182 hectares to 335,591 agrarian reform beneficiaries. Around 46% of the total accomplishment for the period consisted of private agricultural lands, while 54% consisted of non-PAL. LBP-compensable lands accounted for 29% of the total, and non-compensable lands contributed 71%.

Table III.1. Land Acquisition and Distribution (LAD) Accomplishment of DAR, 2010-2015

	CARP-able Land (ha)	Non-CARP-able Land (ha)	Total Area (ha)
LAD Balance as of July 2010	1,053,413	143,008	1,196,421
ADD: Additional Land Holdings and Increase in Land Area due to Adjustments	576,904	95,596	672,500
LESS: Deductibles and Decrease in Land Area due to Adjustments	526,482	114,026	640,508
LESS: Accomplishments July 2010 to December 2015	548,415	63,183	611,598
LAD Balance as of December 2015	555,420	61,395	616,815

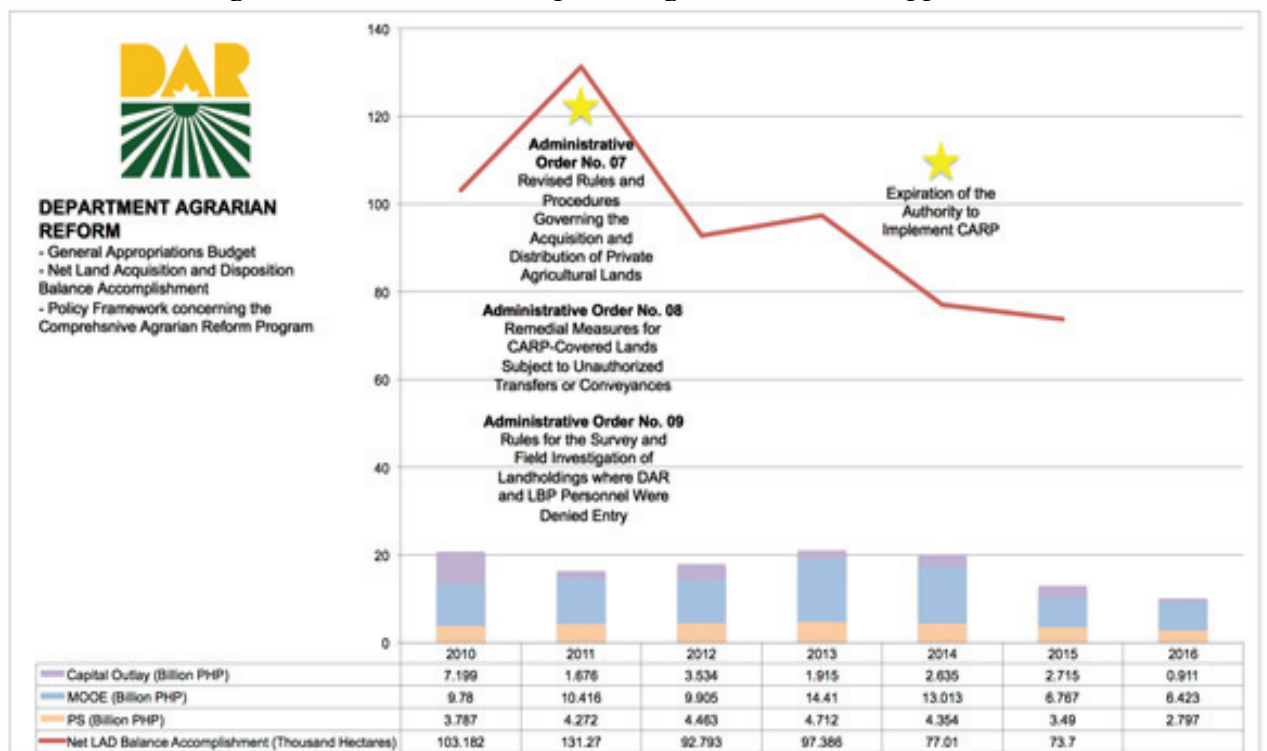
Source: DAR (2016)

Since the initial implementation of the CARP in 1988, DAR had acquired and distributed 87.17% of the working scope of the program which comprise of 5,413,630 hectares of land. The authority granted by RA 9700 for DAR to implement the program had expired in 30 June 2014. Thus, the remaining balance, which were not issued with the respective notice of coverage or has not been voluntarily sold as of 30 June 2014, cannot be further acquired and distributed (DAR, 2016).

Aside from land acquisition and distribution during 2011-2016, DAR had also provided legal services to agrarian reform beneficiaries (ARBs) which aimed at efficiency and strengthening of the due process. Agrarian legal services (ALS) involved the provision of agrarian legal assistance to ARBs, resolution of agrarian law implementation (ALI) cases and adjudication of agrarian disputes. For one, in 2011, the rules were changed so that cancellation cases may be filed even without a previous final and executory ALI case decision. The old “two-step” rule was changed, where, formerly, the rules of the DAR allotted the jurisdiction to cancel titles, on the one hand, to the provincial adjudicators, while that to resolve ALI cases (such as issues on retention rights, exemption/exclusion of landholding from CARP coverage, or the qualification of beneficiaries), on the other hand, to the regional directors and the secretary.

Also, the administration ensured that the title holders are notified that there is a case pending against him/her by sending out notices to comment (akin to summons), aligned with the rules of court, through personal delivery, substituted service, and publication, where previously, the rules allow the issuance of notices to comment through registered mail.

Figure III.13. Combined Graphs of Legal and Financial Support to CARP



Graph constructed for the PNoy Presidency Assessment from available government data

To its credit, administrative systems were also improved during the last DAR administration, such as the roll-out and full implementation in early 2012 of the web-based legal case monitoring system (LCMS), which was a central storage of legal case records, and accordingly designed to be an efficient means of capturing data (with its multi-use features including built-in word processors, accessibility over the internet, and utilization of barcode technology to ensure easy tracking and integrity of documents). The legal case inquiry system (LCIS), accessible in the DAR website, was launched in mid-2014. This was meant as the public access module of the LCMS, which enabled parties to a case, or their counsels or representatives (and even the general public) to find out, through the internet, the latest status of their cases pending in any office within the department, without having to call or travel to a DAR office to follow-up on the case. The LCIS contains the following data, namely: case title, case number, status, case category, and processing office. The LCIS may be accessed through the DAR's website.

Considered one of the critical efforts introduced during the past administration was the strengthening of the smallholder farmers' organizations in agrarian reform communities (ARCs) and outside of ARCs (also called agrarian reform areas) to complement the crafting of ARC development plans. To complement the creation of ARCs, DAR endeavored to facilitate discussions with and eventually helped farmers' organizations become strong and more resilient. This was evident in the creation of new projects and business models that provided direct and strategic assistance to farmers' organizations. Some of the support programs for the ARCs installed during the PNoy administration were:

1. *ARCESS*

The Agrarian Reform Community Connectivity and Economic Support Services (ARCESS) was a project conceptualized in 2010 to 2011 and eventually rolled out in 2012. The ARCESS project aimed to address the high production cost, low profit and, thus, low agri-income of smallholder farmers. Farmers, organizations were provided with access to critical goods, such as farm machines and equipment, and services (capacity building and credit facilitation). DAR reported that the ARCESS project assisted farmers' organizations in synchronizing and organizing the activities of smallholder farmers in order to attain economies of scale and agricultural efficiency. ARCESS subprojects were documented to lessen production cost and improve net income. A total of 469 ARB organizations were provided with various common service facilities, agricultural extension services, and business development services (DAR, 2016).

2. *Sugarcane Block Farms*

This management approach produced positive and encouraging results in its first year of implementation, wherein pilot areas organizations block farms gained an average increase of 32.8% in terms of cane yield per hectare. In peso terms, DAR explained that this could translate to an income increase of Php25,000 per hectare at current prices. Sugarcane block farming entailed the synchronization of the activities in small sugar plots which resulted to organized planting, buying of inputs, hauling of canes, and bidding of warehouse receipts. Sugar land was managed as small parcels of land and business units composed of 30 to 150 hectares. This business unit, managed by the farmers' organizations, implements the activities of the block farm in order to reach scale and enjoy reduced cost from buying inputs and undertaking farm-to-marketing logistics. This operational management of small sugar farms produces scale without consolidating land ownership or threatening the property rights of the farmers.

3. *Contract Growing on Cacao*

The cacao contract growing subproject is a partnership among smallholder farmers' organizations, DAR, and Kenner Food International (KFI), which has been ongoing since 2013. Some of the ARCESS subprojects that were engaged in cacao production decided to partner with KFI which sells their produce to Mars Chocolate. The smallholder farmers purchase their seeds from KFI through agricultural financing from Land Bank and, during harvest, the farmers sell their produce to Kenner. In this partnership, DAR shouldered the initial costs of meetings or the "getting-to-know-you" phase to lessen the farmers' and Kenner's transaction costs. The DAR also provided business development services to farmers' organizations. In cacao areas that were also covered by the Second Agrarian Reform Communities Project (ARCP II), funded by the Asian Development Bank, the cacao subprojects, which is one of the key activities under agri-enterprise component also received rural infrastructure such as farm-to-market roads and post-harvest facilities.

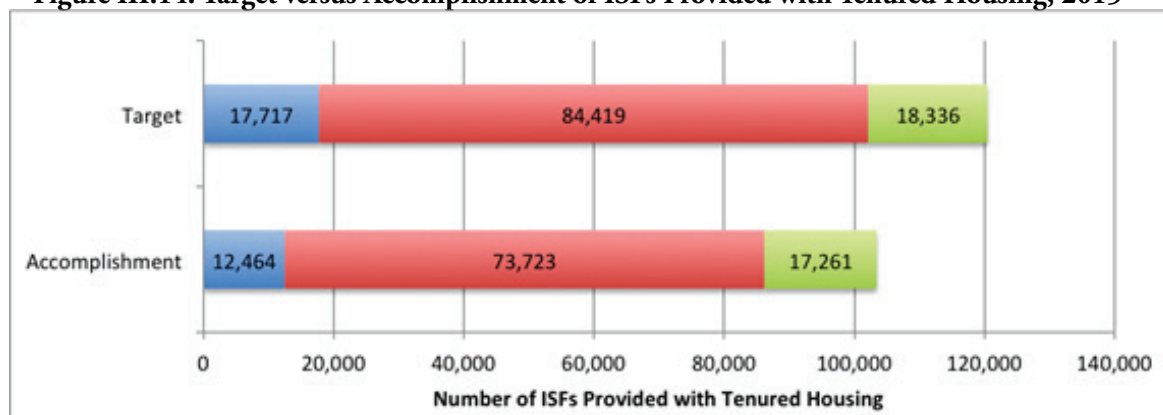
PROGRAM BRIEF: HOUSING PROGRAM FOR INFORMAL SETTLER FAMILIES IN DANGER AREAS

One of the banner programs of the Aquino administration under the housing sector is the Php50 billion housing fund for informal settler families (ISFs) living in identified danger areas in Metro Manila. Under the program, more than 100,000 ISFs who are living in danger areas, specifically along major waterways, creeks and esteros, as well as transmission lines, in Metro Manila were to be provided with tenured housing units. Prioritized under the program were those residing along Tripa de Galina, Tullahan River, San Juan River, Estero de Paco, Manggahan Floodway, Pasig River, Marilao River, Dario Creek, and those under transmission lines in Valenzuela City (Housing and Urban Development Coordinating Council 2015).

The Department of the Interior and Local Government (DILG) served as the lead agency for the project with the Housing and Urban Development Coordinating Council (HUDCC), National Housing Authority (NHA) and Social Housing Finance Corporation (SHFC) as members of the inter-agency technical working group (HUDCC, 2015).

Figure III.14 shows the target versus accomplishment of the housing program for informal settlers, with an accomplishment rate of around 86%, or a slippage of 14% by December 2015, which is not that bad.

Figure III.14. Target versus Accomplishment of ISFs Provided with Tenured Housing, 2015



Source: HUDCC (2015)

The project targeted to provide 120,472 ISFs (or around 20% of the total number of informal settlers in Metro Manila based on 2007 NHA figures) with security of tenure through the in-city/near city low-rise building and off-city row housing of the NHA as well as high-density housing program through the assistance of SHFC. As mentioned above, 86% of the target has already been reached, as of December 2015 with 86,187 ISFs given housing through NHA's relocation and another 17,261 ISFs who are granted security of tenure through SHFC's acquisition of lands for their high-density housing.

In terms of specific housing programs, below is an account of the accomplishment of the Housing Sector by the PNoy administration. For the period July 2010 to December 2015, the housing agencies provided housing assistance to 894,569 families valued at Php313.607 billion as shown in Table III.2. The assistance included the provision or funding of house and lot packages, developed lots, houses, or home materials for home improvement/repair.

Table III.2. Accomplishment of the Main Housing Agencies, July 2010 – December 2015

Agency	No. of Units	Values (in Billion Pesos)
NHA	528,500	105.36
SHFC	82,239	6.31
HDMF	283,830	201.94
TOTAL	894,569	313.61

Source: HUDCC (2015)

In addition to the direct housing assistance provided by the above key shelter agencies, the Home Guaranty Corporation (HGC) guaranteed Php222.03 billion worth of housing loans extended by private commercial and rural banks as well as other financing companies equivalent to about 127,500 housing units. Another housing program implemented during the PNoy administration was included the following the regional resettlement program, which includes resettlement projects directly administered by the NHA and Resettlement assistance program to LGUs (RAP-LGU). The RAP-LGU is a joint undertaking between the LGU and NHA where the former contributes land while the latter provides funds to cover cost of land development or housing.

Noteworthy is that for the period July 2010 to December 2015, NHA had provided assistance to a total of 40,951 households valued at Php4.12 billion in the different regions, which included housing for 3,605 indigenous peoples (IPs) nationwide amounting to Php624.30 million — the first time that such a program was implemented by the government (HUDCC, 2015).

ANALYSIS OF SOCIAL DEVELOPMENT OUTCOMES

The analysis on social development outcomes for this study comes from three major data sets:

- A. The Philippine Development Plan indicators used in the Human Development and Poverty Reduction (HDPR) cluster results-based outcomes framework;
- B. Self-assessments and alternative assessments from the UP Public Lecture Series; and
- C. Data corresponding to the Social Progress Index framework (using proxy indicators derived from Philippine data sets and comparing these with data from the global SPI rating).

Results-based Outcomes for Social Development

Under the Philippine Development Plan 2011-2016, the PNoy presidency adopted the social development framework illustrated in Figure III.1 in the introduction of this chapter.

According to a self-report of the PNoy presidency, the following were considered by the Aquino administration as banner achievements:

- Basic education budget increase from Php161.4 billion in 2010 to Php410.4 billion in 2016
- Increase of beneficiaries of CCT: 786,523 households in 2010 to 4,377,762 households
- Classrooms built: from 17,305 (2005-2010) to 89,720 classrooms (2016)
- Employment: 92.7% (2010) to 94.2% (2016)
- Hunger in households reduced (SWS): 23.4% in 2009 to 11.7% in 2015
- Irrigation: 144, 016 hectares (2001-2010) to 164,230 hectares of land irrigated in 2014
- Number of out of school children was reduced from 11.7M in 2008 to 5.2M in 2013
- Philhealth coverage expanded from 47.07 million members in 2010 to 93.45 million in 2015
- Poverty incidence rate reduced from 26.3% in 2009 to 21.6% in 2015
- Budget for social services doubled from Php415.8 billion (28%) in 2010 to Php1.11 trillion (36.8%) in 2016
- Budget for State Universities and Colleges (SUCs) doubled from P22.4B in 2010 to Php 47.4B in 2016
- 9,536,994 TESDA (TVET) graduates
- 1,055,335 TESDA (TWSP) graduates
- Unemployment rate decreased from 7.3% in 2010 to 5.8% in 2016

Using the social development framework presented in Figure III.2 presented earlier in the introduction section of this chapter, analysis was made using Philippine Development Plan (PDP) data. Table III.3 is constructed in this study to show the comparative data on outputs for selected indicators for social development by the end of the 2011-2016 PDP implementation vis-a-vis the targets set in the base year and to indicate which sub-sector outcomes have reached at least 50% of their target, an arbitrarily set metrics for this study.

In general, the results showed that, based on targets for the selected social development indicators, the government had more than 50% achievement rate for 72% of indicators combined, especially in the enhancement of knowledge and skills at the elementary and secondary school level; in the provision of social protection through health insurance coverage and provision of socialized housing; and in improving health and nutrition status for mothers, provision of safe water and sanitary toilets, reduction of malaria morbidity rate, and increase in tuberculosis (TB) case detection. The summary of outcomes is illustrated in the graph in Figure III.15 to have a sense of how the PNoy administration fared in the administration of social development using its results-based framework. The purpose of showing this data set is to simply show the achievement of outputs rate versus targets. If the key programs of government were intended to achieve the targeted outputs that in turn were assumed to achieve the desired outcomes for social development and poverty reduction, and if an achievement rate of 50% and more is considered as fair to good, then we can say that the government was fairly or well effective in the delivery of its intended social development outcomes, with 72% of the intended outputs for the cluster having a 50% or more achievement rate.

However, noticeable from Table III.3 below is where the country needs more effort, i.e., in the reduction of HIV cases and in taking care of underweight children, because not only did we miss our target; the achievement rate also retrogressed. We also did not do well in reaching targets for increasing enrollment in higher education, accreditation of higher education programs, and in passing national licensure exams, although progress was made compared with the base year as can be gleaned from the table.

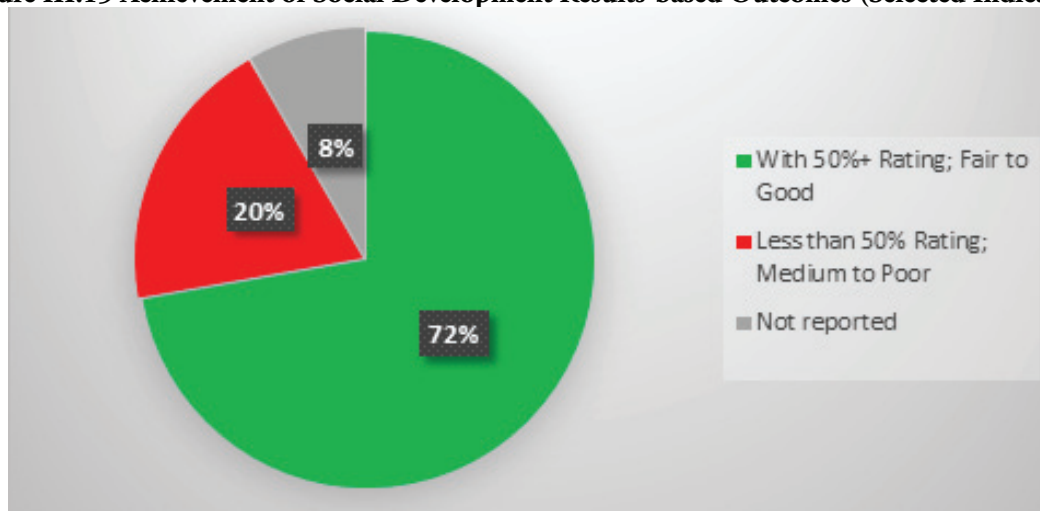
Table III.3 Indicative Rating of Social Development Results-Based Outcomes

Objectives/ Results	Indicator	Baseline	End of Plan Target	Achieved values	
Sector Outcome: 6: Human capabilities improved					
Subsector outcome 6a: Health and nutrition status improved	Maternal mortality ratio per 100,000 live births decreased	221	50	114	+
	Infant mortality rate per 1,000 live births decreased (%)	30	25.5	23	+
	Prevalence of underweight children under five per 1,000 live births decreased	20.2	12.7	21.5	-
	Contraceptive prevalence rate (all methods) increased	48.9	65	55.1	+
	Proportion of births attended by health professional increased (%)	72.2	90	82	+
	Proportion of births delivered in facility increased (%)	52.2	85	80	+
	Malaria mortality rate per 100,000 population decreased (%)	0.01	<0.03	0.019	-
	Malaria morbidity rate per 100,000 population decreased (%)	9.5	6.6	5.8	+
	TB case detection (all forms) increased (%)	82	85	94	+
	HIV prevalence decreased (percent of population)	Less than 1% of the population (2012)	Less than 1% of the population	Less than 1% but increased number of reported cases (2015)	-
	Proportion of population with access to safe water increased (HH in %)	83 (2011)	88	85.5 (2014)	+
	Proportion of population with access to sanitary toilet increased (HH in %)	91.6 (2011)	>92	92 (2015)	+
	National Health Insurance Program (NHIP) coverage rate increased (%)	72 (2012)	95	92 (2015)	+
	Proportion of households with per capita intake below 100% dietary energy requirement decreased (%)	66.9 (2008)	32.8		x
6b: Knowledge and skills enhanced	Net enrolment rate increased (in %)	88.7 (2010)	100	92 (2015)	+
	Kindergarten	57.2	100.0	79.3 (2014)	+
	Elementary	95.9	99.0	92.57 (2014)	+
	Secondary	64.7	71.0	79.98 (2014)	+
	Adjusted net enrolment rate increased (in %)				
	Elementary	98.5	99.0	94.5 (2014)	+
	Secondary	92.5	99.0	86.2 (2014)	+
	Completion rate increased (in %)				

Objectives/ Results	Indicator	Baseline	End of Plan Target	Achieved values	
	Elementary	72.1	83.0	82.65 (2015)	+
	Secondary	75.1	80.0	75 (2013)	+
	Cohort survival rate increased (in %)				
	Elementary	74.2	83.0	84.75 (2015)	+
	Secondary	79.4	85.0		x
	Achievement rate increased (in %)				
	Elementary	68.2	77.0	70 (2013)	+
	Secondary	47.9	65.0	54 (2013)	+
	Certification rate in TVET increased (in %)	82.9	87.5	91.1 (2014)	+
	TVET graduates increased (annual)	1,344,371	1,383,026	1,765,757	+
	Higher education graduates increased	498,418	601,505	692,602 (2016)	+
	Higher education faculty with MA increased (in %)	38.87	65	40.34 (2016)	-
	Higher education faculty with PhD increased (in %)	11.09	30	12.62 (2016)	-
	HEIs with accredited programs increased (in %)	19.89	35	26.63 (2016)	-
	National passing percentage (across disciplines) in licensure exams increased (in %)	33.91	52.53	39.29 (2015)	-
Sector Outcome: 6b: Vulnerabilities Reduced					
Subsector outcome 6c: Social protection expanded	Proportion of poor families covered by PhilHealth as identified under the NHTS-PR and LGU, Sponsored Program(%)	88.7	100	92	+
6d: Access to secure shelter expanded	Percentage of housing targets met (%)	22.5	25.84	60.65	+
	Share of socialized housing to housing target improved (%)	56.78	77.77		x

Legend	
+	With 50%+ of Target Achievement Rate; Fair to Good
x	No values reported
-	Less than 50% Rating; Medium to Poor

Figure III.15 Achievement of Social Development Results-based Outcomes (Selected Indicators)



Self-Assessments and Alternative Assessments on Outcomes in Social Development and Poverty Alleviation

This section presents discussion and assessments from government agencies involved in the implementation of key programs related to human development (HD) and poverty reduction (PR) and social development in general (based on the development framework adopted by the cluster on HD and PR) as well as alternative assessments presented during an NCPAG-organized UP Public Lecture Series held last April 2016 to assess the PNoy administration's performance, along with assessments from the study team.

According to former President Aquino, "the government's effort to put primacy in social services contributed to the decrease in poverty incidence from 27.9% in the first semester of 2012 to 25.8% in the first semester of 2014. This is equivalent to around 504,408 individuals getting out of poverty" (Aquino, 2015). This figure further decreased to 21.6% in 2016.

1. Overall Focus on Poverty Alleviation Efforts

PNoy mentioned in his SONA Technical Report for 2015 that by "focusing on improving the overall quality of life of the Filipino, the government translated the gains of economic growth into direct, immediate, and substantial benefits" (Office of the President, 2015, p.43).

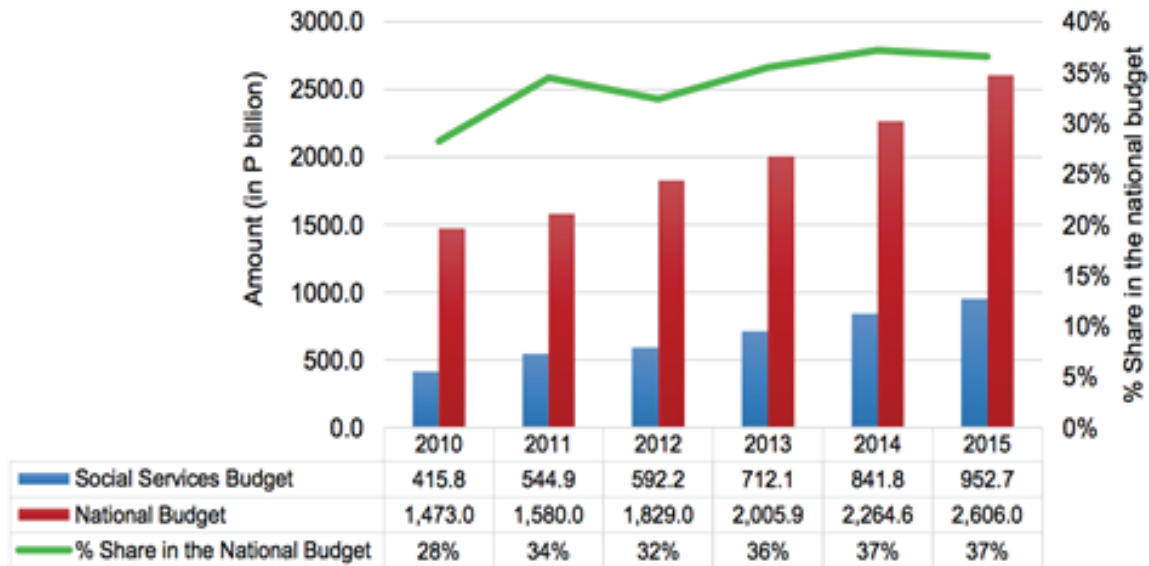
One of the major achievements for this cluster that was mentioned in the technical report is the increase in employment. It was also reported that these improvements in employment were complemented by the government's efforts toward social development that reportedly enabled the poor to take advantage of economic opportunities as well as social protection programs that will prevent them from falling deeper into poverty. These programs reportedly included efforts to capacitate the workforce of the poor towards decent and productive work; promote access to affordable and quality health care; and empower the poor and marginalized to enhance their access to basic needs and opportunities, as stipulated in the expected results outcomes for this cluster.

The priority accorded by the government on the welfare of the poor and the marginalized is seen in its consistent allotment of the biggest share of the national budget every year to social services, increasing its allocation more than two-fold from 2010 to 2015. Figure III.16 below shows this sustained increase in the social services budget.

However, during the UP Public Lectures held in April 2016, alternative assessors lament the still high poverty incidence (around one-fifth of the population) especially when compared with the statistics of the neighboring countries in the Southeast Asia. Professors Marivic Raquiza and Rosalinda Ofreneo both point to jobless growth as the reason the poverty incidence in country remains high. Both academics also criticized on the DSWD flagship program Pantawid Pamilyang Pilipino Program (4Ps), particularly the inclusion and exclusion errors, and the conditionalities that come with the cash transfers. Profs. Ofreneo and Raquiza both stated that interventions such as 4Ps do not necessarily address the root cause of poverty. They both noted the shrinking industrial and agricultural sectors, which are both labor-intensive sectors. Both concluded that structural transformation is needed to truly address poverty.

While acknowledging that the 4Ps may have had achieved some positive effects, i.e., positive behavioral changes on the beneficiaries and incremental improvements in health and education effort, Prof. Marivic Raquiza also argued that no overall impact on poverty reduction was achieved among the household beneficiaries. Raquiza cautioned against such gains and pointed out that although the PNoy presidency had the highest expenditure for anti-poverty programs among all presidencies since Cory Aquino's time, it should be noted that such programs were characterized by loans. By 2016, the World Bank (WB) and the Asian Development Bank (ADB) had provided a total of US\$805 million in loans with US\$1M technical assistance from ADB to support the 4Ps. This means that the government needs to repay in loans what it spent for the 4Ps.

Figure III.16. Social Services Budget, 2010–2015



Note: 2010–2013 (Actual); 2014 (GAA); and 2015 (GAA)

Source: DBM

In the impact evaluation study conducted by the DSWD and World Bank in 2012, it was found that:

The program is also achieving its objectives by allowing households to invest more in meeting the health and education needs of their children. Pantawid Pamilya is changing the spending patterns of poor households, with beneficiary households spending more on health and education and less on adult goods such as alcohol... However, the study was unable to identify a program impact on aggregate consumption/expenditures, even though expenditures on education and health increased and results from some areas suggest an increase in savings. Further studies, which will require collection of detailed consumption data, are required to develop a deeper understanding of the impact of Pantawid Pamilya on consumption and poverty. (World Bank, 2013)

Here is the irony in the GDP vs. poverty statistics. If high GDP is a measure of poverty alleviation, then it appears that the Philippine economy had a marked increase in being out of poverty, with its GDP of 6.3% being the highest for the five-year period of the presidency. Yet, with a high poverty rate of 21%, or some 25 million still living in poverty with a gini coefficient or a measure of inequality in incomes of 0.4439³ or almost half of income concentration in those with top incomes, this still runs counter to the PNoy administration's call for inclusive growth.

Citing of 2012 study by former NEDA secretary Cielito Habito, Raquiza notes that in 2011, 40 richest families accounted for 76% of the country's GDP growth, reinforcing perceptions of an oligarchic economy. She further illustrated that over the past decade, *“those who made it to the top of the Forbes list tripled their net worth, and those who made the biggest leap did so in the service industries (e.g., utilities, property development, banking, telecom, BPOs)”*.

Let us examine the unemployment or joblessness trends and other vulnerability dimensions related to unemployment in the country during the PNoy administration as the country pursues poverty alleviation and improved standards of living. Unemployment appears as one major factor that has impeded improvements in the poverty situation of the country.

Figure III.17 below shows the situation on poverty versus unemployment and underemployment from 2011 to 2016, where there was almost a fourth or 23% rate of combined unemployment and underemployment by January 2016, and a little over a fifth or 21.6% of the population living in poverty.

Further, as shall be discussed more below, the country had vulnerable employment plus underemployment of close to half the labor force (46%) in 2013, or midway in the PNoy administration.

3 Perfect equality in incomes has a gini coefficient (GC) of 0, while perfect inequality would have 1 as GC value of 1.

Figure III.17. Trend on Unemployment Rate



2. Accelerating Inclusive Growth and Decent Jobs⁴: Some Disparities

The 2015 Technical SONA report claimed that the sustained growth during the PNoy presidency contributed to a marked increase in employment, with over 4 million individuals⁵ added to the number of employed from 2010 to 2014. Further, it also pointed out that unemployment rate declined from 7.4% in 2010 to 6.8% in 2014, which was the lowest since 2005. By April 2015, unemployment rate was 6.4%⁶.

The 2015 SONA Technical Report also cited a 2014 Gallup poll on local job opportunities in 145 countries, which mentioned that 66% of respondents in the Philippines said that it was a good time to find a job in the country, “making the Philippines the most optimistic about finding a job among 22 Asia Pacific countries and second globally, next only to Turkmenistan.”

Turning to the International Labor Organization (ILO) Philippine Office for employment statistics, main reference is made to an ILO account on Philippine Employment Trends for 2015, which reported that during the five-year period, employment expanded by more than 4 million (or 11.8%), from 34 million (2008) to 38.1 million (2013) International Labor Organization (2015) . It said this trend was “just sufficient to keep pace with the rapid growth in the labor force.”

The report also said that “women’s employment increased at a faster pace than that for men (14% compared to 10.5%), although men still represent three in five of all employed persons,” thus depicting a gender disparity in the employment status.

But while employment rate has seemingly increased internally, the picture when compared outside the country may not be as rosy. In a digital portal Inquirer.Net (Nov.22, 2015) brief report after the ASEAN Summit in 2015 showing how the Philippines fared, it was stated that among the ASEAN member countries, the Philippines has the highest unemployment rate. Inquirer.Net reported that as of 2013, the Philippines had the highest unemployment rate in the region at 7.1%, followed by Indonesia with 6.3%. Cambodia and Thailand post the lowest percentages at 0.3% and 0.7%, respectively⁷.

4 Borrowed sub-title from an ILO Report on Philippine Employment Trends for 2015. This section borrows data heavily from this Report.

5 From 2010 to 2014, there were an average of over 800,000 new entrants in the labor force.

6 Note that 2014 data exclude Region VIII and April 2015 data exclude Leyte, as cited from the SONA 2015 Technical Report.

7 Read more: <http://globalnation.inquirer.net/132498/inquirerseven-philippines-comparison-asean-countries-southeast-asia-economy-internet-population-tourism-unemployment#ixzz4dtVBtY2B>

Vulnerable Employment

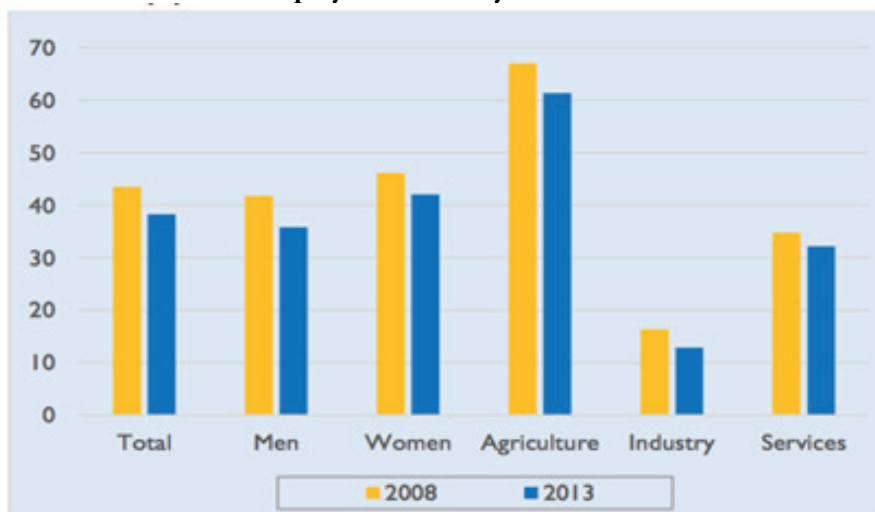
Furthermore, the ILO (2015) report stresses the importance of assessing the quality of employment as a major factor that will be significant in reducing poverty. This is critical, ILO says, in order to ensure that employment creation has positive implications on poverty reduction and higher living standards. ILO avers, “this link is possible only if the jobs gained are decent in terms of being secure, productive and well-paid.” (ILO, 2015, p.10). ILO explains that “monitoring the vulnerable employment rate, defined as the share of own account and contributing family workers in total employment, is key because these types of workers are less likely to have formal work arrangements and access to social protection and are more at risk during an economic or environmental crisis” (ILO, 2015, p.10).

In the Philippines, vulnerable employment decreased from 43.5% in 2008 to 38.3% in 2013 (see Figure III.18), but it was reported that 14.6 million workers were still employed as own-account or contributing family workers with limited security and protection. But where may the disparities in vulnerability exist? In 2013, the vulnerable employment rate was 6.3 percentage points higher for women than men. By sector, 61.4% of workers in agriculture were engaged in vulnerable employment, but only 32.2% in services and 12.9% in industry.

ILO report showed that those in vulnerable employment, combined with the number of unemployed, is close to half of the working population, estimated to account for around 46% of the labor force in the Philippines (see Table III.5). While this ratio is high and points to decent work deficits in the labor market, worth noting is that the figures for both vulnerable employment (42%) and combined unemployment and vulnerable employment (46%) for the country in 2013 are lower than that in many other ASEAN member states (ILO, 2014).

As reported by ILO, other disparities can also be gleaned at the subnational level where there are wide differences among regions. The disparities reflect regional differences in the level of economic development (Figure III.15) and when taking into account the impact of conflict and natural disasters. Figure III.19 shows for example, a regional gap between the ARMM and the National Capital Region (NCR) which is a striking 60.5 percentage points.

Figure III.18. Vulnerable Employment Rate By Sex And Sector, 2008 and 2013 (%)



Source: Philippine Statistics Authority: Labour Force Survey.
As cited in ILO Philippine Employment Trends 2015

Table III.4. Shares of Unemployment and Vulnerable Employment in Selected ASEAN Member States, 2013

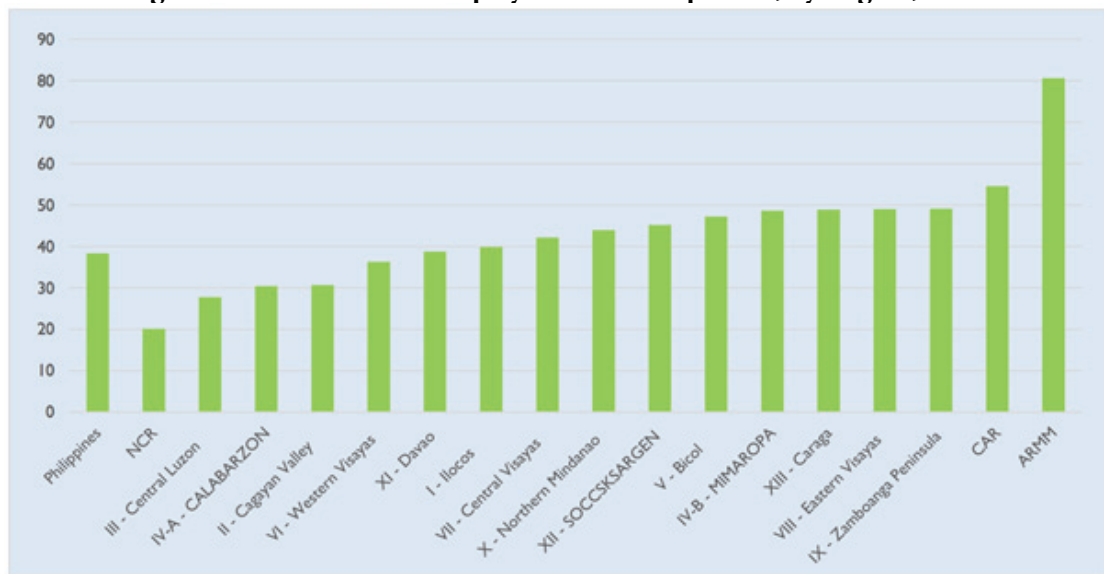
Selected ASEAN countries	Unemployment rate, %	Vulnerable employment rate, %	Unemployment and vulnerable employment in total labour force, %
Thailand	0.8	52.0	52.1
Indonesia	6.0	61.0	64.2
Philippines	7.3	42.0	46.3
Viet Nam	1.9	62.0	57.4
Lao PDR	1.4	85.0	85.6
Cambodia	0.3	64.0	63.7

Note: The table provides estimates from the ILO's Trends Econometric Models, October 2014, and may differ from labour force survey results.

Source: ILO: Trends Econometric Models, October 2014.

As cited in ILO (2015)

Figure III.19. Vulnerable Employment Rate in percent, by Region, 2013



Source: Philippine Statistics Authority: Labour Force Survey.

As cited in ILO (2015)

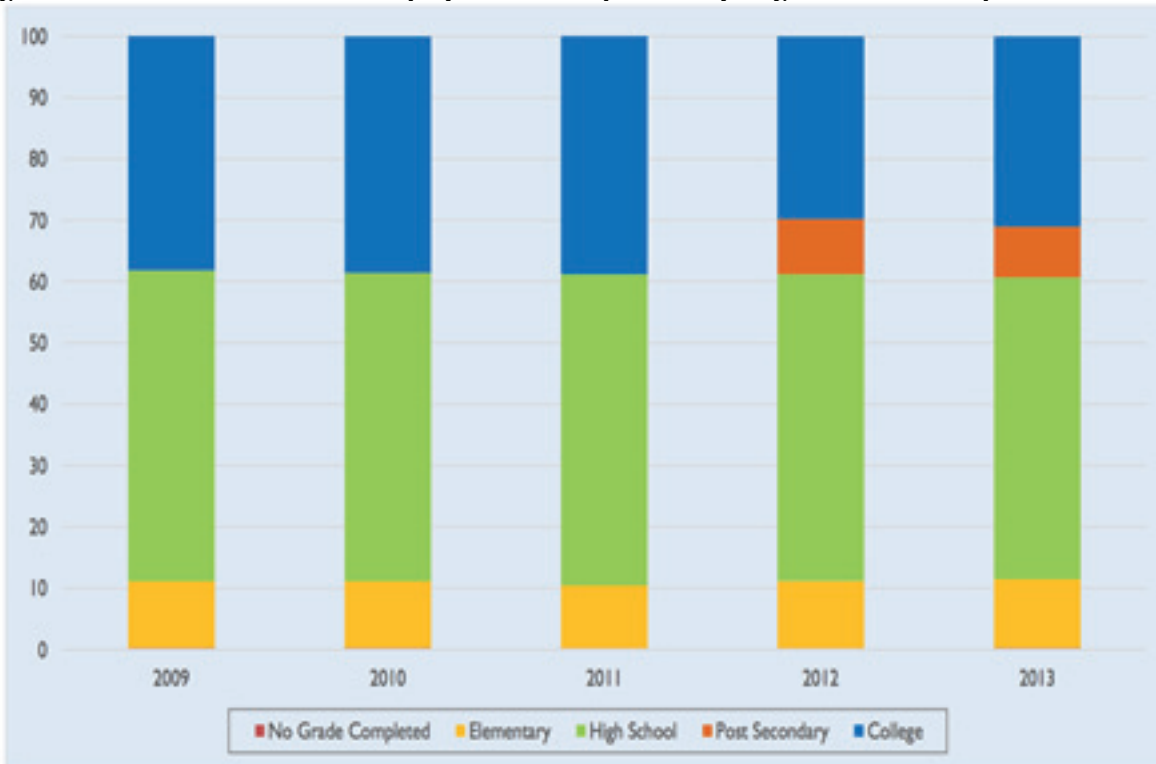
Focus on the Youth: Unemployment and Vulnerable Employment

ILO in its 2015 report has argued that the unemployment challenge is primarily a youth phenomenon, as 1.4 million young people account for almost one-half of the total unemployed. This is a nuance on what has been reported in the PNoy SONA that four million individuals were employed from 2010 to 2013. These young are almost three times more likely than their adult counterparts to be unemployed, says the ILO Report. If we are to progress as a nation and carry on the legacy of whatever ideals and values we hold as a nation, and sustain progress made in pursuing such values as working in a collective or bayanihan, damayan or having a regard for the other, fortitude, etc., we need to provide more opportunities for the youth. Having a productive youth sector will also be a source of capital for maintaining a healthy tax base to support our elderly.

Thus, despite the seemingly glowing employment growth trends reported earlier in the self-assessment reports by the PNoy administration, a high number of jobseekers, particularly young people, are reportedly unable to secure employment. In 2013, unemployment stood at 7.1%, with the rate exceeding 9% in the NCR and CALABARZON according to ILO. Unemployment for men (7.3%) exceeded that for women (6.8%). Although the figures are high, we have yet to obtain the most recent data for youth unemployment to examine whether the situation had improved by the end of the PNoy term.

A somewhat worrisome situation is expected because as can be viewed below, another distinctive feature of the youth labor market is the high incidence of unemployment among those with higher educational attainment. For example, we would note that most of the unemployed (39.3%) have reached college or a post-secondary degree level (see Figure III.20 below), while almost half (49.3%) of the youth who have completed high school are unemployed.

Figure III.20. Distribution of Unemployed Youth in percent, by Highest Grade Completed, 2009-2013



Note: Youth aged 15 to 24. Post secondary data was included in the college category prior to 2012.

Source: Philippine Statistics Authority: Labour Force Survey.

As cited in ILO (2015)

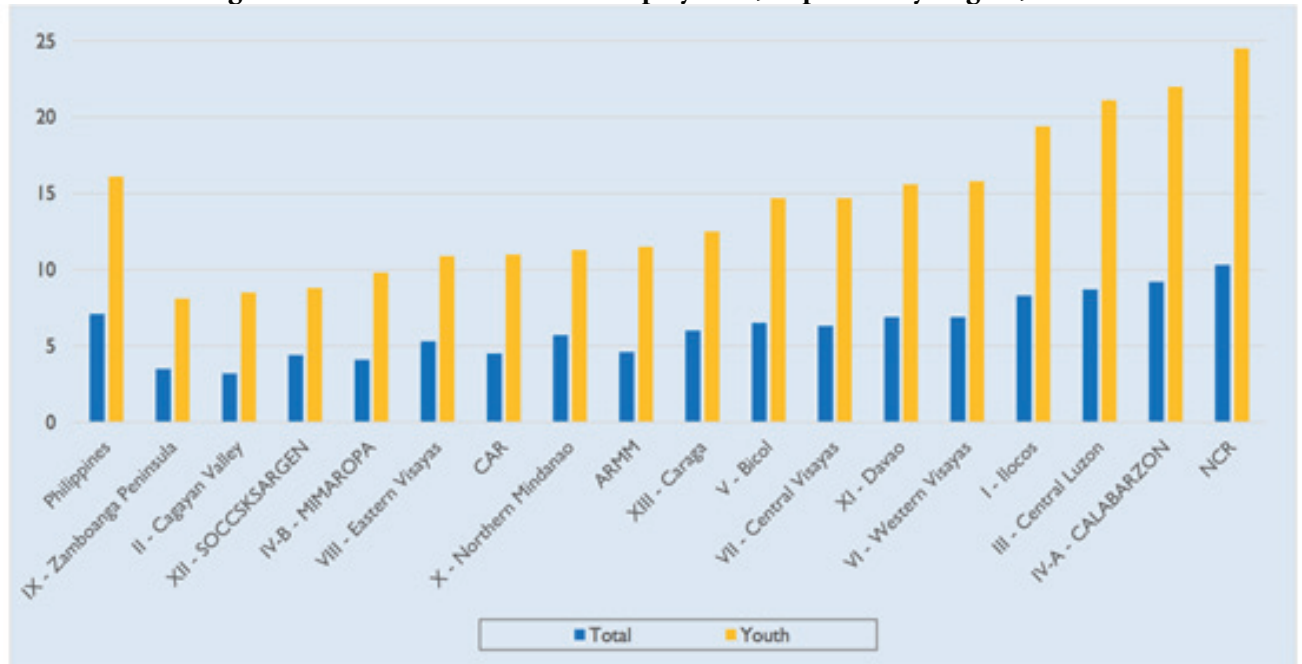
As ILO explains, “this seems to suggest that the unemployed are mostly young but relatively educated in search of better options” (ILO, 2015, p. 8). The rate, however, was significantly higher for young women (31.1%) than for young men (17.5%). As ILO suggested, this may imply that household and family duties may be a significant factor that affects the participation of young women in the labor market. But complicating this joblessness among the youth is another area of disparity. Large differences among youth unemployment rates were also found at the subnational level, with rates generally higher in urban areas than in the rural areas. In 2013, highly urbanized regions such as the NCR (24.5%), CALABARZON (22.0%) and Central Luzon (21.1%) posted the highest youth unemployment rates (Figure III.21).

Furthermore, examining vulnerable employment among young people, the rate was 29.7% in 2013, of which almost three-fourths (1.6 million out of 2.2 million) were contributing family workers. In line with the trend for the overall labor market however, youth vulnerable employment rate continuously dropped by more than five percentage points since 2009. Compared with their adult counterparts, young men (32.2%) are more likely to be in vulnerable employment compared to young women (25.3%).

Vulnerable Employment and Low Productivity

One more complication and concern for Philippine employment according to ILO is that vulnerable employment is also characteristic of work that is less productive. When examining figures for the subnational level in Figure III.22, one notices a strong inverse relationship between vulnerable employment and labor productivity (ILO defines this as a measure of output per worker). To illustrate, we take the example of the ILO report where it points out the figures for NCR showing less vulnerable employment but where labor productivity tends to be higher. ILO explains that achieving higher labor productivity is critical to consequently drive sustainable increases in wages and incomes, and eradicate poverty.

Figure III.21. Total and Youth Unemployment, in percent by Region, 2013



Note: Youth aged 15 to 24.

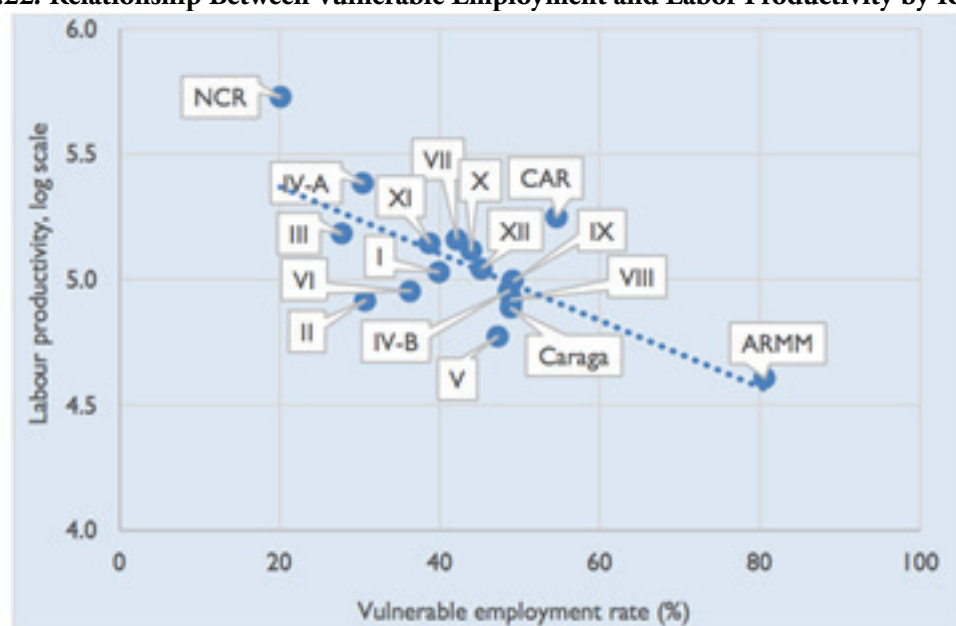
Source: Philippine Statistics Authority: Labour Force Survey.

As cited in ILO (2015)

Since 2009, labor productivity growth has been strong, growing on an annual average basis of 4.1% as can be seen in Figure III.23 below. This reflects the continued structural shift of workers out of low-productivity agriculture into higher-value industry and services. But it also indicates strong within-sector growth, particularly in industry (3.4%) and services (3.3%), according to the ILO 2015 Report.

Despite this recent progress, labor productivity remains low overall, weighed down by agriculture where labor productivity is only one-sixth the level in industry. In comparison to other ASEAN economies, labor productivity overall in Brunei Darussalam and Singapore is 10 times higher than in the Philippines, and is 3.5 times higher in Malaysia and 1.5 times higher in Thailand (ILO & ADB, 2014, Table F2-4). As explained by ILO, these intra-regional gaps reflect differences in economic structure, level of infrastructure and technology investment and workforce skills and training, among other factors.

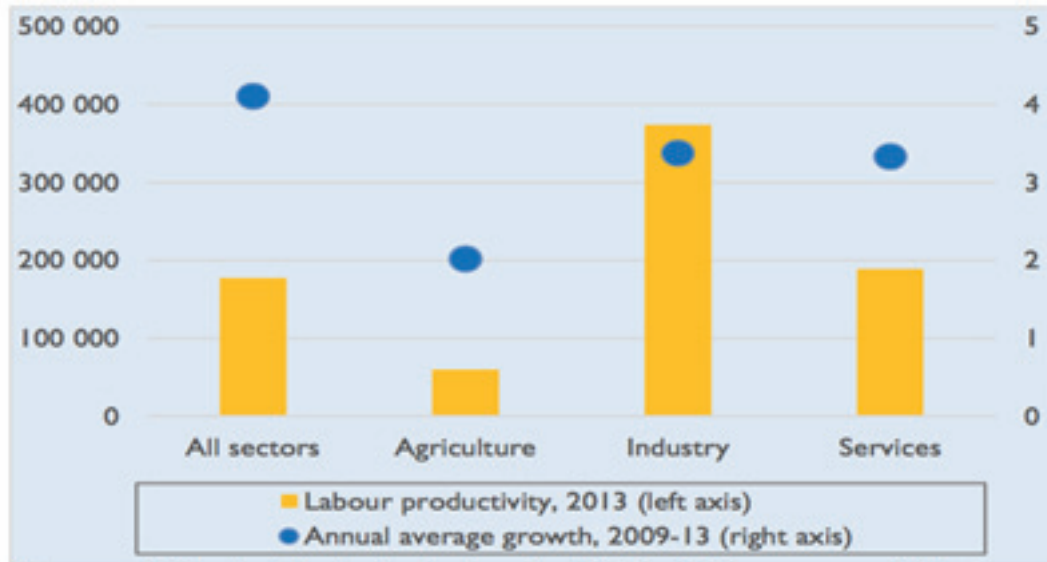
Figure III.22. Relationship Between Vulnerable Employment and Labor Productivity by Region, 2013



Source: Authors' estimates based on Philippine Statistics Authority: Gross Regional Domestic Product and Labour Force Survey.

As cited in ILO Philippine Employment Trends 2015

Figure III.23. Labor Productivity by Sector, in pesos 2013, and Annual Average Growth, 2009-2013



Source: Philippine Statistics Authority: National Accounts and Labour Force Survey.

As cited in ILO Philippine Employment Trends 2015

3. Provision of Health Care

In terms of health interventions, the PNoy presidency generally did good in its effort on focusing on the health sector. Such strong political will in terms of health policies was hailed by Former DOH Sec. Jaime Galvez-Tan as he pointed out how the past president was committed to the achievement of universal health care, an agenda he declared since his first State of the Nation Address. Massive increases in budget for DOH to improve health facilities health facilities was considered by the PNoy administration as a banner achievement. But are these health facilities accessible to the poor?

Even where there was a 100% enrollment in health insurance for remote areas, Galvez-Tan expressed concern over the lack of health centers in these remote areas, arguing that attention to primary health care, a government health facility that is meant to be closest to the barangay, is still wanting. Instead, those in cities are able to access more health facilities, a situation which Galvez-Tan thinks is a case of the poor subsidizing the well-off since it appears that the funds allocated for health care facilities, especially for the low-income families in remote areas, are going to the relatively well-off local government units. For universal health care to be realized, she says, health facilities should be accessible where these are needed most, including doctors.

Among the nagging problem areas identified by NEDA (2015) in the health sector were the following:

- alarming increase in the number of HIV/AIDS cases
- prevalence of underweight children
- non-improvement in the number of births attended by skilled health workers
- increase in the incidence of teenage pregnancy
- gaps in health facilities and services

Notwithstanding, the 2015 SONA Technical Report (p. 50) claimed the PNoy government furthered its investments in its people, especially the disadvantaged, by “providing equitable access to affordable and quality health care through the Universal Health Care (UHC), also known as *Kalusugang Pangkalahatan*.” As proof of attempting to fully realize the goals of UHC, the government consistently increased the annual budget allocation for the DOH, from Php28.7 billion in 2010 to Php87.6 billion in 2015—equivalent to a 205.2% increase. This can be gleaned from the program briefer on the DOH flagship program discussed earlier. The DOH reported that, prior to 2008, bulk of the budget was allotted to MOOE and PS, while capital outlay had the smallest allocation. In 2005-2007, for example, DOH mentioned that the budget was only around Php10 billion. It increased in 2008 and 2009, but only reached a maximum of Php25 billion.

In its self-assessment report for the UP Public Lecture Series in 2016 (p.6 of the unpublished report), DOH mentioned that, aside from increasing coverage, PhilHealth also developed policies “to increase the breadth and depth of benefits.” Some of these include the case rates system, which was launched in 2011 to improve the efficiency of claims

and cost-containment. In 2014, the system was expanded to all case rates. Also in 2011, the no-balance billing policy was implemented along with the case rates system. With this policy, the indigents will not pay a single centavo when admitted at a government health facility. Furthermore, in 2012, three programs were launched by PhilHealth: the Z Benefits to cover complete management of catastrophic illnesses such as cancers; the point-of-care enrollment to enable indigents to be enrolled in PhilHealth upon admission to government health facilities; and the primary care benefit package to ensure delivery of primary health care services.

Social and Financial Risk Protection through the Expansion of the National Health Insurance Program (PhilHealth) Coverage and Benefit Delivery

As of June 2015, PhilHealth coverage at the national level was 89.42 million or 88% of the 101.45 million 2015 projected population. This was almost double the 2010 coverage of 47.07 million or 51% of the 92.34 million 2010 population.

PhilHealth's budget rose because the government was successful in implementing the sin tax. In the first year of its implementation in 2014, the Sin Tax Law increased the budget for health by Php30 billion in 2014 which was able to sustain the increase in the health budget. From a total budget of Php28.7 billion in 2010, the allotment for health in 2016 was Php122 billion. Likewise, the budget subsidies for PhilHealth premium payment for the poor increased from 3.5 billion in 2011 to 43 billion in 2016 (refer to Figure III.7 above). The increase in premium subsidy was translated into increased coverage for indigent members, from 4.6 million families in 2012 to 15.29 million families in 2015, covering 100% of indigents based on the DSWD Listahanan (Figure III.7). In compliance to RA 10645, 5.8 million senior citizens were automatically enrolled to PhilHealth in 2015. The coverage for the general population has also increased from 51% in 2010 to 92% in 2015 (Figure III.8), reflecting the increased efforts of PhilHealth to cover all Filipinos as stipulated in RA 10606.

Because of the increased subsidies, indigent beneficiaries also increased from 22.1 million in 2010 to 45.41 million in 2015, 5.8 million of whom are senior citizens who were automatically enrolled in 2015 pursuant to RA 10645. This was shown earlier in Figure III.7 in the Introduction section on the PNoy government's flagship programs. Thus, as the SONA 2015 Technical Report pointed out, from 4.6 million⁸ in 2012, the number of national government-sponsored families had consistently increased over the years, reaching 15.29 million⁹ as of the first quarter of 2015 or 100% of the families that comprise the households¹⁰ identified as poor through the National Household Targeting System for Poverty Reduction (NHTS-PR)¹¹. The heads of these families¹² and their qualified dependents are entitled to avail of free in-patient and out-patient services from government health facilities. With the expanded beneficiaries, PhilHealth coverage has increased from 51% in 2010 to 92% of the population in 2015.

To better serve all its members and their dependents, PhilHealth also introduced a number of benefit packages that were intended to help reduce out-of-pocket expenses, such as the following: (a) Tamang Serbisyo para sa Kalusugan ng Pamilya (TSeKaP), a program launched in February 2015, it is an outpatient benefit package that includes laboratory tests and maintenance for lifestyle-related diseases, treatment for most common diseases (e.g., diarrhea, asthma, pneumonia, urinary tract infection [UTI], hypertension, diabetes, high cholesterol, and ischemic heart disease), and screening for cancers and other diseases; (b) animal bite package, which was launched in 2012 and aims to defray the cost of anti-rabies treatment to patients. From 2012 to 2014, it was reported that a total of 31,106 patients benefited from the package, with PhilHealth paying Php92.85 million for these patients' claims; and (c) PhilHealth Outpatient Anti-Tuberculosis Directly Observed Treatment Short Course (TB-DOTS).

8 Composed of 20.43 million individuals, categorized as either a principal member or a qualified dependent of the principal member (e.g., legitimate spouse; legitimate, acknowledged, or adopted children below 21 years old; parents 60 years old and above; and children or parents with disability regardless of age). they comprised the 21 percent of the country's 2012 projected population of 95.88 million.

9 Composed of 45.41 million individuals, categorized as either a principal member or a qualified dependent of the principal member. They comprise 45 percent of the country's 101.45 million 2015 projected population. The sponsorship of individuals within NHTS-PR households that do not qualify as dependents of principal members, as well as the sponsorship of families and individuals from the lower income group not in the NHTS-PR, explains why the percentage of those sponsored by the national government against the total population exceeds 40%.

10 A household may be composed of more than one family. As more than one principal member may be registered in a household, PhilHealth uses "family" or "principal member" (which sometimes represent a family) instead of "household" in reporting accomplishments.

11 The list came from the households assessment conducted by the DSWD. RA 10606 provides that premium contributions for indigent members as identified by the DSWD through a means test or any other statistical method shall be fully subsidized by the national government.

12 Also referred to as PhilHealth principal members.

Improved Access to Quality Government Health Facilities

To make PhilHealth coverage and benefit delivery expansion meaningful, the national government enhanced the capacity of government health facilities in order to comply with DOH licensing and PhilHealth accreditation requirements. Through this, people can take full advantage of the benefits they are entitled to and are assured of receiving accessible quality health care, the DOH self-assessment (2016) report said.

From 2010 to 2014, under the health facilities enhancement program (HFEP), a total of 2,862 barangay health stations (BHSs), 2,626 rural health units (RHUs)/urban health centers (UHCs), 144 685 LGU hospitals, 70 DOH hospitals, and 14 hospitals of other NGAs (e.g., military, police, and SUCs) nationwide were reportedly upgraded in terms of infrastructure and equipment to improve access to quality primary, secondary, and tertiary care services, especially by those living in areas far from town centers.

But former Sec. Galvez-Tan points out that, while the past presidency had the highest ever budget and all the poor are enrolled, there are still some areas where the poor, though 100% enrolled in PhilHealth, still cannot avail of health services in some areas because there simply is a lack of health facilities. Sometimes there are no doctors and midwives around. The barangay health stations are non-existent.

4. Basic Education

While it was reported that budget for the education sector has increased tremendously and that achievement is highest than the preceding four administrations with regard to hiring of teachers, building of schoolhouses and other school facilities, target completion rates for grade school and secondary schools as well as achievement rates for grade school, were not achieved. The infrastructure and facilities needed to build K-12-ready classrooms still pose as challenges during the Aquino presidency. Other problems faced by the basic education sector were the low mastery and competencies of students and the displacement of higher education faculty due to K-12 implementation.

5. Agrarian Reform

The alternative assessors for the 2016 UP Public Lecture Series on agrarian reform, Dr. Blanquita Pantoja and Dr. Josefina Dizon, pointed out that, for the land tenure improvement component of the CARP, much had been accomplished in the land acquisition and distribution (LAD) and leasehold operations of the DAR. The challenge, they say, lies in subdividing collective Certificate of Land Ownership Awards (CLOAs) into individual titles. The assessors, however, point out the advantage of collective CLOAs as these prevent the ARBs from readily selling and mortgaging the lands awarded to them. Another problem mentioned by the assessors is that the DAR needs to manage the uninstalled ARBs, which have grown in the past five years. Moreover, the major question they pose is “what happens to the lands that were not issued notice of coverage prior to July 1, 2015?”.

Reasons for the low accomplishment that were listed by DAR in their self-assessment report for the UP Public Lecture Series were the following:

- a. change in the composition of the LAD balance and targeted landholdings;
- b. acquisition of most OLT lands held in abeyance in 2015 pending harmonization of rules to conform with Supreme Court decisions;
- c. delays in the completion of CARP transactions at the LRA/ROD level; and
- d. LAD process not being the sole work of DAR, but which involves the participation of three other major government agencies that are not under DAR's jurisdiction.

As a poverty reduction program, CARP may not have redounded to an achieved outcome. After almost three decades of CARP, farm income and productivity remain low. One possible reason offered by the assessors is, until now, support services such as credit and marketing assistance are still wanting despite efforts extended by the Department. In addition, provision of technical assistance and extension services are fundamental interventions that need more strategic decisions so that farmers will consider planting high-value crops beyond the traditional rice, corn and coconut. Technically speaking, the assessors say that adoption of new farming systems and technologies is imperative for farmers to increase farm income. The technical assistance should also include augmentation of irrigation systems as the latter has been proven to influence cropping intensity and average yield. Since the ARCESS project has just been started, its impact cannot be assessed yet, per the assessors. However, given the strategies employed in its implementation, the Project may be worth pursuing but not on a massive coverage. The DAR should continue with the interventions introduced and determine whether they have created a dent in terms of improving farm productivity and increasing farmers' income.

On hindsight, the adjustment of LAD figures should have been reconciled early on especially as the program had a deadline to beat. The targets are a basic reference for planning and program management in general, which should have been the first order of the day, so to speak, when the former administration took over. Despite the adjustments in land-holding size and, thus, LAD balance at the end of the PNoy administration, the net accomplishment in terms of LAD balance appears to be dismally low. However, although quite late, the administrative systems and an enabling environment for land tenure improvement and agrarian support services have been quite significant.

The Social Progress Index

1. Brief Description of the Social Progress Index / Methodology

Aside from assessing social development during the PNoy administration based on the results-based framework in the PDP 2011-2016, this cluster cursory assessment introduces the use of the Social Progress Index (SPI). The aim is to make sense of social progress using a tool now advocated by a group of scholars and experts, which developed the tool as a conceptual framework that defines social progress as well as its key elements. This group of SPI experts define “social progress” as the “capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential” (Stern, Wares, K. Hellman, 2016, p. 4). This definition of the concept of social progress is used throughout this section in the report. It alludes to three broad elements of social progress, which we refer to as dimensions: basic human needs, foundations of wellbeing, and opportunity. Each of these dimensions is further broken down into four underlying components (see Table III.6) (Stern et al., 2016).

The Social Progress Index is explicitly focused on non-economic aspects of national performance. Unlike most other national measurement efforts, social progress is treated as distinct though associated with traditional economic measures such as GDP per capita, in contrast with, for example, the Human Development Index or OECD Better Life Index, which combine economic and social indicators. The SPI isolates the non-economic dimensions of social performance. However, instead of strictly using SPI indicators to compute for average scores for each dimension as required, the SPI framework is used as guide in this study to make sense of available proxy indicators to assess social performance qualitatively (Stern et al., 2016).

By constructing a separate social progress measure that can stand alongside GDP, policymakers, societal stakeholders, and researchers can develop and implement a systematic and structured approach to inclusive development. The SPI framework is used in this study to contribute to the improvement of the methodology for adopting the SPI. As the SPI advocates explain, “we continue to test our process and methodology at the regional and city level, replicating the steps outlined in this report to produce meaningful results in different areas of the world.” (Stern et al., 2016, p. 24).

The SPI is more outcome-oriented because, for the SPI advocates, focusing on assessment of inputs would be more complicated and may sometimes end up with data that are likely to be highly incomplete. Besides, they say, there may be multiple output measures given the inputs and establishing the input-output causal link takes time. The proponents for SPI assert that, while a well-constructed, input-driven index can provide direct guidance to policymakers about specific policy choices and investments, creating an input index, “requires a degree of consensus about how inputs lead to outcomes, as well as a process to calibrate the relative importance of different input factors against outcome measures.” (Stern et al., 2016, p.6) The complication here is that in the realm of social progress research, this would mean “a clear consensus and understanding of which inputs lead to better social outcomes—a field of research that is still growing and to which the Social Progress Index continues to contribute” (Stern et al., 2016, p. 6). Fleurbaey and Blanchet (2013, as cited in Stern et al., 2016) state that “when there are multiple output measures or a lack of consensus on all the inputs that matter, or when data related to inputs are highly incomplete, an outcome-oriented index may be more appropriate.”

These authors cite Amartya Sen who powerfully articulated in his development of the capability approach that a constructive way to move “beyond GDP” is to measure how well a particular society helps individuals realize particular capabilities and activities. Following this logic, the Social Progress Index has been designed as an outcome index. Given that there are many distinct aspects of social progress that are measurable in different ways, the Social Progress Index has been designed to aggregate and synthesize multiple outcome measures in a conceptually consistent and transparent way that will also be salient to benchmarking progress for decision makers. Nevertheless, the Social Progress Imperative continues to explore the role of input measures and policies in determining a country’s performance.

Because there is no clear basis for theoretical or empirical claims at this point, the SPI gives equal weights across dimensions and even across components for constructing a dimension-level score. Each dimension, therefore, is scored simply by deriving the average of its four components. Here is how SPI advocates explain the rationale for their focus on outcomes:

In an effort to measure solely outcomes, not inputs, we have focused on results that matter to the lives of real people, not whether certain things are legally permissible or how much money the government spends. In some cases, this requires survey data. For example, same-sex sexual activity is legal in Tajikistan, but according to the Gallup World Poll, only one percent of the population replied yes to a question on whether Tajikistan is a good place for homosexuals. Due to divergences like this, we concluded that sometimes survey data, as a representation of peoples' lived experiences, is the better outcome measure. (Stern et al., 2016, p. 11)

The SPI advocates consider social progress in a systematic and comprehensive way, with a framework that comprises three architectural elements: dimensions, components, and indicators.

- Dimensions represent the broad conceptual categories that define social progress. The index is calculated as the equally-weighted average of a country's score on each of three dimensions.
- Within each dimension are components: four unique but related concepts that together make up each dimension. A country's dimension score is calculated as the equally-weighted average of the four components in that dimension.
- Each component is composed of indicators that measure as many valid aspects of the component as possible. These indicators are aggregated using a weighted average, where the weights are determined by principal component analysis (Stern et al., 2016, p. 7)

Table III.5. Social Progress Brief Framework

Social Progress Index		
Basic Human Needs	Foundations of Wellbeing	Opportunity
Nutrition and Basic Medical Care	Access to Basic Knowledge	Personal Rights
Water and Sanitation	Access to Information and Communications	Personal Freedom and Choice
Shelter	Health and Wellness	Tolerance and Inclusion
Personal Safety	Environmental Quality	Access to Advanced Education

Source: Stern et al. (2016)

The basic questions the Social Progress Index ask:

1. Did the country provide for its people's most essential needs?
2. Were the building blocks in place for individuals and communities to enhance and sustain wellbeing?
3. Is there opportunity for all individuals to reach their full potential? (Stern et al., 2016, p. 7)

Let us examine how the data and information (quantitative for dimensions on basic human needs and foundations of wellbeing and basically qualitative for the opportunity dimension) cursorily gathered using the SPI framework. Table III.8 shows how social progress for the country during the PNoy administration generally fared.

The full framework of the SPI is shown in Table III.7 below:

Table III.6. The Indicators of the Social Progress Index Framework

Social Progress Index		
Basic Human Needs	Foundations of Wellbeing	Opportunity
Nutrition and Basic Medical Care <ul style="list-style-type: none"> • Undernourishment • Depth of food deficit • Maternal mortality rate • Child mortality rate • Deaths from infectious diseases Water and Sanitation <ul style="list-style-type: none"> • Access to piped water • Rural access to improved water source • Access to improved sanitation facilities Shelter <ul style="list-style-type: none"> • Availability of affordable housing • Access to electricity • Quality of electricity supply • Household air pollution attributable deaths Personal Safety <ul style="list-style-type: none"> • Homicide rate • Level of violent crime • Perceived criminality • Political terror • Traffic deaths 	Access to Basic Knowledge <ul style="list-style-type: none"> • Adult literacy rate • Primary school enrollment • Lower secondary school enrollment • Upper secondary school enrollment • Gender parity in secondary enrollment Access to Information and Communications <ul style="list-style-type: none"> • Mobile telephone subscriptions • Internet users • Press Freedom Index Health and Wellness <ul style="list-style-type: none"> • Life expectancy at 60 • Premature deaths from non-communicable diseases • Obesity rate • Suicide rate Environmental Quality <ul style="list-style-type: none"> • Outdoor air pollution attributable deaths • Wastewater treatment • Greenhouse gas emissions • Biodiversity and habitat 	Personal Rights <ul style="list-style-type: none"> • Political rights • Freedom of speech • Freedom of assembly /association • Freedom of movement • Private property rights Personal Freedom and Choice <ul style="list-style-type: none"> • Freedom over life choices • Freedom of religion • Early marriage • Satisfied demand for contraception • Corruption Tolerance and Inclusion <ul style="list-style-type: none"> • Tolerance for immigrants • Tolerance for homosexuals • Discrimination and violence against minorities • Religious tolerance • Community safety net Access to Advanced Education <ul style="list-style-type: none"> • Years of tertiary schooling • Women's average years in school • Inequality in the attainment of education • Globally ranked universities • Percentage of tertiary students enrolled in globally ranked universities

Source: Stern et al. (2016)

2. Assessment of SPI Indicators using PDP Data

a. Basic Human Needs

Table III.7 shows results of assessments on the basic human needs dimension adopting data using PDP indicators. The figures derived from the PDP indicators were used to fill in the original matrix of raw data in the SPI Assessment (column 2) and the global SPI assessment using the SPI 2016 findings (column 3) as assessed by the Social Progress Network.

For the SPI assessment using PDP indicators, the overall result shows that none of the combined indicators of the basic human needs dimension reached a total 50% achievement rate (Figure III.24a). However, better ratings could be noted as follows: 41% of the indicators were achieved and progressed during PNoy's term, which tended to cluster in the personal safety and shelter components. As well, about 7% of the basic human needs indicators were achieved but regressed from the initial base year of the PNoy presidency, specifically regarding malaria mortality rate and the prevalence of HIV diseases. Thus a total of about 48% of the combined SPI indicators used was achieved for basic human needs.

About a third or 35% of the combined indicators were unachieved but already progressed from the PNoy administration's initial condition, particularly those in water and sanitation and in nutrition and basic medical care components, with the former specifically referring to rural access to water and access to improved sanitation facilities, and the latter specifically for maternal and child mortality indicators.

The danger sign is flagged in the same components of nutrition and basic medical care as 17% is unachieved and regressed from the base year using the undernourishment and child mortality rate indicators.

However, if we examine how the SPI score for the Philippines fared in the world assessment, for the basic human needs dimension, our country ranks in the mid-33% during the PNoy term for almost all of the four components, nutrition and basic medical care, water and sanitation, and shelter (provision of access to electricity), but not in the provision of personal safety, particularly with regard to the level of violent crime and political terror indicators, where in the country ranked at the bottom 33% globally.

The global rating for personal safety seems to be in contrast with the figures derived using the PDP indicators where it got a higher rating compared with the other indicators for basic human needs. The only indicator wherein the country was ranked in the top 33% of the world for its SPI was in the provision of affordable housing.

To answer the question, "Did the country provide for its people's most essential needs?", the results show that using Philippine data based on targets, the PNoy administration did fairly well in provision for shelter needs and in personal safety and a quite a bit well in preventing malaria and TB detection for nutrition and basic medical care. Generally though, the past administration did not do well in reducing undernourishment and child mortality. This means that care for the young's basic medical care needs more attention during the coming years.

How do these provisions for Basic Human Needs compare with the rest of the world? Using the standard SPI global ranking, it is shown that our country did average compared with other countries, except for ensuring personal safety, where the Philippines fell in the bottom 33% globally. This, however, does not quite match with the Philippine data obtained cursorily in this study. It is possible that the targets used by the PNoy administration for achieving personal safety was lower compared with global standards, hence a higher rating achieved vis-à-vis the targets.

Table III.7. Basic Human Needs Assessment during the PNoy Administration Using SPI Indicators

	Assessment	SPI score
A. Basic Human Needs		
1. Nutrition and Basic Medical Care		
a. Undernourishment		
<i>Prevalence of underweight children under five decreased (in %)</i>		
b. Depth of food deficit		
<i>Proportion of households with per capita intake below 100% dietary energy requirement decreased (in %)</i>		
c. Maternal mortality rate		
<i>Maternal mortality rate</i>		
d. Child mortality rate		
<i>Infant mortality rate per 1,000 live births decreased (in %)</i>		
<i>Under-five mortality rate per 1,000 live births decreased (in %)</i>		
<i>Proportion of births attended by health professional increased (in %)</i>		
<i>Proportion of births delivered in facility increased (in %)</i>		
e. Deaths from infectious diseases		
<i>Malaria mortality rate per 100,000 population decreased (in %)</i>		
<i>Malaria morbidity rate per 100,000 population decreased (in %)</i>		
TB case detection rate (all forms) increased (in %)		
HIV prevalence decreased		

	Assessment	SPI score
2. Water and Sanitation		
a. Access to piped water		
b. Rural access to improved water source		
Proportion of population with access to safe water increased (HH in %)		
c. Access to improved sanitation facilities		
Proportion of population with access to sanitary toilet increased (HH in %)		
3. Shelter		
a. Access to electricity		
Number of sitios energized		
b. Availability of affordable housing		
Percentage of housing targets met (in %)		
Share of socialized housing to housing target improved (in %)		
c. Quality of electricity supply		
d. Household air pollution attributable deaths		
4. Personal Safety		
a. Homicide rate		
b. Level of violent crime		
c. Perceived criminality		
d. Political terror		
e. Traffic deaths		
Number of provinces free from armed conflict increased		
Crime volume reduced		
Crime Solution Efficiency rate improved annually (in %)		
Backlogs in NBI criminal investigation cases reduced (in %)		
Backlogs in DOJ prosecution investigation cases reduced (in %)		
Re-offender rate in national prisons reduced (in %)		
Status in the US State Department's Trafficking in Persons Report improved		
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		

LEGEND			
SPI Required Indicator			
Achieved & Progressed		SPI Score	
Achieved but Regressed		Top 33% - world ranking	
Unachieved but Progressed		Mid 33% - world ranking	
Unachieved & Regressed		Bottom 33% - world ranking	

Figure III.24a. Achievement of Basic Human Needs Using PDP Indicators



Figure III.24b. Achievement of Basic Human Needs Using Global SPI Scores



b. Foundations of Well-Being

This component establishes the building blocks that allow citizens and communities to enhance and sustain the quality of their lives. Some of the questions the component on *Foundations of Well-Being* try to answer refer to the following: Are citizens able to gain a basic education, obtain information, and access communications to achieve their full potential? Do they benefit from a modern healthcare system and live in a healthy environment that will ensure a prolonged life?

During the PNoy Administration, the data (Table III.8 and Figures III.25a and III.25b) show that the *Foundations for Well-Being* dimension of the country's social progress was generally not achieved. Combining all the indicators used for SPI, *unachievement totaled 70%* (43% unachieved but progressed; 27% unachieved and regressed from the initial base year).

As for the *Foundations of Well-Being* indicators that were *achieved and progressed* as, the country made progress with a combined rating of only 30%. Specifically, with regard to the *access to basic knowledge* component, the PNoy Administration progressed and achieved its target for some *adult literacy rate* indicators, specifically in the provision of technical and vocational education and general increases in higher education graduates; cohort survival rate in the elementary level; and increased enrolment rate in the secondary level.

Specifically, a *notable rating* was observed in the *access to information* component wherein progress was made for all components from the base year up to the end of PNoy's term, although no targets were indicated. Achievement and progress was also marked for some indicators for the *environmental quality* component, specifically in wastewater treatment of Laguna Lake and in maintaining biodiversity and habitat for terrestrial and marine protected areas.

However, the country *did not do too well* in achieving all other components, especially the component of *health and wellness*, where life expectancy at 60 and suicide rate targets were not achieved despite their progress from the base year; meanwhile, achievement of premature deaths from *communicable diseases* and *obesity* targets failed and retrogressed from their initial condition. As for *access to basic knowledge*, the country also *did not achieve its target* in the more academic track even as it progressed in increasing higher education graduates; increasing net enrolment for kindergarten; and completion rate for elementary education. For the *environmental quality component*, the indicator used was data on the reduction of *total suspended particulate (TSP) of those centers with above 90ug/Ncm* instead of *outdoor air pollution attributable deaths* as required in the SPI, as data could be collected only for the former. For Metro Manila and the National Capital Region, data showed that the country did not achieve this target as proxy indicator for *outdoor air pollution*. However, there were varied results for achieving this target in different areas in the country, so a general conclusion for this indicator may not be feasible with the available data. Still in the *environmental quality component*, the PNoy administration did not achieve and even regressed in the achievement of targets for improving and maintaining water quality standards for priority river areas.

Compared with other countries, how did our country fare in its social progress in building *foundations of wellbeing* for the citizens during the PNoy presidency? As with the provision of basic human needs, we belong to the *mid 33%* among other countries with regard to three major components of *access to basic education*, *access to information and communications*, and *health and wellness*. This time the country belongs to the *top 33%* of countries in *ensuring environmental quality*.

It was interesting to note that comparing our provision of *access to basic knowledge* with other countries, overall we are in the *top 33%* in achieving adult literacy rate, primary enrollment, and lower secondary enrollment but only in the *mid 33%* for upper secondary school enrollment. The slow progress in the latter could be explained with the implementation of the K-12 program, where the enrollment for upper secondary school that started only in the school year 2016-2017, which was after the term of PNoy.

As mentioned above, globally, we ranked in the mid 33% among countries for the *provision of access to information and communications*, especially with regard to internet usage. A comparative account of our internet service shows that

Singapore is the most advanced country in relation to Internet access, ranking highest in both number of people connected to the Web—69.69 percent of its population—and Internet download speed. Malaysia comes in a close second at 67.5 percent, followed by Vietnam and the Philippines at 48.3 and 39.8 percent, respectively. But even if more than a third of Filipinos have access to the Internet, the country's download speed, 3.4 mbps on a broadband connection, is the slowest among then 10 ASEAN countries. Myanmar's, on the other hand, is 4.69 mbps, even if only 2.1 percent of its people are connected online. The Philippines fares only slightly better in terms of download speed on mobile at 3.8 mbps. (Pacia, 2015)

However, we ranked in the top bracket for subscription of mobile telephones and placed in the bottom percentile in our *Press Freedom Index*.

As for *health and wellness*, in the global scene, we did fairly well even as we generally belong to the middle bracket among countries for this component. Specifically in the reduction of suicide rate and obesity, we were ranked among the *top 33%* of countries. These two indicators *do not match the data* obtained from Philippine figures however where targets for these two indicators were found not to have been achieved. It is possible that internal information was not made available to users outside our country, which may have included the global SPI group.

In terms of ensuring *environmental quality*, where we generally belonged to the *top 33%* during the PNoy administration, the global SPI rating gave us good marks for *reduced number of deaths attributable to air pollution* and to *reducing greenhouse gas emissions* (no data obtained as of this writing from Philippine Development official statistics). We *did average in achieving targets* for *wastewater treatment* based on global SPI comparative measurement, although we appear to have *failed* in this measure based on Philippine statistics for *priority river areas*, except for Laguna Lake, where there seemed to have more government effort in ensuring its water quality.

Overall then, were the building blocks in place for individuals and communities to enhance and sustain well being? Generally, speaking, we may conclude that more efforts of government have been done to build *foundations of well-being* with regard to the provision of *access to basic knowledge*, particularly in the provision of adult literacy in the technical vocational track, compared with the more academic tracks in the higher education level. Based on this observation, there might be a need for government to focus more on providing access to the sciences, arts and humanities

in tertiary education in order to be more competitive with other countries. While the government managed to ensure cohort survival in the elementary level, it did not reach its target for enrollments and completion in this level. Nor was government successful in achieving adjusted net enrollment increases, cohort survival, as well as completion rate in secondary education level. What might therefore be needed to move forward is to maintain and sustain cohort survival to ensure completion of both elementary and secondary education achievement.

Based on the results for *foundations on well-being*, a positive note is that one important building block component, *access to information and communications*, was a top priority and had good results for the past administration. By providing this access to information, knowledge that may be needed for citizens to harness their full potential is assumed as unimpeded; except that one indicator, the *press freedom index*, obtained from the PDP data, is not consistent with the global SPI findings, which, if accepted as true, may be considered as a factor that hampers free expression of ideas for citizens to make informed decisions. This indicator, which connects with the third dimension of social progress on *opportunity* and discussed in the next section, is significant in this regard.

In terms of giving access to modern health care system, judging from the results of the data construction, the PNoy administration has not achieved targets in providing for foundations of *health and wellness* for the people. In fact, it failed in reducing premature deaths, communicable diseases, and obesity, as can be gleaned from the table and graphs below.

As for ensuring a healthy living environment, the PNoy administration has made strides in ensuring *environmental quality* that, in the long run, may generally prolong citizens' life in harmony with its environment. This was evident in the government's efforts at preserving its biodiversity. But of immediate concern are basic pillars of wellbeing in the short term, which were not achieved. These includes wastewater treatment of priority river areas, water being an important resource that affects everyday life of all citizens; and outdoor air pollution, which has significant effects as well especially on the commuting public, the working citizens and school children.

Compared globally, the country still did relatively okay in providing for *foundations of wellbeing*, except for ensuring press freedom and reduction of premature deaths from communicable diseases, where we belong to the bottom percentile.

Table III.8. Foundations of Well-Being Assessment during the PNoy Administration Using SPI Indicators

		Assessment	SPI Score
B. FOUNDATIONS OF WELL BEING			
1. Access to Basic Knowledge			
a. Adult literacy rate			
Certification rate in TVET increased (in %)			
TVET graduates increased (annual)			
Higher education graduates increased			
Higher education faculty with MA increased (in %)			
Higher education faculty with PhD increased (in %)			
HEIs with accredited programs increased (in %)			
National passing percentage (across disciplines) in licensure exams increased (in %)			
b. Primary school enrollment			
Net enrolment rate increased (in %)	Kindergarten		
	Elementary		
Adjusted net enrolment rate increased (in %)	Elementary		
Completion rate increased (in %)	Elementary		
Cohort survival rate increased (in %)	Elementary		
Achievement rate increased (in %)	Elementary		
c. Lower secondary school enrollment			
d. Upper secondary school enrollment			
Net enrolment rate increased (in %)	Secondary		
Adjusted net enrolment rate increased (in %)	Secondary		
Completion rate increased (in %)	Secondary		

		Assessment	SPI Score
<i>Cohort survival rate increased (in %)</i>	<i>Secondary</i>		
<i>Achievement rate increased (in %)</i>	<i>Secondary</i>		
<i>e. Gender parity in secondary school enrollment</i>			
2. Access to Information and Communications			
a. Mobile telephone subscriptions			
b. Internet users			
c. Press Freedom Index			
3. Health and Wellness			
a. Life expectancy at 60			
<i>National Health Insurance Program (NHIP) coverage rate increased (in %)</i>			
<i>Percentage of poor families covered by PhilHealth as identified under the NHTS-PR and LGU Sponsored Program</i>			
b. Premature deaths from noncommunicable diseases			
c. Obesity rate			
d. Suicide rate			
4. Environmental Quality			
a. Outdoor air pollution attributable deaths			
<i>Total Suspended Particulate (TSP) level in Metro Manila and major urban centers above 90ug/Ncm reduced</i>			
b. Wastewater treatment			
<i>BOD Level of priority rivers not within the water quality criteria improved (in mg/L)</i>			
<i>BOD Level of other priority rivers already within the water quality criteria sustained (in mg/L)</i>			
<i>BOD Level of Laguna Lake maintained within standard (in mg/L)</i>			
c. Greenhouse gas emissions			
<i>Gas emission reduced due to increased travel speed and reduced travel time in Metro Manila</i>			
<i>Travel speed increased (km/hr)</i>			
<i>Travel time reduced (min/km)</i>			
d. Biodiversity and habitat			
<i>Solid waste diversion rate increased (in %)</i>			
<i>Percentage of terrestrial, inland water and coastal and marine areas effectively and equitably managed(%)</i>			
	<i>Terrestrial PAs</i>		
	<i>Marine PAs</i>		

LEGEND			
SPI Required Indicator		SPI Score	
Achieved & Progressed		Top 33% - world ranking	
Unachieved but Progressed		Mid 33% - world ranking	
Unachieved & Regressed		Bottom 33% - world ranking	

Figure III.25a. Achievement of Foundations of Well-Being Using PDP Indicators

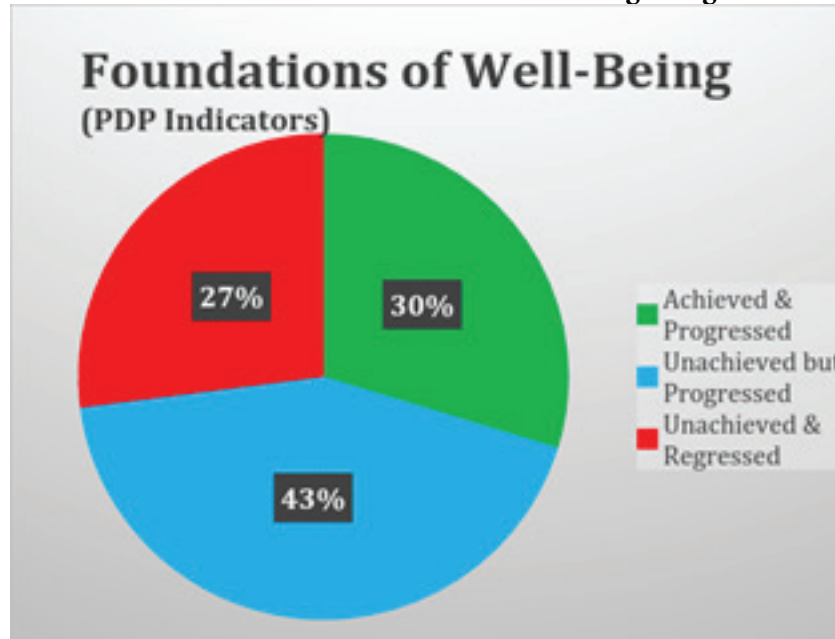
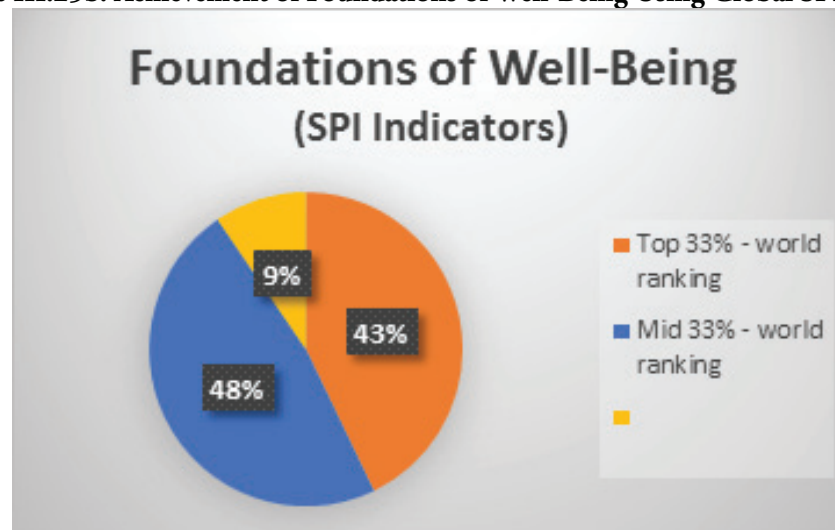


Figure III.25b. Achievement of Foundations of Well-Being Using Global SPI Scores



c. Opportunity

Social Progress Initiative advocates explained that, any discussion of social progress must include not only “whether citizens are able to improve their own lives, but whether they have the freedom and opportunity to make their own choices” (Stern et al., 2016, p. 8). The dimension on *opportunity* includes components on *personal rights*, *personal freedom and choice*, an environment of *tolerance and inclusion*, and *access to advanced education* all contribute to the level of opportunity within a given society. This dimension of the Social Progress Index is considered by SPI advocates to perhaps be the most controversial and most difficult to measure. They say that, nonetheless, societies struggle to meet the moral imperative to guarantee the equality of opportunity for all citizens.

In gathering data and information for this dimension, the research team used mostly qualitative data, which may have been limited given the time frame for data gathering of this study.

It can be gleaned from Table III.9 that the PNoy administration expectedly struggled with providing in full the required components for Opportunity. However, it appeared to have more indicators that were unachieved when combined (66% unachieved: 33% unachieved but progressed; 33% unachieved and regressed). That said, the PNoy government was highest in providing freedom from early marriages as regards *personal freedom and choice*. As for *tolerance and inclusion*, the country fared fairly high in being tolerant to immigrants and homosexuals, based on secondary data reports and literature, as well as having four major universities in globally ranked universities.

In terms of *personal rights*, due to lack of exact standard measures, the study team inferred from secondary data in its assessment. It appeared that the country did not do too well in achieving ideal targets for attaining political rights, since killings of journalists continued with few or insignificant number of cases being resolved. The study team presents part of the assessment of Human Rights Watch (HRW) for the Aquino administration:

President Benigno Aquino III's final full year in office was marked by numerous instances of local intimidation and violence—reminiscent of past election periods—by often unidentified assailants against politicians, their supporters, and outspoken voices in media and civil society groups. The Philippine government took little effective action to hold to account those responsible, including security force personnel. (HRW, 2016, para. 1)

HRW further cites some fundamental reasons for the not so bright record of human rights violations:

Overall, however, Aquino's record on human rights has been disappointing due to the failure to address impunity for the government's rights violations. Among the reasons were lack of political will to investigate and prosecute abuses by state security forces; a corrupt and politicized criminal justice system; and a traditional "patronage politics" system that protects officials and security forces. (HRW, 2016, para. 3)

Freedom of speech during the Aquino administration was also seen as dismal by the Human Rights Watch. It said:

Most victims of media killings in the Philippines are radio broadcasters; many are linked to politics since many radio stations in the Philippines are owned by local politicians or interest groups who hire broadcasters to produce content sympathetic to their employers. (HRW, 2016, "Attacks on media killings", para.3)

To illustrate this impediment on the exercise of the freedom of speech, we cite the HRW report, which points out the creation of Task Force Usig, a unit created by the PNP in 2007 to investigate the said murders. However, it was said that the Task Force "has not been able to fully investigate most of these killings, mainly due to the lack of witnesses willing to publicly identify themselves and share information with police" and that "although it said that the task force has secured the conviction of suspects in eight of the 51 cases it has documented since 2001" (or since the time during of President Gloria Macapagal Arroyo), which is in fact considered a conservative figure as Usig reportedly did not consider videographers and producers as journalists, no one responsible for planning and executing such attacks has been arrested. (HRW, 2016, "Attacks on media killings", para. 3-4)

As for *personal freedom and choice*, the country progressed, but fell short of satisfying the demand for contraception. RA 10354 (Responsible Parenthood and Reproductive Health Act) was enacted in 2012 and was upheld as constitutional in 2014 by the Supreme Court. However, the Php1 billion budget for contraceptives in the 2016 GAA was removed during the bicameral conference.

As an indicator for *personal freedom and choice*, corruption remains a hurdle as it is "low risk and high reward" according to Transparency International-Philippines Executive Director Cleo Calimbahin in a Rappler report. The need is for government to see the resolution of cases until the end. Calimbahin said, "we need to see how other countries made corruption low reward and high risk, and that means stolen assets returned and jail time served"(Macaraig, 2015, para. 3). However, the Aquino administration improved in its annual Corruption Perceptions Index of the Berlin-based group, a finding local surveys support group. This was an area where the former president takes pride of in line with his platform of No Corruption.

For tolerance and inclusion, the PNoy government seemed to have gained headway in promoting tolerance for homosexuals and immigrants, although this may not be enough without legal basis. In fact, according to a UNDP and USAID Report:

The absence of a comprehensive anti-discrimination law in the Philippines is apparent even if anti-discrimination bills (ADBs) have been filed in both the Lower and Upper Houses of Congress since the 1990s. So far, there are no intentions to pass national anti-discrimination laws that exclusively seek to protect LGBT people. Instead, the protection of LGBT people from discrimination is included in proposed laws against discrimination based on race, ethnicity and religion. (UNDP & USAID, 2014, p. 22)

However, local ordinances on anti-discrimination have been passed. A report cites that LGUs with anti-discrimination ordinances have been found in: four provinces, 13 cities, one municipality, and three barangays.

With regard to *discrimination and violence against minorities*, the National Commission on Indigenous Peoples (NCIP) has not been satisfied with the government's efforts despite "the existence of the Indigenous People's Rights

Act of 1997 (IPRA), the security of their rights enshrined in the 1987 Philippine Constitution, and the abundance of international covenants and treaties which protect the rights of indigenous peoples, the indigenous peoples in the Philippines still figure in social discrimination, economic marginalization, and political disempowerment,” Gillian Dunuan of the NCIP said (ABS-CBN News, 2015).

Meanwhile, the country can take pride in access to advance education, since a few Universities have made it to the top 200 universities in QS ranking in Asia to the top 1,000 universities in the list of globally ranked (QS) universities. However, disparities still exist in the attainment of education, an important pathway towards inclusive growth, as pointed out by ADB. In its latest 2014 report, ADB discusses a framework for inclusive growth pointing to education. In the report, estimates of education poverty rates and extreme education poverty rates are presented for select countries, including the Philippines. The report showed that between 1993 and 2008, “the proportion of the youth (aged 15–24) in the country with less than four years of schooling (called education poverty rate) had hardly changed from 5.3% in 1993 to 4.9% in 2008” (ADB, 2014, as cited in Albert, 2014, “What deserves reexamination”, para. 1).

On the other hand, Albert, Quimba, & Ramos (2011) argued that gender, wealth and rural-urban disparities need to be addressed:

Boys are more at risk of being out of school. Primary school-age girls are 1.3 times more likely to be in school than their boy counterparts; secondary school-age girls are 1.8 times more likely to attend school than boys in their age range; (p. 5)

Comparing our results for the provision of *opportunity* with that of other countries, overall we were marked as being in the top 33% among countries. We especially ranked in the top 33% among countries for the provision of personal freedom and choice and in tolerance and inclusion.

Table III.9. Opportunity Assessment during the PNoy Administration Using SPI Indicators

	Assessment	SPI Score
C. OPPORTUNITY		
1. Personal Rights		
Political Rights		
Freedom of Speech		
Freedom of assembly and association		
Freedom of movement		
Private property rights		
2. Personal Freedom and Choice		
Freedom over life choices		
Freedom of religion		
Early marriage		
Satisfied demand for contraception		
Corruption		
3. Tolerance and Inclusion		
Tolerance for immigrants		
Tolerance for homosexuals		
Discrimination and violence against minorities		
Religious tolerance		
Community safety net		
4. Access to Advanced Education		
Years of tertiary schooling		
Women's average years in school		
Inequality in the attainment of education		
Globally ranked universities		
Percentage of tertiary students enrolled in globally ranked universities		

Figure III.26a. Achievement of Opportunity Using PDP Indicators

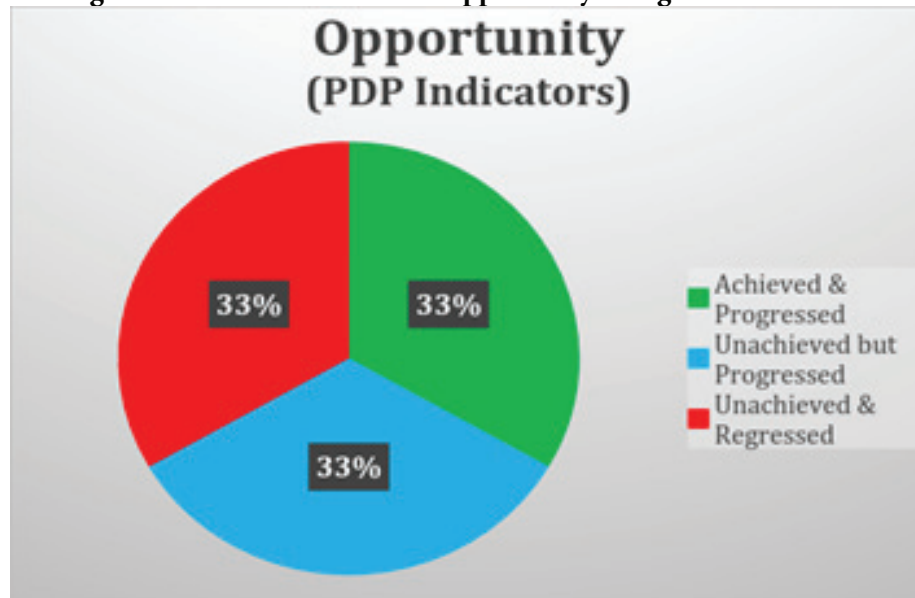
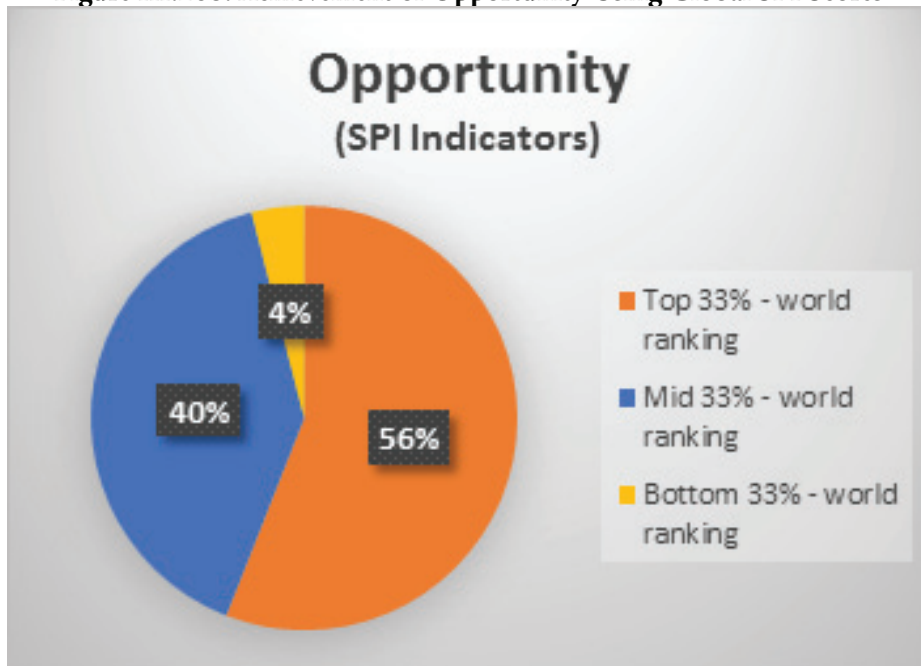


Figure III.26b. Achievement of Opportunity Using Global SPI Scores



CONCLUSIONS

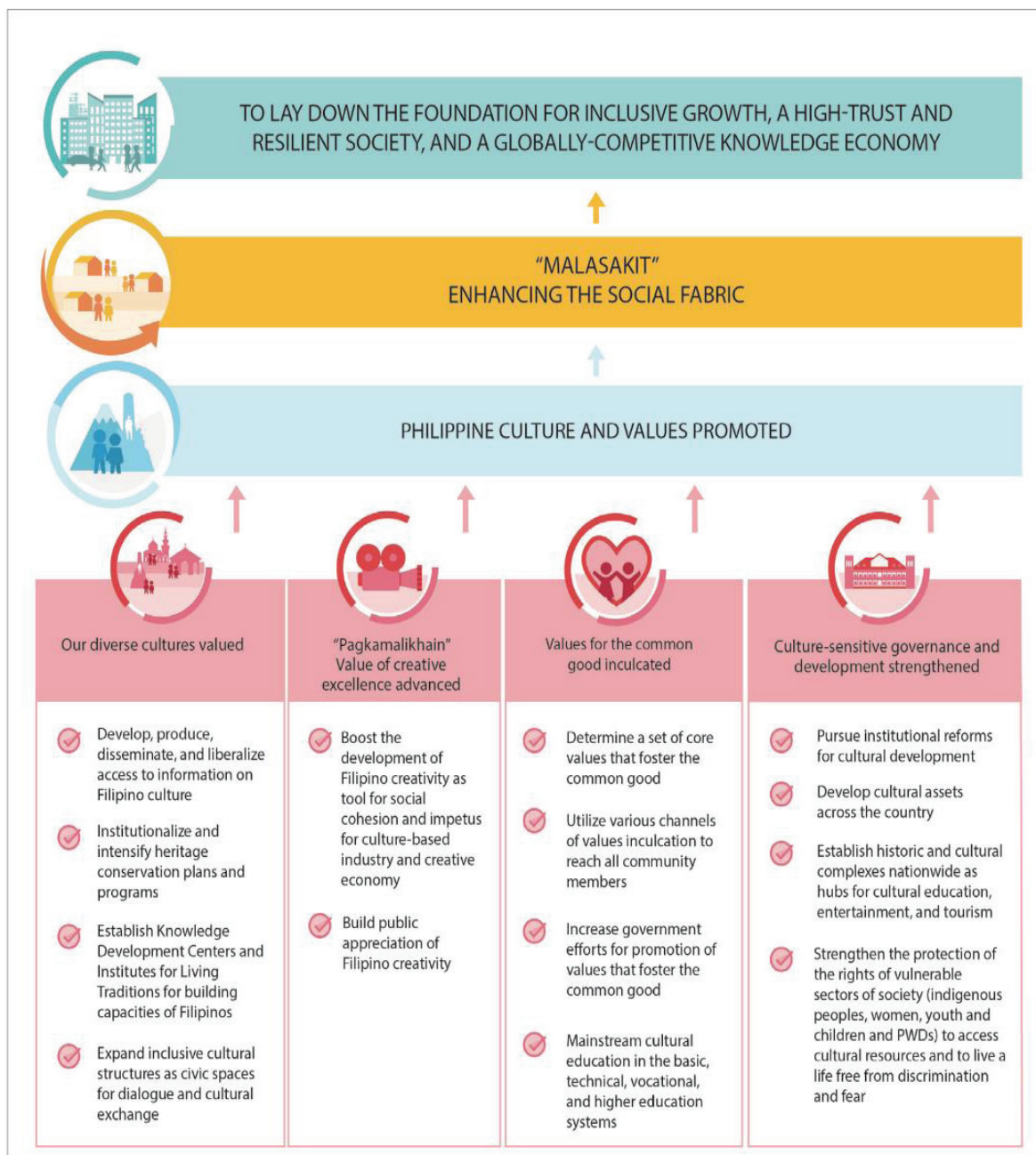
The main criteria used in this evaluation are the outcome or key result areas that were intended for the social development programs for the Human Development and Poverty Reduction Cluster. It is suggested that social programs and policies should be seen as a continuous effort that enables human potential to come out from the circumstance (Chambers and Wedel, 2005, p. 87) - which is essentially the meaning of development.

The Social Progress Index (SPI) was chosen as a framework because of its emphasis on outcomes rather than inputs or outputs and its focus on non-GDP measures of social progress. It contains three pillars called dimensions with four components each. Such dimensions and components can be used as measures to describe a social program or policy. In the same manner, the elements of a program or a policy must be evaluated based on their contribution to program goals or objectives. When such goals or objectives of a social policy or program are described, they point to desired ends, not providing services. It is important to take note of this because a focus on services only will not lead to accountability, since such program or policy may continue service provisions indefinitely without tangible results (Chambers and Wedel, 2005).

One such evaluation criteria for judging outcomes are value commitments underlying a social program or policy. This must be made clear in policy or concept documents. A value-centered framework is the essence of Governance. A value-centered approach provides a means of combining strategy and performance management so as to move beyond efficiency and efficacy to the production of public value (Morgan & Cook, 2014).

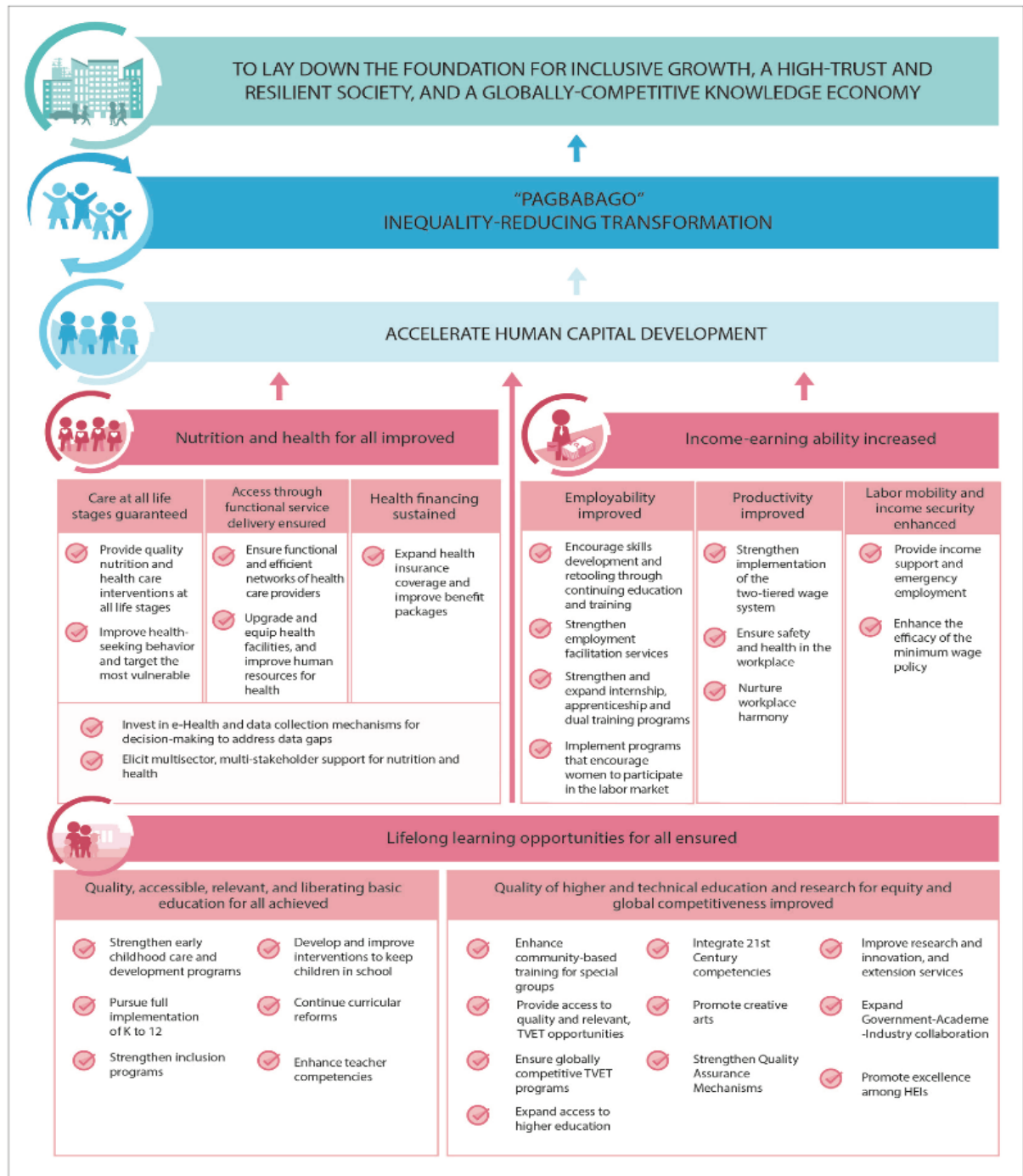
This qualitative sensing of the PNoy administration's performance in social development has adopted the SPI as framework for analysis, while pursuing the New Public Governance lens and adopting a value-centered approach. The key result areas spelled out in the Medium-Term Philippine Development Plan (2011-2016) are used as guide to the values assumed in this study. Moving forward, this values-based approach will hopefully provide opportunity for participants with multiple perspectives to build an agreement around shared values to be more imaginative in creating solutions in a future dialogue. Building a high trust government and culture or values-oriented society that will be able to generate innovative solutions will be one key to strengthen the Opportunity pillar of Social Progress. Results of this study will hopefully form as bases for fleshing out Chapter 7 of the new Philippine Development Plan on "Promoting Philippine Culture and Values" (Figure III.27) , whose overall envisioned goal is laying down the foundation for inclusive growth, a high-trust and resilient society, and a globally competitive knowledge-based economy.

Figure III.27. Strategic Framework to Promote Philippine Culture and Values, PDP 2017-2022 (Ch. 7)



On the other hand, to address the challenges for the social progress pillar on Foundations of Well-Being, the results of this study especially on education and the need for lifelong learning environments and the need to reduce inequalities and generate more productive and quality employment, shall inform and serve as basis for contributing to the achievement of Chapter 10 of the new PDP, on “Accelerating Human Capital Development” (Figure III.28). For instance, according to the ILO Report in 2016, “economic growth alone is insufficient for poverty reduction and inclusive labor market outcomes.” How growth is achieved through decent and productive employment is critical, per the ILO Philippine Office. In this regard, more concerted policy action that promotes rebalancing the economy towards greater investment in support of the national objective of massive quality employment generation could play an important role in accelerating inclusive growth, ILO exhorts. Specifically, improving employability and improving productivity towards increasing income-earning abilities are goals where this assessment’s results might be relevant.

Figure III.28. Strategic Framework for Accelerating Human Capital Development, PDP 2017-2022 (Ch. 10)



At the same time, to address the inadequacies for the social progress pillar on Basic Human Needs, the results of this study will hopefully feed into Chapter 11 of the new PDP on “Reducing Vulnerability of Individuals and Families” (Figure III.29), especially with regard to the provision of safety nets and social protection insurances.

Figure III.29. Framework for Reducing Vulnerability of Individuals & Families, PDP 2017-2022 (Ch 11)



Economic Development

CLUSTER ASSESSMENT

Jocelyn C. Cuaresma

OVERVIEW OF THE RESEARCH

This chapter makes an assessment of the economic development sector performance of the Aquino Administration from 2010-2016. Being part of the NCPAG's Research Project on Assessing the Performance of the Aquino Administration, this paper adopts the Project's overall aim of delivering an objective, factual and guided assessment of the accomplishments, legacy and challenges faced by the Aquino administration.

Specifically, the research reviewed the accomplishments of representative subsectors and/or agencies within the Economic Development Sector vis-à-vis agency plans, programs and initiatives designed to implement President Aquino's Social Contract, as contained in the Philippine Development Plan 2011-2016, State of the Nation Addresses (SONA), SONA Technical Reports and other official documents. The review determined major and pressing economic issues and challenges related to effectiveness in delivering economic public services, and drew up lessons and recommendations towards improving the administration of economic development reforms in the country. The analysis takes off from key result area (KRA) no. 3 of the President's social contract with the Filipino people, namely, rapid, inclusive, and sustained economic growth – to achieve rapid economic expansion that generates jobs and livelihood for and increase the income of the poor while moving away from the boom-and-bust cycle of the economic performance of the past". The sector pursued the following specific goals (Executive Order No. 43, dated May 13, 2011):

- promote an environment conducive to the growth and competitiveness of private enterprises and the creation of jobs;
- ensure the reliability of vital infrastructure, technologies and energy that facilitate the movement of people, goods, services and information;
- improve farms and rural enterprises to achieve food security;
- undertake research and development to support micro-, small and medium enterprises and of national industries;
- improve national productivity and domestic competitiveness; and
- ensure deep and widest distribution of economic opportunities and benefits.

The economic development sector is chaired by the Department of Finance (DOF) and composed of the following agencies as members: National Economic and Development Authority (NEDA) Secretariat, Department of Trade and Industry (DTI), Department of Budget and Management (DBM), Department of Public Works and Highways (DPWH), Department of Transportation and Communications (DOTC), Department of Energy (DOE), Department of Science and Technology (DOST), Department of Tourism (DOT), Department of Agriculture (DA), and the Department of the Interior and Local Government (DILG).

The study gathered inputs from the five Public Lectures on the Aquino Presidency and Administration that UP-NCPAG conducted on April 14, 19, 21, 28 and May 3, 2016), where representatives of selected government agencies presented self-assessments of their respective agencies' accomplishments. The forum on Economic Development, held on May 3, 2016, highlighted the accomplishments of three departments [NEDA, DOTC and DA] out of the nine departments classified under the Economic Development Cluster.

The paper is divided into five parts. Part 1 contains this introductory discussion and setting of the scope of the research. Part 2 gives an overview of the economic situation from 2001 to 2010 or prior to the Aquino administration. Part 3 highlights the performance and accomplishments of the economic development sector from 2011 to 2016 and of select agencies or sub-sectors. Part 4 summarizes the findings, conclusions and lessons learned.

Framework of Assessment and Methodology

The paper employed a desk review of existing reports, studies, accounts and assessments of the performance of the Economic Development Sector from 2010 to 2016 around the KRA, “Rapid, Inclusive and Sustained Growth”. It maps out important policies, programs and philosophies that define the sectors accomplishments. As such, the sector review and analysis revolves around the following:

1. Goals and targets set in 2010 and challenges the government had to address
2. Key strategies [policies, programs, reforms] to achieve the goals
3. Key accomplishments during the period
4. Challenges and concerns
5. Lessons and ways forward

Government reports, independent reviews by members of the academe, civil society organizations, media, and developmental institutions, and other relevant resources were utilized to guide the analyses.

THE NATIONAL ECONOMY IN 2011

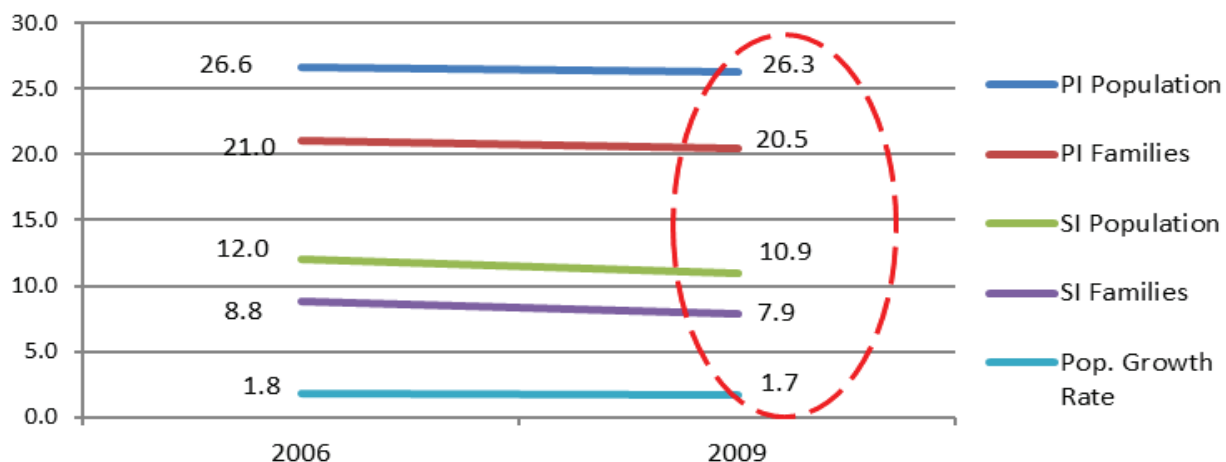
Poverty and GDP Growth

One way to depict the year 2011 and prior years is to see the performance of the administration of former President Gloria Arroyo. Arroyo (2009) described the Philippine economy in 2010 as an economy of strong economic fundamentals amidst successive global crises in fuel, food and finance. According to Arroyo, the economy has proved its resilience to crises, evidenced by an upgrade in Moody’s credit rating. On her 10th year in office, Arroyo claimed to have built more and better infrastructure than her predecessor, President Estrada. To be fair to Estrada, whose stay in office lasted only two and half, Arroyo was expected to have accomplished more in her more than 9 years as President.

But if the economy is in good shape in 2010, the poverty data is not in concurrence. As when Arroyo end her term of office, the country’s poverty incidence among families stood at 20.9% in 2009, only slightly lower than the 21.1% in 2006 (National Statistical Coordination Board, 2011). In terms of the magnitude of poor families, amidst the continuous increase in population, there were more poor families in 2009 (4.036 million families) than in 2006 (3.809 million families).

The Aquino administration planned to bring down the poverty incidence among population to 20-23% by 2015 (PDP 2011-2016 Mid-Term Update, p. 9). Looking back to the Millennium Development Goals (MDGs), the country’s goal of cutting in half the poverty incidence of 32% in 2000 to 16% by 2015 was not achieved. In certain provinces, poverty even worsened. Among individuals, the poverty incidence is slightly lower at 26.3% in 2009 than the 26.6% in 2006 (Philippine Statistics Authority, 2017). (see Figure IV.1).

Figure IV.1. Philippines – Poverty Incidence (PI) and Subsistence Incidence (SI) among Population, in percent



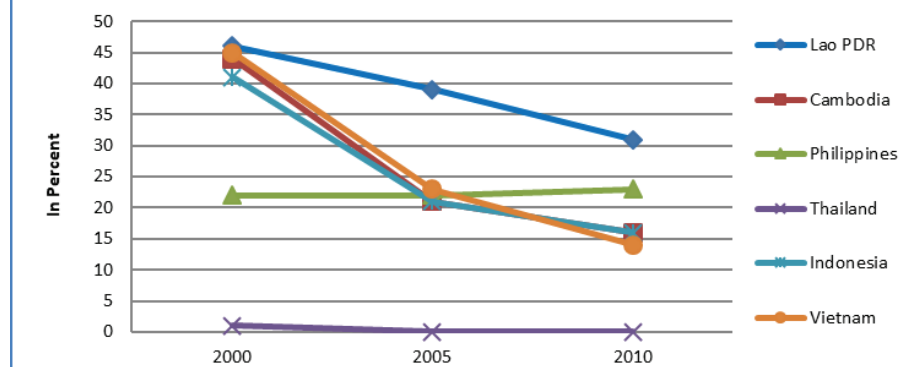
Source: PSA (2006 ; 2009)

In 2000, the Philippines had a much lower poverty incidence of 22% compared to some ASEAN neighbors. The countries of Lao PDR, Vietnam, Cambodia and Indonesia had a poverty incidence as high as 41% to 46% in 2000. By 2010, all four countries were able to very significantly reduce their poverty incidence, unlike the Philippines, whose poverty rate even grew by one percentage point as shown in Figure IV.2 ASEAN (2017).

GDP per Capita

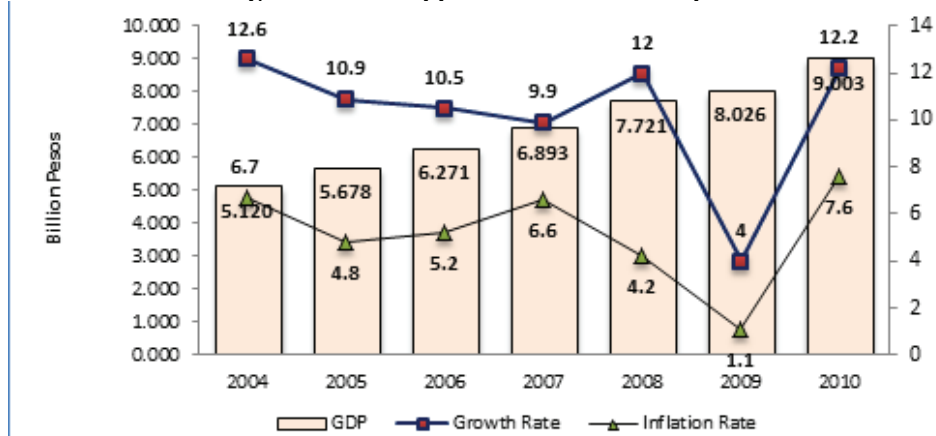
The Philippines boasts of high GDP growth rates under the Arroyo administration. Data from the Philippine Statistics Authority show an aggregate GDP growth rate of 75.8% from 2004 to 2010 or an annual average of 12.6%, but marred by a dip in 2009. The inflation rate during the period ranged from 2.9% to 8.3% and consumed the economic growth that was achieved. GDP per capita grew slower at an annual average of 9.8%, proof that the economic growth was not sufficient to sustain the needs of every addition to the population.

Figure IV.2. Population below the National Poverty Line, in percent, 2013



Source: ASEAN (2017)

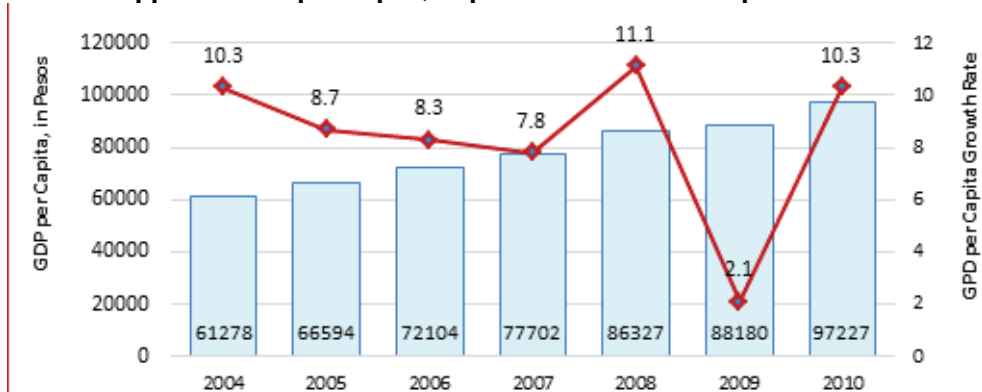
Figure IV.3. Philippines' GDP, in billion pesos



Source: PSA (2017)

The annual inflation rate during the period averaged at 4.63%. In 2010, the 3.8% inflation rate is well within the government's target range of 3.5-5.5% (PSA, as cited in Bangko Sentral ng Pilipinas, n.d.-a)

Figure IV.4 Philippines' GDP per Capita, in pesos and GDP Per Capita Growth Rate in Percent

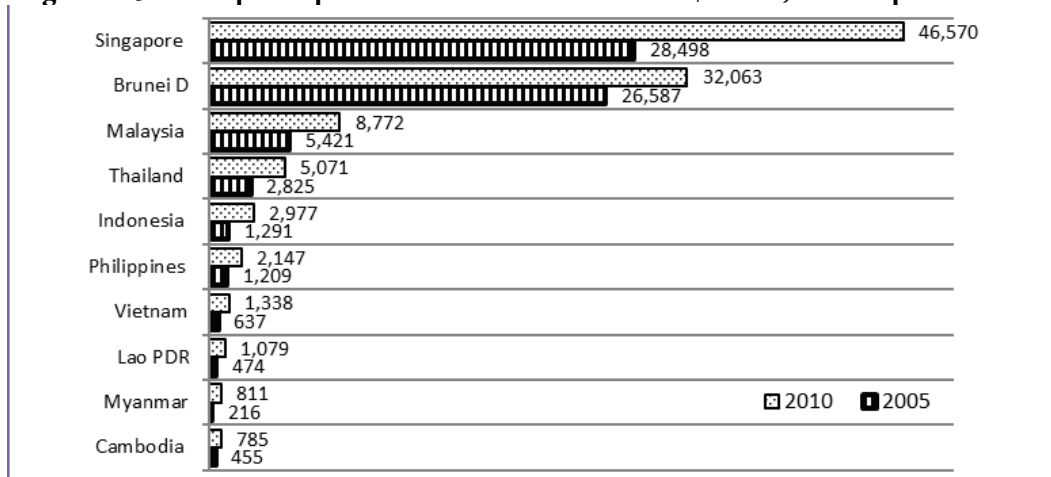


Source: PSA (2017)

Compared to our ASEAN neighbors, the Philippines' GDP per capita in 2010 is much lower. Although we did strive to almost double the GDP per capita by 2015, the nominal amount is still relatively lower than that of Indonesia and four other ASEAN countries. The increase in the GDP per capita of two ASEAN countries, Singapore and Brunei

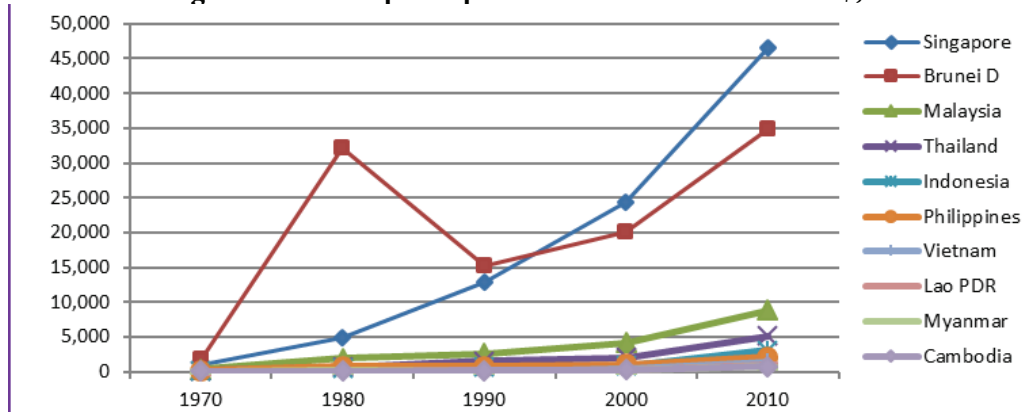
Darussalam, since the 1990s has been highly exceptional. Malaysia's GDP per capita, although a far third, took off in the 1990s to an amount of more than quadruple that of the Philippines by 2010. Thailand and Indonesia have similarly performed better than the Philippines in GDP per capita since the 1990s.

Figure IV.5. GDP per Capita of ASEAN Countries in US\$. 2010, current prices



Source: ASEAN (n.d.)

Figure IV.6. GDP per Capita of ASEAN Countries in US\$, Current Prices

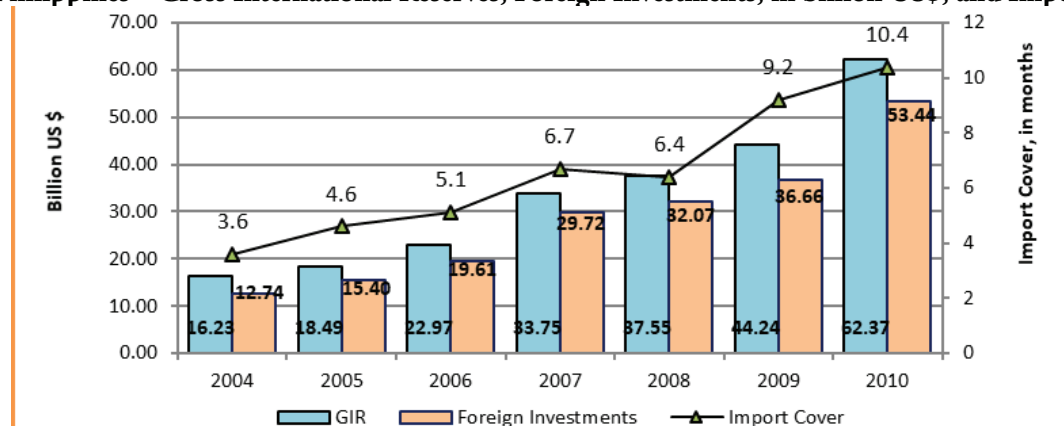


Source: United Nations Conference on Trade and Development (various years)

Gross International Reserves

Significant increases in the country's level of gross international reserves (GIR) were recorded from 2005 to 2010. The country's GIR reached US\$62.37 billion, which is equivalent to an average of 10.4 months of imports of goods and payment of services. The biggest source of the country's foreign exchange reserve is foreign investments, comprising up to 85.6% of the total GIR in 2010 (BSP, n.d.-b).

Figure IV.7. Philippines – Gross International Reserves, Foreign Investments, in billion US\$, and Import Cover



Source: BSP (n.d.-b)

Foreign Direct Investments

In her last SONA in 2009, President Arroyo claimed to have brought in 15 times higher net foreign direct investment resulting in the doubling of the country's foreign exchange reserves including OCW remittances. Data from the Bangko Sentral ng Pilipinas (BSP) does not fully support Arroyo claim, if the net FDI in 2001 is used as basis, then the net FDI increased by six times during her term of office. Otherwise, the net FDI at the close of Arroyos' term in 2010 declined to the same level as it was in 1999, as shown in Table IV.1. In 2010, FDI in the amount of US\$1.275 billion pulled out of the manufacturing sector at the same time that reinvested earnings have not really been robust.

Non-ASEAN countries have made substantial amount of investments into the region. Extra-ASEAN FDI flows peaked in 2007, declined to half in the next two years, but recovered in 2010. It is also observed that the Philippines is less of a favorite of foreign investors from outside the ASEAN. On the other hand, Indonesia, Malaysia, Thailand, Vietnam and Singapore are more favored. Investment into the Philippines from outside the ASEAN peaked in 2006 and never fully recovered in the next four years. (BSP, n.d.-b)

Table IV.1. Philippines – Net Foreign Direct Investment (BPM6 Concept¹), in million US\$

Year	Total Net FDI*	Total Equity	Reinvested Earnings	Other Capital
2000	2,240	1,333	-334	1,241
2001	195	556	-258	-103
2002	1,540	1,607	235	-300
2003	491	249	168	74
2004	688	750	141	-203
2005	1,854	1,181	140	533
2006	2,921	1,324	485	1,112
2007	2,916	1,949	620	347
2008	1,544	1,235	53	256
2009	1,963	1,731	155	77
2010	1,298	-396	182	1,512

Source: BSP (n.d.-b)

Table IV.2. FDI Flows from Extra-ASEAN, in million US\$

ASEAN	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Brunei D.	539	516	1,014	192	269	424	198	238	367	540
Cambodia	149	112	137	99	252	328	596	574	365	434
Indonesia	-4,317	-2,757	-1,152	1,690	7,453	3,560	5,820	5,920	3,497	7,400
Lao PDR	20	21	22	9	21	177	223	180	261	197
Malaysia	3,530	474	3,203	3,644	3,343	5,611	4,758	5,603	1,651	8,630
Myanmar	134	125	166	242	198	357	621	872	896	279
Philippines	2,114	-4	1,455	617	1,841	2,964	2,910	1,404	1,968	1,721
Singapore	16,564	14,668	5,637	20,318	14,474	28,301	35,864	7,929	13,171	32,143
Thailand	2,961	3,350	1,927	5,173	6,947	4,833	8,841	8,031	3,650	5,886
Vietnam	1,086	1,059	1,000	1,367	1,856	2,218	6,193	6,874	7,171	6,699
ASEAN	22,779	17,563	13,409	33,352	36,654	48,772	66,025	37,626	32,995	63,929

Source: ASEAN (2010)

1 BPM6 Concept of Foreign Direct Investment states that FDI can be in the form of equity capital, reinvestment of earnings and debt instruments. Direct investment is indicated by ownership of at least 10% of equity shares. Less than 10% of ownership is considered as portfolio investments BSP (n.d.) Gross international reserves, end of Period, in million US dollars, 2000-2017.

Sector Performance

By sector, the Philippines get less extra-ASEAN FDI intended for manufacturing, construction, financial intermediation, and real estate. Data for 2010 from the ASEAN website show that investments coming into the Philippines go into mining, quarrying and real estate. In contrast, Indonesia, Malaysia, Thailand, Vietnam, and Singapore get much more manufacturing investments. Indonesia is also a favorite of investors in mining and quarrying. Vietnam received large amount of real estate investments. Investment into Thailand flow more into financial intermediation aside from manufacturing. Singapore is the most favorite destination of extra-ASEAN investments.

Table IV.3. Extra-ASEAN FDI Flows by Host Country and Sector, 2010

Host Country	Agri., Fishery, Forestry	Mining, Quarrying	Manufacturing	Construction	Finance, Insurance	Real Estate	Others	Unspecified	Total
Brunei D.	-	486	23	0.2	0.1	-	30	-	540
Cambodia	-	-	-	-	-	-	-	434	434
Indonesia	83	1,711	3,250	-26	-988	4	3,368	-	7,400
Lao PDR	4	9	33	-	-	-	141	-	188
Malaysia	-9	814	4,960	-22	1,967	104	817	-	8,630
Myanmar	0	278	0	-	-	-	-	-	279
Philippines	2	278	-10	-3	35	167	335	865	1,669
Singapore	2	146	4,578	68	12,403	6,624	8,322	-	32,143
Thailand	4	236	2,750	-227	1,635	542	946	-	5,886
Vietnam	8	0	2,078	681	31	1,887	2,014	-	6,699
ASEAN	258	3,803	17,655	477	15,083	9,329	15,965	1,299	63,867

Source: ASEAN (2010)

Within the ASEAN, the biggest sources of investments are Singapore, Malaysia and Indonesia. The biggest destination of intra-ASEAN FDI are Indonesia, Singapore and Vietnam. Of the total FDI in 2010 of US\$12.279 billion, the Philippines invested a total of US\$111 million, and received an FDI inflow of negative US\$8 million. Thus in 2010, the Philippines had a negative investment flow from/to within the ASEAN.

Table IV.4. Intra-ASEAN FDI Flows by Source and Host Country, in million US\$, 2010

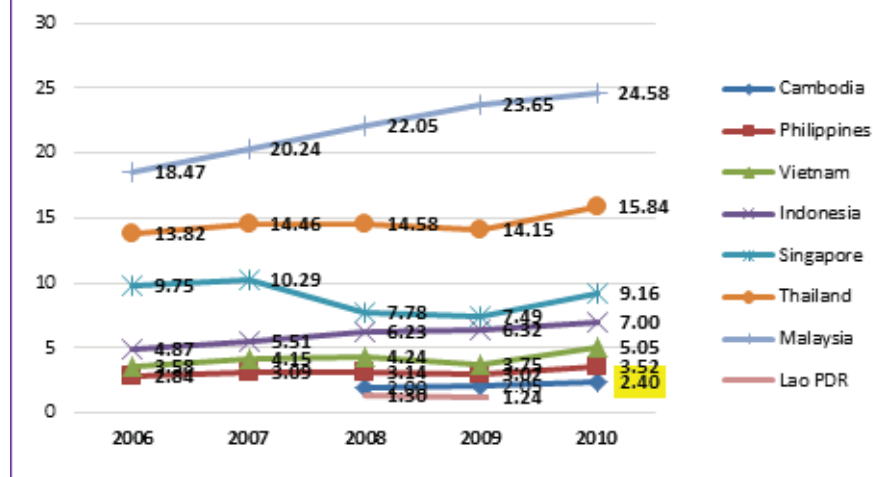
Source Country / Host Country	Brunei D.	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam	Total
Brunei D.		0	1	0	45	0	0	44	0	0	90
Cambodia	0		0	0	110	0	0	28	12	199	349
Indonesia	0	0		0	341	0	2	5479	82	1	5904
Lao PDR	0	27	0		0	0	0	0	90	17	135
Malaysia	31	-15	110	0		0	7	457	-141	76	526
Myanmar	0	0	9	0	0		0	1	162	0	172
Philippines	0	0	1	0	-6	0		-5	2	0	-8
Singapore	7	18	1442	0	1607	65	58		86	95	3,377
Thailand	0	6	-4	6	105			280		0	434
Vietnam	13	0	1	34	131	0	4	1078	39		1,301
Total	51	37	1,560	40	2,332	65	111	7,363	331	389	12,279

Source: ASEAN (2010)

Tourist Arrivals

In international tourist arrivals, the Philippines is a less preferred tourist destination from 2006 to 2010. Malaysia, Thailand, Singapore, Indonesia and Vietnam are the more preferred tourist destinations in the ASEAN. The number of tourist arrivals to the Philippines managed to increase during the period, but data shows that we have to do a lot more to attract more tourists.

Figure IV.8. Tourist Arrivals in ASEAN, in million individuals, 2006-2010



Source: ASEAN Tourism Statistics Database

Foreign Trade

The country's foreign trade is characterized by decades of trade deficits. Except in the years 1999 and 2000, the country experienced trade deficit from 1987 to 2010, the biggest of which were in 1996 and 1997. From 2004 to 2010, total trade experienced an aggregate growth of 27.1%, but consistently, we have imported more than we have exported. The country's trade deficit tended to stay and leveled at US\$3.435 billion by 2010.

Table IV.5. Total Philippine Trade, FOB, in billion US\$

Year	Total Trade	Exports	Imports	Trade Balance
2000	72.569	38.078	34.491	+3.587
2001	65.207	32.150	33.057	-0.907
2002	74.445	35.208	39.236	-4.028
2003	76.702	36.231	40.470	-4.239
2004	83.720	39.680	44.039	-4.359
2005	88.673	41.255	47.418	-6.163
2006	99.184	47.410	51.774	-4.364
2007	105.979	50.466	55.514	-5.048
2008	105.824	49.077	56.746	-7.668
2009	81.527	38.436	43.091	-4.656
2010	106.430	51.498	54.933	-3.435

Source: PSA

The Philippines' overall trade balance with the ASEAN has been negative from 2004 to 2010, owing to the unfavorable trade balance with Thailand, Malaysia, Indonesia, Vietnam and Myanmar. Fortunately, we have a favorable trade balance of US\$2.132 billion with Singapore, our biggest trading partner in the ASEAN. Globally, our biggest trading partners are Japan and the USA, with whom we have favorable trade balances. But overall, the country's trade balance in 2010 is negative at US\$3.435 billion.

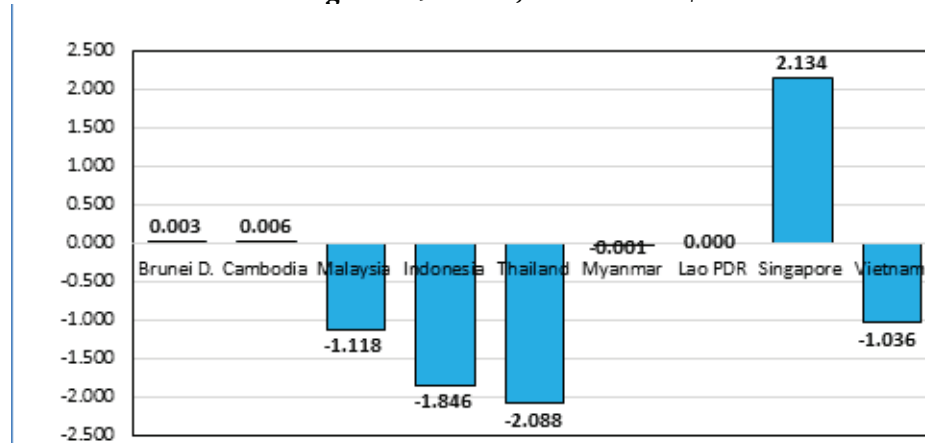
Table IV.6. Philippine Trade with ASEAN only, FOB, in billion US\$, 2010

Countries	Total Trade	Exports To	Imports From	Trade Balance
Singapore	12.506	7.319	5.187	2.132
Thailand	5.653	1.783	3.871	(2.088)
Malaysia	3.911	1.396	2.515	(1.118)
Indonesia	2.744	0.449	2.295	(1.846)
Vietnam	2.180	0.572	1.608	(1.036)
Brunei Darussalam	0.008	0.006	0.002	0.003
Cambodia	0.011	0.008	0.002	0.006

Countries	Total Trade	Exports To	Imports From	Trade Balance
Myanmar	0.024	0.011	0.012	(0.001)
Lao PDR	0.000	0.000	0.000	0.000
ASEAN-Total	27.038	11.545	15.492	(3.947)
Philippines-Total	106.430	51.497	54.933	(3.435)

Source: psa.gov.ph

Figure IV.9. Trade, in billion US\$



Source: PSA

Rice Production

Specific to rice supply, the country's volume of rice production recorded an 8.8% growth from 2004 to 2010. It was accompanied by an additional 227,000 hectares or 5.5% expansion of farmland planted to palay. The value of palay production improved by 67.7% on the aggregate. While domestic palay/rice production increased, the country was not prevented from importing rice, mainly from Vietnam and Thailand, where 76% and 23% of Philippine rice imports come from. During the period, the country's rice importation was on the rise.

Table IV.7. Philippines – Palay Production and Rice Importation, 2004-2010

Year	Volume of Palay Production, in Million MT	Area planted to Palay, Million hectares	Value of Production, Billion pesos, current prices	Volume of Rice Imports, Million MT	Value of Rice Imports, Billion US\$
2004	14.497	4.127	136.995	1.001	0.263
2005	14.603	4.070	155.668	1.822	0.549
2006	15.327	4.160	159.244	1.716	0.515
2007	16.240	4.160	182.053	1.806	0.657
2008	16.815	4.460	234.072	2.433	1.957
2009	16.266	4.532	238.140	1.755	1.040
2010	15.772	4.354	229.645	2.379	1.653

Source: Department of Agriculture-Bureau of Agricultural Statistics, as cited in PSA (2016, p.51)

Employment

In terms of employment, there is an apparent rise in the labor force of 3.03 million individuals or 8.4% from 2004 to 2010. The increase in labor force is fortunately met by a bigger increase of 14% in the number of employed persons and a corresponding decline in the number of unemployed, amidst the increase in the country's population. Employment in agriculture also increased by 5.1%. It must be mentioned that the reported nominal wage rate of Php161.60 in the agricultural sector in 2016 as reported by the DA-BAS is significantly low.

Table IV.8. Population, Labor Force and Employment and Wage Rate Indices, Philippines, 2004-2010

Items	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population (million persons)	78.230	79.953	81.675	83.56	85.26	86.97	88.57	90.45	92.23	94.01
Labor force (million persons)	32.81	33.94	34.57	35.86	34.94	35.47	36.21	36.81	37.79	38.89
Employed, million persons	29.16	30.06	30.63	31.61	32.31	32.96	33.56	34.09	35.06	36.04
Employed in Agriculture	10.85	11.12	11.22	11.38	11.63	11.81	11.78	12.03	12.04	11.96
Unemployed	3.65	3.87	3.94	4.25	2.75	2.83	2.65	2.72	2.83	2.86
Unemployment rate	11.1	11.4	11.4	11.8	-	8.0	7.3	7.4	7.5	7.4
Unemployment rate	17.2	17.0	17.0	17.6	21.0	22.6	20.1	19.3	19.1	18.8
Wage rate indices in agriculture (without meal)										
Nominal, pesos	110.43	110.57	112.53	117.83	122.17	132.25	132.65	138.85	145.14	161.60
Real, pesos				95.90	94.30	92.50	96.40	93.30	93.30	97.80

Source: DA-BAS, as cited in PSA (2016, p. 5).

Exchange Rate

From 2004 to 2010, the Philippine Peso-US Dollar exchange rate appreciated from P56.04 to P45.11. The massive decline was recorded in 2007 to 2008 at the height of the global financial crisis, followed by a relatively substantial depreciation in 2009, and another phase of appreciation in 2010. The movement in the exchange rate can either benefit (or harm) certain sectors of the economy. (BSP, 2010, p.3)

Table IV.9. Philippine Peso-US Dollar Exchange Rate

Items	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Official Exchange Rate	50.99	51.60	54.20	56.04	55.09	51.31	46.15	44.48	47.64	45.11

Source: BSP

Summary of Achievements of the Arroyo Administration

On poverty and GDP growth

- Poverty worsened from 2000 to 2010. The country's poverty level remained stagnant and even increased at the end of the period, unlike its ASEAN neighbors that effectively reduced by more than half their poverty rate and achieved the MDG goal as early as 2005.
- While the Arroyo Administration boasted of high GDP growth rates that averaged at 8.35% for the period 2001 to 2010, economic growth clearly did not trickle down to the poorest sector of the population.
- The inflation rate during the same period averaged at 4.63%, thus eating up more than half of the economic growth said to have been achieved.

Foreign Direct Investment

- Foreign direct investments quadrupled from 2004 to 2010, and amounted to US\$53.44 billion by 2010. FDI accounts for 85.7% of the country's Gross International Reserves (GIR) in 2010. The GIR grew by 3.8 times between 2004 to 2010, sufficient to cover an equivalent of 10.4 months of imports.
- The Philippines is the less preferred country in FDI from outside the ASEAN. Extra-ASEAN FDI flows into the Philippines went more into mining, quarrying and real estate. In the case of Malaysia, Singapore, Thailand and Vietnam, Extra-ASEAN FDI flows flow into manufacturing, real estate, and finance (for Singapore and Thailand).
- Within the ASEAN, Singapore, Malaysia and Indonesia are our biggest sources of FDI, but the Philippines is not a priority investment area. Our intra-ASEAN FDI flow is negative in 2010.

Tourist Arrivals

- The country's tourist arrivals increased from 2.84 million individuals in 2006 to 3.52 million individuals in 2010.

However, the Philippines is a less preferred tourist destination compared to our ASEAN neighbors. Our ASEAN neighbors (except Lao PDR) has received more tourists during the period. We pale in comparison to Thailand and Malaysia, which received as many as 15.84 million tourists and 24.58 million tourists, respectively, in 2010. Even Vietnam and Indonesia had more tourist arrivals at the rate of 5.05 million and 7 million, respectively, in 2010.

Foreign Trade

- Philippine exports in 2010 was valued at US\$51.498 billion, but the value of our imports is higher at US\$54.933 billion. From 2004 to 2010, the Philippines has consistently imported more than it has exported. Our foreign trade balance has been negative from 2001 to 2010.

Rice Production

- Philippine palay production grew from 14.497 million MT in 2004 to 15.772 million MT in 2010 or by an average of 1.5% annually. The total area planted to rice also rose to 4.354 million hectares, and the value of rice production improved to P229.645 billion by 2010.
- On the other hand, the country's rice importation from 2004 to 2010 increased, contrary to government's intent. Data from the DA-BAS show that rice imports rose from 1.001 million MT in 2004 to 2.379 million MT in 2010.

Employment

- The country's labor force grew by 6.08 million or by 18.5% from 2001 to 2010. Fortunately, the number of employed persons rose by 6.88 million persons or by 23.6% during the same period, and recorded a lower unemployment rate of 7.4% by 2010. The under employment rate also declined to 18.8% in 2010, but remains significant.

Exchange Rate

- The peso-dollar exchange rate declined from Php50.99 per US dollar in 2001 to Php45.11 per US dollar in 2010. The strengthening of the peso cuts two ways. It makes imports cheaper, which encourages us to import more, make our exports more expensive, and lowers demand for our product in the international market. In effect, a peso appreciation is disadvantageous to the economy amidst the high unemployment and poverty rates, (Sicat 2012).

MACROECONOMIC PERFORMANCE FROM 2011 TO 2016

Economic Development Sector Performance

Poverty Incidence Remained Higher than the Target

Poverty incidence remained high. The government failed to achieve the MDG goal of reducing the poverty level to 16% by 2015. In fact, the poverty rate managed only a slight decline from 26.3% in 2009 to 25.2% in 2012 and to 21.6% in 2015, which is still way above the MDG target of 16%. In terms of absolute number, the magnitude of the poor population in 2015 remains significant at 21.927 million individuals. With poverty rate still very high, and a population growth rate of 1.87% average, the result is uncontrolled rise in the number of poor population. As of August 2015, the Philippine population was recorded by the PSA at 110.981 million individuals, 23.972 million of whom are poor. In 2013, the Philippine poverty rate is the highest in the ASEAN region (ASEAN, n.d.).

Figure IV.10. Poverty Incidence (PI) & Subsistence Incidence (SI) among Population, in percent, 2006-2015



GDP per Capita

From 2011 to 2016, the increase in the country's nominal GDP per capita has been gradual at 6.78% annual average from Php103,078 (US\$2,379) to Php131,022 (US\$2,759²), but in terms of trend, the average annual increase is actually on the decline as Figure IV.11 shows. In addition, the Philippines' GDP per capita fall below that of other five ASEAN member-states. The Philippines has to more seriously examine its development policies and priorities to achieve for its people with better success the socio-economic affluence it has been aspiring for over the last five or more decades.

Figure IV.11. Philippines' GDP per capita in pesos, 2004-2015

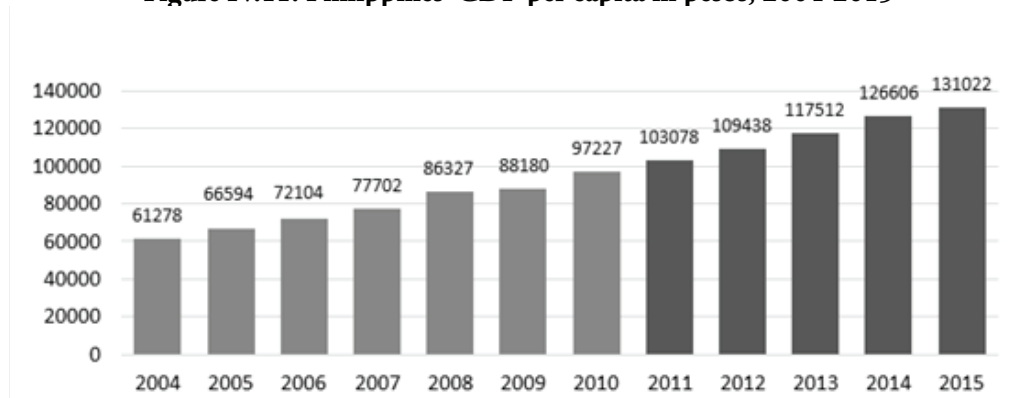
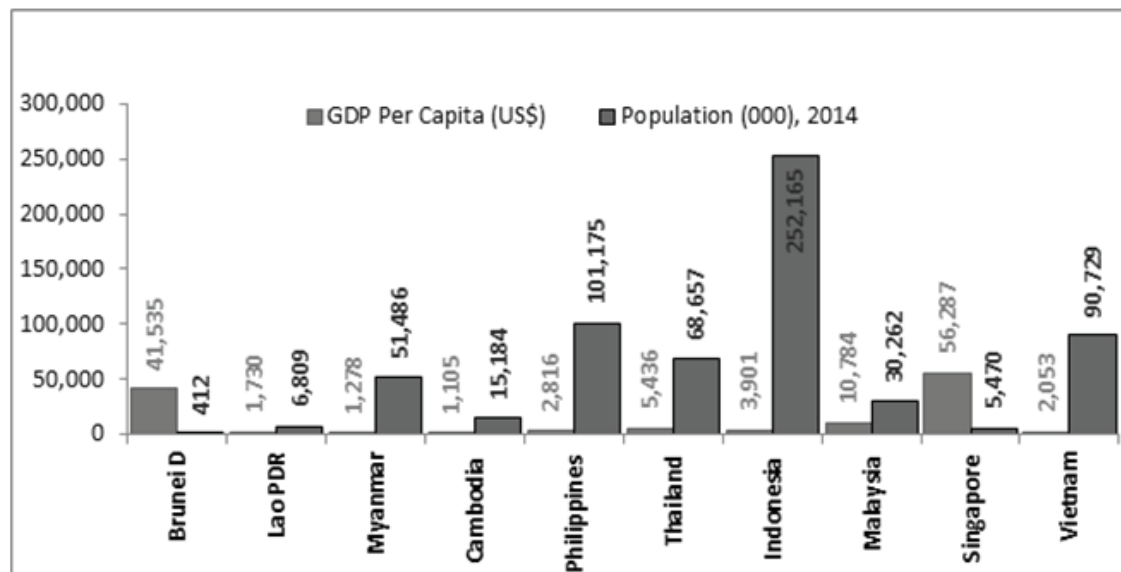


Figure IV.12. Population in thousands, and GDP Per Capita in US\$, of ASEAN Countries, 2014

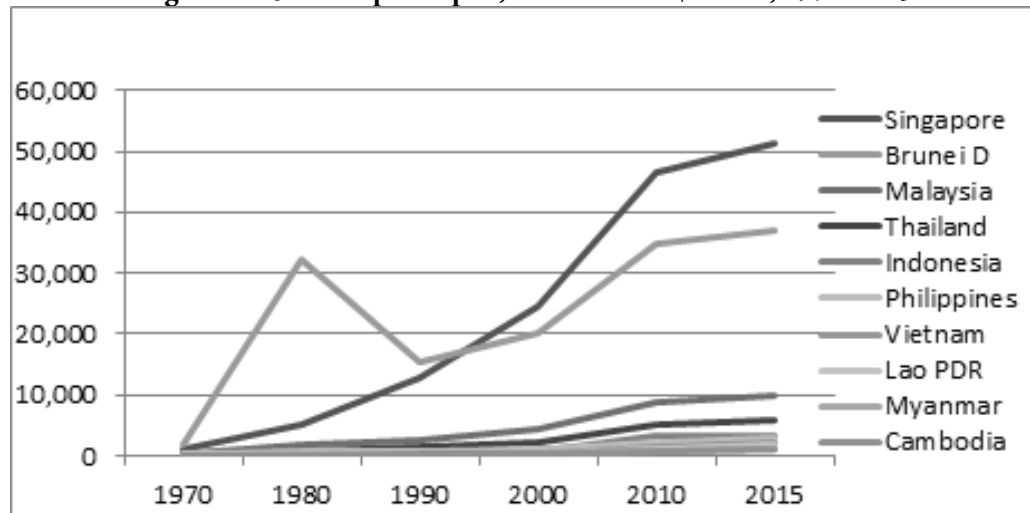


Source: ASEAN (2015)

2 In 2011, 1US\$=Php43.3131 average; In 2016, 1US\$=Php47.4925 average (http://www.bsp.gov.ph/statistics/spei_new/tab12_pus.htm)

Unlike the Philippines' GDP per capita, the increase in the GDP per capita of two ASEAN countries, Singapore and Brunei Darussalam, since the 1990s has been highly exceptional. Malaysia's GDP per capita, although a far third, took off in the 1990s to an amount almost quadruple that of the Philippines by 2015. Thailand and Indonesia have similarly performed better than the Philippines in GDP per capita increases since the 1990s. Indonesia, with a population of 252 million persons in 2014, mustered a GDP per capita higher than that of the Philippines. From 1970 to 2015 (based on UNCTAD data, see Figure IV.13), only two out of ten ASEAN countries were able to achieve high levels of GDP per capita. The GDP per capita of the Philippines was one with the slowest growth over a period of 45 years, including the years of the Aquino administration.

Figure IV.13. GDP per Capita, in current US\$ Prices, 1970-2015



Source: UNCTAD (n.d.)

The level of Gross International Reserves (GIR) as of December 31, 2016, amounting to US\$80.692 billion is noteworthy as it is equivalent to 8.9 months of import cover (BSP, n.d.). This is lower than the 10.4 months import cover record of the Arroyo administration. OCW remittances during the period 2011 to 2016 is consistently increasing, and have contributed as much as 39% to total GIR of the country. OCW remittances have proven to be a resilient source of foreign exchange for the country.

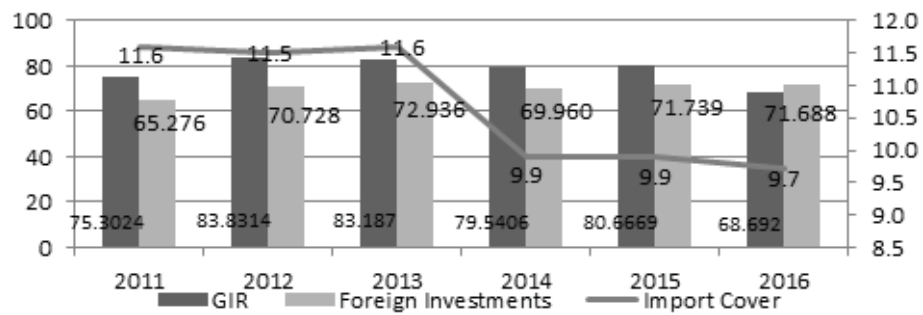
Table IV.10. Overseas Filipino Workers Cash Remittances, in million US\$

Year	Gross International Reserves	Investment	OFW Remittances
2011	75,302	65,276	20,117
2012	83,831	70,728	21,391
2013	83,187	72,936	22,984
2014	79,541	69,960	24,628
2015	80,667	71,739	25,607
2016	80,692	68,290	26,900

Source: BSP Note: The Gross International Reserves is comprised of the Reserve Position in the Fund, Gold, SDRs, Foreign Investments and Foreign Exchange.

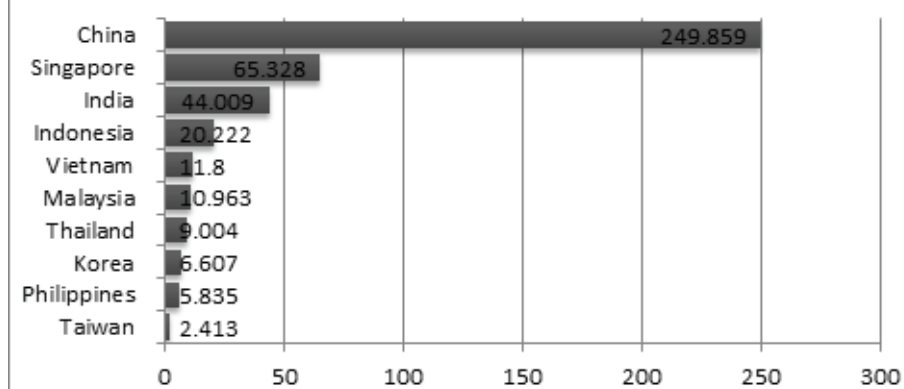
Under the Aquino administration, the trend in foreign investments is encouraging from 2011 to 2013. It slightly dropped in 2014 and recovered a little in 2015 and 2016. As of December 31, 2016, investments have been valued at US\$68.29 billion, lower than the monthly levels over the last 12 months. Foreign investments peaked in August 2016 at US\$73.93 billion. Although FDI amounts appear to be generally sustained in the six years of the Aquino administration, the Philippines' net FDI performance is dismal when compared to our neighbors in Asia. As shown in Figure IV.14, The Philippines' net-FDI of US\$5.835 billion in 2015 is only half that of Thailand and four times smaller than that of Indonesia. Data from 2011 to 2015 (Figure IV.15) shows that Indonesia, Vietnam, Thailand and Malaysia and, of course, Singapore, are favorites of foreign investors and gets more FDI than the Philippines.

Figure IV.14. Philippines' Foreign Investments, in billion US\$, 2016



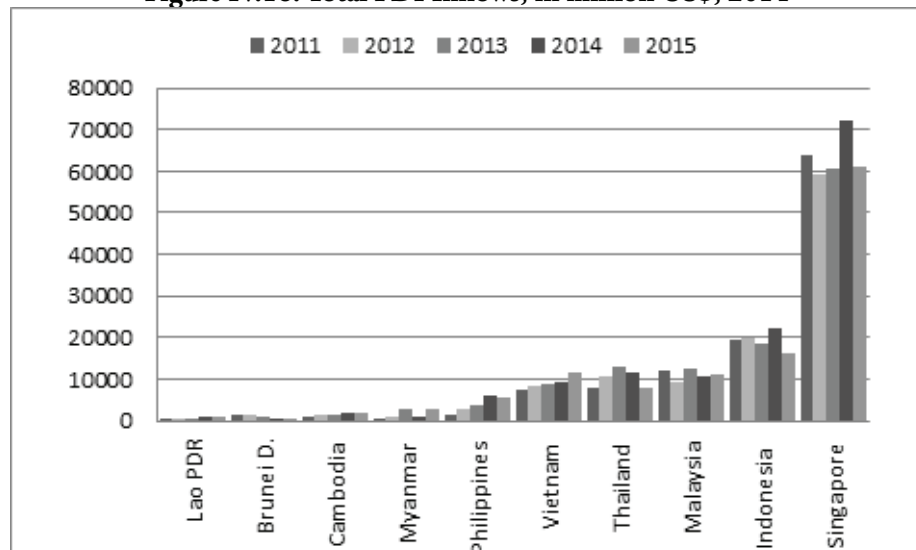
Source: <http://www.bsp.gov.ph/statistics/sdds/table12.htm>, accessed on January 8, 2017

Figure IV.15. Net Foreign Direct Investment Flows, in billion US\$, 2016



Source: www.bsp.gov.ph/statistics/spei_pub/Table%2048.pdf, accessed on January 8, 2017

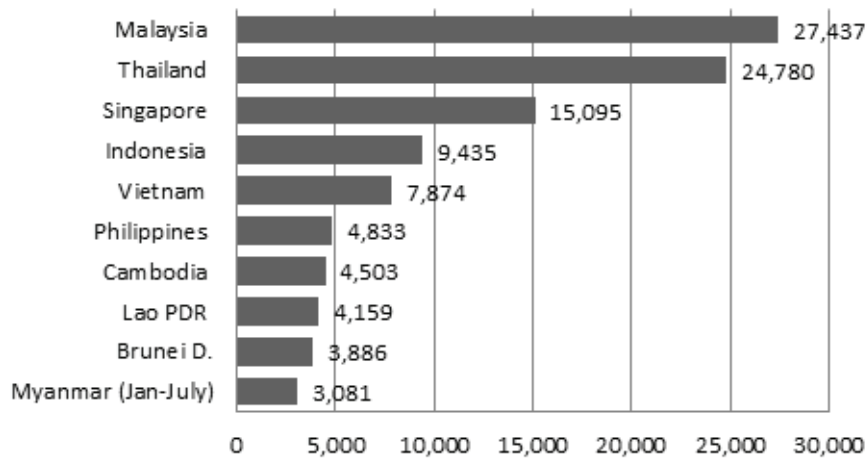
Figure IV.16. Total FDI Inflows, in million US\$, 2014



Source: BSP

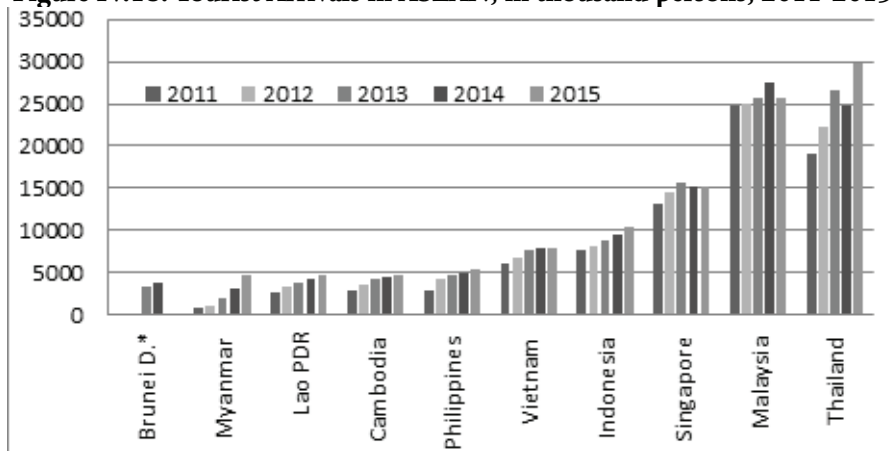
The good news is that tourist arrivals grew by an aggregate of 84% from 2011 to 2015, or from 2.9 million persons to 5.36 million persons annually or a total of more than 22 million persons in 5 years. The growth rate is the highest among all the ASEAN countries. The downside is that tourist arrivals in Vietnam, Indonesia, Singapore, Malaysia and Thailand are much more impressive in the last five years. The number of tourist arrivals in Thailand and Malaysia are more than five and six times higher than that in the Philippines, respectively. Vietnam and Indonesia are more preferred tourist destinations than the Philippines in the last five years.

Figure IV.17. Tourist Arrivals in ASEAN, in thousand individuals, 2014



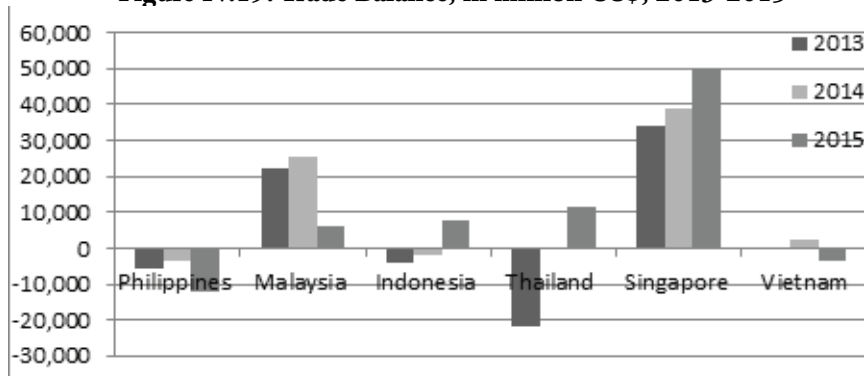
Source: ASEAN Tourism Statistics Database

Figure IV.18. Tourist Arrivals in ASEAN, in thousand persons, 2011-2015



Source: ASEAN Tourism Statistics Database

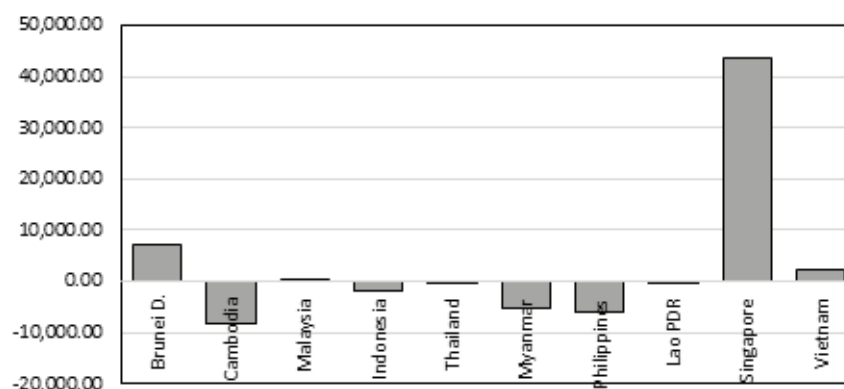
Figure IV.19. Trade Balance, in million US\$, 2013-2015



Source: BSP

The Philippines' trade balance has been negative in the last three years. Indonesia and, Thailand also experienced negative trade balances, but have both recovered in 2015. The Philippines, however, continue to have difficulty reversing its trade performance.

Figure IV.20. Trade Balance, in million US\$, 2014



Source: BSP

The employment rate managed to grow from 2010 to 2015, with a reduced percentage of workers going into agriculture. Although the employment rate increased, the percentage of the labor force who get employed declined from 92% in 2010 to 91% in 2015.

Table IV.11. Population, Labor Force and Employment and Wage Rate Indices, Philippines, 2011-2015

Items	2010	2011	2012	2013	2014	2015
Population (million persons)	92.34	94.82	96.51	98.20	99.88	100.98
Labor force (million persons)	38.89	40.00	40.43	41.02	41.38	42.34
Employed	36.04	37.19	37.60	38.12	38.65	38.74
Employed in Agriculture	11.96	12.27	12.09	11.84	11.80	11.29
Unemployed	2.86	2.81	2.83	2.90	2.73	2.60
Wage rate indices in agriculture (without meal)						
Nominal, pesos	120.00	125.40	133.70	141.00	153.10	--
Real, pesos	99.60	99.50	102.80	105.30	109.70	--

Source: DA-BAS, as cited in PSA (2016, p.5)

Lim (2016, p. 3) compared the economic performance of the Aquino administration and the Arroyo administration and found Aquino's administration to have performed better given the variances in the socio-economic circumstances in the two periods. One thing is clear: that the Aquino administration benefited from the strengths as well as weaknesses of the previous administration, such as the good credit rating, the corruption scandals and failed mutinies, global recession in 2009, and recovery of the US financial markets in 2010 (Lim, 2016, pp. 3-4). On its own, as Lim noted, the Aquino administration effectively projected a corruption-free presidency, spurred by the passage of the Sin Tax Law, continuing high level of OFW remittances, a robust BPO sector and low global interest rates.

In agriculture, rice importation significantly declined during the time of President Aquino. The volume of rice imports was reduced by 70% in 2011 and by 62% in 2013. By 2015, rice imports remained significantly lower than the record set by the Arroyo administration.

Table IV.12. Philippines – Palay Production and Rice Importation, 2010-2015

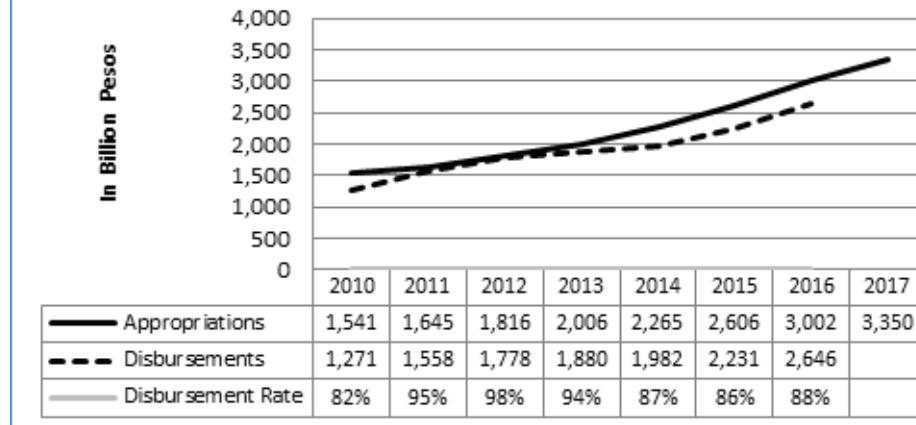
Year	Volume of Palay Production, '000 mt	Area planted to Palay, '000 has	Value of Production, million pesos, current prices	Volume of Rice Imports, '000 mt	Value of Rice Imports, Million US\$
2010	15,772.3	4,354.2	229,645.0	2,379.11	1,652.52
2011	16,684.1	4,536.6	254,265.2	707.67	393.15
2012	18,032.5	4,690.1	292,127.0	1,042.14	438.05
2013	18,439.4	4,746.1	314,760.9	399.08	172.31
2014	18,967.8	4,739.7	378,218.5	1,089.14	453.77
2015	18,149.8	4,656.2	311,088.4	1,481.50	615.70

Source: DA-BAS, as cited in PSA (2010, 2016)

General Pattern of National Government Spending

In terms of appropriations, the Aquino administration holds the record of doubling the national budget during its term of office. It is also a record holder in spending less than its annual appropriations, particularly from 2014 to 2016. The underspending translates to a total of Php1.266 trillion in six years, or an averaged of Php210.98 billion a year. The implication is that programs and projects that agencies have planned to undertake are not budgeted or funds were not released, which in turn could mean that agencies have been slow in implementation, or have insufficient capacity to implement programs and projects.

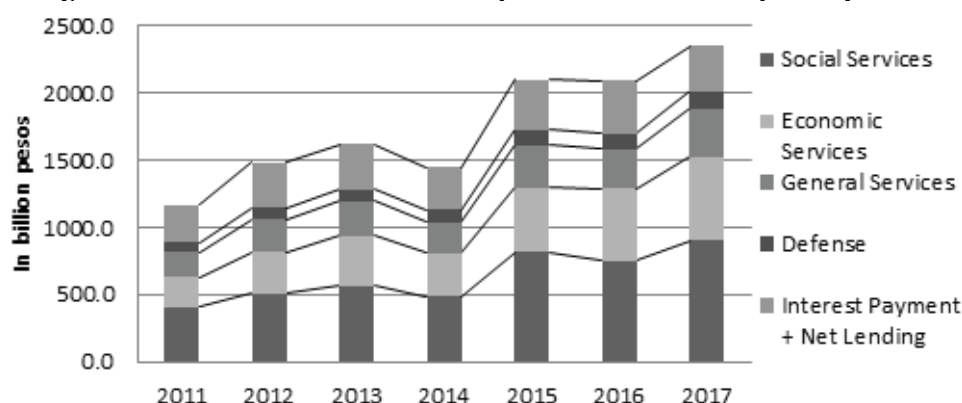
Figure IV.21. National Government Appropriations versus Disbursements, in billion pesos (based on GAA)



National Government Expenditures, By Sector

From 2011 to 2016, the social services sector has consistently received the biggest budget allocation from the national government. Together with the second biggest allocation that is, for the economic sector, they account for more than two-thirds of the national budget, which is in keeping with the government's desire to raise the general socio-economic status of the country. The allocation for all sectors increased in 2017, except for interest payments, which suggests a better management of government debts, enabling the national government to spend more for the socio-economic sector. However, interest payments allocation in the national budget is only one part of debt service. The other part, referring to principal amortization, is immediately deducted from the annual borrowings of government and is not treated as a budget item.

Figure IV.22. National Government Expenditures, in billion pesos by sector



Source: BESF

The underspending was mostly felt in infrastructure (Rappler.com, 2016), leaving public infrastructure dismal during Aquino's term. (Diokno, 2016) The Philippines was even ranked as worst by the World Bank and the World Economic Forum among ASEAN 5-economies in terms of public infrastructure and utilities from road networks, power and telecommunications (Diokno, 2016). The government's underspending due to agencies' inability to implement projects was later used to justify the emergence in October 2011 of the DBM's "Disbursement Acceleration Program" or DAP. (DBM, n.d.) By description, the DAP is a reform, but not a fund, to speed up public spending. (DBM, *Official Gazette*). Ironically, the DAP's source of funding are savings and unprogrammed funds, which strongly suggests the need for government to underspend (to create savings) to fund what is called high-impact and priority programs. Unfortunately for the DAP, the Supreme Court declared the following acts as unconstitutional: (1) the withdrawal of

unobligated allotments and unreleased appropriations from implementing agencies and declaring these as savings before the end of the fiscal year; (2) the cross-border transfers of the savings from the Executive branch to the Legislative and Judicial branches of government; and (3) allotment of funds for projects, activities and programs not included in the General Appropriations Act. (Cantor, 2015; Supreme Court, 2014, 2015).

Gainers and Losers: From 2017 NEP to 2017 GAA

The approved budget of some government agencies is smaller than the amount proposed. Such is the case of the DOLE, DENR, DSWD, and DILG. Agencies that received a higher approved budget are CHED, DOH, DOJ, DND, and DPWH, among others.

Table IV.13. 2017 Budget Allocation by Departments, in billion pesos

Departments	2016 GAA	2017 NEP	2017 GAA	% Change from 2017 NEP to 2017 GAA	% Change from 2016 GAA to 2017 GAA
DepEd	411.905	543.234	544.109	0.16	32.1
DPWH	384.287	445.667	454.721	2.03	18.33
DILG	124.229	148.732	148.037	(0.47)	19.16
DND	117.521	134.287	137.183	2.16	16.73
DSWD	110.817	129.808	128.301	(1.16)	15.78
DOH	123.511	91.983	96.337	4.73	(22.0)
DOTr	42.681	53.128	53.346	0.41	24.99
DA	48.448	44.567	45.222	1.47	(6.66)
DENR	21.843	28.671	26.646	(7.06)	21.99
DOF	18.743	21.301	21.501	0.94	14.71
DOST	18.029	20.617	20.773	0.76	15.22
OP	2.826	19.991	20.171	0.9	613.76
SUCs	47.415	56.090	58.718	4.68	23.84
- UP	11.81	13.099	13.512	3.16	14.41
DFA	20.676	16.588	16.593	0.03	(19.75)
CHED	5.636	12.496	18.705	49.69	231.88
DOJ	12.966	15.017	15.579	3.74	20.15
DOLE	18.272	13.216	11.439	(13.4)	(37.4)
ARMM	28.492	40.574	32.262	(20.48)	13.23
Judiciary	26.007	31.624	31.851	0.72	22.47
Congress	13.558	13.658	14.976	9.65	10.46

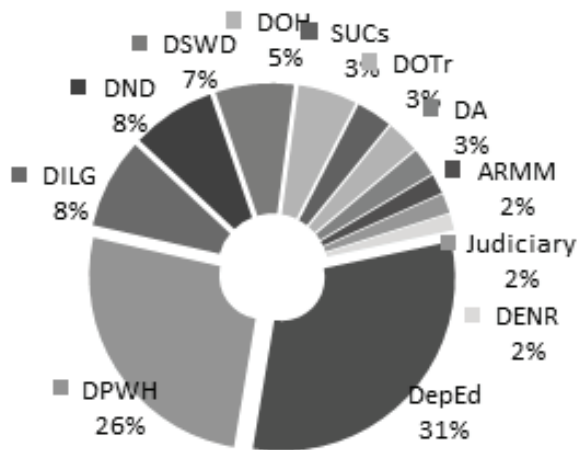
Source: 2016 and 2017 GAA; 2017 NEP.

The huge difference between the proposed and the approved budget of agencies is highly questionable considering that budgets of any amount must be defended first before the DBM and, second, before the House of Representatives and the Senate. In the case of agencies which received a budget bigger than what they have proposed, the additional budget is questionable since the amount was not subjected to systematic planning as to purpose and utilization. This budgetary decision raises doubts on the budgetary process and renders questionable the procedures and rules the government itself has put in place to rationalize the whole budget process. Considering the effort put in by agencies in preparing and defending their budgets before the two houses of Congress, the proposed budget of some agencies get more than what they have proposed. The biggest gainers in the budget from 2016 to 2017 are the Office of the President, whose budget jumped by more than 613%, and CHED, with a budget increase of more than 231%. The budget situation of four agencies – DOLE, DOH, DFA and DA is unfortunate, since their approved 2017 budget was slashed by 37.4%, 22%, 19.75% and 6.6%, respectively.

The Department of Education (DepEd) still has the biggest budget support, and has the biggest increase in the budget from last year. Unfortunately for the Department of Health (DOH) and the Department of Agriculture (DA), their budget allocations for 2017 declined by as much as Php 29 billion and Php 3.7 billion, respectively. The reduction in DA's budget is contrary to the government's commitment to "promote equitable growth and growth in the rural areas and support the poorest of the poor and to ensure food security."

Table IV.14. Top 12 Agencies with the Biggest Budget in the 2017 GAA, in billion pesos

Agency	2016 GAA	2017 GAA	% Distr.
1. DEPED	411.91	544.109	27.64
2. DPWH	384.29	454.721	23.10
4. DILG	124.23	148.037	7.52
3. DND	117.52	137.183	6.97
6. DSWD	110.82	128.301	6.52
5. DOH	123.51	96.337	4.89
8. SUCs	47.41	58.718	2.98
7. DOTr	44.3	53.346	2.71
9. DA	48.45	45.222	2.3
11. ARMM	28.49	32.262	1.64
10. JUDICIARY	26.01	31.851	1.62
12. DENR	22.3	26.646	1.35

Figure IV.23. Agency Budgets, in billion pesos

The annual budgets of the agencies under the economic development sector are summarized in Table IV.31. Based on the budget allocation, the DPWH is a priority agency of the government. Historically, the DPWH has always been second to the Department of Education in annual budget allocation across all national government departments. This budget prioritization is consistent with the pronounced budget priorities of the Aquino administration. The budget of the DPWH also more than quadrupled from 2011 to 2017, with significant increases experienced from 2014 to 2017.

Table IV.15. Total Budget of Selected Departments and their Attached Agencies, in billion pesos

	2011	2012	2013	2014	2015	2016	2017	Annual Growth Rate
DPWH	100.826	109.833	155.517	206.634	290.471	384.287	454.721	58.5
DOTC	31.185	33.242	34.185	45.461	52.874	42.680		
DOTr							53.346	
DA	34.758	52.932	64.474	68.597	48.697	48.447	45.222	5.0
DOST	5.990	9.139	9.915	11.929	17.578	18.029	20.773	41.1
DFA	11.036	10.912	11.614	12.131	12.955	20.676	16.588	8.4
NEDA	2.100	2.837	4.960	3.904	6.273	5.638	5.287	25.3
DTI	2.489	2.604	3.544	4.406	3.734	4.189	4.677	14.6
DTourism	1.431	1.632	2.783	1.994	2.479	3.620	2.529	12.8
DOE	0.930	1.244	3.255	3.299	3.470	0.795	1.101	3.1

Source: Various GAAs. Note: Includes the budgets of attached agencies; AAGR - annual average growth rate

ECONOMIC DEVELOPMENT SECTOR: 2011-2016 AGENDA AND ACCOMPLISHMENTS

This portion of the report renders an assessment of the accomplishments of the economic development sector based on selected performance indicators. The performance indicators were chosen based on three criteria: (1) they are frequently used or cited by economic development agencies as bases for their performance, (2) they were cited by President Aquino in his SONAs, and (3) data are readily available from agencies' official websites. There is no intent in this paper to assess the whole economic development sector or a particular government agency. Overall, the economic development sector has made substantive contributions to the achievement of the goals of the economic development sector. However, many areas need for improvement.

Passage of Major Laws

The Aquino administration's economic development agenda of rapid, inclusive and sustained economic growth is exemplified by its policies against "wangwang", promotion of public-private-partnership, expansion of trade and investments, achievement of sufficiency in energy supply, raising agricultural productivity and rice self-sufficiency, and ensuring the presence of vital infrastructure (Aquino, 2011).

From 2011 to 2016, at least 13 important laws were passed in support, directly or indirectly, of the objectives and programs of the economic development sector and its implementing agencies. Given the passage of important policies that contribute to the economic development sector, one gets impressed by the relative efficiency of the Aquino administration in putting in place significant and major policies. The list of laws below is only a selection, but otherwise shows that majority were passed after the first three years of the Aquino administration.

Eight of the laws listed in Table IV.16 support business, trade, industry and entrepreneurship. The passage of RA 10644 and RA 10693, for instance, are huge feats for the micro, small and medium enterprise sector. If fully implemented and financially supported, this could truly lead to the full flowering of MSMEs and bring real growth to small communities, small businesses and the rural areas. RA 10816 is hoped to bring forth a robust tourism industry, which, in turn, is hoped to bring growth to farms and farmers and to promote and safeguard the natural environment. A follow-through on the implementation of the laws is not covered in this report, and may be the subject of another paper.

Table IV.16. Selected Laws Relevant to Economic Development Passed during the Aquino Administration

Category	Law	Description
General/broad application	RA 10149 GOCC Governance Act of 2011	This act seeks to promote financial viability and fiscal discipline in government-owned or controlled corporations, strengthen the role of the state in corporate governance and management, and enjoin the government corporate sector to be more responsive to public interest.
Business, Trade, Industry, Entrepreneurship	RA 10557 Philippine Design Competitiveness Act of 2013	This act promotes and strengthens Filipino design, provides for a national design policy, and renames the Product Development and Design Center of the Philippines into the Design Center of the Philippines.
	RA 10644 Go Negosyo Act of 2014	The Go Negosyo Act was passed to promote job generation and inclusive growth through the development of micro, small and medium enterprises.
	RA 10659 Sugarcane Industry Development Act of 2015	RA 10659 focuses on promoting the competitiveness of the sugarcane industry.
	RA 10667 Philippine Competition Act of 2015	This act provides for a national competition policy, prohibits anti-competitive agreements, and guards against abuse of dominant position and anti-competitive mergers and acquisitions. Moreover, it establishes the Philippine Competition Commission.
	RA 10679 Youth Entrepreneurship Act of 2015	This act to promote entrepreneurship and financial education among the Filipino youth aged 18 to 30 years who are engaged in the design, creation, establishment, and/or management of a micro, small or medium enterprise.
	Ra 10693 Microfinance NGOs Act of 2015	The act seeks to strengthen nongovernment organizations (NGOs) engaged in microfinance operations for the poor. The DTI is one of the implementing agencies.
	RA 10817 Philippine Halal Export Development and Promotion Act of 2016	The law instituted the Philippine halal export development and promotion program, and required the creation of the Philippine Halal Export Development and Promotion Board. The law is expected to ensure the integrity and raise to international standards the quality of Philippine halal products.
	RA 10845 Anti-Agricultural Smuggling Act of 2016	RA 10845 declares large-scale agricultural smuggling as economic sabotage, specifically the illegal importation of agricultural products with the minimum value of Php 1 million, or Php 10 million in the case of illegally imported rice, and shall be subject to penalties including imprisonment.
Trade, Finance	RA 10863 Customs Modernization and Tariff Act of 2016	The act seeks to modernize and make more transparent processes and procedures at the Bureau of Customs and thereby efficiently facilitate international trade and effectively curtail customs fraud and illegal acts.

Category	Law	Description
Infrastructure	RA 10752 The Right of Way Act of 2016	This law seeks to facilitate the acquisition of right-of-way site or location for national government infrastructure projects. The law supports the RA 6957 or the BOT law, as amended.
Agriculture, Tourism	EO No. 8, September 9, 2010	Reorganizing and renaming the Build-Operate and Transfer Center (BOT) to the Public-Private Partnership (PPP) Center and transferring its attachment from DTI to NEDA
	RA 10816 Farm Tourism Development Act of 2016	The act provides for the development and promotion of farm tourism in the country. The law is meant to achieve the development goals of the tourism, agriculture and environment sectors specifically in the promotion of environment-friendly, efficient and sustainable farm practices.

Agriculture Sector Targets and Accomplishments

The Department of Agriculture (DA) represents the agriculture sector. This assessment of the agriculture sector performance looks into the achievement of the objectives of the DA in terms of the goals it has set for itself on: (1) rice production; (2) rice importation; (3) expansion of agriculture land planted to rice; and (4) overall agricultural production.

The DA Department Secretary, Proceso J. Alcala, who served from June 2010 to 2016, was one of the principal authors of the Organic Agricultural Act of 2010 (RA 10068). Under his leadership, the DA adopted “Agrikulturang Pilipino” or Agri-Pinoy as its overarching framework from 2010 to 2016. The Agri-Pinoy was focused on attaining a sustainable and globally competitive agriculture and fisheries sector. The DA aimed to increase rice production and reduce, if not eliminate, rice imports by 2013, by expanding areas planted to rice to include uplands, marshlands and idle farmlands, and become self-sufficient in rice (Department of Agriculture, 2012).

On the first year of Aquino term, importation of rice has reportedly lowered from 2.3 million MT in 2010 to 660,000 MT in 2011 (Aquino, 2011). He emphasized that in 2010, the country needed only 1.3 million MT but the government imported an excess of 1 million MT. Aquino claimed that, to increase rice productivity, the government has promoted the use of better quality rice seeds and provided more effective irrigation support, enabling the government to irrigate an additional 11,611 hectares of rice lands. This is in addition to the existing 212,000 hectares of rice lands that have been repaired and/or re-irrigated. As a matter of policy, Aquino said that the country would not import more rice than necessary. But more than this, Aquino’s policy is “to have the rice to be cooked by Juan dela Cruz to be planted, harvested and bought in or within the country” (Aquino, 2011).

In support of Aquino’s policy, the NFA adopted the Food Staples Self-Sufficiency (FSS) Program and the NFA Roadmap to attain rice self-sufficiency. NFA’s policy shifted from “buy high-store long-sell low” to sell at market prices, reduce government rice importation and allow more private sector rice importation, and increase government procurement of rice from domestic sources. Aquino promised that the NFA shall maintain a buffer stock of rice for 30 days and provide price support for small farmers (Aquino, 2011).

Agriculture Sector Accomplishments**Table IV.17. Palay production, Price of Palay and Rice, and Total Value of Palay Production**

Year	Palay Production, MT	Palay-Irrigated, MT	Palay-Rainfed, MT	Palay price/kilo	Regular Milled Rice Retail price/kilo	Total value of Palay Production, billion pesos, current prices	Total value of Agriculture Production, trillion pesos current prices	Growth in volume of Agriculture production, %
2005a	14,603,005	11,233,793	3,369,212	11.08	20.73	154.792	0.815504	2.24
2006b	15,326,706	11,594,933	3,731,773	11.05	21.28	159.244	0.885670	3.88
2007	16,240,194	12,269,390	3,970,804	12.39	22.39	182.053	0.974142	4.68
2008c	16,815,548	12,556,150	4,259,398	15.02	29.38	236.258	1.162593	3.92
2009d	16,266,417	12,083,264	4,183,153	14.28	30.69	238.353	1.188018	0.37
2010e	15,772,319	11,992,459	3,779,860	15.35	30.84	231.844	1.251157	(0.12)
2011f	16,684,062	12,358,931	4,325,131	13.55	31.31	254.265	1.400864	2.34
2012g	18,032,525	13,396,483	4,636,042	14.35	32.08	292.125	1.416239	2.92
2013h	18,439,420	13,823,149	4,616,270	17.33	33.70	314.023	1.461286	1.15
2014	18,967,826	14,405,716	4,562,110	20.01	38.93	381.064	1.612562	1.83
2015i	18,149,838	13,937,924	4,211,913	18.04	37.06	311.633	1.536722	(4.35)
2016j	17,627,245	13,539,873	4,087,371	17.15	36.67	302.307	1.570935	1.11 (4thQ)

Source: DA BAS (Various years from 2005 to 2016)

Based on data from the DA-BAS; palay production managed to increase from 2010 to 2016, but with years of lower harvest in 2015 and 2016. To the benefit of farmers, palay price per kilo was higher at an average of Php 16.74 for the period of 2011 to 2016, than the average price of Php 13.19 from 2005 to 2010. However, to consumers, the average price of rice per kilo rose to Php 31.31, from the Php 36.67 average from 2011 to 2016. Palay production of irrigated farmlands constituted more than three-fourths of total palay production or 76.8% in 2016. Palay production of rain-fed farmlands remained significant at almost 23% in 2016.

Rice Importation

Overall, the total value of agriculture production reached Php 1.57 trillion, but has had very low growth rates in 2013, 2014 and 2016 and negative growth rate in 2015. Agricultural production during the period, particularly palay production, was subjected to the vagaries of typhoons, droughts and similar calamities, particularly the El Niño in 2005, 2010 and 2015, and the numerous typhoons that hit the country in the last 10 years. In terms of rice importation, the Aquino administration was not really able to reduce rice importation from 2011 to 2015. Except for 2013, rice importation was much higher in 2014 and 2015 than it was in 2011. The volume of rice imports was exceptionally low in 2013 or declined by 61.7% from 2012, but this was balanced by a 2.3% increase in domestic rice production. The resulting price of regular milled rice was higher by Php 0.90. What may be inconsistent in the rice production-importation pattern is that, in 2014, government was not prevented from importing 1.09 million, higher by 172.9% than 2013, even as domestic production rose to 18.15 million, or by 2.9%. Amidst the higher domestic production and huge rice importation, the price of rice incongruously surged to Php 38.93/kilo in 2014.

Table IV.18. Rice Importation, Volume (MT) and Value (US\$)

Year	Volume, '000	Growth Rate	Value, CIF* in million US\$	Growth Rate
2011	707.67		393.15	
2012	1,042.14	47.3	438.08	11.4
2013	399.08	(61.7)	172.31	(60.7)
2014	1,089.14	172.9	453.77	163.3
2015	1,482.50	36.1	615.70	35.7

Source: PSA (2016). *Cost, Insurance & Freight. CIF is the price paid for the goods plus the cost of transportation, handling, loading, unloading, insurance and other costs associated with importation from country of origin to country of destination.

Farm-to-Market Roads

The construction and upgrading of farm-to-market roads (FMRs) has been mandated in RA No. 8435 or the Agriculture and Fishery Modernization Act (AFMA) of 1997. The construction of FMRs is not only a priority investment area of local governments but also of the DA. Specifically, the construction and rehabilitation of FMRs is under the DA's major final output (MFO) for "other Infrastructure and Post-Harvest Development Services". FMR projects are funded from the DA's regular budget under the DA-FMR Development Program and Bottom-Up-Budgeting (BUB) Program (COA, 2014, p. 68). FMRs are identified by the DA and implemented by the LGUs, DPWH, DA-Regional Field Units and other implementing government agencies. Funding for FMRs under the BUB are included in the budget of national government implementing agencies as stipulated in the PDP 2011-2016.

Data on FMRs show that the AusAID recommended a total of 48,350 kms of FMRs (Rodriguez 2015). As of 2013, the DA has 34,477 kms of FMRs. For the remaining years 2014 to 2017, a total of 13,873 kms of FMRs are hoped to be implemented. The Aquino administration issued a policy in July 2010 to build only concrete FMRs, and will no longer build all-weather FMRs (OA Philippine Rural Development Project, 2015). If the DPWH-standard cost for FMRs (with standard features of six-inch thickness and, five-meter width) in 2014 of Php 10 million/km is followed, the 13,873 kms of FMRs to be constructed will cost a total of Php 138.730 billion. If DA targets to construct 1,000 kms of FMRs every year, it will take at least 13 years to accomplish the target.

Table IV.19. Status of Farm-to-Market Roads

Items		FMRs in kms
AusAID recommendation for the Philippines		48,350 kms
Constructed by DA as of 2010		33,369 kms
Remaining balance as of 2010		14,989 kms
DA target for 2011-2017	Constructed by DA in 2013	DA target for 2014
13,999 kms	1,108 kms	1,000 kms
As of 2013		
Total FMRs constructed by DA		34,477 kms
Total remaining balance		13,873 kms

Source: Rodriguez (2015)

The implementation of the FMR projects was put on "conditional implementation" for 2013, 2015 and 2016 per President Aquino's Affirmation/Veto Message (December 19, 2012, P. 1700, RA 10352 & December 23, 2014, RA 10651; December 21, 2015, p. 816, RA 10717). Unfortunately, the DA's D.A.A.N. (Department of Agriculture Accountability Network) website does not provide sufficient information on the status of FMR implementation. The DA website, on the other hand, provided summary information on the status of all subprojects of the Philippine Rural Development Project (Table 20). However, the information is not quite useful since it did not specify the period of reckoning of the performance. In any case, it can be stated that the proportion of completed projects compared to the target is significantly low. As of March 27, 2017, only 2.4% of the target quantity in the case of FMRs has been completed; and only 2.9% completed in the case of potable water supply projects.

Table 20. DA Philippine Rural Development Project - Subprojects by Type, as of March 27, 2017

Project Type	No. of Subprojects	Unit of measure	Quantity	In million pesos			
				Loan Proceeds	GOP	LGU Equity	Total
FMR	395	kilometer	2,975.64	25.695	3.212	3.212	32.119
Completed	24	km	70.45	0.539	0.067	0.067	0.674
FMR w/ Bridge	47	km, lm	2,156.40	5.773	0.722	0.722	7.217
Bridge	9	lm	937.80	0.748	0.094	0.094	0.936
Communal Irrigation System (CIS)	23	Hectare	2,745	0.496	0.062	0.062	0.62

Potable Water Supply, Level 2	47	#. of HH	43,398	0.571	0.071	0.071	0.713
Completed	2	# of HH	1,266	0.011	0.001	0.001	0.014
Others	153	square meter	79,073.79	1.058	0.132	0.132	1.322
Completed	2	sqm	213	0.005	0.001	0.001	0.007
TOTAL	674			34.341	4.293	4.293	42.927

Source: DA-PRDP Note: Lm – lineal meter; HH – households

Politico-Administrative Issues at the DA

Aside from the above COA-cited adverse findings on the DA, the management of the Department has been contentious during the years 2001 to 2010. During this period, the DA has had six department secretaries, with two of them serving only from 1 to 3 months, 1 for less than a year, and 3 for less than 2 years.

Table IV.21. Secretaries of the DA and their Length of Service

DA Secretary	Inclusive Dates	Length of Services
Domingo F. Panganiban	1/8/2001- 2/11, 2001	1month, 4 days
Leonardo Q. Montemayor	2/12/2001-12/8/2002	1 year, 9 months, 24 days
Luis P. Lorenzo, Jr	12/9/2002-8/15/2004	1 year, 8 months, 7 days
Arthur C. Yap	8/23/2004-6/30/2005	10 months, 7 days
Domingo F. Panganiban	7/16/2005-10/25/2006	1 year, 3 months, 11 days
Arthur C. Yap	11/25/2006-2/24/2010	3 years, 3 months
Bernie Fondevilla	3/8/2010-6/30/2010	3 months, 23 days
Proceso Alcala	6/30/2010-6/30/2016	6 years
Francis “Kiko” Pangilinan		1 year, 4 months
Manny Piñol	6/30/2016 to present	8 months to present

The appointment of former Senator Francis Pangilinan in May 2014 as Presidential Assistant for Food Security and Agricultural Modernization³ with Cabinet Rank was considered by government as a measure to “clean up the four agencies under him” (Agricultural Training Institute, 2014), and to address charges of graft and corruption at the DA amidst the exposure of the 728-million PDAF scam (Cabacungan, 2014). President Aquino issued EO No. 165 on 5 May 2014, transferring four agencies (National Food Authority, National Irrigation Administration, Philippine Coconut Authority, & Fertilizer and Pesticide Authority)⁴ to the control of the Office of the President and effectively giving to Secretary Pangilinan oversight functions over the four DA-attached agencies. The transfer of NFA and PCA under the Office of the President led to the resignation of NFA Administrator Orlan Calayag and PCA Administrator Euclides G. Forbes.

The frequent change in DA leadership and transfers of its attached agencies in 2014 have strayed the DA away from its more substantive functions, and undesirably affected its performance. The DA has not truly been able to rise from the bad publicity created by the Php 728 million fertilizer fund scam in 2004 that involved a DA Undersecretary and many more government officials (see the 2005 COA Audit Report on the Php 728 million Fertilizer Fund). President Arroyo herself and certain officials under her administration, including legislators have been cleared of liabilities in relation to the Php 728 million-fertilizer fund scam. in May 2014 (Tupas, 2014). In December 2016, the Sandiganbayan dismissed the plunder case against Undersecretary Jocelyn “Joc-Joc” Bolante (ABS-CBN News, 2016).

Budget of the Department of Agriculture, 2011-2016

The DA’s budget from 2011 to 2016 managed to gain an overall 30.1% increase. Its 2014 budget was the highest for the period, having gained 52.3%, 21.8% and 9.5% increases in the preceding three years. But DA had to contend

³ Francis Pangilinan resigned as Presidential Assistant for Food Security and Agricultural Modernization after one year and 4 months.

⁴ Under President Duterte, and by virtue of EO No. 1 issued on July 4, 2016, the PCA was again transferred from the Office of the President to the Office of the Cabinet Secretary.

with a budget cut of 31% in 2015, and relatively smaller cuts in the next two years. Relative to other departments, the DA's budget ranking is low. This year, 2017, DA suffered another budget cut of 6.6%.

Table IV.22. Department of Agriculture - GAA Budget, in million pesos

Year	PS	MOOE	FE	CO	TOTAL	% Change
2011	2,848.153	11,917.255		19,992.565	34,757.975	
2012	3,030.159	14,401.162		35,500.702	52,932.025	52.3
2013	3,535.417	20,430.243		40,508.439	64,474.099	21.8
2014	3,419.896	26,899.396		38,277.459	70,610.751	9.5
2015	2,517.207	27,647.312	2.726	18,530.295	48,697.540	(31.0)
2016	2,822.077	24,856.776	2.042	20,766.581	48,447.476	(0.5)
2017	3,995.923	22,113.396	1.777	19,111.329	45,222.425	(6.6)

Source: GAA from 2011 to 2016

Although rice importation has been on the rise during the period, NFA budget subsidy for rice importation has remained constant at Php 4.25 billion pesos during the period. The amount is to be used exclusively for the government's Food Security Program, particularly in support of the price and supply stabilization of rice and corn.

Selected COA Audit Findings on the DA

The 2015 COA Audit Report on DA stated that of the 251 FMR projects to be completed from 2010 to 2014, only 145 or 57.577% were completed; 76 or 30.28% were ongoing; and 30 or 11.95% were not started at all. The FMR projects cost a total of P832.788 million.

Table IV.23. Number of FMR Projects

Years covered by COA Audit	2010-2014	2014	Average Cost
Total Number of FMR projects	251 projects	1,385.716 kms	3.318 million/km
Completed FMR projects	145 projects	2,016 projects or 924.781 kms	
Total Project Cost	832.788 million	5,056 million	5.467 million/km

Source: Commission of Audit (2015)

A major COA finding on the DA in 2014 was the delay and deficient implementation of FMR projects (COA, 2014 p.67). The FMR projects costed an aggregate of Php 3.2 billion. COA said the DA-Cordillera Administrative Region failed to prepare an FMR Network Plan and had wrongly identified the location of the FMRs. FMR projects were wrongly located.

In the same year, the DA was granted a budget of Php150 million for FMR-Planning and Monitoring Services, another Php12 billion under Locally-Funded Projects for the repair and rehabilitation of FMRs nationwide, and Php14.253 billion for irrigation systems. Under the Foreign-Assisted Projects, the DA allotted Php2.479 billion for capital outlay-irrigation systems. In the 2014 COA Audit Report on DA (p. 67), the DA was able to obligate Php8.213 billion or 99% of the total allotment of P8.294 billion for FMRs. Despite the 99% obligated budget for FMRs, only 2,016 FMRs or 924.781 kms costing Php5.056 billion was actually spent or 61.6% of the total allocation.

Table IV.24. Status of FMRs funded in CY 2013 and 2014, as of December 31, 2014

Status	Total Project Length,kms	Percentage (based on Project length)	No. of FMR projects	Total Project Cost, Pesos
Completed	924.781	66.7%	2,016	5,056,315,880.82
Not completed	460.935	33.3%	757	3,238,132,523.18
On-going	332.051	24.0%	469	2,095,101,640.29
Not yet started	128.884	9.3%	288	1,143,030,882.89
TOTAL	1,385.716	100%	2,773	8,294,448,404.00

Source: COA (2014, p. 68)

The DBM released to the DPWH Php4.976 billion out of the Php12 billion allotment for the repair/rehabilitation and construction of 688 FMRs with an estimated total project length of 439.29 kms in 14 DA-RFUs. The COA reported that out of the 688 FMRs, 102 were completed, 469 FMRs are either ongoing or not yet started. The status of 117 FMRs was not reported (COA, 2014 p. 74).

In 2012, the Commission on Audit (COA) released Special Audit Report No. 2012-03 on the Priority Development Assistance Fund (PDAF) and Various Infrastructures including Local Projects (VILP) under the appropriation of the DPWH but covered releases of the DPWH to implementing agencies during an earlier period, 2007-2009. Suffice it to say that, although the COA report dealt with appropriations to the DPWH, many other government agencies including the DA and its attached agencies were found to have been involved and which COA found liable for the misuse of PDAF.

Back in 2004, the COA released its audit report on the Php728-million fertilizer fund, and found its utilization to be loaded with anomalous transactions ranging from allocations exceeding the original allotments, poor monitoring of fund utilization leading to poor accountability, purchase of fertilizers from exclusive vendors when these are readily available from the open market, non-receipt by farmers of DA-supplied fertilizers, falsification of documents, dubious legitimacy of partner nongovernment organizations of the DA, splitting of projects to keep the amount low and fall within the signing authority of DA-RFU officials.

Public Works and Highways: Targets and Accomplishments

The performance of the public works and transportation sector shall be assessed using the following indicators: (1) additions to total national roads, in kilometers; (2) additions to total national roads, in lineal meters; (3) quality of infrastructure facilities; (4) construction of new tourism infrastructure facilities; (5) PPP projects completed; and (6) perceptions on bidding and agency image.

Public Works and Highways: Targets and Accomplishments

In 2010, Aquino promised to address the “wangwang” mentality or corruption at the DPWH-Region IV-B, particularly the conduct of public bidding, elimination of the practice of “chopping” big infrastructure projects into amounts that can be approved by the District Engineer, i.e., below Php50 million (Aquino, 2010). Conniving contractors were blacklisted, work programs was required, public bidding were required, and equal opportunity to all contractors were ensured under the leadership of Rogelio Singson. In the 2011 SONA Technical Report, the DPWH claimed to post in its website all projects for bidding purposes. To simplify bidding, the required number of documents was reduced from 20 to five.

National Roads and Bridges

From 2011 to 2016, the DPWH managed to raise the kilometer length of national roads by 4.5%, or by an average of 0.9% yearly. Specifically, the length of paved roads grew by a significant 20.84% or by 4.17% yearly average. On the other hand, the length of unpaved roads, having been improved and paved, declined by 57.7%.

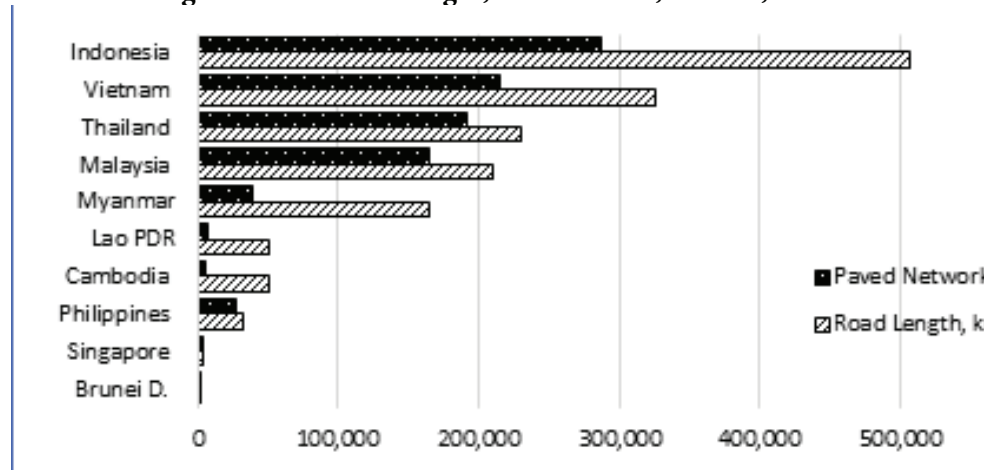
Table IV.25. DPWH-National Roads, Paved and Unpaved, in kilometers

Year	Paved	% Change	Unpaved	% Change	Total	% Change
2011	24,834.37		6,524.72		31,359.09	
2012	25,442.85	2.45	6,154.25	(5.68)	31,597.10	0.8
2013	26,772.97	5.23	5,454.02	(11.38)	32,226.99	2.0
2014	27,816.45	3.9	4,710.04	(13.64)	32,526.49	0.9
2015	28,919.17	3.96	3,714.20	(21.14)	32,633.37	0.3
2016	30,009.99	3.77	2,760.27	(25.68)	32,770.26	0.4

Source: Department of Public Works and Highways (2016)

The 4.5% growth in length of national roads over a period of six years is not quite a significant achievement on its own, as well as when compared to ASEAN countries. As shown in Figure IV. 9, the country's accomplishment in this area pale in comparison with that of Myanmar and Vietnam, and of course with Malaysia, Thailand and Indonesia.

Figure IV. 24. Road Length, in kilometers, ASEAN, 2014



Source: Official Gazette (2011)

In terms of road condition, the DPWH considers 38.65% of national roads to be in GOOD condition, and another 31.4% in FAIR condition. About 19.9% are either in POOR or BAD shape. Permanent bridges are made of concrete and steel, while temporary bridges are made of bailey and timber. In terms of bridge condition, the DPWH reported 40.73% of national bridges to be in GOOD condition, and 45.91% in FAIR condition. Some 1,001 bridges (or 12.26%) are either in POOR or BAD state.

Table IV.26. DPWH-National Bridges, in lineal meters

Year	Number	Permanent Bridge length (in lineal meters)	Number	Temporary length (in lineal meters)	Total Number	Total length (in lineal meters)
2011	7,435	334,713	514	10,835	7,949	345,548
2012	7,518	339,863	410	8,712	7,928	348,575
2013	7,667	347,676	363	7,967	8,030	355,643
2014	7,922	358,987	209	5,706	8,131	364,693
2015	8,061	361,380	105	3,344	8,166	364,724
2016	8,079	361,389	82	2,774	8,161	364,162

Source: DPWH (2016)

Public-Private Partnership (PPP) Projects

Under the PPP, the DPWH reported in 2011 the successful bidding for the Daang Hari-South Luzon Expressway project. (Official Gazette, 2011) The Ayala Corporation won the project with a bid worth Php902 million, to cover the project's 30-year operation and maintenance concession, and a 16-month design and construction period within 2012 and 2013. However information from the PPP Center on the same project, however, shows that the project cost has escalated. From the original project cost of Php1.956 billion approved by the NEDA Board on July 8, 2011, the project cost jumped to Php2.23 billion. The PPP Center reported the project as operational since 24 July 2015. It was in 2016 that President Aquino inauguration of the Muntinlupa-Cavite Expressway, the first PPP project he approved and the first and only PPP project to be inaugurated (Aquino, 2016).

The limited success of the PPP program did not escape notice from the public as it has been assessed as a major failure, with only one PPP project actually completed at the close of Aquino's term. Moreover, the government's state of infrastructure facilities was declared among the worst and pales in comparison with its ASEAN neighbors (Diokno, 2016).

Budget of the DPWH

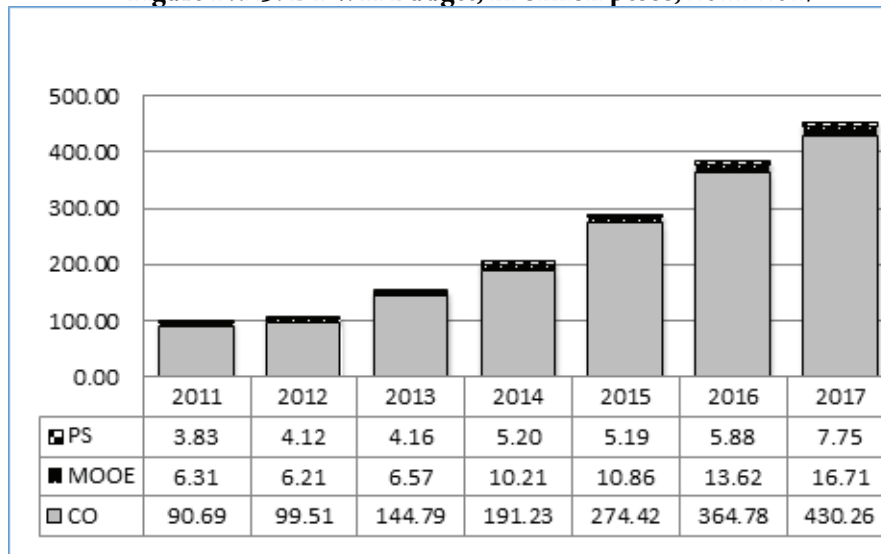
The budget of the DPWH from 2010 to 2011 rose considerably by 258%, or by 36.9% annually. Consistently, at least 92% of DPWH's gross budget is allotted for Capital Outlay (CO). The budget allocation for CO dipped in 2011, recovered in 2012, but otherwise picked up from 2013 to 2016. From 2013 to 2017, up to 95% of the DPWH's budget is allocated to CO, which is consistent with the government's declared program priorities.

Table IV.27. DPWH Budget from 2011 to 2017, in million pesos

Year	PS	MOOE	CO	CO, % change	Total	Total, % change
2011	3,828.718	6,310.164	90,687.201	(22.3)	100,826.083	(20.6)
2012	4,122.347	6,205.960	99,505.098	9.7	109,833.405	8.9
2013	4,163.189	6,565.707	144,788.637	45.5	155,517.533	41.6
2014	5,195.607	10,208.305	191,230.135	32.1	206,634.047	32.9
2015	5,186.652	10,861.837	274,422.399	43.5	290,470.888	40.6
2016	5,883.266	13,621.217	364,782.681	32.9	384,287.164	32.3
2017	7,746.698	16,710.141	430,264.174	17.9	454,721.013	18.3

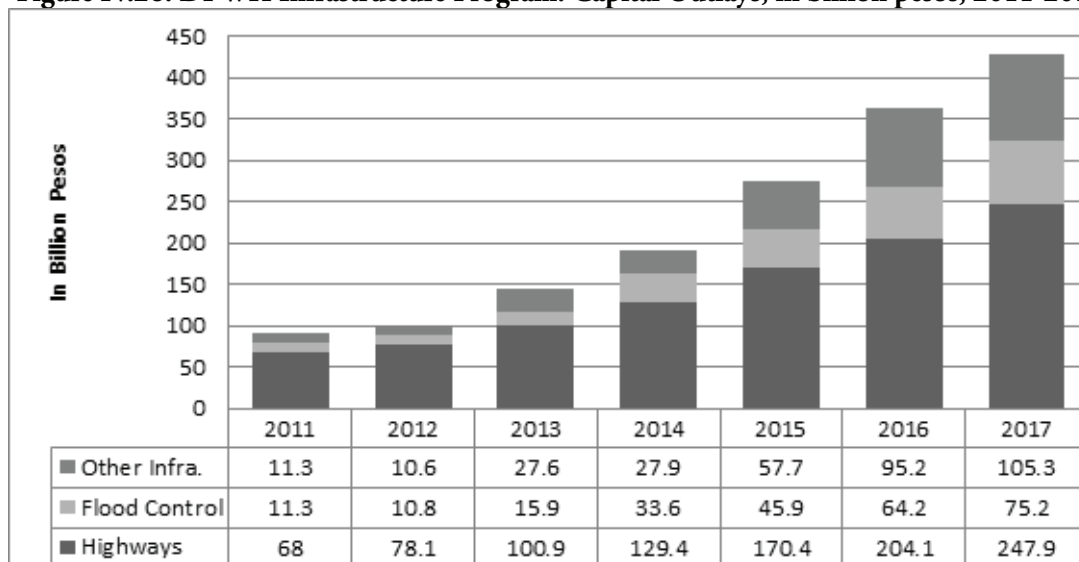
Source of data: GAA from 2010 to 2017.

Figure IV.25. DPWH Budget, in billion pesos, 2011-2017



Source: GAA

Figure IV.26. DPWH Infrastructure Program: Capital Outlays, in billion pesos, 2011-2017



Source: DPWH

The growth in budgetary allocation of the DPWH, particularly for Capital Outlay, enabled the agency to undertake various infrastructure projects including national and local roads, bridges, tourism infrastructure, health and education infrastructure, and various infrastructure projects in conflict-affected areas.⁵

The DPWH entered into a Memorandum of Agreement (MOA) with the Department of Tourism (DOT) and a non-government organization, Research Education and Institutional Development (REID) Foundation, Inc., for

the formulation of plans and programs in support of the government's infrastructure development program to boost tourism infrastructure projects in priority tourist destinations. (Department of Tourism, 2012) Recently, the DPWH and DTI signed a Memorandum of Agreement to create a Convergence Program on road connectivity for industry and trade development (Department of Trade and Industry, 2016). The program, also called Roads Leveraging Linkages for Industry and Trade (ROLL IT), hopes to fuel the growth of investments through more roads.

Table IV.28. DPWH Capital Outlay/Infrastructure Projects (Selected), million pesos, 2013, 2015, 2016, 2017⁵

Items	2013	2015	2016	2017	Purpose
Special Road Support Fund (From 80% collections from the Motor Vehicle's User's Charge (MVUC))		9,917.987	10,010.682	10,010.682	95% - for maintenance of roads & bridges, improvement of road drainage; 5% - for maintenance of local roads converted as national roads during the year
Special road Safety Fund (From 7.5% collections from MVUC)		1,041.210	1,041.210	1,041.210	Installation of adequate & efficient traffic lights & road safety devices
Special Local Road Fund (from 5% collections from MVUC)		1,237.268	1,237.268	1,237.268	Maintenance of local roads, traffic management (road safety devices
Support Fund for PPP Projects*	3,000.000	8,853.600		12,475.717	Payment of independent consultants, variation orders, cash subsidy & right-of-way expenses for various PPP projects & relocation of ISF ⁶
Tulay ng Pangulo para sa Kaunlarang Pang-Agraryo	2.000.000	2,101.122			
Tourism Road Infrastructure Program	13,158.500	16,489.518		12,340.042	Construction, rehabilitation, upgrading & improvement of roads and bridges jointly identified by the DPWH & DOT in support of the National Tourism Development Program.
Local Infrastructure Program		(VETOED) (27,352.691)	11,461.150	11,024.764	Local roads & bridges; classrooms & academic buildings; multi-purpose buildings, levels 2 & 3 water supply systems; and flood control & drainage, priority to municipalities with high poverty incidence & high number of poor families
Items	2013	2015	2016	2017	Purpose
Provision for educational facilities	14,110.000				Construction, replacement and completion of kindergarten, elementary and secondary school buildings in areas with acute classroom shortage

5 The DPWH has an existing Memorandum of Agreement (MOA) with the Department of Education (DepEd) where their respective roles and responsibilities in the implementation of the School Building Project are defined. The DPWH has an agreement with the Department of Health in 2013 under the DBM-DOH-DPWH Joint Circular No. 1 dated 2 August 2013, to undertake the implementation of health facilities under the Health Facilities Enhancement Program under the DPWH 2014 budget. Php13.558 billion was allocated in 2013 for the purpose.

Health facilities enhancement program	2,785.570				RHUs, Barangay Health Stations, District Hospitals, Provincial Hospitals
PAMANA		519.000	6,338.680		Projects in conflict-affected areas identified by the OPAPP

*Various PPP projects: (1) Laguna Lakeshore Expressway Dike; (2) Calamba-Laguna Expressway; (3) Daang-Hari SLEX Link Road; (4) North Luzon Expressway (NLEX)-SLEX Connector Road; (5) Tarlac-Pangasinan-La Union Toll Expressway; (6) NALA Expressway; (7) Plaridel By-Pass Road, Phase 2; (8) Camarines Sur Toll Expressway; (9) Central Luzon Link Expressway, Phase 2 (Cabanatuan-San Jose Section); (10) R-7 Expressway; (11) Batangas-Bauan Expressway Projects; (12) San Rafael-Cabanatuan Expressway Project; (3) Quezon-Bicol Expressway Project. Source of basic data: GAA.

COA Audit Findings on Public Works Projects

From 2011 to 2015, COA Audit findings on the DPWH's fund utilization are more or less similar. In 2011, COA found that 78 infrastructure projects valued at Php2.72 billion were not completed within the contract period, and other 201 projects amounting to Php2.22 billion were not started. For the most part, the non-implementation of projects was due to road-right-of-way problems and resistance from informal settlers, variation orders due to change in project scope/design, bad weather, unstable peace and order, lack of LGU cooperation, and funding.

In 2012, COA found the DPWH to have failed to complete within the specific contract time 269 projects costing Php3.994 billion, of which 69 projects already incurred negative slippages amounting to Php2.471 billion. The reasons for non-implementation are similar to last year.

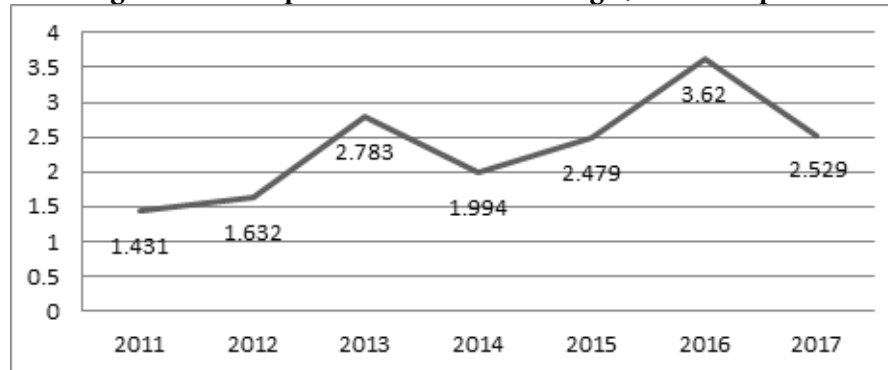
In the 2015 COA Audit Report on DPWH, the agency is reported to have an overall budget utilization rate of 78% of its total allotment of Php435.576 billion (including current year and extended allotments). Of the remaining amount, Php66.473 billion or 15.3% was extended and remain available for spending in 2016. Although the 78% fund utilization/project accomplishment is high enough, from the audit perspective, this is below optimum. The non-utilization of the funds deprived the public of the benefits from such funds.

Accomplishments of the Tourism Sector

The success of the tourism industry, best measured by the success of projecting the country as a viable tourist destination, is best appreciated in its contribution to the generation of employment and income for local communities and individual workers in the tourism industry. The Department of Tourism (DOT) promotion campaign, "It's more fun in the Philippines" sought to keep high the local and global confidence in the tourism industry. As reported, the country exceeded the four-million international tourist arrival mark in 2012, with 4.3 million visitors. The DOT targeted international tourism arrivals to reach 5.5 million in 2013 and 10 million in 2016. Domestic travelers reached 37.5 million in 2011, exceeding the DOT target of 29.1 million. With actual number of domestic travelers exceeding the target number in 2011, the DOT raised the original target number of domestic travelers for 2016 from 35.5 million to 56.1 million travelers.

The assessment of the Tourism Sector will focus on: (1) tourism arrivals, domestic and international; (2) tourism-related employment generation; (3) tourism-related income generation; and (4) tourism-related employment growth.

The good news is tourist arrivals in the Philippines grew by an aggregate of 84% from 2011 to 2015, or from 2.9 million persons to 5.36 million persons or a total of more than 22 million persons in 5 years. The growth rate is the highest among all the ASEAN countries. The bad news is the Philippines is an average country in terms of tourist arrivals, surpassing only the countries of Cambodia, Lao, Myanmar and Brunei (http://asean.org/?static_post=tourism-statistics-2). In fact, the number of tourist arrivals in Vietnam, Indonesia, Singapore, Malaysia and Thailand are much more impressive in the last five years. The number of tourist arrival in Thailand and Malaysia are more than five and six times higher than the Philippines, respectively. Vietnam and Indonesia are more preferred tourist destinations than the Philippines in the last five years. The effect of the tourism infrastructure convergence program on the country's tourism industry is yet to be felt in terms of tourist arrivals.

Figure IV.27. Department of Tourism Budget, in billion pesos

Energy Sector Targets and Performance

The Department of Energy (DOE) has the primary mandate to implement the provisions of RA 9513 or the Renewable Energy Law. Prior to this, Section 37 of RA 9136 or the Electric Power Industry Reform Act of 2001 mandated the DOE to supervise the restructuring of the electricity industry. The DOE formulated the Philippine Energy Plan 2012-2030, a plan that puts in place a two-fold agenda of attaining energy independence and implementing power market reforms. A main program is to attract investors into oil and natural gas exploration (Aquino, 2011).

Table IV.29. Power Generation by Grid, compared to Population, by Region, 2016

Region	Power Generation by Grid, 2016	Power share to total	Population, in million persons	Population share to total
Luzon	66,498	73.2	57.377	55.7
Visayas	12,955	14.3	20.970	20.4
Mindanao	11,345	12.5	24.617	23.9
Total	90,798	100.0	102.965	100.0

Source: DOE

President Aquino established that corruption exists at the DOE when he reported in his 2011 SONA that his administration has “addressed the problem of ‘wang-wang’ at the DOE”, and that investor confidence on the energy sector has returned. As a result, investment in the energy sector increased with 140 companies having expressed interest in investing on exploration of oil and natural gas (Aquino, 2011). Based on the SONA 2011 Technical Report, the DOE facilitated the establishment of the Wholesale Electricity Spot Market (WESM) in the Visayas. As of 2011, the Wholesale Electricity Spot Market (WESM) hosts 180 energy suppliers for the integrated Luzon and Visayas market. The increase in the number of players resulted in a lower Effective Settlement Price (ESP) at the WESM for Luzon and Visayas of Php2.30/kwh in March 2011 (Office of the President, 2011).

Based on power statistics from the DOE website, power generation in the country has in fact increased by 34% from 2010 to 2016. The power generating capacities in the Visayas and Mindanao managed a 42.8% and 35% growth, respectively, but their shares to total capacity of 14.3% and 12.5% remain rather limited compared to the potential need of the regional population.

By source, coal remains the biggest power source in the country, as production grew by 85.8%, and contributes 47.7% to total power production from 2010 to 2016. Power produced from oil-based sources declined by 20.3%. Natural gas production managed an increase of 1.7%, but at 19,854 GWh, the production capacities of existing sources of natural gas appear to have been reached. Production of power using wind, solar and biomass resources is very promising. The level of production in 2016 shot up to 2,798 GWh, compared to its level in 2010, although their combined contribution to total power production is only at 3.1%. Coal continues to have the biggest installed generating capacity.

The DOE targeted to bid out the manufacture of 3,000 units of ETrikes in 2014, the first year of implementation of the project. Initially, 20 ETrike units were piloted in Mandaluyong City as of the 4th Quarter of 2013. In the 4th Quarter Report of the DOE, the ETrike project was presented under the title, “Philippine Industrial Energy Efficiency Project” (PIEEP) (DOE, 2013).

Table IV.30. Philippine Power statistics: DOE

	2010	2011	2012	2013	2014	2015	2016	Aggregate Growth Rate
POWER GENERATION BY GRID, in Gigawatt hours (GWh)								
Luzon	50,265	50,017	52,276	54,820	56,766	60,113	66,498	32.2
Visayas	9,075	10,456	11,483	11,100	11,014	12,170	12,955	42.8
Mindanao	8,403	8,703	9,127	9,347	9,481	10,130	11,345	35.0
<i>TOTAL</i>	<i>67,743</i>	<i>69,176</i>	<i>72,886</i>	<i>75,267</i>	<i>77,261</i>	<i>82,413</i>	<i>90,798</i>	<i>34.0</i>

POWER GENERATION BY SOURCE, in GWh								
	2010	2011	2012	2013	2014	2015	2016	Aggregate Growth Rate
Oil-based	7,101	3,398	4,254	4,491	5,708	5,886	5,661	(20.3)
Hydro	7,803	9,698	10,252	10,019	9,137	8,665	8,111	3.9
Geothermal	9,929	9,942	10,250	9,605	10,308	11,044	11,070	11.5
Coal	23,301	25,342	28,265	32,081	33,054	36,686	43,303	85.8
Wind, Solar, Biomass	90	205	259	279	364	1,254	2,798	3008.9
Natural Gas	19,518	20,591	19,642	18,791	18,690	18,878	19,854	1.7
Total	67,742	69,176	72,922	75,266	77,261	82,413	90,798	34.0

INSTALLED GENERATING CAPACITY, in Megawatts (MW)								
Oil-Based	3,193	2,994	3,074	3,353	3,476	3,610	3,616	13.2
Hydro	3,400	3,491	3,521	3,521	3,543	3,600	3,618	6.4
Geothermal	1,966	1,783	1,848	1,868	1,918	1,917	1,916	(2.5)
Coal	4,867	4,917	5,568	2,568	5,708	5,963	7,419	52.4
New RE	73	117	153	153	437	812	1,424	1850.7
Natural Gas	2,861	2,861	2,862	2,862	2,862	2,862	3,431	19.9
Total	16,360	16,163	17,026	14,325	17,944	18,765	21,423	30.9

Source: DOE (2016)

As reported in DOE's 2016 4th Quarter Report, the ETrike project faced the issues of delay due to the extension of procurement processes to comply with ADB's guidelines on the issuance of an ADB No Objection letter on almost all stages of the bidding process; high acquisition cost that tricycle owners/drivers have to confront; LGUs' reluctance to commit their Internal Revenue Allotment in support of project implementation; and the need for the DOE to comply with LGU requests to issue demonstration units to pump up interest from tricycle operators and drivers associations (TODAs). As of end of 2016, the DOE had to find options to address the issues faced by the project, and search for solutions for the disposition of the 3,000 e-trike units already procured. (DOE, 2016). In the media, the ETrike project was reported to have been canceled by the DOE "amid the lack of interested buyers and high manufacturing cost" (Flores, 2017. Link: <http://thestandard.com.ph/business/221929/govt-cancels-e-trike-project.html>).

Rural electrification program (REP) is one of the banner programs of the DOE. It is focused is on electrification of households in off-grid areas using renewable energy system. The budget for REP of Php126.77 million in 2013 is in addition to the subsidy from the national government to the NEA amounting to Php5.405 million

Table IV.31. ETrike Project-Schedule of Implementation

2014 – 3,000 units
2015 – 17,000 units
2016 – 30,000 units
2017 – 30,000 units
2018 – 20,000 units

Looking at the budget of the DOE from 2011 to 2016, the huge increase of 162% in 2013 and a significant drop of 77.1% in 2016 are obvious. The huge increase in the budget that was sustained for three years (from 2013 to 2015) is attributed to the US\$504 million, five-year Foreign Assisted Project, "Market Transformation through the Introduction of Energy Efficient Electric Tricycle (ETrike)", for which a US\$300 million ADB loan and US\$100 million Clean Technology Fund loan were secured. The other fund sources were the DOE's counterpart fund of US\$99 million and a CTF Grant of US\$5 million. The ETrike project aims to manufacture 100,000

units of energy efficient electric vehicles by 2018 and replace 100,000 gasoline-fed tricycle units nationwide in order to promote energy efficient and clean technologies (DOE, 2016).

Due to the slow implementation of the ETrike project, the DOE was able to utilize only Php2.828 billion or 38.2% of its Php7.401 billion budget in 2015 (inclusive of budget carried over from 2014) (COA, 2015, p. 52). The ETrike project accounted for 96% of the unutilized allotment at the end of the year.

Table IV.32. DOE-Budget, in million pesos

Year	PS	MOOE	FE	CO	Total	CO/Total
2011	204.950	687.944	0	37.170	930.064	4.0
2012	231.178	931.998	0	80.445	1,243.621	6.5
2013	284.760	466.930	0	2,503.157	3,254.847	76.9
2014	298.040	447.396	93.120	2,460.820	3,299.376	74.6
2015	297.564	608.196	93.120	2,470.892	3,469.772	71.2
2016	340.782	425.217	0	29.441	795.440	3.7
2017	404.753	587.423	0	108.610	1,100.786	9.9

Source of data: GAA from 2011 to 2017

Summary of Accomplishments, 2011-2016

Summary of Assessment of Performance

On the National Budget

- The national budget almost doubled from 2011 to 2016. The GAA by 2016 amounted to Php3.002 trillion. The inability of government to spend the budget, however, has increased from 5% in 2011 to 12% in 2016, indicated by the difference between the level of disbursements and the GAA.

On Pro-poor policies

- The passage of RA 10644, RA 10679, and RA 10816, if properly implemented and funded, can truly promote the welfare of MSMEs people in the agricultural sector. The impact of these laws should already be felt within the next three to five years. Continuous monitoring and assessment of the impact of these policies on the target population or sector should be done.

On agriculture

- The total value of palay production was generally favorable. Aquino's promise of lower rice importation was achieved. His administration's record on rice importation was better than that of Arroyo. Unfortunately for consumers, the per kilo price of rice rose by Php5.36 from 2011 to 2016.
- The backlog in FMRs was significant at 13,873 kms as of end of 2013. The DA targeted to construct at least 1,000 kms per year. Given this, it will take 13 more years to construct the target number of FMRs.
- The DA had one secretary from 2011 to 2016, which however, was challenged by the appointment of a Presidential Assistant for Food Security leadership, who was given control over four DA-attached corporations. Administrative-wise, having two secretaries rendered the implementation of DA-wide programs difficult at the regional and field levels, particularly those that require signatures and budget support of PCA, for instance.

On Tourism

- Tourist arrival may have grown by 84% from 2011 to 2015. But compared again to tourist arrivals in ASEAN countries, we have lagged far behind.
- Despite the above, domestic tourism generated an income of Php1.5 trillion in 2014, while international tourism receipts amounted to Php227.62 billion in 2015.
- Direct employment in tourism improved from 4.1 million Filipinos in 2010 to 4.99 million Filipinos in 2015.

On Public Works

- The DPWH was able to increase the total length of paved national roads by 20.8% over the period 2011 to 2016. Conversely, the total length of unpaved roads declined by 57.7%. Overall, the total national road length grew by 4.5% during the period. If we compare with ASEAN countries our accomplishments in national road construction, again we pale in comparison.

- The government invested an additional Php60.48 billion for tourism road infrastructure during the period 2011 to 2015.
- In terms of road condition, the DPWH considers only 38.65% of national roads to be in GOOD condition.
- On PPP, Aquino inaugurated only one PPP project, the Muntinlupa-Cavite Expressway, during his term and on his last year in office.
- The budget of DPWH grew by a tremendous 351% from 2011 to 2016, particularly in the last three years of the Aquino administration. This enabled the DPWH to pursue more infrastructure projects. Up to 95% of DPWH's budget is actually devoted for capital outlay projects. In the next six years, the government has to allocate a higher amount of budget for the maintenance of existing infrastructure facilities and raise the DPWH's MOOE budget.

Energy

- Power generation has increased by 34% from 2010 to 2016. However, coal remains the biggest power source of the country. Power production using wind, solar and biomass resources has grown but still limited to 3.1% of total power production.
- The ETrike project has difficulty getting off the ground due to little support from LGUs, and lack of takers among tricycle owners/drivers due to high cost.

Foreign Direct Investments

- The FDI amounted to US\$68.29 billion in 2016. The Philippines remains not quite the favorite of foreign investors compared to other ASEAN countries.

Other Accomplishments of the Economic Sector

- Employment in the IT-BPO industry grew from 444,811 employees in 2009 to 1.2 million employees in 2015. The IT-BPO industry generated US\$22 billion income in 2015, higher by 147% compared to the US\$8.9 billion in 2010.
- In the transport sector, as of 2015, the government was able to complete the Laguindingan airport, started the development of nine new airports, and began the rehabilitation of 63 airports and 18 tourism ports.
- The country's debt to GDP ratio improved to 44.8% in 2015 (compared to 54.8% in 2009).
- The country's credit rating by various international rating organizations improved in 2016 to BBB Positive (Fitch), or to Paa2 Stable (Moody's), or BBB Stable (S&P). Our overall credit rating grade improved to Investment Grade from Speculative Grade in 2010.

Table IV.33. Summary of Accomplishments

Criteria for assessment	2011-2016	2001-2010
Economic growth and poverty alleviation	Some decline in poverty incidence, but poverty goals remain unmet and below the MDG goals.	Impressive economic growth at average of 12.6%, but poverty worsened.
National budget	The social services sector got the biggest slice of the budget pie during the period. 5% to 12% underspending. The Aquino government passed on a national outstanding debt of Php6.09 trillion as of end of 2016 (Bureau of the Treasury).	The government operated on a reenacted budget in years 2001, 2004, and 2006. The national government debt was P4.554 trillion as of end-May 2010. (Bureau of the Treasury)
Agriculture	Lower rice importation was achieved. But price per kilo rose to Php36.67 per kilo in 2016; significant backlog in FMRs	Price of rice per kilo settled at P30.84 in 2010. Rice importation more than doubled between 2004 to 2010, reached 2.379 million MT in 2010.
Foreign trade	Trade balance was negative.	The trade balance was negative from 2001 to 2010.
Foreign direct investments	The amount of FDI peaked in 2013, and closed at US\$68.29 billion. OFW remittances effectively beefed up the GIR by 39%.	Quadrupling of FDI from 2004 to 2010; GIR is equivalent to 10.4 months cover; Philippines is less preferred foreign investment area compared to ASEAN neighbors.

Tourist arrivals	Growth by 84% from 2011 to 2015, but still much lower compared to ASEAN	Tourist arrivals reached 3.52 million persons in 2010. But Philippines is less preferred as a tourist destination compared to ASEAN neighbors.
Public works	Increase in total length of paved roads by 20%; growth in total national road length by 4.5%; 1 PPP project was inaugurated; we do not measure up when compared to ASEAN; growth in DPWH budget by 351% in 6 years.	
Energy	Power generation increased by 34% from 2010-2016, but coal remains the biggest power source. Power production from renewable energy (wind, solar, biomass) increased but still low at 3.1% of total power production.	
Transport	Completion of the Laguindingan airport, & rehabilitation of 63 airports and 18 tourism ports.	
Other accomplishments	IT-BPO employment grew to 1.2 million in 2015.	Employment improved from 29.16 million persons in 2001 to 36.04 million persons in 2010.
Blunders	<p>The government was defrauded of an estimated Php10 billion in Priority Development Assistance Fund (PDAF) by members of Congress with the complicity of government agencies and businesswoman Janet Lim Napoles. The PDAF scam spanned the years 2003 to 2013 until it was exposed on 12 July 2013. The Supreme Court declared the PDAF unconstitutional.</p> <p>The Php144.38 billion Disbursement Acceleration Program (DAP) was supposed to fast-track spending in public works and realign budgets to agencies that are able to implement projects. However, the Supreme Court declared parts of it as unconstitutional. (Rappler.com, 2014).</p>	<p>The suspended National Broadband Network (NBN) project worth US\$329.59 million (from \$262 million) was charged as overpriced and full of irregularities. Bungled in 2007, the project could have improved the country's communication capability.</p> <p>The P728 million Fertilizer fund was said to have been diverted to the 2004 election campaign of President Arroyo in 2014.</p> <p>North Rail project was an overpriced project of the government (Rappler.com, 2013)</p>

CONCLUSION

The economic sector is quite a significant part of the government and the economy. The sector agencies and their various projects have definitely contributed to the overall reduction of poverty. There are significant accomplishments as well as rooms for improvement in most sectoral areas.

The national economy was not gravely sick but also not in the pink of health when President Rodrigo Duterte took over on June 30, 2016. Yes, the poverty situation managed to improve, but only a bit over the last nine years and remains at an appalling level considering the relentless attempts of government to reduce it. The economic growth headline that the government is said to have achieved is yet to be felt by more than 22 million Filipinos who continue to suffer from a high level of poverty incidence. The inability of government agencies to fully implement government programs and to properly spend allocated budgets continue to deprive Filipinos of much needed services and resources. In effect, the problem of government agencies is not the lack of budget, but it is the low level of absorptive capacity to judiciously spend their respective appropriations.

Based on selected indicators, the economic sector cannot be said to have made a sterling performance. Certain undesirable trends proved difficult to reverse (i.e., poverty incidence, high level of rice importation, negative trade balance, low tourism arrivals, corruption) and these remain as challenges to the current administration. The current administration of Rodrigo Duterte should also avoid the mistakes of the past and adhere to its long term plans. Besides desiring to efficiently spend allocated budgets, government agencies should more importantly see to it that budgets are spent transparently and in accordance with accounting and audit rules. There should be no quarrel as to whether one should swiftly spend per se or spend with a sense of accountability.

Chapter V

Security, Justice and Peace CLUSTER ASSESSMENT

Allan Grand A. Sobrepeña

The assessment of the performance of the Aquino administration aims to provide an objective, factual, and guided assessment of the legacy, the gains, the difficulties, the problems, and the ways forward that can help the succeeding administrations.

The assessment follows the clustering provided for by EO 43, which calls for the organization of the cabinet into different committees. Under the Security, Justice and Peace cluster are the Department of National Defense, Department of Justice, the Office of the Presidential Adviser on the Peace Process, the National Security Council, and the Executive Secretary.

Framework of Analysis

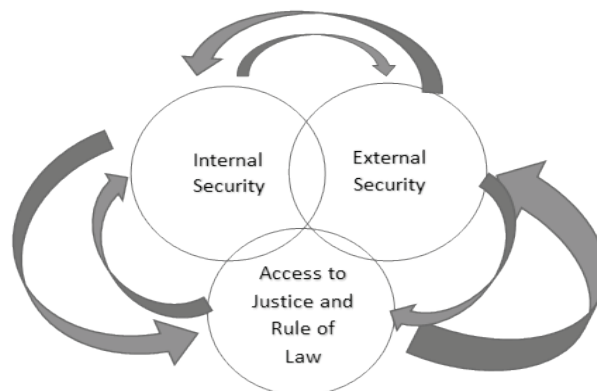
The assessment of the Security, Justice, and Peace Cluster will attempt to look into the inter play of the different factors or common themes for the cluster. The over arching framework will be that of national security. National security plays a very prominent role in the strategic framework in the Philippine Development Plans, that it was explicitly named as one of the driving factors for the country's development, alongside that of good governance and ecological stability. The assesment looks into the issues from three perspectives, namely: internal security, external security, and justice and the rule of law perspectives.

The internal security perspective is more inward-looking. It looks into how the PNoy administration has addressed peace, justice and security within the country. It involves a review of the different initiatives and programs instituted to address the state of unrest in the country. It will assess how the government has fared in the peace processes with the communist and Moro fronts.

The external security perspective looks into the issues that impinge on the sovereignty of the country. Matters pertaining to the country's territorial integrity as well as those that involve cross-border security concerns are included. This component includes discussions on the country's armed forces, and how they have fared under the Aquino administration. Moreover, policies and initiatives to improve external security capabilities are also discussed.

For the justice and the rule of law perspective, the assessment looks into the mechanisms instituted to better improve or address the demand side of justice. This looks at actual accomplishments, as reported by the justice agencies of the government, and external and independent indices that measure the level of access to justice and rule of law in the country.

Figure V.1. Security Framework, Aquino administration



THE SITUATION AND DEVELOPMENT PROBLEMS AND ISSUES THE PAST ADMINISTRATIONS

There are major development problems and issues from the preceding administration that the PNoy administration had to contend with. As stated in the introduction, the said components are interrelated in that it is difficult to categorize one as belonging to only one category. There are instances, for example, wherein internal security concerns are tied to the access to justice and rule of law components.

Internal Security

There are several major development problems and issues that can be categorized under the ambit of internal security. Most notable among these are the peace processes and negotiations being undertaken with the Moro and the communist fronts. Similarly, the atmosphere under the Gloria Macapagal Arroyo administration is one as beset by impunity, human rights issues, and killings.

Stalled Peace Processes with the Communist Front

Peace negotiations with the Communist front has not only been stalled, but was in perpetual limbo due to several “impediments”. Prior to the assumption of PNoy, as President the peace negotiations with the Communist front has been in an on-and-off basis. At it would seem that peace with the communist group is already within reach, but then, new and pressing issues would surface.

The inclusion of the New People’s Army, the military wing of the National Democratic Front, in the terrorist listing of the United States of America is considered the primary reason for stalled peace negotiations since August 2004. The NDFP has been asking the Philippine government to ask for the delisting of the NPA, with no success, as the US is a sovereign entity and their terrorist listing is within their right to do so.

Moreover, with the stalled peace negotiations, the Philippine government posited that the Joint Agreement on Safety and Immunity Guarantees (JASIG) should also be suspended. The JASIG is a mechanism whereby known consultants and actors from the NDFP are given safe conduct passes to pursue peace negotiation efforts.

Another reason for the stalling of the formal negotiations is the presence of a number of prejudicial questions, issues, and preconditions set by the NDFP. They have several demands which they deem should be first met by the Philippine government first prior to the resumption of the formal negotiations.

However, there are informal mechanisms implemented by both parties to at least help in moving the peace process forward. In 2008, informal meetings were held to help declutter the negotiation table of the different issues and concerns plaguing the peace negotiations.

The Communist group, for their part, has claimed that there are 13 major impediments in the peace process. The communist groups said that, unless these 13 impediments are addressed the peace process will not move forward.

The Philippine government, also has three preconditions for the peace negotiations to resume. The first is the joint declaration of ceasefire. In earlier years, the government has been unilaterally declaring ceasefires with the communist rebels during the Christmas season, and ongoing peace negotiations. This time, the government is asking the NDFP to reciprocate by calling on the NPAs to likewise declare a ceasefire.

A second precondition set by government is for the NPAs to suspend military operations on the ground. It must also refrain from conducting ambushes, killing of civilians, destruction of properties, landmines, and alleged extortion activities.

The third precondition is the simultaneous discussion of the three remaining substantive agenda on the peace process. The NDFP argued that the discussion of the substantive agenda should be chronological, following the arrangement stated in the previous agreements. The government, on the other hand, wanted discussions to be simultaneous.

The government, however, has been keeping the door open for the formal peace negotiations. Even though the negotiations were stalled, the government instituted parallel initiatives that will support the attainment of peace. Foremost is the strengthening of the case monitoring work of the GRP Monitoring Committee, particularly on the implementation and adherence to the Comprehensive Agreement on the Respect for Human Rights and International Humanitarian Law (CARHRIHL), as well as joint conduct of fact-finding missions on specific human rights violations.

Moreover, there was also continued support to local peace initiatives. The government supported several economic programs in conflict areas with the hope of alleviating the economic hardships in the community. It also conducted confidence-building measures and facilitated the release or provided assistance to the detained alleged political offenders.

Unconstitutional MOA-AD

President Fidel V. Ramos signed the Tripoli Agreement with the Moro National Liberation Front in 1996. This was supposed to be the end of the Moro secessionist movement. However, other factions within the MNLF did not agree with the framework contained in the Tripoli Agreement. The call for secession from the Philippines was continued by the MNLF breakaway group, the Moro Islamic Liberation Front (MILF).

The Ramos administration sought to negotiate for peace with the rebel groups, even coming up with an agreement with them on the Cessation of Hostilities between government and Moro troops. At the beginning, President Joseph Estrada tried to resume what FVR has started. However he, shifted and called for an all-out war against the MILF. The war pursued by Estrada to a certain extent was successful in that Camp Abubakar, the MILF's biggest camp and stronghold, was captured by government forces.

With the ouster of Pres. Estrada, his successor, President Gloria Macapagal Arroyo, sought to revive peace negotiations with the MILF. Malaysia served as the third party facilitator of the peace negotiations, and with their help, a framework for the resumption of peace talks was signed between the two opposing parties.

The peace process with the MILF was shaky at the beginning. It is characterized by interim periods of peace, followed by skirmishes and clashes between the different actors in the peace process, the government, MNLF forces, MILF forces, and even the terrorist group Abu Sayyaf. The peace negotiation was in a deadlock. There are a number of legal and constitutional obstacles that have to be cleared before a peace agreement can be reached by the parties involved. As early as 2003, a framework is already being explored and pushed forward. A Muslim ancestral domain is the foreseen mechanism that may address the concerns of the parties involved.

Peace negotiations with the MILF continued. Formal peace talks were held in Malaysia. The break in the peace process came on 27 July 2008, when the government and the MILF signed the Memorandum of Agreement on Ancestral Domain. (MOA-AD).

As some observers have opined, the MOA-AD is not the final peace agreement. It merely sets out what both parties would have to pursue to get to a final peace agreement (Williams, 2010). Central to the MOA-AD is the issue of territory of the Moros which thus calls for the creation of a Bangsamoro Juridical Entity. The BJE is seen as supplanting the Autonomous Region in Muslim Mindanao.

However, the MOA-AD was met with strong opposition from different sectors and even from local governments. Foremost among the opposition is the fear that the MOA-AD will bring about the creation of an independent Muslim State in Mindanao. Moreover, the MOA-AD was assailed as an instrument that did not undergo consultation with the affected sectors.

The Supreme Court issued a temporary restraining order on 4 August 2008 stopping the signing of the Agreement. Finally, on 14 October 2008, the Supreme Court voted 8-7 declaring the Agreement as unconstitutional and illegal. This triggered retaliatory attacks on the part of the MILF.

Impunity, Human rights Issues, and Extra Judicial Killings

One other defining characteristic of the PGMA administration, as described by observers, is that it is a regime of impunity. It was said that her administration has been one with very high human rights abuses. This was highlighted by the Maguindanao massacre in 23 November 2009. The Massacre prompted the president to declare martial law in Maguindanao, the first post-Marcos martial law.

According to the reports of Karapatan, a left-leaning alliance of human rights advocates and organizations, more than a thousand human rights violations were documented from January 2001 to December 2009. These range from extrajudicial killings, enforced disappearances, to illegal arrests and harassment. State forces, particularly the military, were tagged as the perpetrators of these human rights abuses.

Table V.1. Violations of the Rights of Human Rights Defenders 21 January 2001 to 31 December 2009

HR Violation	Over-all	Over-all Women	Total HRDs	Women HRDs
Extrajudicial killing	1,188	153	470	53
Enforced Disappearance	205	31	68	11
Illegal Arrests	1,963	290	543	98
TOTAL	3,356	474	1,081	162

Source: Karapatan

Extrajudicial killings were very rampant during the term of PGMA. It was even described as an epidemic Parreño (2011). The study pegged the number of EJKs at 305 incidents with a victim count of 390 individuals. This is lower compared to Karapatan's estimates. The victims of the EJKs are mostly members or officers of militant and left-leaning organizations. The victims from these groups comprise 32% of the 390 total victims.

Moreover, most of the perpetrators, at least for those who were identified by witnesses, belong to the military. Of the 837 tagged perpetrators, 19% were identified as military personnel, 9% are members of the police force, 1% are CAFGUs. However, There are 57% who remain to be identified. There are also 12% of the perpetrators who are known to be members of the New People's Army.

There were efforts to look into the killings perpetrated against activists and members of the media. The Melo Commission, headed by former Supreme Court Justice Jose Melo, sought to shed light on the spate of killings against media personalities and activists. In their report, they have immediately questioned the reporting systems both from official records of government (PNP), left-leaning organizations (Karapatan), and even international NGOs (Amnesty International). They said the figures are conflicting, with government estimates having lower counts, while those from the Left seem to bloat the figures.

Table V.2. Number of Extrajudicial Killings, Arroyo administration

Reporting Group	Estimates
PNP (Task Force Usig)	136
Amnesty International	224
Karapatan	724

The Melo Commission found, in its report, that the media killings were mainly attributable to personal vengeance, local politics, or commercial concerns. It said that the PNP is more successful in its prosecution in that 21 of the 26 cases have been forwarded for prosecution. However, the same may not be said of the activist killings. While there are no official or sanctioned policy by the State that sponsors such kinds of killings, the state forces. However, may have been complicit in allowing or even tolerating such practices, particularly in the case of Gen. Jovito Palparanⁱⁱⁱ.

With mounting pressures coming from domestic human rights advocates and international organizations, the Philippine government then sent an official invitation to the UN Special Rapporteur on extrajudicial, summary or arbitrary executions. Special Rapporteur Philip Alston visited the Philippines in February 2007 to look into the reports of the killings of media personality and activists.

The Alston report implicates members of the Armed Forces, members of the NPA, and other armed groups in the country as major perpetrators in the mounting death toll of activists and media personalities. He said that institutional mechanisms should be in place to address the problems of EJKs and impunity.

Sovereignty Issues

» *Joint Maritime Seismic Undertaking (JMSU)*

Tensions in the South China Sea dispute have been a result of the different military and political positions of the different claimant countries. This is particularly the case with China, Vietnam, and the Philippines, whose overlapping claims over the territory in the South China Sea have, at times, caused not only tensions, but also direct actions from the claimants.

In September 2003, China proposed a joint exploration and development of the Spratly Islands in the South China Sea. The respective national oil companies of China and the Philippines, the China National Offshore Oil Corporation (CNOOC) and the Philippine National Oil Company (PNOC) inked a landmark agreement for the oil exploration in the region. Furthermore, to avoid problems, the highly contested Spratly Islands would not be included in the exploration.

To operationalize the undertaking, China and the Philippines planned to create a Joint Operating Committee (JOC) which would oversee the activities to be conducted in the South China Sea exploration. Moreover each party would appoint three representatives each who would form the JOC. From their own appointees, they would select a Chief Representative who would also serve as the spokesperson of each country.

While the JMSU was seen as a means to ease the tension between China and Philippines, Vietnam protested the said undertaking. To accommodate Vietnam, a tripartite agreement was crafted with Vietnam's interests represented by its state-owned Petro Vietnam. The tripartite agreement was signed on 14 March 2005. The initial successes of JMSU between China, Philippines, and Vietnam prompted then President GMA to urge the parties to continue with the second phase of the JMSU beyond 2008 (De Guzman, 2014).

However, nationalistic protests on the end of the Philippines claimed that the JMSU is grossly disadvantageous to the country, aside from it being unconstitutional. On 21 May 2008, Makabayan-bloc lawmakers petitioned the Supreme Court to nullify the agreement. The agreement expired on 30 June 2008, when the Philippines failed to renew its commitment to the undertaking (Bernal, 2014).

» *Baselines Law not claiming Spratlys and Scarborough Shoal*

The Archipelagic Baselines Law or Republic Act 9522 was passed as a response to the United Nations Convention on the Laws of the Sea (UNCLOS) requirement for an archipelagic state. It has been noted that, prior to the passage of the Archipelagic Baselines Law, the Philippine legal framework was not compliant to the requirements of the UNCLOS. Republic Act 3046, as amended by Republic Act 5446, exceed the limits provided for in the UNCLOS. These defects were to be corrected by the passage of the Archipelagic Baselines Act. The Archipelagic Baselines Law treated the Kalayaan Group of Islands and Scarborough shoal as "Regime of Islands" over which the Philippines exercises sovereignty and jurisdiction.

Vietnam and China protested the passage of the Archipelagic Baselines Law. They claimed it was a violation of the 2002 Declaration on the Conduct of Parties in the South China Sea, to which the Philippines is not simply a state party, but is one of the proponents. At the onset, even the proposed House Bill was already contested. The Philippines was called to "refrain from taking actions to complicate the situation and to respect the UNCLOS" (Amer & Zou, 2011).

Opposition to the Baselines Law not only came from the international arena. The law was questioned before the Supreme Court by constitutional law experts as well as members of Congress. Professors Merlin Magallona and Harry Roque, both experts from the University of the Philippines College of Law, initiated the petition to the SC, saying that RA 9522 violates the Constitution in that it dismembers our territory. The exclusion of the Kalayaan group of islands and the Scarborough shoal from the main archipelago as outlined in the baselines law is a violation of the Constitution.

They added that the "new law deprives the country of what has been established in historical, legal and scientific terms as part and parcel of its national territory." They cited the delineations according to the 1898 Treaty of Paris, the 1900 Treaty of Washington, where Spain ceded the Philippines to the United States, and the 1930 Convention between the Great Britain and the United States, are proof of the delineation and extent of the Philippine territory. Moreover, a mere statutory act, they said, cannot remake the Constitutional definition of the Philippine territory (Jamandre, 2009).

Prosecution of Cases

In the time of President Gloria Macapagal Arroyo, at least from 2005 to 2009, the average case disposition rate for the national prosecution service of the Department of justice is 77.72%. The highest case disposition rate was recorded in 2009 with an average rate of 79.32%.

Table V.3. Case Disposition Rate, 2005-2010

Year	2005	2006	2007	2008	2009	2010
Total Caseload	391,382	406,243	393,521	415,535	339,107	340,000
Prosecution Officers	1,397	1,584	1,728	1,827	1,908	1,863
Average per Prosecutor	280	256	228	227	178	183
Disposition						
Resolved Cases	298,147	317,602	312,153	320,806	252,111	255,000
Disposition Rate	76.18%	78.18%	79.32%	77.20%	74.35%	75.00%
Pending Case	93,325	88,641	81,368	94,729	86,996	85,000

Source: DOJ (various years)

For the criminal prosecution workload of prosecution officers, the limited number of applicants in the DOJ greatly hampered the case disposition rate of the agency. Starting in 2005, combining all the cases handled by prosecutors, a single prosecutor may be handling more than 800 caseloads per year. While there is no set national standard on the number of caseloads per year in the country, American prosecution organizations as well as the government suggest that prosecutors should not be handling more than 150 felonies or 400 misdemeanor charges (Gershowitz & Killinger, 291).

Table V.4. Case Loads, 2005-2010

Year	2005	2006	2007	2008	2009	2010
Total caseload	1,187,690	1,120,184	1,073,776	1,053,744	990,467	950,000
Prosecution Officers	1,397	1,584	1,728	1,827	1,908	1,863
Average case per Prosecutor	850	707	621	577	519	510

Source: DOJ

Crime Rate

It can be observed that crime rates in the Philippines has been on a decline from 2002-2007. However, there was a dramatic increase in the crime rate in 2009 as a result of the change in crime reporting and crime definition. Despite the changes in the definition of crimes, it can once again be observed that there is a steady decline in the number of crimes both for the index and non-index crimes.

Table V.5. Crime Volume and Crime Rate per 100,000 Population, 2002-2015

Year	Crime Volume	Crime Rate	Index Crimes	Non-index Crimes
2002	85,776	108	54.6	52.4
2003	83,704	103	52.1	50.1
2004	77,253	93	51.1	41.4
2005	76,758	91	51.6	38.4
2006	71,227	83	47.8	34.1
2007	60,215	69	41.8	32.6
2008	66,846	75	40.4	33.5
2009	502,665	552	327.1	217.9
2010	324,083	350	218	208

Human Trafficking

The passage into law of Republic Act 9208 or the Anti-Trafficking in Persons Act of 2003 made the Philippines one of the few countries that enacted legislation for the protection of its citizens against human trafficking. The law called

for the creation of the Inter-Agency Council Against Trafficking (IACAT). However, the Philippines remained under the Tier 2 Watch list of the United States' Trafficking Victims Protections Act (TVPA), which says that, under the said tier, the Philippines does not fully comply with the minimum standards, but is making significant efforts to bring itself into compliance with those standards (US Department of State, 2015).

According to the data of the Department of Justice, from 2005 to 2010, the DOJ was able to record 42 convictions involving 40 personalities in their drive against trafficking in persons. While the figures may not seem that much, the government efforts to improve the rate by which it implements its anti-trafficking programs merited an improvement in its US rating, making the Philippines a Tier 2 country in its 2011 report. Moreover, according to the US Department of State, only in February 2011 was the Philippines able to record its first conviction of a labor trafficking offender.

Table V.6. Number of Convictions in Human Trafficking Cases

Year	Number of Convictions	Number of Persons Convicted
2005	7	6
2006	0	0
2007	3	4
2008	5	4
2009	10	11
2010	17	15
Total	42	40

FLAGSHIP POLICIES, PROGRAMS, INITIATIVES

In the 2010 elections, President Benigno S. Aquino III won with the promise that his administration will be guided by Daang Matuwid and his social contract with the Filipino people. Moreover, he promised that his leadership will be different by leaps and bounds with that of his predecessor.

To meet this promise, the Aquino administration has instituted various reform measures enshrined in the Philippine Development Plan 2011-2016. The PNoy administration spelled out its key thrusts and initiatives in the Philippine Development Plan 2011-2016. It devoted a whole chapter (Chapter 9) to what it sees as peace and security imperatives. Moreover, the passage of the Philippine National Security Policy (2011-2016) seeks to complement the PDP 2011-2016.

As outlined in the PDP, the major security challenges the country faces are those within its own national territory. The internal conflict with armed groups, particularly in Mindanao, has continued to plague the country for decades. It acknowledges the different initiatives of past administrations, problems but laments that persist. The ongoing armed conflict both with the MILF and the Communist group has affected the delivery of much needed services and development in the region.

Externally, the Philippines, owing to its archipelagic nature, has to contend with territorial integrity issues, particularly those involving its neighbors in the much contested South China Sea. The Philippines must continue to strengthen its claims in the region through heightened maritime security capabilities. Must also contend with trans-border crimes.

Winning the Peace

The primacy of the peace processes must be upheld at all times. This serves as the centerpiece of the internal security program of the country. It is an admission that military might and the use of force is not the optimal solution to armed conflicts in the country.

Winning the peace calls for a more sober, addressing the root causes of the armed conflict. Peace, as defined in the PDP, is not only the absence of war or conflict but it is ensuring that all humans have the opportunity to enjoy an improved social and human well-being.

A two-pronged strategy needs to be adopted. To attain peace, there must be a negotiated political settlement of the armed conflict. In addition, the root causes of the conflict must be addressed. These are very tall marching orders considering that these have been on the agenda for quite a long time.

A notable intervention that was proposed in the PDP 2011-2016 is the inclusion of mechanisms for a participatory and accountable peace process. It must be remembered that, during the GMA administration, one of the primary reasons cited by the Supreme Court as to the unconstitutionality of the MOA-AD is the apparent lack of consultations conducted with the different sectors and stakeholders involved in the peace process.

In addition, the PDP adds more safeguards or guiding parameters on the negotiations. It has now explicitly maintained that agreements reached as a result of the negotiations must be within the boundaries set forth in the Constitution. Similarly, it must take into account the lessons learned from the different negotiating tables, as well as from the implementation of the Autonomous Region in Muslim Mindanao. The key principles draws so much from the perceived “failures” of the past negotiations, most notable the MOA-AD, and, to some extent, the ARMM organic law.

Moreover, the government must also take into account its ability to deliver on its promises. This calls for a more circumspect approach in the peace negotiations. The negotiating panels must now also consider if what is promised and expected of them can actually be delivered by the government.

While a political settlement is being negotiated, the PDP promises that government will implement a parallel strategy that will address the root cause of the armed conflict. The complementary track has identified nine approaches to address the root causes of the armed conflict. A targeted development program in conflict-affected areas; addressing human rights issues and violations; support to indigenous people’s agenda; support for an affirmative action for Muslim Filipinos; support for a more enhanced and responsive ARMM governance; support for the implementation of the UN Security Council Resolution 1325, which calls for a more proactive engagement with women in terms of human rights and peace issues; addressing children’s needs in armed conflict; support for security sector reforms; and support for the settlement of land disputes.

Among the different strategies, the most prominent is the program, Payapa at Masaganang Pamayanan (PAMANA). PAMANA is the government’s flagship program to address the root causes of armed conflict. Interventions under PAMANA can be divided into three pillars: the macro-level pillar, micro-level interventions, and the meso-level interventions. Said interventions range from policy directions crafted and designed at the national level, to meso-level interventions that have direct and immediate impact to the state of unpeace in a certain conflict affected community.

Bangsamoro Basic Law

The Bangsamoro Basic Law is touted as one of the landmark and milestones of the PNoy administration. The BBL was borne out of the Framework Agreement on the Bangsamoro, which was signed in 15 October 2012 by then GPH Chief Negotiator Marvic Leonen and his MILF counterpart Mohagher Iqbal. The Framework Agreement on the Bangsamoro (FAB) received praise from the international community, as this was seen as the means to achieve finally peace in Mindanao.

Over the course of two years, the FAB was fast-tracked coming out with four annexes and an addendum. These documents outlined and operationalized the implementation of the framework agreement. The first Annex that was signed was the Annex on Transitional Modalities and Arrangements. This annex established the modality and mechanisms with which the FAB is to be implemented. It enabled the creation of the Bangsamoro Transition Commission, the Bangsamoro Transition Authority, and the drafting of the BTC of a Bangsamoro Basic Law.

On 13 June 2013, the Annex on Revenue Generation and Wealth Sharing was signed by both the MILF and the GPH. This annex outlined the taxing powers and revenue generation powers that shall accrue to the Bangsamoro. Other sources of revenue were also outlined, as well as the powers to collect fees and charges and to receive grants and donations.

The Annex on Power Sharing, signed on 8 December 2013, discussed the relationship between the central government and the Bangsamoro government, and the local government units that compose the Bangsamoro. It said that the relationship of the Central government with the Bangsamoro is asymmetric, guided by the principle of parity of esteem and accepted norms of good governance. Moreover, there shall be a Central Government-Bangsamoro Government Intergovernmental Relations body that will resolve intergovernmental relations. Devolution is a central

guiding principle in the Bangsamoro relationship. In addition, the Bangsamoro government is given the authority to regulate the LGUs within the limits provided by the BBL.

The Annex on Normalization, signed on 25 January 2014, serves as the framework in which the different communities in the Bangsamoro can return to their normal lives and pursue their own aspirations. It outlined the policing arrangements, as well as the mechanisms for ensuring the peace and safety in the Bangsamoro. Moreover, it also discussed the framework of decommissioning and eventual integration of the MILF fighters into civilian life.

The Addendum on the Bangsamoro Waters and Zones of Joint Cooperation, signed on 25 January 2014 discussed the waters and territorial jurisdiction of the Bangsamoro. It also called for the creation of a Joint Body for the Zones of Joint Cooperation made up of representatives of the Bangsamoro Government and the Central Government.

Ensuring National Security

Ensuring peace is just one of the components of the peace and security agenda of the PNoy administration. The other equally important component is national security. National security, as defined in the PDP, is a necessary precondition in attaining development. Freedom from external aggression, as well as internal stability, is planned to be achieved. Internal and external peace are seen as contributory factors for national development.

There are four objectives related to national security under the PDP. These are a) promotion of sustained internal stability; b) full capability to uphold full sovereignty and territorial integrity of the state; c) highest standard of capability and preparedness against natural calamities; and d) security sector reforms.

To meet the first objective, the PDP as part of its strategy seeks to significantly reduce the capabilities of the different armed groups, rendering them unable to threaten the State. In addition, to ensure the safety of the citizenry and communities, intensified and continued police operations are to be implemented. This necessitates the improving of police capabilities in solving crimes and addressing the issue of criminality. One of the tall orders under this strategy is the dismantling of private armed groups.

The PDP also calls for a more cooperative engagement with mutual allies and neighboring countries in order to meet the requirements of external peace. Peaceful and friendly bilateral agreements and arrangements with other countries and institutions are seen as a key strategy in achieving harmony.

Due to the archipelagic nature of the country, it is also necessary to improve the policing of the borders of the country. A stricter implementation of border laws and immigration laws, as well as upgrading the capabilities and assets, are the strategies that are to be pursued.

There were also two major strategies for security sector reform. One is through the “institutional and systems improvement”, such as improving management and control over the armed forces, professionalizing the uniformed service, and improving governance and accountability systems in both the PNP and the AFP. The other strategy, entails a “harder” approach. This is done through upgrading and improving the defense capabilities of the country. This implies a need to upgrade the tools and weapons of our security sector, enabling them to effectively perform their duties either against external or internal aggressors, wherever the fields of battle — it maybe in the sea, air, or land.

Philippine National Security Policy (2011-2016)

The Philippine National Security Policy (2011-2016), similar to the Philippine Development Plan, is a medium - term strategy on how to achieve the goals and aspirations of the country with regard to its overall security. It “lays down the fundamental and comprehensive framework on interrelated issues and concerns that may impinge on national security. This comprehensive national security policy shall provide general guidelines for revisiting, enhancing, and formulating our related national policies”. It has focus on four key element: governance, delivery of basic services, economic reconstruction and sustainable development, and security sector reforms (National Security Council, 2011). Notable in the national security policy is the prioritization of economic development over military strengthening; in the debate between guns and butter, guns have to give way to butter.

The NSP is instructive in that it acknowledges that national security issues cannot be addressed by military and security sector improvements alone. It admits that poverty and inequality are major drivers of the state of unrest of the country. As such, part of PNoy’s national security strategy is the promotion of internal sociopolitical stability through the creation of an enabling environment to win the hearts and minds of those with valid grievances and retain the

allegiance of the rest of the citizenry. Moreover, it also calls for the strengthening of the integrity of national institutions and promotion of good governance. The peace process still remains as the centerpiece of the internal security program. It calls for the peaceful settlement of all internal armed conflicts (NSC, 2010).

Oplan Bayanihan

Complementing the PDP 2011-2016 and the National Security Policy 2011-2016 is the military's own Internal Peace and Security Plan. Known more popularly as "Oplan Bayanihan," the plan is a response to PNoy's call for a more nuanced and multistakeholder approach in addressing peace and security problems in the country. Oplan Bayanihan serves as the "guide in the performance of the AFP's mandated functions of protecting the state and its people." (Armed Forces of the Philippines, 2011 p.v.).

Oplan Bayanihan was borne out of the iterative, multistakeholder, and holistic engagement conducted by the AFP with various groups coming from the military establishment, government agencies, NGOs, academe and other civil society organizations. As a result of these dialogues, the IPSP was based on a holistic notion of human security. It was deemed as a people-centered security strategy in that the people play a central role and the different programs and activities revolve on the protection of the people and not necessarily on defeating the enemies of the State. It was also characterized as putting primacy of human rights above all else (Homan, 2008).

What sets Oplan Bayanihan apart from the previous IPSPs is that it adheres to "winning the peace" as a strategic objective. Before, defeating the enemy was the end goal, thus the primacy of a more militaristic strategy was employed. Winning the peace entails a more careful and sensitive approach in that it calls for a more broad-based consultation and engagement with various stakeholders. This is also a paradigm shift, in that there is an admission that a purely militaristic solution will not win the peace.

Oplan Bayanihan uses the "whole-of-nation" approach, which entails the involvement not only of the government and its instrumentalities, but also that of the public. Public support and assistance is paramount, which is why the whole-of-nation approach relies on multistakeholder engagement. The armed forces only serves "to catalyze the involvement of all stakeholders and facilitate the synergy of all of these efforts. It shall actively engage its counterparts and partners in consultation and dialogue, forge partnerships, and build a broad peace and security constituency" (AFP, 2011, p.25).

Moreover, it also uses a people-centered security/human security approach. At the center of military operations is always the welfare of the people. This expands the role of the military, however, in that they are no longer simply protectors of the state and the people.

Oplan Lambat Sibat

For the Philippine National Police, during the term of DILG Secretary Mar Roxas III, the PNP adopted Oplan Lambat Sibat as the major guiding framework for security operations and activities. Oplan Lambat Sibat, echoing the President's directive that the PNoy administration is different from previous administrations, presented the new initiative as something new and novel.

Whereas, anti-crime initiatives were previously conducted in ad hoc (Bara-bara), silo (kanya-kanya), and sporadic (ningas-cogon) manner, the new Operation Plan would be more strategic and be evidenced-based. Oplan Lambat Sibat is meant to show the public a clearer picture of the impact and relevance of police actions and operations, and how these ultimately affect ordinary people's lives.

Table V.7. Oplan Lambat Sibat Framework

Status Quo vs Pagbabago	
Dating Gawi	Bagong Daan
Bara-bara	Hindi Patsamba-tsamba (Deliberate)
Kanya-kanya	Tulong –tulong Whole of PNP Approach (Programmatic)
Ningas-cogon	Replicable design/structure (Sustained)

Oplan Lambat Sibat is thus a deliberate, programmatic, and sustained police anti-crime campaign. Oplan Lambat Sibat consist of two operational strategies or frameworks that are to be implemented simultaneously. Oplan Lambat is a wide dragnet across the metropolis with targeted actions. Oplan Sibat on the other hand, is a more focused approach. Sibat, which means spearfishing, signifies a more focused initiative, targeting the Most Wanted Personalities.

JUSTICE REFORM PROGRAMS

Review of Laws to Improve the Justice System

Justice reform programs of PNoy dealt with strengthening the rule of law. It called on institutions of justice to implement reform measures that promote the effective and speedy resolution of cases. Moreover, in several of his policy pronouncements, the president called for a recodification of laws to ensure consistency.

One such reform measure is the review and crafting of a new, improved, simpler, and more manageable criminal code. Towards this end, the Department of Justice convened a Criminal Code Committee to work on the task of crafting a Criminal Code Book. The Committee is multisectoral. It has representatives from the House of Representatives and the Senate, specifically from the offices of the Committee on Justice from both houses, members of the Supreme Court, the PNP, and all other government agencies. Moreover, even those in the private sector and academe were tapped to assist in this endeavor. There were experts' group meetings, special lecture sessions, study visits, particularly in Germany, and other national-level presentations. This culminated with the filing in the House of Representatives of House Bill No. 2300, "Philippine Code of Crimes", in 13 August 2013. The Criminal Code Committee was then tasked to be part of the TWG of the Justice Committee.

Improving Capacities of Justice Sector Agencies

One of the often-cited constraints in the justice system is the apparent lack of resources provided or made available in the pursuit of justice reform programs. As highlighted in the PDP 2011-2016, the Aquino administration called for the increase in resources to justice sector agencies, in the form of physical infrastructures, funding, and human resources.

Moreover, there were also renewed calls on improving the speed of service delivery by justice sector agencies. One of these is the effective and speedy disposition of cases. Towards this end, the Aquino administration has prioritized the improvement of the investigative abilities of concerned agencies. In addition, the Department of Justice was called to improve its criminal prosecution services by instituting systems that will ensure a smoother and more enhanced case monitoring systems, employing ICTs as tools.

South China Sea Issue

In 2011, there were new and more aggressive efforts by China to enter the areas claimed by the Philippines in the West Philippine Sea. Despite the incursions of China in Philippine territories, the Philippines still sought for more diplomatic means to address the problem. One such initiative by the Philippine government is the proposal by the Philippines of a Zone of Peace, Freedom, Friendship, and Cooperation (ZOPFFC). The ZOPFFC as envisioned by PNoy serves as a mechanism and as a framework of engagement when it comes to dealing with China on the issue of the West Philippine Sea. He was quoted as saying, "what is ours is ours, and with what is disputed, we can work towards joint cooperation." The President then directed the DFA to promote the ZOPFFC concept through sustained consultations and dialogue.

According to the DFA, the ZOPFFC provides a framework for separating the disputed territorial features that may be considered for collaborative activities from non-disputed waters in the West Philippine Sea (South China Sea) in accordance with international law, in general, and the United Nations Convention on Law of the Sea (UNCLOS), in particular (Legaspi, 2011). A disputed area, according to the DFA, could be turned into a Joint Cooperation Area for joint development and the establishment of marine protected area for biodiversity conservation. Areas not in dispute, such as Reed Bank, which lies on the Philippines' continental shelf, can be developed exclusively by the Philippines or with the assistance of foreign investors invited to participate in its development (Thayer, 2011).

Filing of Arbitration Case against China (2013)

The filing of the arbitration case by the Philippines in January 2013 was seen as a last resort. The continued incursion of China in the West Philippine Sea, as well as its nine-dash line claim was said to be unlawful and was violative

of the UN Convention on the Laws of the Sea, of which both countries are signatories. Secretary Del Rosario was quoted as saying, “The Philippines has exhausted almost all political and diplomatic avenues for a peaceful negotiated settlement of its maritime dispute with China... We hope that the arbitral proceedings shall bring this dispute to a durable solution”(Rappler.com, 2013).

To formally assist and represent the country in the PCA, the Philippines enlisted the services of topnotch Washington-based law firm, Foley Hoag LLC. Top-caliber lawyers with extensive practice and expertise in international laws included Paul Reichler, Lawrence H. Martin, and Andrew B. Loewenstein. Professors Bernard Oxman, Philippe Sands, and Alan Boyle were also part of the team of legal counsels. Former Solicitor General Francis Jardeleza, who is now a Supreme Court Associate Justice, and former Solicitor General Florin Hilbay represented the Philippine government together with Supreme Court Senior Associate Justice Antonio Carpio.

In getting the services of the foreign legal team, it was reported that the government originally agreed to a ceiling fee of USD 4,212,000.00. However, the fee was renegotiated and the third ceiling was set to USD 7,000,000.00. This was 65% higher compared to the original amount agreed upon on December 2012 (Tordesillas, 2016).

The hiring of foreign lawyers, however, were met with opposition coming from local Filipino lawyers. They claimed that it is not really necessary to get services of a foreign firm, as there are many lawyers who can also equally represent the country. It was argued that legal talent is not lacking in the country. Moreover, the fact that Filipinos will be representing the country, the passion, dedication, and a deep sense of nationalism will be assured in that it is their own country they are representing. Moreover, hiring local lawyers would be a lot cheaper.

The government, however, countered this, saying that, in appearing before international tribunals, the country should get the best that it can afford. Paul Reichler of Foley Hoag LLC has an impressive resume when it comes into international litigations. He was even dubbed as “Mr. World Court” and “giant-slayer” in international legal circles (Tordesillas, 2016).

THE ACCOMPLISHMENTS, CHALLENGES, AND DIFFICULTIES

Key Result Areas

The National Economic Development Authority (NEDA) released in 2014 a revalidated and final results matrices for the PDP 2011-2016. The results matrices contain the operationalization of the policy pronouncements in the PDP 2011-2016. Moreover, the said results matrices provided for the different measurable indicators and success factors for the different components of the PDP. For the justice, peace, and security sectors, the different success indicators and targets are embodied in whole Chapter 8: Peace and Security, and some portions in Chapter 7: Good Governance and the Rule of Law.

In winning the peace, particularly through the peace negotiations, the results matrices targeted that, by the end of the PNoy administration, political settlements for both the CPP-NPA-NDFP negotiations and the Moro Islamic Liberation Front (MILF) should have been settled and/or are being implemented.

MILF Negotiations

For the negotiations with the MILF, the end-state targeted by the revalidated results matrix is that, by 2016, the GPH-MILF Comprehensive Peace Agreement is already signed and implemented. Looking at the annual plan targets, the baseline in 2010 is the signing of Declaration of Continuity for Peace Negotiation between the GPH and MILF is signed. for 2013, the target is the completion of the GPH-MILF Comprehensive Peace Agreement, with the signing of the four Annexes to the Framework Agreement on the Bangsamoro. For 2014 and 2015, it was targeted that the Bangsamoro Basic Law is already passed and that the Bangsamoro Transition Authority is already established.

There was a lot of ground covered as far as the peace negotiations with the MILF was concerned. On 4 August 2011, President Aquino met with the Chairperson of the MILF in Japan. This was an unprecedented move since it was the President himself who sat and discussed with the other party. The MILF called the meeting with the president a “great leap forward.”

Indeed, the gesture of President Aquino provided the necessary vigor in the peace process. In April 2012, the GPH and MILF were able to ink an agreement on the Decision Points on Principles. The said agreement spells out the guiding principles that will be adhered to in the succeeding sets of negotiations and discussions. After six months, the (FAB) was signed by GPH Chairperson Marvic Leonen and his MILF counterpart Mohagher Iqbal. On 17 December 2012, President Aquino signed EO 120 calling for the creation of the Bangsamoro Transition Commission, which is tasked to draft the Bangsamoro Basic Law.

For the whole of 2013 and the beginning of 2014, the GPH and MILF negotiated and signed various instruments pertaining to the Framework Agreement on the Bangsamoro. From February 2013 to January 2014, the different Annexes to the FAB were signed.

On 27 March 2014, the Comprehensive Agreement on the Bangsamoro was signed by the GPH and the MILF. On 10 September 2014, the President also turned over to the Senate and to the House of Representatives the draft copy of the Bangsamoro Basic Law (BBL).

On part of the MILF, the Bangsamoro Development Agency (BDA), the development arm of the MILF, created under the 2001 Tripoli Agreement, submitted to the MILF leadership the Bangsamoro Development Plan (BDP). The plan serves as the blueprint for the implementation of the BBL. The BDP, according to the BDA, is “anchored in and guided by the FAB and its Annexes” (Bangsamoro Development Agency, 2015, para. 1). It was reported that, to fund the BDP at-least Php110 billion is needed to cover the expenditures on infrastructure, education, and agricultural development in the conflict-affected areas in the Bangsamoro (ABS-CBN News, 2014).

The BBL, however, was not passed under the Aquino administration, despite it being tagged as priority Legislation by the President. The Mamasapano incident wherein members of Special Action Force of the PNP were slaughtered in Mamasapano, Maguindanao by alleged combined members of terrorist groups and MILF fighters undermined the passage of the BBL.

Moreover, the original BBL submitted to both houses, House Bill Number 4994 and Senate Bill 2408, were changed by the respective committees handling the BBL. The House of Representatives created the Ad Hoc Committee on the Bangsamoro Basic Law to fast track the drafting of the law. The AHCBBL substituted the old version with House Bill No. 5811, and submitted the same to the leaderships of both houses of Congress with an attachment containing a preliminary list of substantial issues and their proposed amendments. This did not sit well with the BTC, which drafted the original version. They argued that the said changes in the substituted Bill veers away from the intent of the original version.

Despite the urgent status of the BBL, The Senate said it will study the same at its own pace. Senator Ferdinand Marcos, Jr. said that the BBL is complicated hence, it needs a thorough study by the Senators before they can come up with a decision on the matter.

Sajahatra Bangsamoro

To complement the peace negotiations track with the MILF and the whole of Mindanao, the Sajahatra Bangsamoro (Blessings, Prosperity, and Peace upon the Bangsamoro) was launched jointly by PNoy and MILF Chair Al Haj Murad Ebrahim. The Sajahatra Bangsamoro is a development program that seeks to uplift the health, education, and livelihood conditions of the Bangsamoro communities. It is expected to jumpstart the initial dividends of peace.

The Sajahatra Bangsamoro is targeted at Bangsamoro communities and individual beneficiaries. As a guiding framework, the initiatives under the program are focused on quick gestation, high-impact, social-protection type programs. It was reported that initially, the Sajahatra Bangsamoro program was earmarked a budget allocation of Php600 million (Bacongco, 2013). Subsequent funding from the concerned government agencies, however, are to be included in the succeeding General Appropriations Act. The agencies who are taking part in the program, according to Administrative Order Number 37, series of 2013, were given authority to charge against their current appropriations the necessary funds to implement the program.

As of 30 December 2015, the status of these projects are as follows:

- On education, 639 beneficiaries were enrolled under the College Study Grants Program for AY 2014-2015, while 1,000 were provided technical and vocational training. Fifty Madaris received grants and ten day care centers were constructed; and 1,025 have completed livelihood skills training programs under the Technical

Education and Skills Development Authority (TESDA).

- On health, 11,000 beneficiaries were enrolled and covered under PhilHealth in 2015, and 1,406 children have already completed their 120-day feeding program, while 6,187 children in the 27 Madaris are undergoing the feeding program. Three BHSs were also completed. Moreover, five units of ambulances have already been approved and provided.
- On livelihood, 11,000 individuals benefited from cash-for-work programs. Six communities were provided development assistance, such as farm inputs that include equipment and working animals. Small-scale infrastructure projects, such as FMRs, are in various stages of construction. (Office of the President, 2015)

CPP-NPA-NDFP Negotiations

A political settlement with the CPP-NPA-NDFP (CNN) is also one of the desired end states as stipulated in the Revalidated Results Matrix. Since 2004, the peace negotiations, however, were on impasse due to the multitude of issues belaboring the GPH-CNN peace negotiations.

The reconstitution of the new GPH Panel, led by Atty. Alexander H. Padilla, a known human rights defender and advocate, as well as the other negotiating panel members who were all from the grassroots movement, were seen as one of the positive developments in the GPH-CNN process. Immediately after the reconstitution of the Panel, the two Chairpersons of the Negotiating Panel, Atty. Padilla and Luis Jalandoni, met in Hong Kong in December 2010. One of the gains of the meetings is the separate 19-day ceasefire declarations of both parties that lasted from 16 December 2010 to 3 January 2011. Moreover, it also paved the way for preliminary talks in Oslo, Norway in January 2011.

The big break came in February 2011 with the resumption of formal talks after the seven-year impasse. With the resumption of the peace negotiations, both parties separately declared ceasefires, thus, effectively lowering the level of hostilities in the ground. This also set an accelerated time frame for the peace negotiations, with a minimum of 18 months to a maximum of three years if possible. The different working committees also agreed on setting their respective schedules of meetings.

However, as was the case in previous negotiations, the NDFP once again demanded the release of its political prisoners, who they claimed are covered by the Joint Agreement on Safety and Immunity Guarantees (JASIG). They issued the precondition that for the talks to resume, most if not all of the 13 political prisoners have to be released and join in the negotiations. However, the mechanism for verification as contained in the JASIG has failed.

“According to the JASIG rules, the real identities of those using aliases could be verified by opening a safety deposit box in a bank in Utrecht, The Netherlands, where a sealed envelope with photographs of these persons was deposited... last year, the GPH and NDF Panels agreed to activate this JASIG verification mechanism, in accordance with the terms of the 21 February 2011 Oslo Joint Statement. The GPH was concerned about the possibility of spurious NDF claims of JASIG coverage.... during the verification procedure, which was participated in by representatives of the NDF and GPH Panels and witnessed by the RNG Third Party Facilitator and the Archbishop of Utrecht. It was discovered that the NDF had violated the JASIG rules by placing floppy discs with encrypted photographs in the safety deposit box, instead of hard copies of the alias holders' pictures. Worse, the floppy discs could not be opened, allegedly because these had been corrupted over time. The undeniable outcome was failure because the NDF could not produce any of the needed photographs for the verification procedure.” (Office of the Presidential Adviser on the Peace Process, 2012, para. 5, 7, 8)

While the peace negotiations were on an impasse during the remaining term of PNoy, atrocities committed by the NPA remains high. In September 2011, suspected members of the NPA burned 12 buses owned by Victory Liner (Martinez-Clemente & Orejas, 2011). A month later, in October, NPA rebels attacked three mining firms in Surigao del Norte. They burned ten dump trucks, eight backhoes, two barges, and a guest house. The NPA attack was due to the company's refusal to heed the NPA's extortion activities (*GMA News Online*, 2011).

In 22 March 2014, the AFP confirmed the arrest of Benito and Wilma Tiamzon. Benito Tiamzon is the Chairman of the Communist Party of the Philippines and its armed wing, the NPA. Wilma Tiamzon, on the other hand, is the Secretary-General of the CPP-NPA. The arrest was hailed as one of the highlights of 2014, as it happened a week before

the 45th founding anniversary of the CPP-NPA (Dizon, 2014a). With the arrest of the Tiamzons and other high-profile officials of the CPP-NPA, renewed interest in the peace talks were aired by the CNN.

In 2015, the team of former Agrarian Reform Secretary Hernani Braganza submitted to the security cluster a report on their exploratory talks with the NDFP. It said that the NDFP proposes for a six-month time bound peace negotiations. The report was confirmed by AFP Chief of Staff Gen. Gregorio Catapang. Prof. Jose Ma. Sison, NDFP Consultant, further confirmed the reports. He added, however, that exploratory talks have been going on with Hernani Braganza since 2014 (Fonbuena, 2015). Since then, however, the peace negotiations have remained stalled and nothing came out of the exploratory talks due to the insistence of the CNN that the government has to release its arrested NPA members who they claim are JASIG-covered and protected.

Payapa at Masaganang Pamayanan (PAMANA)

As stated in the previous discussions, the Payapa at Masaganang Pamayanan Program (PAMANA) is meant to complement Track 1, the peace negotiations. PAMANA as a complementary track seeks to address the root causes of the armed conflict through targeted strategic and systemic interventions. PAMANA is a convergence program in that its implementation is not meant solely in achieving peace and security but also improving socio-economic conditions in areas that are conflict-affected or vulnerable.

The levels of intervention under the PAMANA are classified according to their corresponding pillars. Pillar 1 are policy interventions at the highest levels. These policy frameworks aim to address the major governance issues that have impact on the state of unpeace in the country as a whole. These policy reforms are aimed at establishing the foundations of peace.

Pillar 2, on the other hand, is composed of micro-level interventions that are targeted for households and communities. Interventions in this pillar include the delivery of basic services to the communities through conditional cash transfers, community driven development programs, and other interventions that have direct impact on households and communities.

Pillar 3 consists of meso-level interventions that address development challenges at the local level. It is aptly tagged as connecting to other communities in that the interventions are no longer limited to individual communities, but are linked or interconnected to the development needs of other communities at the regional and sub-regional levels.

For the actual accomplishments, the major source document is the 2015 Accomplishment Report submitted by the Office of the Presidential Adviser on the Peace Process. The report covers only the progress and accomplishments until end of December 2015, with a discussion on the appropriated amounts as contained in the General Appropriations Act of 2016 (RA 10717).

Pillar 1 Accomplishments

For Pillar 1, the interventions are implemented by the partner agencies of OPAPP, the Commission on Higher Education, Philippine Health Insurance Corporation, Department of the Interior and Local Government, and the National Commission on Indigenous Peoples. The interventions are social protection programs through scholarships, health insurance; capacity building to local communities; and assistance to indigenous peoples.

For the CHED Scholarship program under PAMANA, there were a total of 1,500 targeted beneficiaries. There are, however, only 1,260 actual beneficiaries or slots funded. This translates to 84% of the total target beneficiaries.

Table V.8. Number of PAMANA Scholarship Beneficiaries, 2013-2016

Academic Year	Original Allocation		Continuing Allocation		Total	
	Target Beneficiaries	Actual Beneficiaries/ Slots Funded	Target Beneficiaries	Actual Beneficiaries/ Slots Funded	Target Beneficiaries	Actual Beneficiaries/ Slots Funded
-						
2013-2014	200	186			200	186
2014-2015	200	200	200	200	400	400
2015-2016	500	415	400	259	900	674
TOTAL	900	801 (89.0%)	600	45976.5%	1,500	1,260 (84.0%)

Broken down according to the peace tables and academic years, a total of 814 scholarships were endorsed by OPAPP from academic year 2013 to 2015. The biggest number of beneficiaries came from the membership of the Moro National Liberation Front.

Table V.9. Number of PAMANA scholarship beneficiaries (per organization), 2013-2016

Academic Year	Peace Tables				
	CPLA	RPA	CNN	MNLF	
2013-2014	186	186			
2014-2015	43		7	150	200
2015-2016	27	146	5	250	428

For the health insurance component, or the PAMANA Health Insurance program, from 2013 to 2015, the targeted number of beneficiaries have dramatically increased. From only a target of 6,500 beneficiaries for 2013 and 2014, there was more than 300% increase in the target. However, as of November 2015, there are only 10,827 actual enrollees in the insurance program. When compared with the targeted number of beneficiaries, this is only 54% of the total. However, when comparing the actual enrollees from those endorsed by OPAPP to be the beneficiaries, this translates to 80.58%.

Table V.10. Number of PAMANA health insurance beneficiaries, 2013-2016

Year	Affiliation	Target	Endorsed	Percentage	Actual Enrolled	Percentage
2013	MNLF	3,000	185	6%	169	6%
	CNN	1,554	286	18%	145	9%
	CPLA	1,219	51	4%	43	4%
	RPA	727	279	38%	197	27%
	Total	6,500	801	12%	554	9%
2014	MNLF	3,000	3,000	100%	1,372	46%
	CNN	1,554	401	26%	287	18%
	CPLA	1,219	1,169	96%	611	50%
	RPA	727	412	57%	345	47%
	Total	6,500	4,982	77%	2,615	40%
2015	RPA (CPD)	10,000	7,066	71%	6,220	62%
	RPA (TPG)	727	422	58%	388	53%
	MNLF	7,000	3,777	54%	3,219	46%
	CPLA	1,374	1,239	90%	891	65%
	CNN	800	933	117%	497	62%
	Total	19,901	13,437	68%	10,827	54%

For the capacity building components, the Department of the Interior and Local Government was tapped to lead the implementation of various training programs as well as in the crafting of training modules particularly on human rights and peace and order. These capacity building programs are meant to empower the communities and increase their awareness and understanding not only of peace and order but more so of human rights.

Pillar 2 Accomplishments

Pillar 2 initiatives seek to establish more resilient communities. Community-driven development is used as a tool and as a framework under Pillar 2. Programs under Pillar 2 are implemented by OPAPP partners like the Department of Social Welfare and Development, Department of Agriculture, etc.

DSWD-Implemented Projects

Under the Kapit Bisig Laban sa Kahirapan-Community Integrated Delivery of Social Services (Kalahi-CIDSS), communities are trained to identify, conceptualize, design, and implement projects that they consider are the most necessary and addresses their most pressing needs. Under the said framework, since it is the community that identifies and implements their respective projects, it will have better impact.

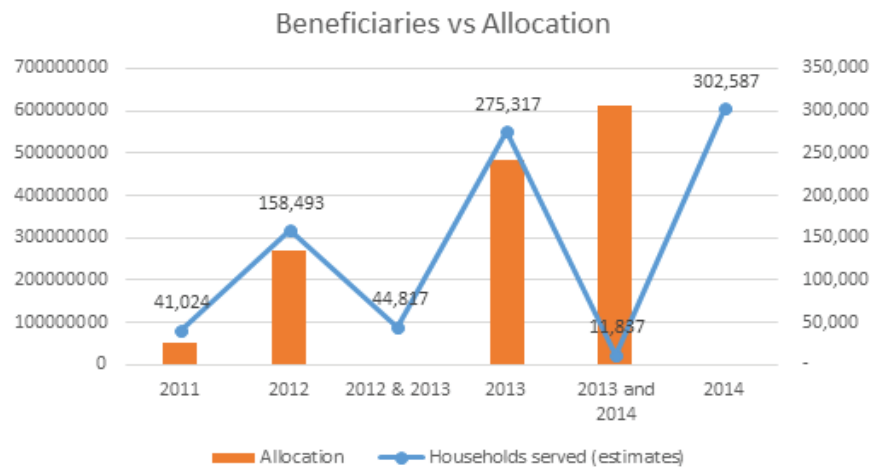
Based on the Accomplishment Report as of December 2015, submitted by OPAPP in June 2016, a total of 4,501 sub-projects were identified and funded under the DSWD-implemented PAMANA programs. Of the total, 76.7% were already completed. The remaining programs are still in various stages of implementation and/or preparation. To wit, there are 621 projects that are on-going, while 321 are still in the preparatory stages.

Table V.11. Number of PAMANA & KALAHY CIDDS projects

Year	Total Number of Sub-Projects	Status of Physical Accomplishment			
		Completed	Ongoing	Procurement Stage	Preparatory
2011	158	158			
2012	582	580	2		
Year	Total Number of Sub-Projects	Completed	Ongoing	Procurement Stage	Preparatory
2012 & 2013	116	116			
2013	1,125	1,108	17		
2013 & 2014	83	64	19		
2014	1,200	1,056	122		22
2015	787	27	461		299
Total	4,051	3,109	621		321

As reported by the DSWD, for the various years of the implementation of the KALAHY-CIDSS component of the PAMANA, an estimated 834,075 households benefited in the implementation of the DSWD KALAHY-CIDSS program from 2011 to 2014 alone. The reach of the PAMANA program has been extensive, targeting the most vulnerable populations and communities.

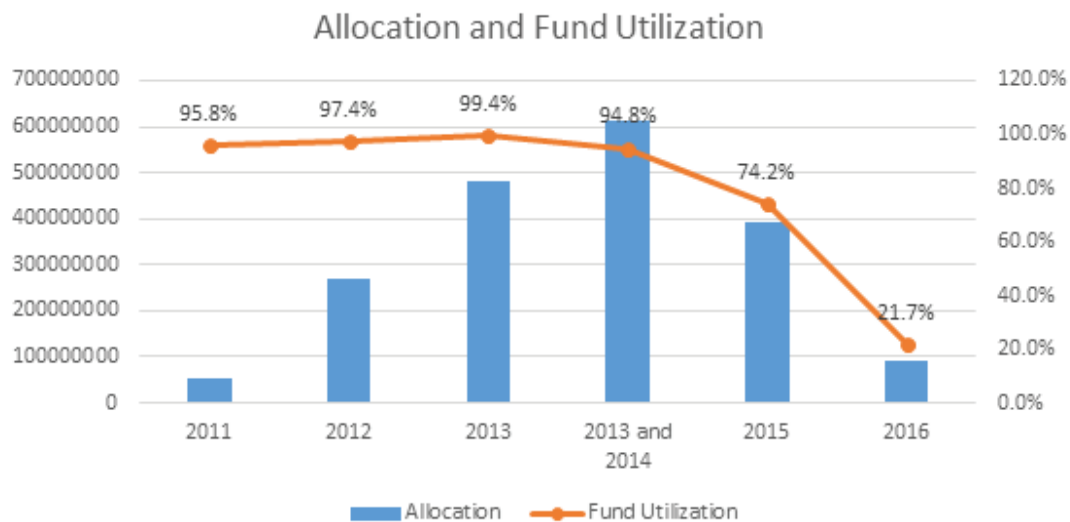
Figure V.2. Beneficiary vs Allocation, 2011-2014



Allocation and Fund Utilization

PAMANA, being one of government's big-ticket items, was granted high appropriations. Under the program alone, almost two billion pesos have been allocated for the various years.

Figure V.3. PAMANA Fund Allocation vs. Utilization, 2011-2016



Source: Department of Social Welfare and Development (2016)

The budget allocated for the DSWD-implemented KALAH-CIDSS program increased from 2011 to 2013, and peaked with the pooled funds of 2013 and 2014 respectively. It is also important to note that, for the 2013 and 2014 pooling of funds, there were only a total of 83 subprojects identified with 64 completed and 19 still ongoing. While based on the data available, for 2014, has the most number of subprojects. There were 1,200 subprojects identified, with 1,100 tagged as completed. However, the budget allocations and fund utilizations for the specific year's implementation were not available, however.

Table V.12. KALAH-CIDSS budget allocation and utilization, 2011-2016

Year	Component	Allocation	Utilization	Balance	% of Utilization
2011	Grants	47,400,000.00	45,329,107.76	2,070,892.24	95.6%
	Capacity building and implementation support (CBIS)	3,630,859.00	3,573,492.96	57,366.04	98.4%
	Monitoring and Evaluation (M & E)	390,000.00	382,357.17	7,642.83	98.0%
	Total	51,420,859.00	49,284,957.89	2,135,901.11	95.8%
2012	Grants	209,700,000.00	205,917,456.84	3,782,543.16	98.2%
	CBIS	57,100,000.00	53,954,885.93	3,145,114.97	94.5%
	Capital Outlay	2,000,000.00	1,992,543.00	7,457.00	99.6%
	Total	268,800,000.00	261,864,885.77	6,935,115.13	97.4%
2013	Grants	413,700,000.00	413,700,000.00	-	100.0%
	CBIS	67,943,000.00	65,220,457.55	2,722,542.45	96.0%
	Capital Outlay	1,608,000.00	1,544,098.30	63,901.70	96.0%
	Total	483,251,000.00	480,464,555.85	2,786,444.15	99.4%
2013 & 2014 Pooling of Funds	Grants	414,000,000.00	412,848,089.00	1,151,911.00	99.7%
	CBIS	200,085,426.33	169,205,628.60	30,879,797.73	84.6%
	Total	614,085,426.33	582,053,717.60	32,031,708.73	94.8%
2015	Grants	236,100,000.00	223,170,000.00	12,930,000.00	94.5%
	CBIS	156,931,000.00	68,307,879.78	88,623,120.22	43.5%
	Total	393,031,000.00	291,477,879.78	101,553,120.22	74.2%

2016	Grants	41,291,000.00	-	41,291,000.00	0.0%
	CBIS	49,200,000.00	19,592,495.74	29,607,504.26	39.8%
	Total	90,491,000.00	19,592,495.74	70,898,504.26	21.7%
Total		1,901,079,285.33			
	1,684,738,492.63	216,340,793.60	88.6%		

Source: DSWD (2016)

There is also another account being handled by DSWD that is funded under the PAMANA, the DSWD-Sustainable Livelihood Program (DSWD-SLP). The projects under the DSWD-SLP were implemented in Regions 8, 9, 10, 12, and CARAGA. There were a total of 1,662 sub-projects identified, with 1,259 tagged as completed while the rest are ongoing or in various stages of implementation.

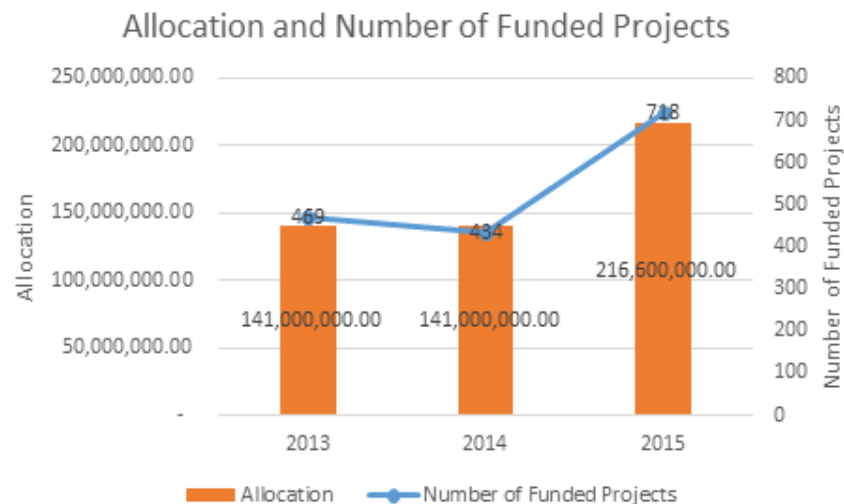
Table V.13. Number of DSWD-SLP projects, 2013-2015

Year	Total Number of Subprojects	Status of Physical Accomplishment			
		Completed	Ongoing	Procurement Stage	Preparatory
2013	470	469		1	
2014	470	434	16	20	
2015	722	356	81	277	8
TOTAL	1,662	1,259	97	298	8

Source: DSWD (2016)

There were sub-projects, however, that were not funded, which explains the discrepancy in the figures. For the duration of its implementation, the total funded sub-projects were 469, 434, and 718, respectively, or 41 projects short of the total number of sub-projects. For the SLP, Php498,600,000.00 was allocated from 2013-2015.

Figure V.4. Number of DSWD-SLP projects vs. Allocation, 2013-2015



Source: DSWD (2016)

Pillar 3 projects are the regional and sub-regional development projects that are aimed at implementing development interventions that seek to address root causes of conflict and providing the necessary infrastructure for the community to break the poverty cycle. The projects are meant to link the communities to markets and other communities within certain geographical areas. Projects under the Pillar 3 component are the construction of farm-to-market roads, electrification of communities, and construction of irrigation systems among others. These projects are implemented by other government agencies often partnering with the local government units.

Table V.14. Number and Status of Pillar 3 Projects, 2011-2015

Year	Total Number of Sub-Projects	Status of Physical Accomplishment						
		Completed	Ongoing	Procurement Stage	Preparatory	Not Yet Started	For Termination/ Terminated	Others
2011	131	125	4			1	1	
2012	340	301	13	1	13		11	1
2013	715	558	81	6	5	23	10	32
2014	499	104	229	20	118	11	3	14
2015	374	39	80	40	170	29	7	9

Source: DSWD (2016)

As can be seen in the table, the most number of sub-projects were in 2013 with a total of 715 subprojects targeted for implementation. However, Pillar 3 only has 78% completion rate. It also recorded a high number of subprojects categorized under “terminated” or “for termination,” as well as those that are uncategorized, thus, lumped as “others”.

Looking at the implementation by agency, OPAPP, as the lead agency of the PAMANA program has recorded the highest completion rating at 95% followed by ARMM at 84%. For the whole Pillar 3, 55% completion rate was recorded with most of the projects on-going or at the preparatory stages of implementation.

Table V.15. Number and Status of Pillar 3 Projects (per agency), 2011-2015

Agency	Total Number of Sub-Projects	Status of Physical Accomplishment						
		Completed	Ongoing	Procurement Stage	Preparatory	Not Yet Started	For Termination/ Terminated	Others
OPAPP	131	125	4			1	1	
DA	562	104	244		169		7	38
DA-BFAR	46	6	7	2	22		8	1
DA-NIA/ NIA	25	7	4		11			3
DENR	15	12	1			2		
DILG	677	421	88	57	97		14	
DOE	13	7			6			
DPWH	8	4	3	1				
NEA	147	74	6	7		60		
ARMM	435	367	50		1	1	2	14
Total	2,059	1,127	407	67	306	64	32	56

Source: DSWD (2016)

The AFP has also handled around half a billion pesos worth of projects for PAMANA in conflict-affected areas. Majority of the projects implemented were reconstruction and rehabilitation of major infrastructures. The project locations were in the ARMM and in the Mindanao region. These projects are:

1. Concreting of 17km farm-to-market road in Makir-Sibuto-Kinibika Road, Datu Odin Sinsuat, Maguindanao (Php160 million)
2. Road concreting of 13km national road from Gannasi-Lamud- Biarong Road, Upi, Maguindanao (Php135 million)
3. Rehabilitation of 1.9km all-weather road project at Brgy. Barruz, Gandara to Poblacion, Maguindanao, Samar (Php4.5 million)
4. Road rehabilitation of Brgy. Iglugsad to Sitio Km. 8 Rd Brgy. Kibungkog, San Fernando, Bukidnon Province (Php5 million)
5. Construction of Bangsamoro Women's Training and Enterprises Development Center, Brgy. Poblacion 8, Kakar, Cotabato City (Php5 million)
6. Construction of 38 units of day care centers in Basilan Province and 108 units day care centers in Maguindanao

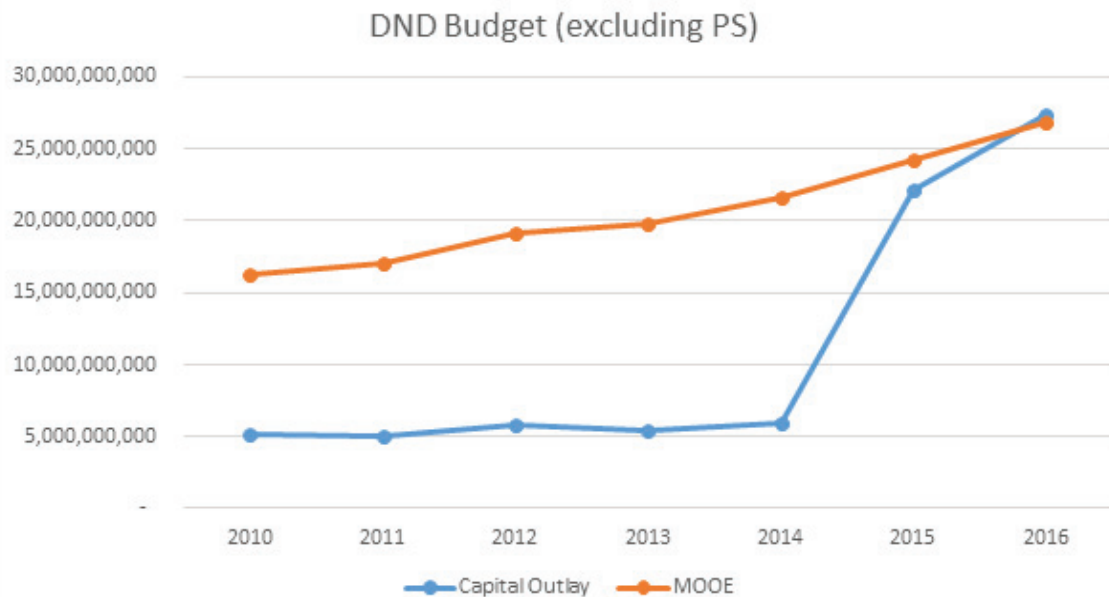
(Php90.082 million)

7. Construction of 70 day care centers in ARMM areas (Php43.19 million)
8. Construction of 100 modified shelter units in ARMM areas (Php10 million)

Defending the Nation

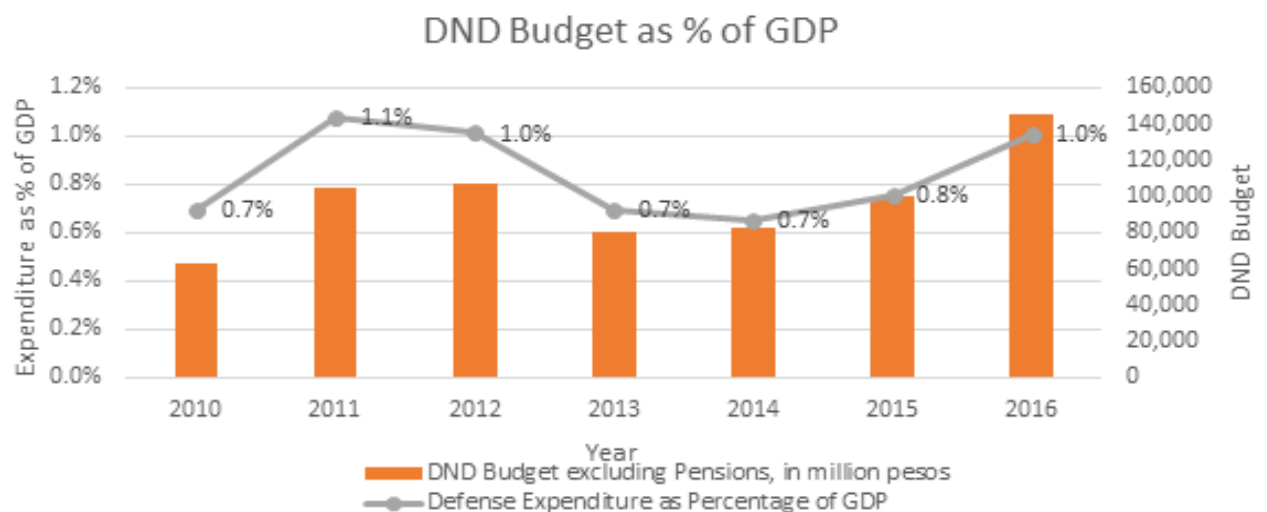
The Department of National Defense, particularly the AFP, has enjoyed an increase in their budgets in the recent years. A substantial increase in its budget as a result of the renewed AFP Modernization program will be seen as it begins its implementation. The tables below provide a graphical representation of the increase in the Department's budget. Only in 2015 and 2016 did the capital outlay almost mirror the amount allocated for the maintaining and other operational expenses of the Department. It must be noted that capital outlays include the funds for acquisition of new equipment.

Figure V.5. DND Budget (excluding PS), 2010-2016



It can be observed that there is a substantial increase in the budget of the DND from 2013 to 2016. While defense expenditures, as percentage of GDP in the Philippines, is still low compared to its Asian neighbors, the recent acquisitions as will be discussed in the succeeding sections will show that a substantial increase in the budget meant a very high increase in equipment acquisition.

Figure V.6. DND budget % of GDP



AFP Modernization Law

One of the hallmark accomplishments of the PNoy administration is the passage of RA 10349 or the Revised AFP Modernization Act. The passage of the new law called for the extension of AFP modernization to another 15 years with an initial budget of Php75 billion for the first five years. The said law, moreover, aims to provide the necessary upgrade in terms of defense capabilities of the AFP through acquisition of equipment for the different services under the AFP and upgrading of the manpower of the AFP.

With the passage of RA 10349 in December 2012, the AFP was able to purchase several high-value equipment. Moreover, the DND also saw a faster release in their modernization funds.

In the DND Accomplishment Report of Secretary Voltaire Gazmin, it was shown that from 1 July 2010 to 30 April 2016, the AFP was able to secure the release of around Php60 billion for their modernization program. Under RA 10349, from its passage in December 2012 up to the end of PNoy's term, there was already Php28.5 billion released to the DND.

Table V.16. DND Modernization Program Budget

Fund Source	Amount in Pesos		Total Amount (in Pesos)
	R.A. 7898	R.A. 10349	
GAA	18,677,246,818.86	28,500,756,844.00	47,178,003,662.86
BCDA	6,009,635,608.00		6,009,635,608.00
Interest Income	355,007,681.00		355,007,681.00
DOE-Funded Projects	6,593,355,935.00		6,593,355,935.00
Total	31,635,246,042.86	28,500,756,844.00	60,136,002,886.86

In the same duration of six years, the AFP was able to implement a total of 68 modernization projects with a total budget of Php32.6 billion. There were 65 modernization projects under RA 7898, and three projects under the renewed modernization program. In terms of breakdown per service, the Philippine Army and the Navy received the most number of modernization projects.

Table V.17. Number of Projects DND Modernization Program (per unit)

Program	Number of Projects		Total Amount
	RA 7898	RA 10349	
Philippine Army	24	2	7,827,887,696.24
Philippine Air Force	8	1	17,864,717,197.71
Philippine Navy	20	-	2,873,874,225.78
GHQ/AFPWSSUs		-	776,126,663.83
Government Arsenal	3	-	150,890,914.00
Sub-Total	63	3	29,493,496,697.56
DOE-Funded (Philippine Navy)	2		3,121,180,076.41
Total	65	3	32,614,676,773.97

Based on the database of the Stockholm International Peace Research Institute, from 2010 to 2016, the Philippines used a total of US\$ 678 million in purchases for various military hardware and equipment. In 2016 alone, the total purchases reached US\$ 230 million, the biggest of which were in the acquisition of ships. Also, looking at the 2015 figures, the biggest purchases were aircraft with a total of US\$ 114 million.

Table V.18. Purchase of military hardware and equipment, 2010-2016

	2010	2011	2012	2013	2014	2015	2016	Total
Aircraft	1	9	10	23	12	114	67	335
Armored vehicles	2			1		16		24
Engines						10	6	17

	2010	2011	2012	2013	2014	2015	2016	Total
Missiles		0						0
Other						2		2
Sensors			6			4	4	14
Ships		54		54		6	153	285
Total	3	63	16	78	12	153	230	678

* Those with zero value are purchases of less than .05 million US\$

The above figures greatly pale in comparison with the Aquino administration's predecessor. From 2001 to 2009, total acquisitions are only US\$ 122 million. There is a 500% increase in the total acquisitions when comparing PGMA and PNoy's expenditures.

Table V.19. Purchase of military hardware and equipment, 2001-2009

	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Aircraft	10	5	10	25	12	9	16	10	1	98
Armored vehicles				0		5				5
Artillery										0
Engines				0			0		0	0
Missiles										0
Naval weapons										0
Other										0
Sensors										0
Ships				9		10				19
Total	10	5	10	34	12	24	16	10	1	122

In terms of sources of the acquisitions, the United States remains to be the major provider of military equipment. From 2010 to 2016, the US supplied the country a total of US\$ 261 million. The next major source of equipment is Indonesia. They had a share of US\$ 86 million. The US\$ 69 million share of South Korea may be attributed to their sales of the FA-50s in late 2015.

Table V.20. Sources of Military Equipment and Hardware, per country, 2010-2016

	2010	2011	2012	2013	2014	2015	2016	Total
Australia						6	10	16
Belgium						4		4
Canada						6		6
France								0
Germany (FRG)				4				4
Indonesia							86	86
Israel						6	4	10
Italy	1	3		8		28		40
Japan								0
Jordan								0
Netherlands						0		0
Poland			10	10				20
Portugal								0
Singapore								0
South Korea						33	36	69
Spain						24	12	36
Taiwan (ROC)								0
Thailand								0

	2010	2011	2012	2013	2014	2015	2016	Total
Turkey	2							2
United Kingdom								0
United States		60	6	55	12	46	82	261

The actual acquisitions and their corresponding costs were enumerated in the DND accomplishment report of Sec. Gazmin. They are as follows:

Table V.21. Actual Acquisition and Costs of Military Equipment and Hardware

	Unit	Equipment	Amount	Source
Joint Air Capability	2	KAI FA-50	Php18.9 billion	Korea Aerospace Industries, Ltd.,
	3	Medium Lift Aircraft (C-295)	Php5.288 billion	CASA
	8	Attack Helicopters (AW -109P)	Php3.44 billion	Agusta Westland S.p.A of Italy
	5	Naval Helicopters (AW109E)	3 units funded by DOE, 2 funded by AFPMATF	Agusta Westland S.p.A of Italy
	8	Helicopters (PZL W-3 Sokół)	Php2.8 billion	Augusta PZL Swidnik of Poland
	8	Bell 412 EP combat utility helicopters	Php4.8 billion	Canada
	1 of 2	C-130T aircraft	Php2.5 Billion	U.S. Foreign Military Sales
Joint Maritime Capability		BRP Gregorio del Pilar (PF-15)		
		BRP Ramon Alcaraz (PF-16)		
	3	Multi-Purpose Attack Craft (MPAC)	Php268.99 million	
	2	Coast Watch Station	Php23.60 million	
	3	Landing Craft Heavy	Php269.33 million	Australian Government
	1 of 2	Strategic Sealift Vessels (SSVs)	Php3.86 billion	PT PAL of Indonesia
Joint Land Capability	114	M113A2 Armored Personnel Carriers (APCs)	Php67.50 million	U.S. Foreign Military Sales
	120	Field Ambulances	Php612.78 million	Republic of Korea through KIA Motors Corporation
		Mobility Trucks	Php2.11 billion	Republic of Korea through KIA Motors Corporation
	63,286	Assault Rifles (M4)	Php2.43 billion	Remington of the U.S.
		Tactical Radios	Php1.6 billion	Harris Corporation through US Foreign Military Sales
				through US Foreign Military Sales

In addition to the acquisition from foreign suppliers, the AFP also implemented programs for a self-reliant AFP. The revitalization of the Self-Reliant Defense Program (SRDP) was able to finish 29 projects with a total portfolio amount of Php23.6 billion pesos. Broken down per service of the AFP, the biggest share was taken by the Philippine Air Force.

Table V.22. Total Costs of SRDP Projects (per unit)

Implementing Unit	Amount	Completed SRDP Projects
Philippine Air Force	8,940,000.00	4
Philippine Army	12,019,502.00	23
Philippine Navy	2,640,000.00	2
Total	23,599,502.00	29

Internal Stability and Security

The Armed Forces of the Philippines has been assisting in maintaining the internal peace and security situation in the country. While they are supposed to protect only the country from external threats, the AFP is also mandated to ensure the country's territorial integrity.

In the report of Secretary Gazmin, he said that, since his assumption in 2010, there were a total of 22,081 major combat operations (MCOs) conducted against the New People's Army, Abu Sayyaf Group, rogue elements of the MNLF, and Bangsamoro Islamic Freedom Fighters, resulting in the neutralization of 4,628 insurgents.

Majority of the MCOs conducted were against the rogue elements of the MNLF. However, the most number of neutralized insurgents are from the ranks of the NPA. The Abu Sayyaf Group, on the other hand, were reported to be dwindling in numbers, as 424 ASG personalities were already neutralized from 2010 to 2016.

Table V.23. Number of major comb at operations (per insurgency group)

Insurgency Group	MCOs Against	Number of Neutralized Members
NPA	7,690	3,357 (2,141 were surrenderees)
MNLF	765	578
ASG	13,496	424
BIFF	130	269

In keeping with their mandate of protecting the community against criminality, the Philippine National Police has instituted reform efforts and improvement in their police operations. Notable is the improvement in the crime reporting system, which started upon the assumption of General Alan L.M. Purisima in 2012. He instituted a standard in the recording and counting of crime incidents. This was the result of validation exercises conducted by the PNP leadership. With this uniform reporting system, it was hoped that a true crime picture can be presented. The year 2013 thus was tagged as the baseline year with the institution of a uniform counting system.

As a result of the new counting mechanism, for 2013 alone, there were 1,033,833 crime incidents recorded. This figure includes those blotters from the PNP, barangay blotters, and other recorded crimes by other law enforcement agencies.

Looking at the annual crime volume data from PNP records, there was a big increase in the crime volume from 2012 to 2013. This can be attributed to the change in the reporting system of PNP. Moreover, the increase in crime volume from 2013 to 2014 is alarming, as it records a 10% increase in crime volume. Crime volume however decreases from then on to 584,733, a lot lower than the recorded crime volume in 2013 when the PNP changed its reporting system.

Table V.24. Crime Volume and Rate, 2011-2016

Year	Crime Volume	Crime Rate	Index Crimes	Non-index Crimes
2011	241,988	251	159.8	91.3
2012	217,812	227	134.8	92.4
2013	631,406	644	285.2	358.7
2014	714,632	714	260.6	455.8
2015	675,813	665	197.9	467.5
2016	584,733	576	137.3	438.4

Administration of Justice

Trafficking in Persons

The Inter-Agency Council against Trafficking (IACAT) under the Department of Justice has implemented more stringent measures in their drive to eliminate or at least minimize instances of human trafficking. While IACAT is inter-agency in nature, it was granted in 2010 an additional Php5 million pesos to help in its fight against trafficking. Moreover, the formation of quick response teams composed of DOJ prosecutors, policemen and NBI officials, social welfare officers and members of the NGOs ensured that there is ready assistance that can be provided to whoever needs it the soonest. In terms of accomplishment, in 2010 alone, there were already 19 convictions involving 18 perpetrators, compared to the period from 2003 that there were only 39 convictions involving 41 traffickers. The IACAT was only able to record 39 convictions in a span of eight (8) years (Department of Justice, 2010).

Table V.25. Number of Convictions in Human Trafficking Cases, 2011-2016

Year	Number of Convictions	Number of Persons Convicted
2011	24	31
2012	27	32
2013	26	35
2014	59	62
2015	54	52
2016 (30 September 2016)	33	36
Total	223	248

Investigation and Clearing of Crimes

In the investigation and clearing of crimes, the National Bureau of Investigation receives an average of 50,000 cases per year. On average, from 2010 to 2015, there are 10,000 criminal cases that they have to investigate in order for it to be prosecuted. The NBI recommends on average around 30% of the criminal cases they receive for prosecution.

Table V.26. Number of cases handled by NBI, 2010-2015

	2010	2011	2012	2013	2014	2015
Criminal Case	11771	11839	10513	8326	11831	10143
Recommended for Prosecution	3956	4047	3305	2695	3026	2658

National Prosecution Service

For the National Prosecution Service of the Department of Justice, it can be observed that there has been a marked improvement in their handling of criminal complaints particularly on those investigated and resolved by the prosecutors. From 2010, there were only around 250,000 criminal complaints investigated and resolved, but in 2015, these have increased to around 318,000.

Table V.27. Criminal Cases and Prosecution Statistics, 2010-2015

Performance Indicators	2010	2011	2012	2013	2014	2015
Number of criminal complaints investigated and resolved by prosecutors	249,417	262,305	271,039	305,016	325,868	318,028
Percentage of prosecutions with favorable judgments	68.2%	65.3%	71.2%	68.3%	73.4%	71.90%
Percentage of criminal complaints for preliminary investigation pending within 120 days	39.9%	46.4%	48.6%	42.8%	45.0%	56.50%
Number of received prisoner/inmate records, applications, petitions, and other communications acted upon relative to parole probation and executive clemency	9, 509	8,185	13,763	13,495	7,694	9,745

Performance Indicators	2010	2011	2012	2013	2014	2015
Percentage of resolutions issued within 30 days after Board decision	100%	100%	100%	99.76%	100%	100%
Number of requests for legal services acted upon	16,185	18,230	16,651	19,883	19,223	15,124
Percentage of requests for legal services acted upon within 15 working days from receipt	NA	NA	94.12%	95.01%	96.70%	94.59%

When comparing the case disposition rates of the National Prosecution Service, upon the assumption of PNoy in June 2010, the case disposition rate is only 74.63%. It has slowly and steadily improved through the years of the PNoy administration. In 2015, case disposition rate is at a high of 80.81%. With the number of prosecutors, on the average, a prosecutor handles 190 cases and is able to resolve 153 cases annually.

Table V.28. Case Disposition Rate

Particular	2011	2012	2013	2014	2015
Caseload	342,537	353,647	389,565	406,150	382,688
Resolved	262,977	271,292	305,016	326,014	309,248
Disposition Rate	76.77%	76.71%	78.30%	80.27%	80.81%

Source: DOJ

Another component of the criminal justice reform programs of the PNoy administration is decongesting the different prisons under the Bureau of Corrections of the DOJ. However, the prisons—both those under the BuCor and the Bureau of Jail Management and Penology—remain congested. As of 2015, prisons are already 158% congested, way beyond the ideal occupancy rate.

Table V.29. Congestion Rate of National Prisons, Bureau of Corrections

Particular	2011	2012	2013	2014	2015
Prison Congestion Rate	105%	110%	139%	153%	158%

Source: Bureau of Corrections

To address the different cases of extrajudicial killings, the PNoy administration sought to define what constitutes EJKs. In defining EJKs, the PNoy administration came up with Administrative Order 35 series of 2012. In the said administrative order, victims of EJKs were defined as those who are members, advocates, or are affiliated with cause-oriented groups, media practitioners, or those that are cases of mistaken identities; the person was killed because of his/her advocacies; the perpetrator/s are either state or non-state agents; and there is a deliberate intent to kill the target.

Using the definition put forth under AO 35, the cases of EJKs under the PNoy administration pale in comparison with the Arroyo administration. While the ideal would be zero case of EJKs, the PNoy administration recorded a total of 143 cases compared to Arroyo's 250 cases. Looking at the breakdown of the cases, while the Arroyo administration recorded in total more violations under AO 35, the PNoy administration recorded more cases of torture and other grave human rights violations.

Table V.30. Number of Extra-Legal Killings and Other Related AO 35 Cases

AO 35 Cases	Arroyo Administration	Aquino Administration	Total
Extra-Legal Killings	168	51	219
Work-Related Media Killings	42	18	60
Torture	15	65	80
Enforced Disappearance	25	2	27
Other Grave Human Rights Violation	0	7	7
Total	250	143	393

Source: Inter-Agency Committee on Extra-Legal Killings and Enforced Disappearances

ASSESSMENTS AND ISSUES

The assessments on the PNoy administration will look into several factors that may provide a clearer picture of how the administration fared. The over-arching question when assessing the PNoy administration is the overall impact of the various efforts and initiatives that were undertaken and implemented. Did the programs and reform initiatives result in improved peace and order situation in the country, as well improved in the justice system and rule of law?

The final assessment provides a comparative overview of different indicators. Moreover, some of the targets enumerated under the revalidated results matrices of the Philippine Development Plan will be scrutinized vis-a-vis the actual reported accomplishments. International indices were also utilized in order to present a year-on-year improvement or decline in the ranking and scores of the country.

Achieving a Just and Lasting Peace

Reduction in armed encounters

As promised in the revalidated results matrices of the PDP, the levels of armed hostilities and other violent incidents involving armed rebel groups should have been significantly decreased by the end of the PNoy administration. For the Moro Islamic Liberation Front (MILF), the baseline figure of only 14 encounters in 2010 was hoped to be brought down to zero by 2016. The target for the NPAs, however, is a bit more pessimistic. In 2010, there were recorded 297 armed encounters, and the target is only for a significant decrease in encounter by 2016.

There was no official count of the encounters with the MILF. However, there have been reported encounters with the MILF. The Mamasapano incident serves as a testament that, while there were mechanisms to minimize encounters with the MILF, in reality and in actual application, this proves difficult. In 2014, there were four MILF fighters who were slain in an AFP operation in Basilan. While the AFP targeted the Abu Sayyaf terrorist group, some MILF fighters figured in the fight since they have relatives who were also members of the ASG (Dizon, 2014b). In February 2016, there was a reported clash between elements of the MILF and the AFP in Maguindanao. The AFP claimed that the operations they have conducted were properly coordinated with the MILF but a misencounter still took place. Government troops were fired upon by MILF fighters leading to the death of one soldier. The firefight also claimed the life of an MILF fighter and wounded two others (Ho, 2016).

While there are mechanisms to avoid such encounters, it still proves difficult to implement such mechanisms. Different factors come into play. While the AFP is only after other armed groups and terrorists within the area of operations of the MILF, in reality, it is difficult to differentiate with whom they are fighting. As was also reported, there was the issue of blood relationships. Some of the members of the ASG are relatives of some of the MILF fighters, further blurring the lines.

In the case of the NPA, this proves a lot more problematic. While the PDP results matrix calls for a significant reduction in encounters with the NPA, the listing of operations against them by the AFP tells a different story. In 2010, there were recorded 297 armed encounters with the NPA, and it was hoped to be significantly reduced by 2016. The AFP on the other hand treats as success indicators the number of major combat operations (MCOs) it had with the NPA. From 2010 to 2016, it has listed a total of 7,690 MCOs with the NPA. Moreover, it has listed a total of 3,357 neutralized NPA members. Of whom, 2,141 were surrenderees, with the remaining counted as dead. With these figures and treatment of information, there is an apparent disconnect in the goals, objectives, and success indicators within the peace and security cluster. The AFP considers MCOs and number of neutralized members as its success indicators. The issue that springs from this is: how can there be a significant reduction in armed encounters when such armed encounter is considered as a success indicator by one of the actors in the peace efforts?

Negotiated Political Settlement

For the two major peace negotiating tables, while there were a lot of efforts to arrive at a negotiated political settlement, they failed to arrive at such a settlement. Granted that arriving into a final peace agreement is difficult and may indeed transcend various presidencies and administrations, the frameworks for the political settlements have already been started and in place. This may be treated as a success in certain aspects. The issues and challenges that surfaced in the Bangsamoro Basic Law proposals can be addressed by the next administrations. The PNoy administration has already started with a workable framework, one that seems to be more acceptable to the Bangsamoro. For what it is worth, the PNoy administration made the work of the next administration a lot easier, as they no longer have to start from scratch. Moreover, the issues and the BBL as a whole was brought to the fore and has already entered the consciousness of the

whole Filipino nation. Before, there was only a limited public for the peace process, now, this public has increased as more and more people are now talking about the BBL.

However, the negotiations with the CPP-NPA-NDFP are more problematic. The peace negotiations in the first years of the PNoy administration seemed like it will be taking off. However, with the different impediments and pre-conditions demanded by the NPA, like the release of various alleged political prisoners, and terrorist listings, among others, a negotiated political settlement in the near future looks impossible. Moreover, there are continued atrocities committed by the NPA on the ground which made the government peace negotiators question the sincerity of the NDFP in the peace negotiations. In addition, the continued atrocities of the NPA even if peace negotiations are ongoing puts into question the level of control the CPP and NDFP has on their armed wing.

Payapa at Masaganang Pamayanan

The Payapa at Masaganang Pamayanan (PAMANA), as discussed in the preceding sections, is one of the complementary tracks meant to address the root causes of the armed conflict, implemented in parallel with the peace negotiations. By design, the PAMANA is meant to put into place interventions that will not only impact the peace and security situation in the country, but the overall development needs of the conflict-affected areas.

Looking at the programs and projects that were included for funding under the PAMANA program, improvements in the quality of life of the recipients and beneficiaries of the PAMANA program can already be observed. The outcomes of most of the interventions may not be felt immediately as some of the programs implemented have a longer germination period. For the Pillar 1 interventions, however, enrolment in the PhilHealth ensures that the beneficiaries are afforded health insurance. Moreover, the scholarship programs managed by the CHED and funded under PAMANA ensures that the children in conflict-affected areas are given a tertiary education. While the effect and impact may not be apparent in the short run, the long-term benefits would help in breaking intergenerational poverty cycles.

PAMANA being adopted by the succeeding administration is also a testament that it is seen as a viable program to address the roots of the armed conflict. The Duterte administration not only seeks to continue PAMANA, but it also wants to strengthen and improve its implementation. PAMANA funds under the PNoy administration is tucked in the budgets of its partner agencies. The Duterte administration deemed it more efficient to return the funds to the Office of the Presidential Adviser on the Peace Process for management.

The Duterte administration characterized the PAMANA program as an enabler of access to basic social services bridges, particularly health and education. With the different infrastructure, particularly farm to market roads, access roads, and other necessary infrastructure, it enabled security forces to address emergencies and security incidents in a faster manner.

One of the hallmark accomplishments of the PAMANA program is that it “enhanced the capacity of national government agencies, communities and local government units on good governance to adopt and implement the peace-building agenda”(National Economic and Development Authority, 2017, p.261). It was said to have improved social cohesion in communities and LGUs, through their cooperative undertaking of programs and projects that have a wide-ranging effect in the community.

Internal Peace and Security

Improved Crime Solution Efficiency Rate

In the revalidated results matrix, by the end of the PNoy administration, the crime solution efficiency rate must be 38.26% in 2016. The baseline data used by the Philippine Statistics Authority is the 2010 data with a CSE of only 18.64%. In 2016, the CSE is already 57.6%. This is very high compared to the target under the PDP 2011-2016. Under the PDP commitments, this is the only component where the PNoy administration fared much better.

The changes in the crime reporting system of the PNP in 2013 makes it more difficult and challenging to check whether the PNoy administration has improved on its commitment in reducing the crime volume. The results matrix in the PDP listed the end of term target as 223,609 crime volume. In 2016, however, the PSA in their assessment of the PNoy administration considered this an indication of failure. They said that the probability of achieving the PDP target is close to impossible since in 2016, the crime volume is still at 584,833.

Number of Provinces Free from Armed Conflict

The baseline for the number of provinces free from armed conflict was only 52 provinces in 2012. By the end of the PNoy administration, it was hoped to have reached 80, the total number of provinces in the country. While the definition of “free from armed conflict” is not really clear, the AFP has already claimed that they were able to clear 64 provinces of armed conflict. By armed conflict, they only pertained to those provinces that are with the presence of different armed groups particularly the NPAs. The AFP said that there are now only 12 remaining provinces that remain to be cleared. These are in the Davao and Caraga areas. In the reports, the AFP is confident that it can end the insurgency problem in the country by 2017 with the sustained military offensives and efforts targeted to NPA influenced areas. Military offensives coupled with peace and development programs were seen as the ingredients in addressing the armed conflict in the remaining provinces (Laude, 2016).

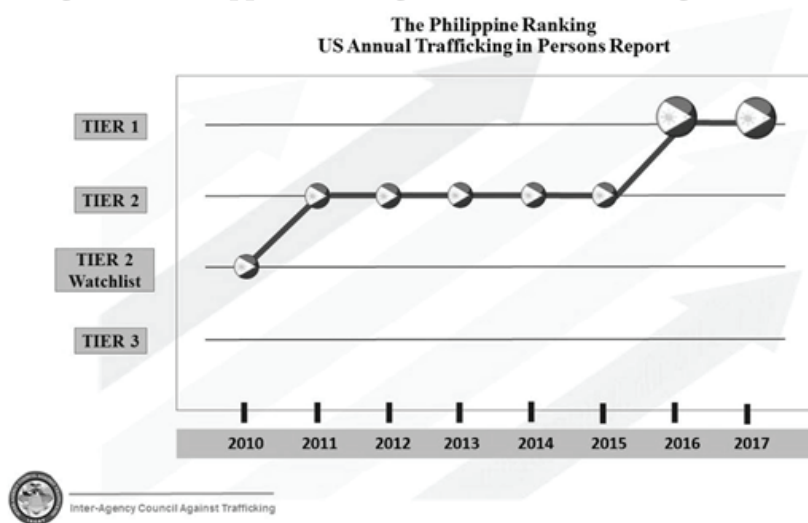
Number of Private Armed Groups and Other Threats

Again, in the assessment conducted by the PSA, by 2016, the PDP target is to diminish the number of private armed groups and other threats to a low level, to be exact, 43. The baseline data for 2010 is at 83 private armed groups. However, looking at the data they prepared, it can be observed that the figures have been fluctuating per year, at times increasing, and at times decreasing. However, as of 2016, the number of private armed groups and other threats remained the same as the 2010 baseline data. The PSA considered the probability of attaining the PDP goal as impossible.

Improvement in the Status in the US State Department’s Trafficking in Persons Report

Based on the different reports given out by the US State Department, the Philippines through the years has instituted reform measures to combat the trafficking in persons. At present, the Philippines is already in the Tier 1 status on the State Department’s list. While in the PDP results matrix, it was targeted that by 2014, the Philippines should have already been in the Tier 1. It eventually reached the Tier 1 level, albeit, a little later.

Figure V.7. Philippine Ranking, US Annual Trafficking in Persons Report



While the Philippines already reached Tier 1, the US Department of State has still recommended that the Philippines should:

1. Increase the availability of shelter and protection resources that address the specific needs of trafficking victims;
2. Develop and implement programs aimed at reducing the demand for commercial sex acts;
3. Increase efforts to identify labor trafficking victims;
4. Increase efforts to investigate, prosecute, and convict labor traffickers who exploit victims within the country;
5. Increase efforts to investigate and prosecute government officials for trafficking and trafficking-related offenses;
6. Expand efforts to ensure victim friendly criminal justice proceedings for victim witnesses;
7. Widely implement the continuous trial mechanism pilot program to increase the speed of trafficking prosecutions;
8. Expand prevention efforts against the recruitment and use of child soldiers and vigorously investigate any such allegations and hold accountable those who are involved; and
9. Broaden trainings for front-line officers on appropriate methods to assist children apprehended from armed groups. (US Department of State, 2016)

Philippine Ranking in Indices

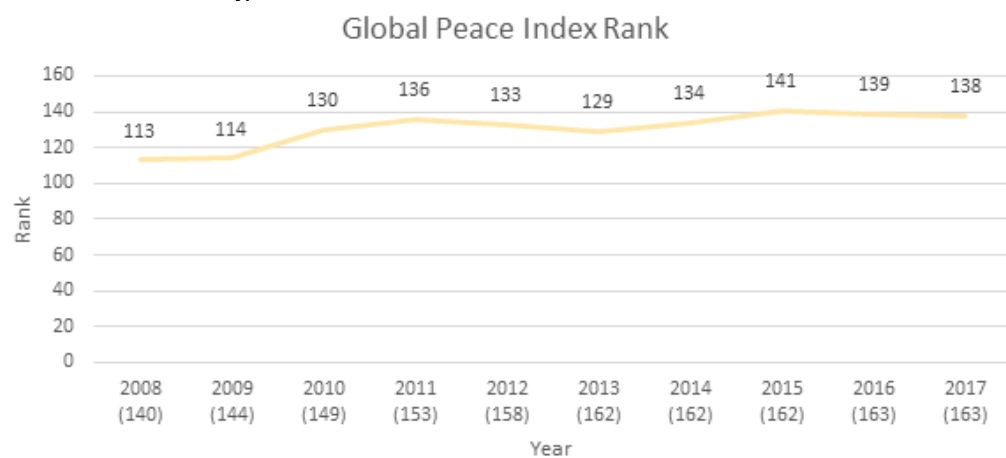
The Global Peace Index

The Global Peace Index is an annual measurement of the state of negative peace in a given country using three domains and several indicators. The first domain looks at the ongoing domestic and international conflicts, the country's role and the duration of their involvement. The second domain looks at the level of harmony or discord within a given country. And thirdly, it looks also at the level of militarization in a given country. There are 23 indicators used to assess the level of negative peace.

The datasets used in the Global Peace Index are taken from various reputable sources and data collection organizations, such as the Uppsala Conflict Data Program, International Institute for Strategic Studies (IISS) Armed Conflict Database, and the Economist Intelligence Unit, among others.

The earliest data available is for 2008, when the index was launched. There were only 140 countries included then. This has continued to increase as the years went on, and in 2016, 163 countries were included.

Figure V.8. Global Peace Index Rank, 2008-2017



The rank of the Philippines saw a considerable decrease in its ranking for 2011 to 2013, where the ranking improved from 136 to 129. Its ranking fell in 2015 to 141, out of 162 countries, and improved by two ranks in 2016.

Table V.31. Global Peace Index Rank vis-à-vis neighboring countries in Asia Pacific

Country	Overall Rank	Overall Score	Change in Score	Regional Rank
New Zealand	4	1.287	-0.019	1
Japan	9	1.395	0.031	2
Australia	15	1.465	0.025	3
Singapore	20	1.535	-0.007	4
Malaysia	30	1.648	0.025	5
Taiwan	41	1.787	0.02	6
Indonesia	42	1.799	-0.006	7
Mongolia	50	1.838	0.042	8
Laos	52	1.852	0.029	9
South Korea	53	1.858	0.026	10
Timor-Leste	56	1.879	-0.013	11
Vietnam	59	1.906	0.007	12
Papua New Guinea	99	2.143	0.031	13
Cambodia	104	2.161	-0.005	14
Country	Overall Rank	Overall Score	Change in Score	Regional Rank
Myanmar	115	2.256	-0.035	15

China	120	2.288	-0.001	16
Thailand	125	2.312	-0.049	17
Philippines	139	2.511	-0.01	18
North Korea	150	2.944	-0.011	19

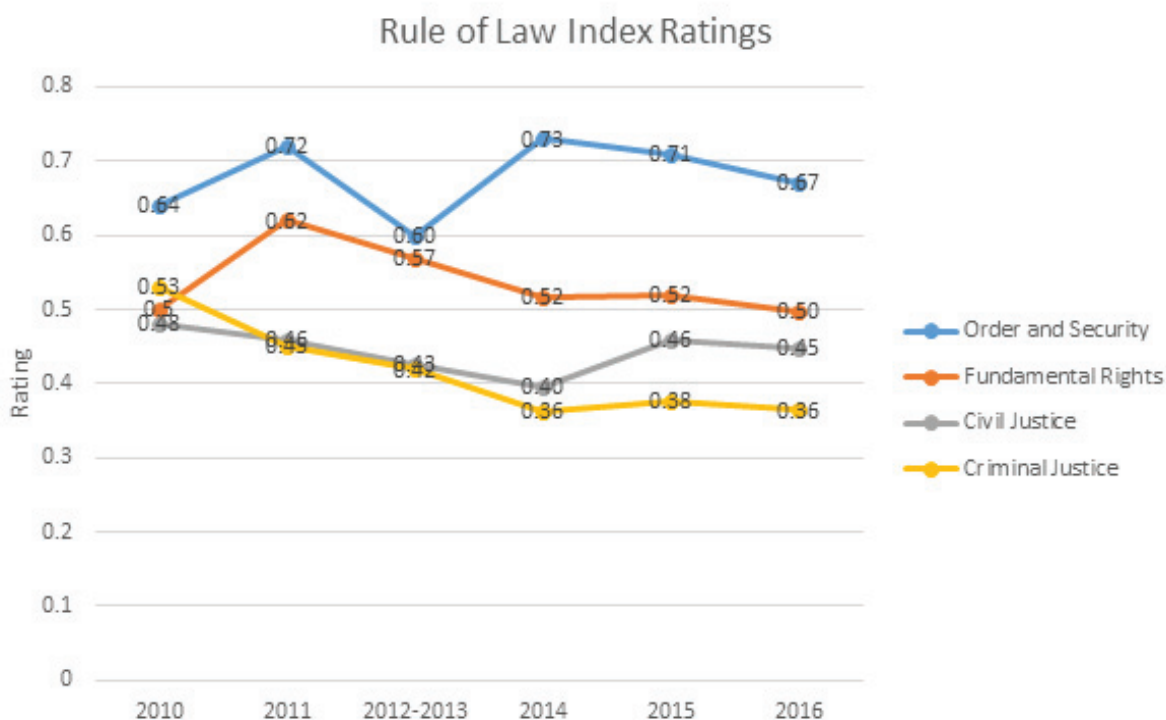
Looking at the comparative ranking of the Asia-Pacific Region, it can be observed that the Philippines is at the bottom, only besting North Korea. The ranking of the Philippines did not change from the 2015 report. It is still 18th in Asia Pacific with North Korea at the bottom.

World Justice Project: Rule of Law Index

Another notable international index is the World Justice Project: Rule of Law Index (WJP ROLI). In its description, the WJP ROLI is an “independent, multidisciplinary organization working to advance the rule of law around the world”(World Justice Project, 2016). The WJP ROLI is a comprehensive analysis of different factors that affect the rule of law. There are nine (9) factors in total. These are: constraints on government powers, absence of corruption, open government, fundamental rights, regulatory enforcement, order and security, civil justice, criminal justice, and informal justice.

For the purpose of the PNoy assessment, the other factors were not considered. Only those that have direct impact on justice and peace were included in this assessment. These factors are: order and security, fundamental rights, civil justice, and criminal justice.

Figure V.9. Rule of Law Index Ratings, 2010-2016



The WJP ROLI was also used by the PSA in assessing the commitments of the PNoy in the PDP. Specifically, the PDP targeted that by the end of PNoy administration, the Philippines is at the upper 50% in the regional ranking in the different factors. However, the PSA has said that the probability of achieving the targets for all the factors is highly impossible. The Philippines has always been at the bottom ranking in the region.

Table V.32. World Justice Project: Rule of Law Index Rating, 2010-2016

	2010	2011	2012	2014	2015	2016
Factor 4: Order and Security	7/7	12/13	14/14	14/15	14/15	14/15
Factor 5: Fundamental Rights	7/7	9/13	9/14	10/15	9/15	10/15
Factor 8: Access to Civil Justice	6/7	12/13	3/14	12/15	11/15	12/15
Factor 9: Effective Criminal Justice	7/7	12/13	13/14	13/15	12/15	13/15

Source: WJP (2016)

Pulse Asia: Ulat ng Bayan

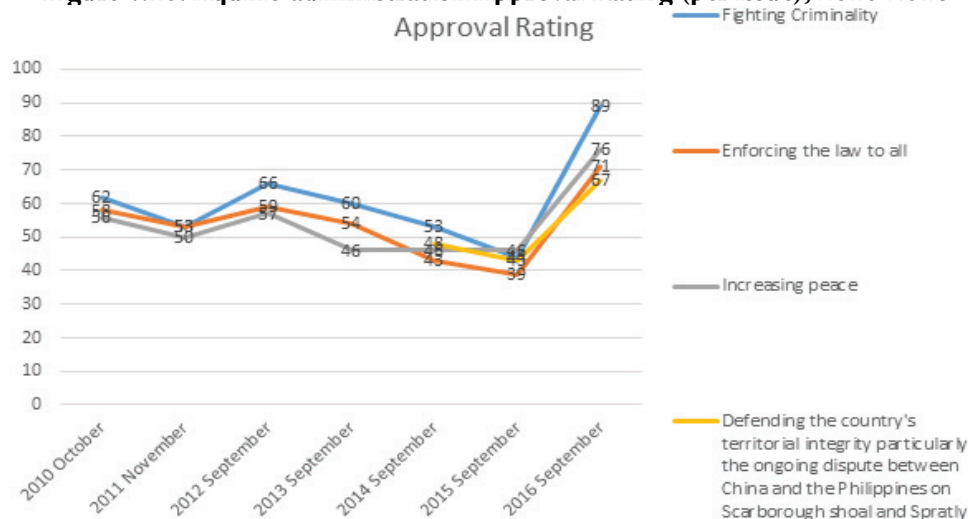
Pulse Asia, Inc. is one of the major polling and opinion survey firms operating in the country. “It was founded by a group of academics dedicated to monitoring salient socio-economic, political and cultural issues in the minds of the Filipino public. This mission is anchored on the belief that a periodic measurement of the public pulse is a key ingredient for creating a robust democracy” (Pulse Asia, n.d.).

One of their regular polls usually conducted twice a year is their Ulat ng Bayan. The Ulat ng Bayan is a nationwide survey on various issues that are confronting the country. One such survey is the performance and trust rating survey as well as the national urgent concerns and performance ratings surveys. The results of the said surveys are made available publicly.

Respondents are asked to select three of the most urgent concerns that need to be addressed by the current administration from a prepared menu. They may, however, answer other concerns that were not included in the menu. Respondents are then asked to rate the performance of the administration on their identified and selected indicator. For comparative purposes, only those that were conducted in the fourth quarter of the year were included. Moreover, only those that have dimensions of peace, justice, and security were listed for comparison. These are: fighting criminality; enforcing the law to all; increasing peace; and defending the country’s integrity particularly the ongoing dispute with China on the Spratly and Scarborough Shoal.

If we are to accept the approval rating of the PNoy administration on the given national issues as a barometer of their performance or non-performance, it can be observed that, from 2012 onwards, the approval rating of the PNoy administration has been on a continued decline across the indicators selected.

Figure V.10. Aquino administration Approval Rating (per issue), 2010-2016



West Philippine Sea

One of the crowning glories of the PNoy administration is the favorable ruling given by the Permanent Court of Arbitration. While the decision was released after the PNoy administration, the credit solely belongs to this administration, as they have been the ones pushing for and defending the claims of the Philippines before the PCA.

The PCA ruled that it has jurisdiction with regard to the historic rights of the claimants. The tribunal concluded that the extent of China's historic rights was extinguished to the extent they were incompatible with the exclusive economic zones provided for in the Convention. Moreover, the tribunal concluded that there was no legal basis for China to claim historic rights to resources within the areas falling in the nine-dash line.

On the status of features, the tribunal ruled that the rock formations cannot sustain a stable community of people. The personnel stationed in the rock formations are reliant on external support. The reclaimed island has no exclusive economic zones.

Moreover, the tribunal found the actions of China in the West Philippine Sea as unlawful. China was said to have violated the sovereign rights of the Philippines in its exclusive economic zone. "The Tribunal further held that Chinese law enforcement vessels had unlawfully created a serious risk of collision when they physically obstructed Philippine vessels."

In addition, the tribunal concluded that through the actions and activities of China, they have caused damage to the environment. The reclamation being conducted by China has caused undue harm to the marine environment. Moreover, China, despite being aware of the illegal poaching activities of Chinese fishermen, they have failed to abate the illegal activities of their fishermen.

The PCA also ruled that China should have stopped any activity once the arbitration proceedings have started. "The Tribunal found that China's recent largescale land reclamation and construction of artificial islands was incompatible with the obligations on a State during dispute resolution proceedings, insofar as China has inflicted irreparable harm to the marine environment, built a large artificial island in the Philippines' exclusive economic zone, and destroyed evidence of the natural condition of features in the South China Sea that formed part of the Parties' dispute" (Permanent Court of Arbitration, 2016, p.10).

A challenge, however, remains. How will the Philippines enforce the ruling of the PCA?

Climate Change Adaptation and Mitigation

CLUSTER ASSESSMENT

Ebinezer R. Florano and Dennis G. dela Torre

INTRODUCTION

Rationale

On 11 May 2011, President Benigno S. Aquino III issued Executive Order No. 43 entitled, “Pursuing Our Social Contract with the Filipino People through the Reorganization of the Cabinet Clusters,” which reorganized his cabinet into five clusters. One of the rationale stated in the EO is that the “[g]overnment needs to orient and direct its programs, projects, and activities towards the attainment of development outcomes that will lead the nation closer to its priority development goals” (EO 43, 5.2011, para 4).

To pursue the government’s contract with the people, five key results areas (KRAs) of the contract were identified, one of which was:

Integrity of the environment and climate change adaptation and mitigation – to promote sustainable natural resource utilization and climate change adaptation and mitigation strategies and measures among national government agencies, the local government units (LGUs), and their respective communities, the general public, and other stakeholders. (section 2e)

The Climate Change Adaptation and Mitigation Cluster (CCAM Cluster) was put incharge of this KRA with the following goal and objectives:

The Climate Change Adaptation and Mitigation Cluster shall focus on the conservation and protection of the environment and natural resources. It shall take the lead in pursuing measures to adapt to and mitigate the effects of climate change on the Philippine archipelago and undertake all the necessary preparation for both natural and man-made disasters. The cluster shall pursue the following objectives in particular:

- a. Adopting climate change adaptation and mitigation measures by local government units and their respective communities, national government agencies, and the general public and ensure that these are incorporated in their annual work plans and budgets, where applicable;
- b. Ensuring the utilization of natural resources for the equal benefit of the present and future generations;
- c. Formulating alternative and inclusive urban development plans, which ensure that people of varying income levels are integrated in productive, healthy and safe communities; and
- d. Undertaking all other measures necessary to prepare for and manage the risks and/or threats associated with natural and man-made phenomena such as, but not limited to, typhoons, earthquakes, tsunamis, floods, landslides, civil disturbance, and terrorism. (section 10)

Six years after, what has the administration of President Aquino III achieved in these areas? Have there been improvements in the conditions of the country’s environment and natural resources? How far has the government implemented its climate change adaptation and mitigation measures? Is the country now more prepared for man-made and natural disasters? To answer these questions, this paper assesses the achievements of the Aquino administration (2011-2016) in the protection and conservation of the environment and natural resources, climate change adaptation and mitigation, and disaster risk reduction. Data were obtained from printed and online annual reports and databases, 2011-2016 General Appropriations Acts, and the Philippine Development Plans (2011-2016, 2011-2016 Midterm Updates, and 2017-2022).

Scope and Limitations

After initial scanning of the accomplishments of the CCAM Cluster from 2011 to 2016 using data from annual government reports and statistical databases, the authors found that a review of the accomplishments according to the specific objectives mentioned above could not be undertaken for the following reasons:

- The objectives do not match the frameworks in the 2011-2016 Philippine Development Plan (2011-2016 PDP) and the 2011-2016 PDP Updates (2011-2016 PDP Updates) (explained in the sub-chapter on the DENR).
- The Cluster as a whole did not specify the indicators and targets for each of the objectives.
- The CCC has narrative annual reports from 2011 to 2016. Unfortunately, there are no targets related to the objectives of the cluster. On the other hand, accomplishments on DRR have to be obtained from various sources.
- Consequently, the only data available for this paper are those related to the frameworks of the PDPs (2011-2016 PDP and 2011-2016 PDP Updates), which were consolidated by the Philippine Statistics Authority (PSA) in its database called Statistical Indicators on Philippine Development (StatDev).

Thus, with the constraints imposed by the limited data and the enormity of conducting assessments of three broad areas (again, with incomplete data), the authors decided to focus on the accomplishments of the three most important member-agencies of the cluster, i.e., DENR, CCC, and the NDRRMC, in three separate sub-chapters.

Parts of the Paper

The brief profile and operations of the three agencies were written to give the readers basic understanding about them. However, more in-depth assessments were made for the CCC because it plays a strategic role in the CCAM Cluster due to its mandate – being “the lead policy-making body of the government tasked to coordinate, monitor and evaluate government programs and ensure mainstreaming of climate change” (Republic Act No. 9729) The 2017-2022 Philippine Development Plan (2017-2022 PDP) scantily assessed the performance of the CCC. The in-depth assessment here could provide more insights for the government of President Rodrigo Duterte on how to help the Commission to perform better.

Policies, programs, projects, and activities formulated and implemented during the Aquino administration are briefly discussed to give the readers an overview of the government’s specific sectoral directions, aside from those enumerated in the PDPs.

The budgets allocated to these agencies are also discussed in brief just to show how their operations, programs, projects, and activities were prioritized in terms of funding by the Aquino administration.

In the three sub-chapters, assessments from international organizations were culled to give situationers about the Philippines compared to other countries in terms of environmental protection, CCAM, and DRR. Assessments from other experts are also cited. The scope of assessments may vary depending on the availability of data.

Issues, problems, and challenges are raised in each sub-chapter to highlight implementation bottlenecks, which maybe addressed in the reform agenda of the Duterte administration.

Finally, the conclusion summarizes the findings on the state of the environment of the country and capacities for dealing with climate change and disasters. Recommendations for the reform agenda of the Duterte administration are also proposed.

SUSTAINABLE NATURAL RESOURCE UTILIZATION

The Department of Environment and Natural Resources and its Role in Sustainable Natural Resource Utilization

The DENR is the lead agency for promoting sustainable natural resource utilization, because it is the “primary government agency responsible for the conservation, management, development, and proper use of the country’s environment and natural resources” (EO 192, s. 1987). Together with staff bureaus and attached agencies, the department is basically in charge of the following programs and services: forest management; biodiversity conservation; protected area management; water resources management; land administration and management; air, water, and soil pollution management; solid waste management; mapping services; and mineral resources management. The following are the bureaus and agencies attached to the DENR:

Under the DENR Proper:

1. Ecosystems Research and Development Bureau (ERDB)
2. Forest Management Bureau (FMB)
3. Land Management Bureau (LMB)
4. Biodiversity Management Bureau (BMB) (formerly Protected Areas and Wildlife Bureau or PAWB)

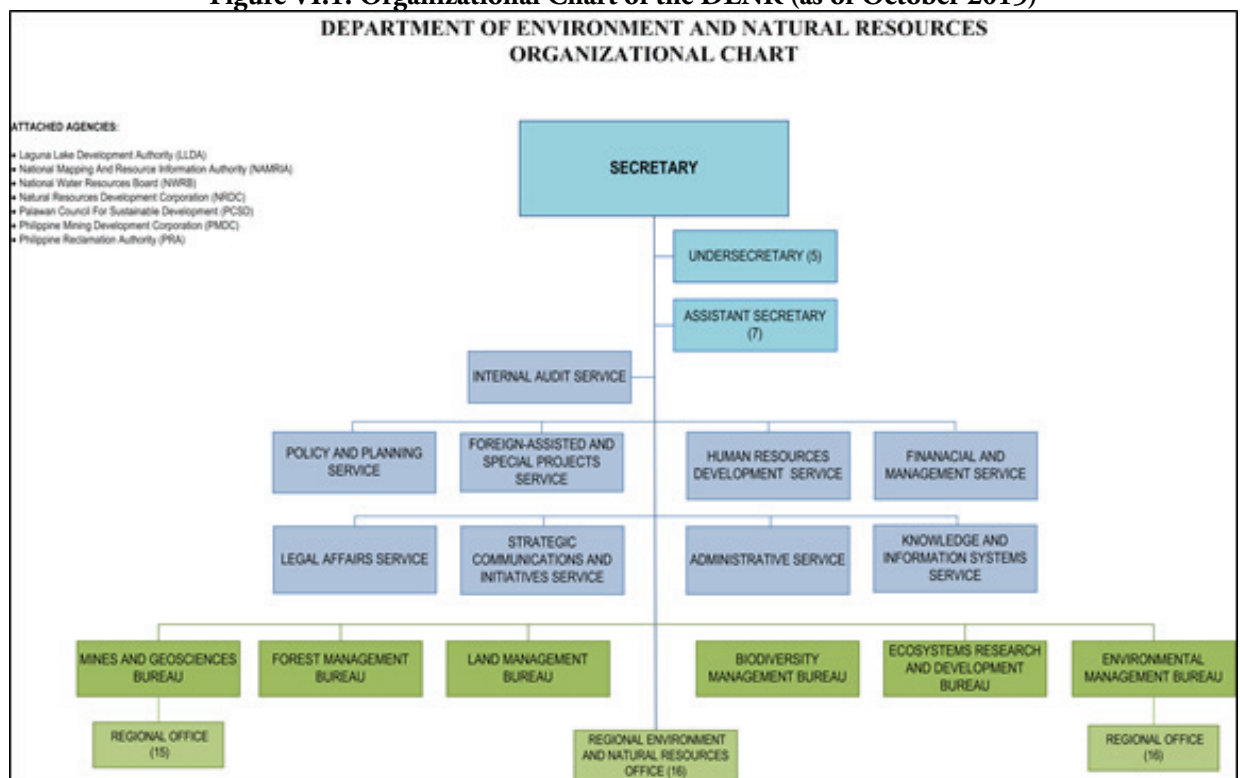
Line Bureaus and Attached Agencies:

1. Environmental Management Bureau (EMB)
2. Mines and Geo-Sciences Bureau (MGB)
3. National Mapping and Resource Information Authority (NAMRIA)
4. National Water Resources Board (NWRB)
5. Palawan Council for Sustainable Development (PCSD)
6. Land Registration Authority (LRA)
7. National Commission on Indigenous Peoples (NCIP)
8. Laguna Lake Development Authority (LLDA)
9. Philippine Mining Development Corporation (PMDC)
10. National Resources Development Corporation (NRDC)

In 2013, the LRA and NCIP were transferred to the Department of Justice and Office of the President, respectively.

Figure VI.1 below shows the relationships of the bureaus and attached agencies to the DENR Proper.

Figure VI.1. Organizational Chart of the DENR (as of October 2015)



Source: DENR (2015)

In 2009, the DENR, a member of the CCC's Advisory Board, created its own Climate Change Office (CCO) under the Office of the Secretary (OSEC). It served as the coordinating mechanism internally, among the DENR offices, as well as externally, with other national government agencies, non-government organizations and local government units, on matters related to climate change. Many of its programs were related to climate change adaptation and mitigation listed as follows:

1. Adaptation to Climate Change in Coastal Areas
2. Adaptation Strategies to Climate Change Impacts in Main Island Coastline and Small Island Foreshore Areas

3. Reducing Emissions from Deforestation and Forest Degradation (REDD) in the Philippines
 - a. Climate-Relevant Modernization of Forest Policy and Piloting of REDD
 - b. Preparation of a National REDD-Plus Mechanism for Greenhouse Gas Reduction and Conservation of Biodiversity in the Philippines
4. Coral Triangle Initiative Environmental and Rural Development Program
5. Estimation of Carbon Sequestration Rates and Carbon Density of Forest Plantation Species in the Philippines
6. Forest and Climate Protection Project in Panay
7. Geohazard Mapping and Assessment Program
8. Groundwater Resources and Vulnerability Assessment
9. Impacts of Climate Change on the Extent and Magnitude of Flooding and Water Resources in Selected Major Watersheds
10. MDG-F 1656: Joint Programme on Strengthening the Philippines' Institutional Capacity to Adapt to Climate Change
11. National Greening Program
12. Philippines Climate Change Adaptation Project
13. Solid Waste Management for Local Government Units Program
14. Strengthening Coordination for Effective Environmental Management
15. UN-REDD+
16. Vulnerability Assessment of Selected Watersheds and Coastal Areas in the Philippines to Climate Change (DENR-CCO, n.d.)

However, with the designation of the DENR as chair of the CCAM Cluster, and the issuance of National Budget Memorandum 114 in March 2012 (r: key result areas and reorganization of the cabinet for better coordination), the DENR replaced the CCO with the Climate Change Service (CCS), also under the OSEC, through Department Administrative Order No. 2016-13 issued in June 2016. The Department also cited a provision in the Climate Change Act of 2009 and its being a Nationally Designated Authority for Clean Development Mechanism Projects as compelling reasons for the creation of the CCS. The CCS is tasked, among others, to provide technical assistance to the DENR Secretary as head of the CCAM Cluster, and ensure that all climate change issues are mainstreamed into DENR's over-all programs, plans, activities, and projects. It is headed by a Director IV with two divisions, namely: (1) Climate Change Projects Management Division, and (2) Climate Change Technical Services Division.¹

New Policies Issued by the Aquino Administration

In the environmental protection sector, the Aquino Administration issued the following policies:

- Department Administrative Order (DAO) No. 2010-23 (Revised Emission Standards for Motor Vehicles Equipped with Compression-Ignition and Spark-Ignition Engines) and DAO 2010-204 (Revised Emission Limits/Standards for Motorcycles/Tricycles and Mopeds) – higher standards for vehicle emissions
- Executive Order (EO) No. 23, s. 2011 (Protecting and Conserving the Forests through a Total Log Ban) – moratorium on the cutting and harvesting of timber in natural and residual forests
- EO 26, s. 2011 (National Greening Program) – a national priority program that aimed to plant 1.5 billion trees in 1.5 million hectares nationwide from 2011 to 2016.
- EO 79, s. 2012 (Reforms in the Philippine Mining Sector) – harmonization of mining policies and regulations in the country, making players in the mining industry more transparent and accountable

Budget Allocations, 2011-2016

Every year from 2011-2016, the DENR received, on the average, 1.31% of the national budgets (excluding automatic appropriations and debt-servicing payments), which ranged from Php1 trillion in 2011 to Php2.138 trillion in 2016. However, its share started to dwindle in 2014 from 1.69% to 1.45% in 2014, 1.13% in 2015, and 1.02% in 2016, which was the lowest in the six-year period (See Table VI.1).

¹ As of this writing, the renaming to CCS and the creation of the two divisions under it are still subject to the approval of the Department of Budget and Management.

Table VI.1. Annual Budgets (in million) and Percentage Shares of the DENR from the Total GAA, 2011-2016

Item	2011	2012	2013	2014	2015	2016	Annual Average
GAA Total*	1,000,387	1,245,193	1,368,229	1,608,513	1,862,824	2,138,604	1,537,291
DENR Budget	12,276	16,990	23,135	23,345	21,017	21,017	19,768
% Share of DENR Budget from GAA Total	1.23	1.36	1.69	1.45	1.13	1.02	1.31

Note: *Excludes budgets for automatic appropriations and debt-service payments.

Source: General Appropriations Act (2011-2016)

From 2011 to 2014, the budget of the DENR increased, from Php12.276 billion in 2011 to Php23.345 billion in 2014. However, from 2015 to 2016, it decreased to around Php21 billion every year. On the average, the department got budgets of around Php19.768 billion every year. (Table VI.1)

In terms of expense class, on the average, Maintenance and Other Operating Expenses (MOOE) got 45% of the DENR's budgets, followed by Capital Outlay (CO) at 29%, and Personnel Services (PS) at 25% every year from 2011 to 2016. (Table VI. 2)

Table VI.2. DENR Budget by Expense Class, 2011-2016

Expense Class	2011		2012		2013	
	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%
PS	5,714	47	4,886	29	5,391	23
MOOE	4,060	33	8,904	52	11,684	51
CO	2,501	20	3,199	19	6,059	26
Total	12,276	100	16,990	100	23,135	100

Expense Class	2011		2012		2013		ANNUAL AVERAGE	
	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%
PS	5,714	47	4,886	29	5,391	23	4,750	26
MOOE	4,060	33	8,904	52	11,684	51	9,053	45
CO	2,501	20	3,199	19	6,059	26	5,964	29
Total	12,276	100	16,990	100	23,135	100	19,768	

Source: General Appropriations Act (2011-2016)

It is difficult to describe the trend in sectoral budget priorities of the DENR because, from 2014 to 2016, the budgets for FMB, LMB, BMB, and ERDB were no longer clearly indicated in the General Appropriation Acts. From 2011 to 2013, even though they were tucked in the Office of the Secretary (OSEC), their budgets were specified. If the analysis is limited to the 2011-2013 period, it can be observed that FMB received the highest allocation every year (32% or Php5.594 billion on the average) followed by the OSEC (24% or Php4.249 billion), and LMB (16% or PHP2.706 billion). Every year, NWRB and the PCSD received the lowest allocations at around 0.30% and 0.32%, respectively. The rest received budget pies between 1% to 8%² (Table VI. 3)

Table VI.3. Percentage Shares of Each DENR Bureau/Agency from Total DENR Budget, 2011-2013 (OSEC Budget Disaggregated)

DENR Bureau/Agency	2011	2012	2013	Annual Average
OSEC	23	19	29	24
EMB	6	5	4	5
ERDB	3	5	5	4

2 The budgets of LRA and NCIP are no longer discussed here because they have been transferred to the DOJ and Office of the President in 2012.

FMB	32	29	35	32
LMB	13	29	7	16
LRA	4	*	*	*
MGB	6	4	4	5
NCIP	5	*	*	*
NAMRIA	5	5	13	8
NWRB	0.3	0.3	0.3	0.30
PAWB/BMB	3	3	3	3
PCSD	0.4	0.3	0.3	0.32
Total	100	100	100	

Note: *Transferred to other agencies.

Source: General Appropriations Act (2011-2016)

It is interesting to note that, in 2016, the DENR allotted Php12.4 billion or 57% of its Php21.8-billion budget for its 19 specific climate change adaptation and disaster risk reduction programs. The National Greening Program (NGP) got the biggest slice of Php8 billion budget. Other climate change programs which got significant allocations include protected area development and management program, Php1.063 billion; forest protection, Php473.6 million; restoration of major river basins (Integrated Natural Resources and Environmental Management Project), Php451.4 million; air quality program, Php443.7 million; unified mapping project, Php398 million; national geohazards assessment, Php397 million; clean water program, Php194 million; Ecological Solid Waste Management Regulations, Php588.2 million; implementation of the area-based management plan of Manila Bay, Php80 million; wildlife protection and conservation, Php72.2 million; and hazardous waste management, Php41.7 million. The climate priority allocation also includes groundwater vulnerability assessment, Php18 million; establishment of monitoring stations in water constrained cities, Php15.2 million; comprehensive water resource assessment in major river basins, Php13.6 million; coastal resource mapping, Php10.6 million; mapping of low-lying areas vulnerable to sea level rise due to climate change, Php9.8 million; land cover mapping, Php9.6 million; and development of groundwater management plan, Php6 million (DENR 2016).

If the analysis is widened to cover six years (2011-2016), and without disaggregating the budgets of FMB, LMB, PAWB/BMB, and NWRB from the OSEC, it can be noticed that the latter obtained the lion's share of the budgets every year. On the average, OSEC got 81% (or Php16.125 billion every year) followed by NAMRIA (7% or Php1.347 billion), EMB (6% or Php1.088 billion), and MGB (5% or Php884 million). Again, NWRB and the PCSD obtained the lowest percentage shares at 0.35% and 0.31%, respectively³ (See Table VI.4).

Table VI.4. Percentage Shares of Each DENR Bureau/Agency from Total DENR Budget, 2011-2016 (OSEC Budget Not Disaggregated)

DENR BUREAU/ AGENCY	2011	2012	2013	2014	2015	2016	ANNUAL AVERAGE
OSEC**	73.16	85.28	77.88	84.68	86.45	79.30	81.13
EMB	5.69	4.58	4.48	5.59	3.79	8.77	5.48
LRA	4.05	*	*	*	*	*	*
MGB	5.56	4.17	4.32	4.82	3.63	4.69	4.53
NCIP	5.34	*	*	*	*	*	*
NAMRIA	5.44	5.35	12.79	4.33	5.41	6.41	6.62
NWRB	0.34	0.29	0.26	0.27	0.41	0.50	0.35
PCSD	0.40	0.31	0.26	0.30	0.29	0.33	0.31

Note: *Transferred to other agencies.

**Budgets for FMB, LMB, PAWB/BMB, and ERDB were tucked-in in OSEC in the GAAs.

Source: General Appropriations Act (2011-2016)

3 Again, the budgets of LRA and NCIP are no longer discussed here because they have been transferred to the DOJ and Office of the President in 2012, respectively.

Assessments

International Assessments: Environmental Performance Index

One way to assess the accomplishments of the Aquino administration is to use the Environmental Performance Index (EPI) developed by Yale and Columbia Universities. The EPI is an indexing method that ranks countries' performance in two areas: protection of human health and protection of ecosystems. At present, it has nine categories and 19 indicators.⁴ Note that "climate and energy" is included as one category for assessment, with two indicators focusing on carbon intensity and CO₂ emissions.

Compared to its nine neighboring ASEAN countries, the Philippines has always been in the middle of the pack – neither at the top nor at the bottom. It was only in 2014 that the ranking of the Philippines dove to the 100th+ rank, but improved in 2016 (See Table VI.5).

Table VI.5. Comparative EPI Rankings of ASEAN Countries, 2012-2016

Country	2012	2014	2016
Brunei Darussalam	26	37	98
Cambodia	59	145	146
Indonesia	74	112	107
Lao PDR	n.d.	127	148
Malaysia	25	51	63
Myanmar	69	164	153
Philippines	42	114	66
Singapore	52	4	14
Thailand	34	78	91
Viet Nam	79	136	131
No. of countries	132	178	180

Source: Yale University (2011-2016)

In terms of EPI score, the Philippines consistently obtained median scores compared to the nine other ASEAN countries. It obtained an average EPI score of 58.37, which placed the country in the 4th place between Malaysia and Thailand. In relation to the highest and lowest scores, the Philippines was nearest the best performing country in 2016, and nearest the worst performer in 2014 (See Table VI.6).

Table VI.6. Comparative EPI Scores of ASEAN Countries, 2012-2016

Country	2012	2014	2016	Average
Brunei Darussalam	62.49	66.49	67.86	65.61
Cambodia	55.29	35.44	51.24	47.32
Indonesia	52.59	44.36	65.85	54.27
Lao PDR	n.d.	40.37	50.29	45.33
Malaysia	62.51	59.31	74.23	65.35
Myanmar	52.72	27.44	48.98	43.05
Philippines	57.40	44.02	73.70	58.37
Singapore	56.36	81.78	87.04	75.06
Thailand	59.98	52.83	60.54	57.78
Viet Nam	50.64	38.17	58.5	49.10
Highest score	76.69	87.67	90.68	85.01
Lowest score	25.32	15.47	27.66	22.82

Source: Yale University (2012, 2014, 2016)

⁴ For the details of the methodology, see <http://epi.yale.edu/chapter/methods>

Going to the specifics, among the nine categories, the Philippines had increasing positive scores in health impacts, air quality, and water sanitation, which means that there are improvements. However, the scores remained constant in water resources, forests, and climate and energy. The rest have irregular patterns. (Table VI.7).

Table VI.7. Scores of the Philippines in the 9 EPI Indicators, 2012-2016

EPI Indicators	2012	2013	2014	2015	2016
Health Impacts	58.82	58.82	64.46	64.46	63.61
Air Quality	85.61	83.56	83.97	86	86.59
Water Sanitation	73	72.94	75.41	75.75	75.02
Water Resources	51.10	51.10	51.10	51.10	51.10
Agriculture	88.10	91.84	94.34	92.20	89.61
Forests	61.80	61.80	61.80	61.80	61.80
Fisheries	51.50	51.68	53.02	53.27	51.31
Biodiversity & Habitat	86.50	86.31	85.97	85.76	86.16
Climate & Energy	80.98	80.98	80.98	80.98	80.98

Source: Yale University (2012-2016)

Local Assessment: Movement for Good Governance

At the domestic front, a coalition of reform-minded business, organizations, and individuals (mostly academics and former government officials led by former U.P. Professor and NEDA Director-General Solita Monsod) called “Movement for Good Governance”⁵ or MGG assessed the five-year performance of the Aquino administration (2010-2014) using the scorecard method based on available data in five areas as could be seen in Table 8. The individual assessment for each area (except for “strictly enforce environmental laws”) and as a whole is the unflattering “something has been accomplished but is lower than expected” on a scale of 1 to 10, with 10 being the highest. The strict enforcement of environmental law got the lowest score, which is closest to the adjectival assessment that “there has been very slow or little progress on [President Aquino’s] promise.”

Table VI.8. Scores of the Aquino Administration in Five Areas of Environmental Management

Performance	Score
1. Caring for the environment	6
2. Sustainable resources	5
3. Strictly enforce environmental laws	3.5
4. Safe sources of renewable energy	5
5. Population management vs. responsible parenthood	5.5
Average	5

Source: MGG (2015)

The unflattering assessment of lower than expected accomplishments is consistent from 2010 the year the MGG started evaluating the performance of the Aquino Administration in environmental management — up to 2014. For five years, the administration got scores ranging from 4.7 to 5.3. (Table VI.9)

Table VI.9. Scores of the Aquino Administration in Environmental Management, 2010-2014

Area	2010	2011	2012	2013	2014
Environment	4.7	5.2	5.3	5.1	5.0

Source: MGG (2015)

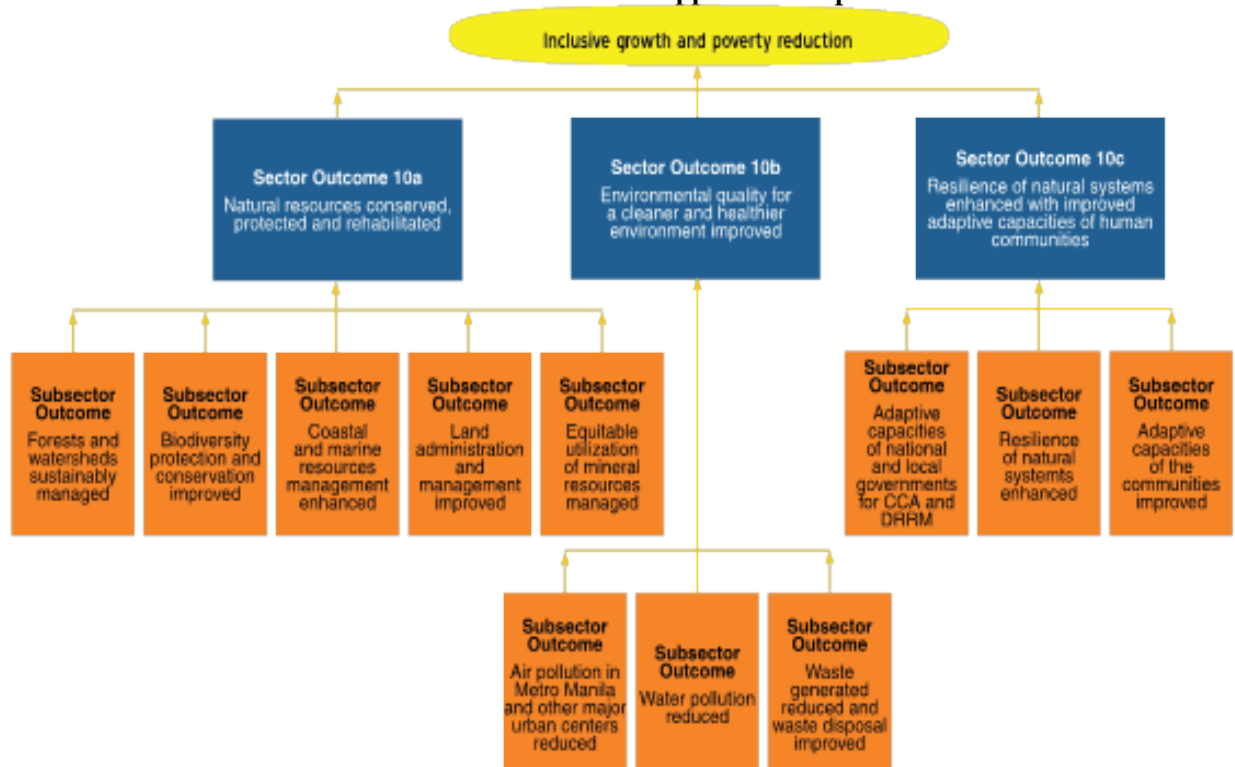
Assessment Using PDP Indicators and Targets

In Chapter 10 of the Philippine Development Plan 2011-2016 (PDP 2011-2016), the goal of the environment and natural resources (ENR) sector was “conservation, protection, and rehabilitation.” It was stated that the ENR sector would help achieve “inclusive growth and poverty reduction” through the: (1) conservation, protection, and

⁵ For the methodology and other information about the MGG, see <https://mggphilippines.org/category/aquino-administration/>

rehabilitation of natural resources; (2) improvement of environmental quality for a cleaner and healthier environment; and (3) enhancement of the resilience of the natural systems with improved adaptive capacities of human communities. Around 51 specific indicators and targets were identified (Figure VI. 2). However, there was a refocusing on the goal of the ENR sector when the 2011-2016 PDP Updates were released in 2014. This time, the sector's goal became climate-oriented, i.e., "sustainable and climate-resilient environment and natural resources." It was meant to be accomplished through the following sub-sectors: (a) improved adaptive capacities of human communities; (b) sustainably managed natural resources; and (c) improved environmental quality for a healthier and cleaner environment with almost the same number of indicators and targets (Figure VI.3). Using official data for 31 indicators and targets from the Statistical Indicators on Philippine Development (StatDev) of the Philippine Statistics Authority (PSA), this section reviews the accomplishments of the Aquino Administration in the ENR sector from 2011 to 2016, including the values in the baseline years for each target (mostly 2010). For this part, refer to Table VI. 10 for the data.

Figure VI.2. Framework for the Conservation, Protection, and Rehabilitation of Environment and Natural Resources in the 2011-2016 Philippine Development Plan

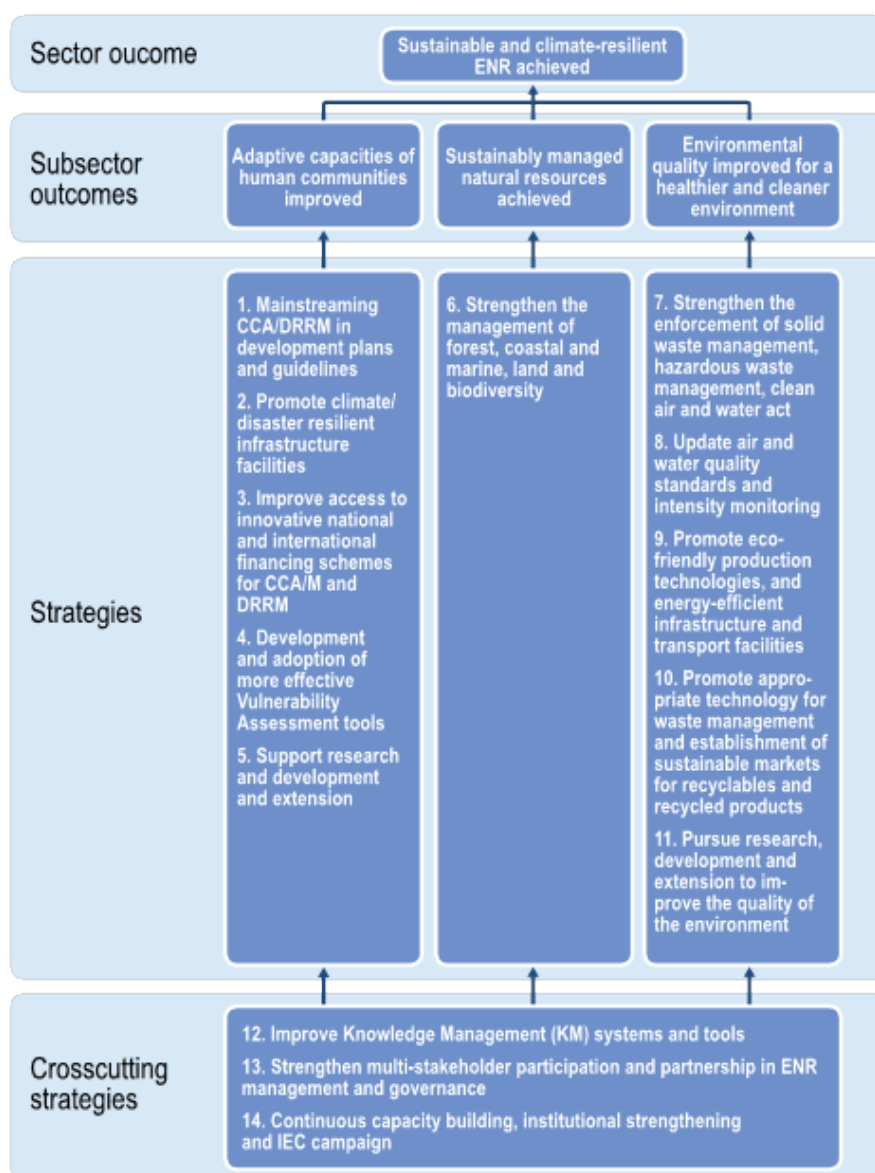


Source: NEDA (2011)

a. General Assessment

Out of the 31 targets released by the PSA, 16 of them or around 52% were achieved by the Aquino administration by 2016. These were mostly in the protection/conservation of threatened flora and some species of fauna, reduction of air pollution in four urban areas including Metro Manila, reduction in water pollution in seven priority rivers, and increase solid waste diversion rate. Thirteen of the targets (or 42%) were not achieved in the same period in the following areas: sustainable forest and watershed management, protection/conservation of threatened fauna, reduction of water pollution in nine priority rivers, reduction of air pollution in one urban area, and decrease in average annual damages and losses due to natural disasters, environmental hazards, and human-induced and hydro-meteorological events. Two indicators (6%) in land administration and management cannot be assessed with high degree of confidence because targets were not specified, and, hence, are no longer discussed here. Refer to Table VI.10.

Figure VI.3. Strategic Framework on Sustainable and Climate-Resilient Environment and Natural Resources in the 2011-2016 Philippine Development Plan: Midterm Updates



Source: NEDA (2013)

b. Forest and Watershed Management

The DENR targeted to have the 30% of the land area of the country covered by forests by the year 2016, which could have been 7.20% improvement from its 22.80% baseline in 2010. However, the target was not achieved because by 2016, only 28.22% of land area were covered by programs and projects mostly from the Forest Management Bureau (FMB). However, it should be noted that, while the target was not achieved, there was an increasing trend in forested land area from 23.21% in 2011 to 28.22% in 2016.

At the end of 2016, the National Greening Program (NGP), one of the flagship programs of the Aquino Administration, has planted 1.37 billion of seedlings in 1.662 million hectares. The seedling plantation rate is only 91%, falling short of the 1.5 billion target. However, the coverage was 107%, exceeding targeted area of 1.5 million hectares.⁶ This makes an interesting case because, while the land area coverage was exceeded, the seedling plantation fell below the target. An explanation has yet to be given by the DENR on this.

c. Biodiversity Protection and Conservation

It is in this sub-sector that the DENR shows good performance. With the exception of threatened fauna, the Department was able to stabilize the number of threatened flora (526 throughout the period), and even managed to increase the population of the Philippine Eagle (from 340 pairs to 500 pairs), Tamaraw (from 314 to 405), and Philippine

⁶ Data obtained from the website of the National Greening Program at <http://ngp.denr.gov.ph/index.php/accomplishment>.

Cockatoo (from 239 to 737) from 2010 to 2016. The DENR even exceeded its targets in this aspect. Unfortunately, the number of threatened fauna species increased by two from 209 in 2011 to 211 by 2016, or an additional two species classified as threatened (not identified in the PSA-StatDev database). Biodiversity protection and conservation has been lodged in the newly established Bureau of Biodiversity Management (BMB) since 2013 (formerly Protected Areas and Wildlife Bureau or PAWB).

d. Air Pollution Reduction in Metro Manila and Other Urban Areas

With the exception of San Fernando, Pampanga, the DENR, through its Environmental Management Bureau (EMB), was able to meet (and even exceed) its target of reducing air pollution for four urban centers including Metro Manila. The latter even registered the biggest reduction in Total Suspended Particulates (TSP) from 150 µg/Ncm µg/Ncm to 108 µg/Ncm or 28% decrease. However, it should be noted that in the cases of Iriga City and Panganiban Drive in Naga City, although the targets for them were met, there were increases in TSP levels between 2011 and 2016. In Iriga City, the TSP level increased from 52 µg/Ncm µg/Ncm in 2011 to 57 µg/Ncm in 2016 which is similar to 2010 level. In Panganiban Drive (Naga City), the level increased by 9 µg/Ncm from 2011 to 2016.

e. Water Pollution Reduction in Priority Rivers

The DENR, through the EMB, was only successful in achieving its targets of lowering the Biochemical Oxygen Demand (BOD) level (in milligram/Liter or mg/L) in two out of ten priority rivers, namely, Ylang-Ylang River (Cavite) and Calapan River (Mindoro Oriental). The BOD level in Ylang-Ylang River went down from 119 in 2010 to 5.3 in 2016, a 95% reduction. The BOD level in Calapan River also dropped significantly from 2010 to 2016, i.e., 57%.

The DENR-EMB can claim success in reducing water pollution in five out of six other priority rivers that are already within the water quality criteria (in mg/L). Except for Pampanga River, the five rivers showed progress by registering less than 7 BOD. Cagayan de Oro River had the lowest level at 1.4 BOD, while the Laguna Lake had the biggest pollution reduction from 7.00 BOD in 2010 to 2.00 BOD in 2016 or 71%.

f. Solid Waste Management

The EMB of the DENR was able to meet its target of 50% solid waste diversion rate in 2016, which was pegged at 33% in 2010. The rate represents the amount of waste that is diverted from landfill for recycling.

g. Resilience and Adaptive Capacities

This is an area that the government (specifically the National Disaster Risk Reduction and Management Council or NDRRMC) failed to curb because losses and damages (L&D) to properties from disasters rose by 115% from 2010 to 2016. Between 2004 and 2010, the annual average L&D was pegged at Php19.272 million. However, the amount shot up to Php41.412 million. The most expensive L&D was experienced in 2013, when the country was hit by Super Typhoon Yolanda, which destroyed Php571.1 billion worth of agriculture, infrastructure, and tourism, among others (NEDA, 2013). However, from 2014 to 2016, the annual L&D started to decrease to an annual average of 25%.

Table VI.10. Accomplishments of the Aquino Administration on Sustainable and Climate-Resilient Environment and Natural Resources

PDP Target Outcome	PDP Critical Indicator	Baseling Indicator (Year)	Latest Data						PDP Target	Data Source	Remarks	
			2011	2012	2013	2014	2015	2016				
Chapter/sector: Conservation, Protection, and Rehabilitation of Environment and Natural Resources												
Forests and watersheds sustainably managed	Proportion of land area covered by forest	22.80 (2010)	23.21	23.93	25.01	26.10	27.29a/	28.22	30.0	DENR-FMB	X	
	Number of threatened species c/											
	Fauna	221 (2004)	209	207	207	211	211	211	211	0	DENR-BMB	X
Biodiversity protection and conservation improved	Flora	526 (2007)	526	526	526	526	526	526	526	0	DENR-BMB	✓
	Observed population of threatened species											
	Philippine Eagle (in pairs)	340 (2010)	500	500	500	500	500	500	500	400	DENR-BMB	✓
	Tamaraw	314 (2010)	274	327	345	382	405	413	413	360	DENR-BMB	✓
	Philippine Cockatoo	239 (2010)	450	450	750	427	535	737	737	400	DENR-PAWB	✓

Land administration and management improved	Number of beneficiaries with secured land tenure in agricultural and residential lands	1,900,333 (2010)	176,091	176,372	155,076	160,020	136,590	70,163	b/	DENR-LMB	?
PDP Target Outcome	PDP Critical Indicator	Baseling Indicator (Year)	Latest Data						PDP Target	Data Source	Remarks
			2011	2012	2013	2014	2015	2016			
	Total suspended particulate (TSP) level in Metro Manila and other major urban centers (in Ug/Ncm) 1/										
	Metro Manila	150 (2010)	150	118	119	118	118	102	108	DENR-EMB	✓
	San Fernando, Pampanga	214 (2009)	**	128	243			180	151	DENR-EMB	X
	Iriga City	57 (2010)	52	108	78	55	50	57	138	DENR-EMB	✓
	Panganiban Drive, Naga City	102 (2010)	69	101	96	72	37	78	130	DENR-EMB	✓
Water pollution reduced	DENR-7 Greenplains Subd., Banilad, Mandaue City	71 (2010)	69	75	71	78	94	61	66	DENR-EMB	✓
	BOD level in priority rivers (in mg/L)										
	Meycauyan River	59.0 (2010)	45.1	58.5	56.8	45.4	64.2	88.7	38.1	DENR-EMB	X

PDP Target Outcome	PDP Critical Indicator	Baseline Indicator (Year)	Latest Data						PDP Target	Data Source	Remarks
			2011	2012	2013	2014	2015	2016			
	Marilao River	24.0 (2010)	18.3	31.4	29.3	23.9	34.8	43.5	15.5	DENR-EMB	X
	Bocaue River	11.0 (2010)	6.7	10.1	13.5	17.6	31.8	27.0	7.1	DENR-EMB	X
	Ylang-Ylang River	119.0 (2010)	b/	13.5	6.8	4.94	5.86	5.3	76.8	DENR-EMB	✓
	Imus River	12.0 (2010)	b/	12.0	8.9	9.6	12.45	10.2	7.7	DENR-EMB	X
	Calapan River	14.0 (2010)	15.7	13.0	5.6	10.4	9.3	6.2	9.0	DENR-EMB	✓
	Iloilo River	12.0 (2010)	7.0	12.2	8.6	19.8	13.1	8.7	7.7	DENR-EMB	X
	Manila Bay-SB Balili River	37.0 (2010)	44.0	b/	39.1	35.4	49.1	50.2	23.9	DENR-EMB	X
	Parañaque River	38.0 (2010)	b/	42.0	34.4	56.8	56.0	56.6	24.5	DENR-EMB	X
	Pasig River	29.0 (2010)	31.7	b/	43.8	42.3	53.3	54.6	18.7	DENR-EMB	X
BOD level of other priority rivers that are already within the water quality criteria (in mg/L)											
	Luyang River (c)	4.0 (2010)	4.0	3.0	2.3	4.6	2.5	5.3	less than 7	DENR-EMB	✓
	Sapangdaku River	6.0 (2010)	b/	1.7	1.8	2.9	2.1	2.4	less than 7	DENR-EMB	✓
	Cagayan de Oro (c)	1.1 (2009)	4.5	2.0	1.7	1.0	0.8	1.04	less than 7	DENR-EMB	✓
	Pampanga River	2.0 (2010)	b/	4.0	52.3	b/	13.6	10.25	less than 7	DENR-EMB	X

Source: PSA (2017)

Notes:

1/ For most indicators, the 2010 was used as baseline year. However, for some indicators, different baseline year was used in accordance with the indicated baseline year in the PDP-RM.

** Did not meet sampling criteria

a/ Revised data provided by the concerned data source agency as in the StatDev 2013 release.

b/ No data provided in the PDP-RM or by the concerned data source agency

c/ The data submitted by DENR-BMB was adopted as baseline data. Their data from 2010 to 2013 is based on a study (Ibañez and Salvador, 2006), which they used as reference

Legends:

✓ - target achieved

X - target not achieved

? - cannot make assessment because no target was identified

Issues, Problems, and Challenges

Policy Loopholes

Looking at the plethora of litanies of various environmental groups against the environmental performance of the Aquino administration, it seems that the environmental problems remained unsolved.

Foremost among the issues that are rallied against the Aquino administration is the issue of mining and total log ban, in spite of the issuance of EO 79, s. 2012, and EO 23, s. 2011, respectively. These orders, according to an environmental NGO, “have turned forests and other resources into commodities at the expense of the lives and livelihood of poor and vulnerable communities” (Ilagan, 2016). As early as 2012, Greenpeace has called the attention of President Aquino about EO 23 which it said “exempt(s) mining projects from the ban’s coverage”. Greenpeace also reported the displeasure of environmentalists and sustainable development advocates on the supposedly “lax stance on coal power, GMOs” (Greenpeace, 2012).

A study on the efficiency and effectiveness program of the DENR under the Aquino administration (Israel and Lintag, 2013) succinctly summarizes the problems and challenges of several laws:

- Philippine Mining Law of 1995 (RA 7942) – gives higher priority to mining over forestry and puts to risks second-growth forests in mining areas.
- Small-Scale Mining Decree of 1984 (PD 1899) – empowering provincial governors to unilaterally issue small-scale mining permits has resulted into many small-scale mining operations, which operate without Environmental Compliance Certificate and are unmonitored.
- Total Log Ban (EO 23) – a faulty approach to forest management because: (1) DENR may not be able to monitor it because of limited resources and personnel, (2) many may become illegal loggers and continue to perpetuate the cutting of trees as exemplified by the Sendong tragedy, which indicated that illegal logging is still going on, (3) subsistence upland dwellers may swarm the forests and indiscriminately cut trees as concessionaires abandon the areas they once protected; and (4) possible loss of public revenues, foreign exchange, incomes, and employment in the logging industry and related sectors.
- Reforming the Mining Sector (EO 79) – welcomed by the mining industry but opposed by the civil society sectors because it: (1) allows existing mining contracts within the “No-Go Mining Zones” to continue to be valid and in effect, (2) bans mining in prime agricultural lands but does not include areas that are critical to or surrounding them, some of which maybe forested or reforested areas, and (3) the moratorium of mining permits does not include the grant of exploration permits for mining companies and small-scale operation, which remains unregulated for many years (Israel and Lintag, 2013).

There are many other faults in the current environmental policies of the DENR. This paper highlighted the burning ones at the moment.

Implementation of the NGP

In spite of the seeming success of the NGP, there are many issues that hound it. Some of these are as follows:

- Seedlings never got the chance to grow before forest fires burned them to the ground;
- Reforestation sites are burned on purpose every year so that reforestation can continue and bring livelihood to the settlers who are hired to plant the seedlings;
- Contracts to reforested parts of the watershed go to former DENR officials who allow “forest fires” to raze the reforestation sites so they can be given new contracts by DENR to replant in the same site;
- Planting exotic species like mahogany or gmelina in protected areas contribute nothing to biodiversity unlike endemic, indigenous trees;
- Some exotic trees are in fact considered invasive and even detrimental to biodiversity (Ranada, 2014).

Killing of Environmental Activists

The problem is not only purely environmental. Under the Aquino administration, in 2016 alone, 28 environmental activists have been killed as reported by Global Witness, an international NGO that works to break the links between natural resource exploitation, conflict, poverty, corruption, and human rights abuses worldwide (Gamil, 2017).

Identity Crisis of the DENR

Is the DENR an agent for environmental protection or natural resources exploitation? This is the most often asked question about the true nature of the Department. Its mandate alone reveals its conflicting identity, i.e., “conservation, management, development, and proper use of the country’s environment and natural resources.” It is a true challenge when one agency is tasked to protect the environment and, at the same time, permits others to exploit the natural resources.

CLIMATE CHANGE ADAPTATION AND MITIGATION**Climate Change and Disasters in the Philippines**

The Philippines is highly vulnerable to climate-related disasters. Typhoons or cyclonic storms pose dominant risk, followed by floods, earthquakes, volcanoes, droughts, and landslides (UN-ODRR & WB, 2010). As measured by UNISDR, the Philippines has the following disaster and risk profile:

Table VI.11. Disaster and Risk Profile of the Philippines

Hazard	Frequency (%)	Mortality (%)	Economic Issue (%)
Storm	51.3	78.7	79.0
Flood	31.9	5.9	17.3
Landslide	6.4	5.6	--
Volcano	4.6	--	--
Earthquake	4.1	7.9	2.2
Other	1.7	2.0	1.5

Source: Preventionweb (n.d.)

The table above shows that storms and floods indeed account for the highest frequency and economic significance since the Philippines is ravaged by an average of 20 typhoons annually, aside from the seasonal southwest monsoon during the rainy season commencing in June. Hence, the Philippines is described as having a “very high” risk index (with a numerical value of 5.2) (UN-ODRR & WB, 2010).

Noting that storms and floods are hazards directly related to climate change, climate trends and projections are presented below, culled from a 2011 report of the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA). Based on data from 1951 to 2009, the climate trends for the Philippines are as follows:

1. All areas of the Philippines will get warmer, more so in the relatively warmer summer months;
2. There has been an increase in annual mean temperature by 0.57 °C;
3. In terms of maximum and minimum temperatures, the increases have been 0.35 °C and 0.94 °C;
4. Results of analysis of trends of tropical cyclone occurrence/passage within the so-called Philippine Area of Responsibility (PAR) show that an average of 20 tropical cyclones form and/or cross the PAR per year; and
5. The analysis of trends of extreme daily temperatures and extreme daily rainfall indicate significant increase in number of hot days but decrease in number of cool nights. (PAGASA, 2011)

For climate projections in 2020 and 2050, the key findings are as follows:

1. Annual mean temperatures (average of maximum and minimum temperatures) in all areas in the country are expected to rise by 0.9 °C to 1.1°C in 2020 and by 1.8 °C to 2.2 °C in 2050;
2. Likewise, all seasonal mean temperatures will also have increases in the two time slices, and these increases during the four seasons (e.g., DJF, MAM, JJA and SON) are quite consistent in all the provinces; and
3. In terms of seasonal rainfall change, generally, there is a substantial spatial difference in the projected changes in rainfall in 2020 and 2050 in most parts of the Philippines, with reduction in rainfall in most provinces during the summer season (MAM)⁷ making the usually dry season drier, while rainfall increases are likely in most areas of Luzon and Visayas during the southwest monsoon (JJA) and the SON seasons, making these seasons still wetter, and thus, with likelihood of both droughts and floods in areas where these are projected (PAGASA, 2011).

⁷ MAM – March April May; JJA – June July August; SON – September October November.

While the above report focused on extreme events and hazards, flooding correlated with rainfall during monsoon months, droughts correlated with the El Niño Southern Oscillation (ENSO), and the threat of sea level rise, as climate impacts are also very clear. Based on several global warming scenarios, world estimates of sea level rise range from 28 to 43 cm above base level by 2100. Consequently, the Philippines as an archipelagic country is especially vulnerable to sea level rise and storm surge since around “60% of its municipalities and 10 of its largest cities are located along the coast (where roughly 60% of the population resides).” Rapid urbanization will most likely drive this higher in the future. “Four Philippine cities (based on percent of area exposed) rank among the top 10 East Asian cities likely to be affected by sea level rise and storm surges, with some studies projecting that storm surge zones may increase by over 25% relative to present levels” (WB-GFDRR, 2011, p.7). Another recent global study estimates that 62% of the Philippine population will be affected by sea level rise, numerically projecting that 10 million Filipinos will suffer (Kahn, 2015).

Policy Response and Institutional Mechanisms

Policy Response

The enactment of Republic Act 9729 (RA 9729) or the Climate Change Act of 2009 was considered a landmark legislation because for the first time, a national agency was created to lead in policy-making, coordination and monitoring of climate actions in government. RA 9729, passed on 23 October 2009 near the end of the Arroyo administration, created the Climate Change Commission (CCC). It is also a landmark law because “it adopts strategic goals in order to build national and local resilience to climate change-related disasters” aside from advancing “policies to strengthen, integrate, consolidate and institutionalize government initiatives to achieve coordination in the implementation of plans and programs to address climate change in the context of sustainable development” (Koh, Kelman, Kibugi, &, Osorio, 2016 p.482). The United Nations Office for Disaster Risk Reduction (UNISDR) also lauded the passage of this law, declaring that “hopes are high that the law’s focus on strong government-wide coordination, high-level leadership, links to science and local level action, will be the necessary ingredients to ensure immediate, comprehensive and sustained action by the Philippines in the face of this climate crisis,” adding that “the Climate Change Act of 2009 is the most comprehensive and most integrated legislation in the region” (Mendez, 2009).

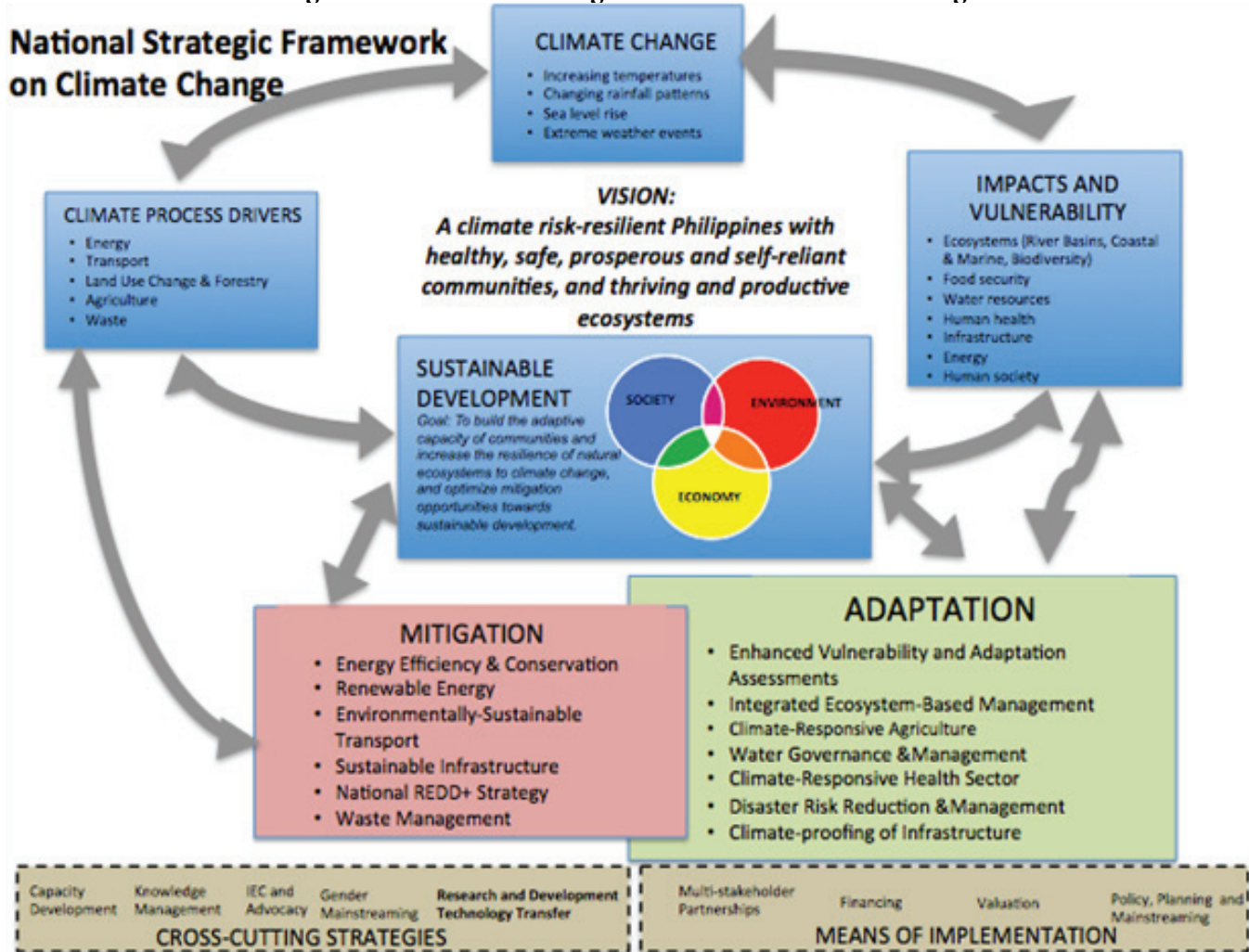
Three years after the passage of RA 9729, its amendatory law, RA 10174, was enacted, creating the People’s Survival Fund (PSF) to provide financing for local climate actions by local government units (LGUs) and civil society organizations (CSOs). The PSF is a special fund amounting to at least one Php1 billion under the national budget to fund local actions on climate change adaptation. The PSF is discussed in greater length in another section.

RA 9729 also mandates the Climate Change Commission to formulate the National Strategic Framework on Climate Change (NSFCC)⁸ to ensure and strengthen the adaptation of natural ecosystems and human communities to climate impacts. This was finalized on 28 April 2010, with a coverage that started in year 2010 up to 2022.

Under this NSFCC, the country envisions “(a) climate risk-resilient Philippines with healthy, safe, prosperous and self-reliant communities and thriving and productive ecosystems.” The goal is “(t)o build the adaptive capacity of communities and increase the resilience of natural ecosystems to climate change, and optimize mitigation opportunities towards sustainable development”(Climate Change Commission, 2010, p.5). It should be noted that these articulations got significantly reflected in the budget framework starting in 2014 only, despite the fact that the NSFCC was finalized in 2010. The Framework diagram is shown below as Figure VI.4.

8 The NSFCC, prior to RA 10174, was erroneously referred to as the National Framework Strategy on Climate Change.

Figure VI.4. National Strategic Framework on Climate Change



Source: CCC (2010)

The Climate Change Commission and Its Role in Climate Change Adaptation and Mitigation

To achieve the aforementioned ultimate goals, priorities and outcomes, the Climate Change Act of 2009 created the Climate Change Commission (CCC) as the lead policy-making, coordinating and monitoring agency. Among others, its powers and functions are as follows:

- Coordinate and synchronize climate change programs in consultation with national government agencies and other stakeholders;
- Formulate a Strategic Framework on Climate Change to serve as the basis for a program for climate change planning, research and development, extension, and monitoring of activities on climate change;
- Exercise policy coordination to ensure the attainment of goals in the strategic framework and program on climate change;
- Recommend legislation, policies, strategies, programs on and appropriations for climate change adaptation and mitigation and other related activities;
- Recommend key development investments in climate-sensitive sectors such as water resources, agriculture, forestry, coastal and marine resources, health, and infrastructure to ensure the achievement of national sustainable development goals;
- Create an enabling environment for the design of relevant and appropriate risk-sharing and risk-transfer instruments;
- Create an enabling environment that shall promote broader multi-stakeholder participation and integrate climate change mitigation and adaptation;
- Formulate strategies for mitigating GHG emissions, anthropogenic sources and enhance removal by sinks;
- Coordinate and establish a close partnership with the National Disaster Risk Reduction and Management Council in order to increase efficiency and effectiveness in reducing the people's vulnerability to climate-related disasters;
- In coordination with the Department of Foreign Affairs, represent the Philippines in the climate change negotiations, constitute and lead the Philippine panel of negotiators to the UNFCCC and the formulation

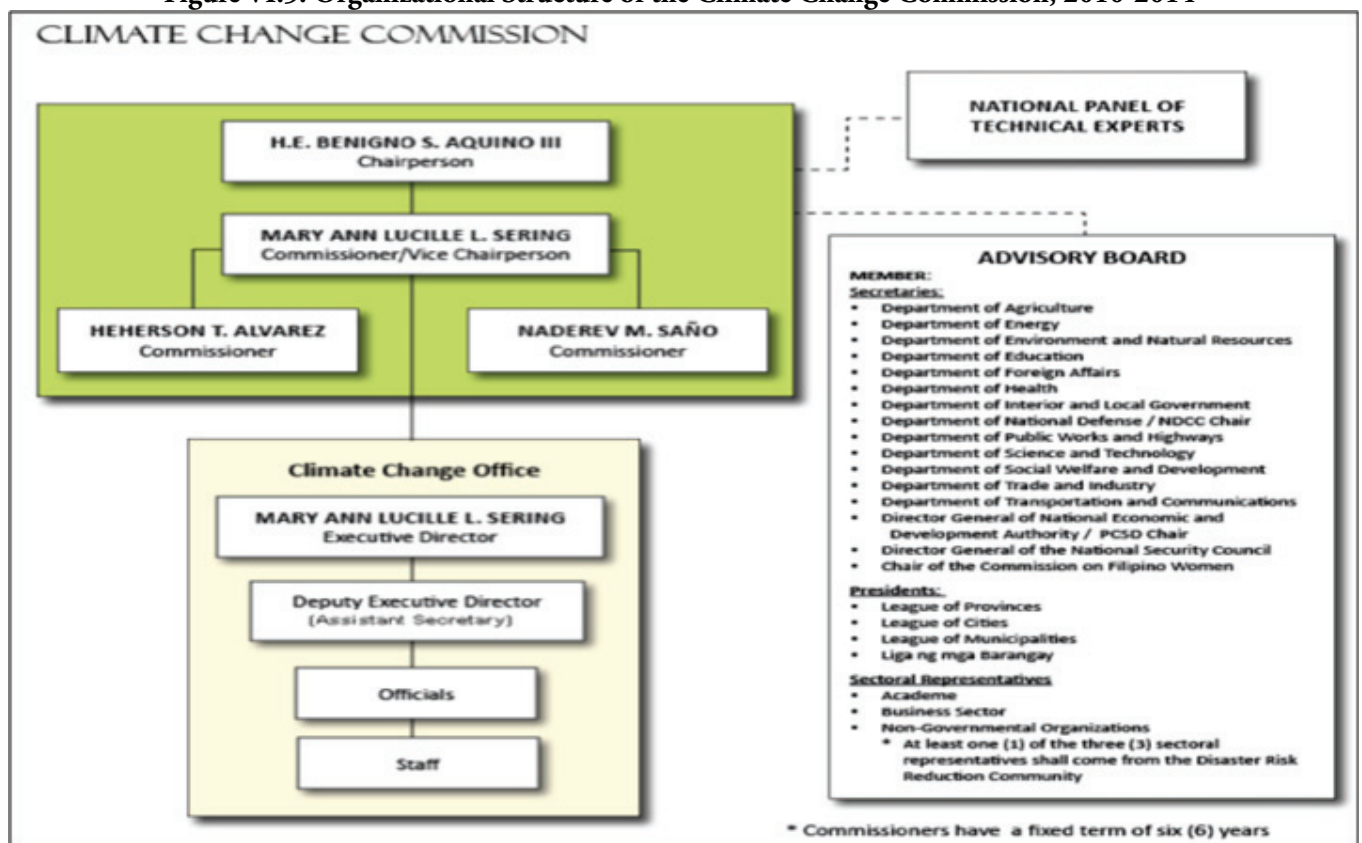
of official Philippine positions on climate change negotiation issues, and decision areas in the international negotiation arena;

- k. Formulate and update guidelines for determining vulnerability to climate change impacts and adaptation assessments and facilitate the provision of technical assistance for their implementation and monitoring;
- l. Coordinate with local government units (LGUs) and private entities to address vulnerability to climate change impacts of regions, provinces, cities and municipalities;
- m. Facilitate capacity building for local adaptation planning, implementation and monitoring of climate change initiatives in vulnerable and marginalized communities and areas;
- n. Promote and provide technical and financial support to local research and develop merit programs and projects in vulnerable and marginalized communities and areas;
- o. Oversee the dissemination of information on climate change, local vulnerabilities and risks, relevant laws and protocols and adaptation and mitigation measures; and
- p. Establish a coordination mechanism with the concerned government agencies and other stakeholders to ensure transparency and coherence in the administration of climate funds, taking into consideration the official Philippine position in international negotiations. (CCC, 2012)

The implementation of the strategies and programs, projects and activities (PPAs) outlined in the NCCAP are left to implementing national government agencies (NGAs) or line agencies at the national level, and LGUs for frontline or community-level implementation. It should be noted, however, that under Section 14 of RA 9729, the national government is supposed to provide technical and financial assistance to LGUs in the formulation of their Local Climate Change Action Plans (LCCAPs).

RA 9729 designated the President of the Philippines as the Chairperson of the CCC, apparently in an ex-officio capacity at the option of the President. The CCC has three Commissioners with a fixed term of six years. From among the Commissioners, the President has the power to appoint a Vice Chairperson who also concurrently serves as the Executive Director. The full en banc meeting of the CCC includes practically almost the entire Cabinet as its Advisory Board, plus sectoral and local government representatives through the leagues. The law also created the National Panel of Technical Experts (NPTE) to aid the commission through policy recommendations and/or studies on climate and DRR science. The CCC organizational structure during the Aquino Administration is shown on Figure VI.5.

Figure VI.5. Organizational Structure of the Climate Change Commission, 2010-2014



Source: CCC (2010)

Notably, RA 10174 (amendatory law of RA 9729) added other agencies (e.g., Department of Finance (DOF), National Youth Commission (NYC) to the Advisory Board.

Flagship Programs and Initiatives

National Climate Change Action Plan

The Climate Change Act required the CCC to craft the National Climate Change Action Plan (NCCAP) with the NSFCC as basis. The NCCAP was finalized in 2011 after a series of multistakeholder consultations, with a coverage that started in year 2011 up to 2028 (CCC, 2011).

The NCCAP identified the following key strategic priorities:

1. Food security
2. Water sufficiency
3. Ecological and environmental stability
4. Human security
5. Climate-friendly industries and services
6. Sustainable energy
7. Knowledge and capacity development

These key strategic priorities are shown in the following table, together with their respective desired outcomes.

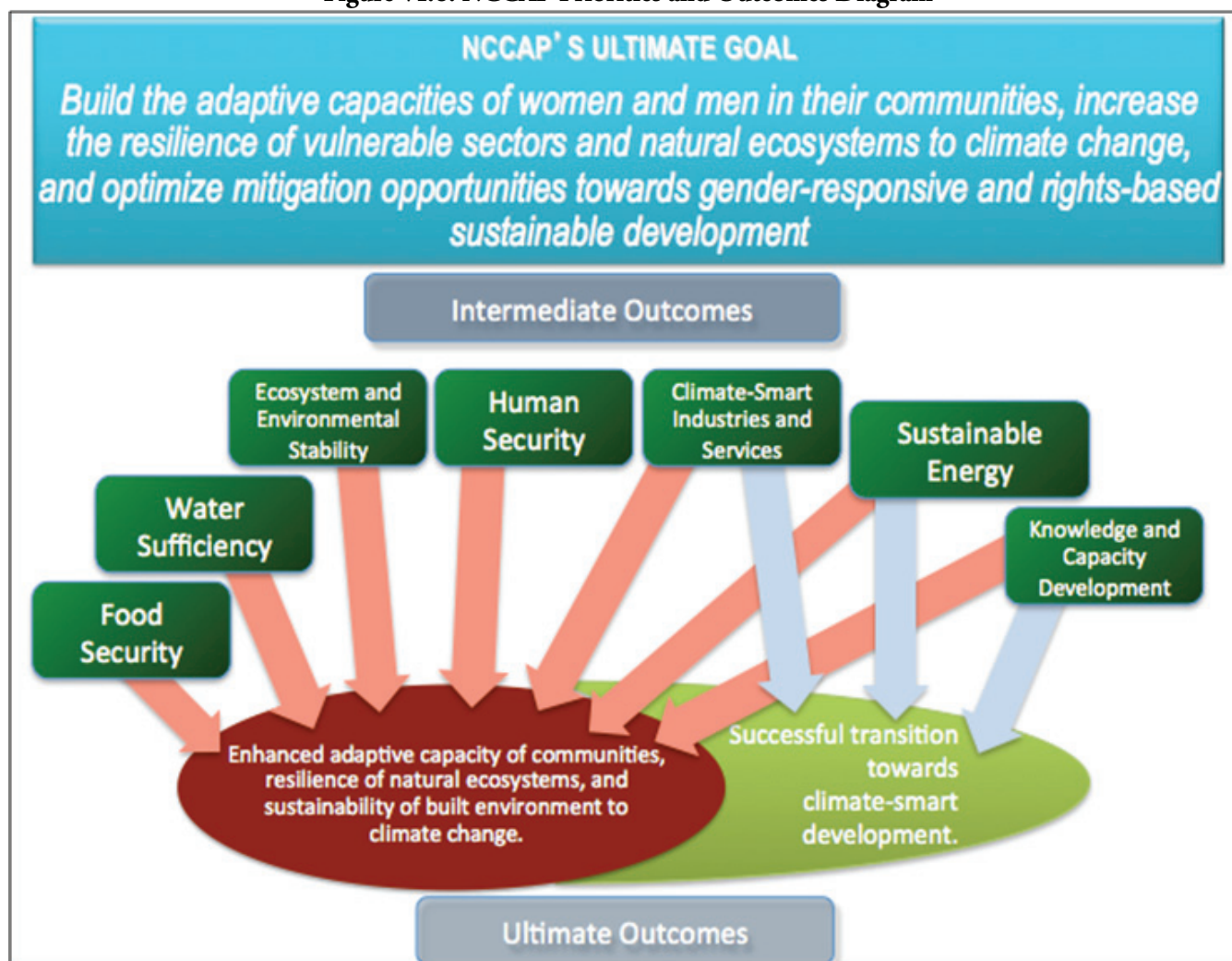
Table VI.12. NCCAP Priorities and Outcomes

Priorities	Outcomes
1. Food security	The objective of the national strategic priority on food security is to ensure availability, stability, accessibility and affordability of safe and healthy food amidst climate change.
2. Water sufficiency	In light of climate change, however, a comprehensive review and subsequent restructuring of the entire water sector governance is required. It is important as well to access the resilience of major water resources and infrastructures, manage supply and demand, manage water quality, and promote conservation.
3. Ecological and environmental stability	Ecosystem resilience and environmental stability during the plan period is focused on achieving one immediate outcome: the protection and rehabilitation of critical ecosystems, and restoration of ecological services.
4. Human security	The objective of the human security agenda is to reduce the risks of women and men to climate change and disasters.
5. Climate-friendly industries and services	NCCAP prioritizes the creation of green and eco-jobs and sustainable consumption and production. It also focuses on the development of sustainable cities and municipalities.
6. Sustainable energy	NCCAP prioritizes the promotion and expansion of energy efficiency and conservation; the development of sustainable and renewable energy; environmentally sustainable transport; and climateproofing and rehabilitation of energy systems infrastructures.
7. Knowledge and capacity development	The priorities of the NCCAP on knowledge and capacity development are: <ul style="list-style-type: none"> • Enhanced knowledge on the science of climate change; • Enhanced capacity for climate change adaptation, mitigation and disaster risk reduction at the local and community level; and • Established gendered climate change knowledge management accessible to all sectors at the national and local levels

Source: CCC (2011)

The diagram presentation of the NCCAP strategic priorities or intermediate outcomes, are shown Figure VI.6 together with the ultimate goal and ultimate outcomes. The ultimate outcomes, in simple terms, are climate change adaptation and mitigation, also known as the two pillars of climate action. It should be noted that the strategic priority on human security covers disaster risk reduction.

Figure VI.6. NCCAP Priorities and Outcomes Diagram



Source: CCC (2011)

To complete the picture, it should also be cited that the NCCAP has an activity timeline⁹ spanning three presidential terms. Certain programs or projects identified in the NCCAP for each strategic thrust were intended to be finished at the end of the term of President Aquino, while others would continue until 2028. As an example, for human security, Table VI.13 shows that the identification of provincial-level climate and geologic risks, the most climate-vulnerable sectors, and gendered adaptation and risk reduction measures were intended to be finished by 2016.

Table VI.13. NCCAP Human Security Activity Timeline

Activities	Outputs	2011-2016	2017-2022	2023-2028
1.1.1. Conduct provincial-level vulnerability and risk assessments				
a. Identify provincial-level climate and geologic risks	Provincial level risk information and maps	√		
b. Identify most CC vulnerable provinces, sectors and population.	Provinces ranked according to the risks and vulnerability	√		
c. Identify gendered adaptation and risk reduction measures	CC adaptation and risk reduction approaches identified	√		
1.1.2. Mainstream and implement CCA-DRRM in the local plans based on information from the vulnerability and risk assessments				
a. Conduct local multistakeholder CCA DRRM planning to be based on the assessment results with active participation of women	Local multistakeholder planning on CCA-DRRM conducted	√		

Source: CCC (2011)

9 This activity timeline is found in Annex A of the NCCAP.

Another example is shown on Table VI.14 on Ecological and Environmental Stability, wherein activities on the nationwide documentation of contaminated sites due to polluting and extractive industries, and the rehabilitation of abandoned mines, were intended as ongoing projects until 2028.

Table VI.14. NCCAP Ecological and Environmental Stability Activity Timeline

Activities	Outputs	2011-2016	2017-2022	2023-2028
1.3.1. Implement moratorium on polluting and extractive industries in PAs, KBAs and other environmentally critical areas				
a. Document contaminated sites nationwide	Contaminated sites identifies and documented	√	√	√
b. Rehabilitate abandoned mines	Abandoned mine sites rehabilitated	√	√	√
c. Identify and implement a moratorium of mining operations in protected areas pending vulnerability and risk assessment and economic valuation studies	Moratorium of mining operations in protected areas implemented			
d. Close solid waste management sites in environmentally critical areas	Waste management facilities in ECA closed	√		
e. Review permit issuances of mining and other highly pollutive industries in ECAs and PAs	Issuances of mining permits in ECAs and PAs reviewed	√		
f. Establish “polluters pay principle” for pollution management	“Polluters pay principle” established	√		

Source: CCC (2011)

The “Ecotown” Concept

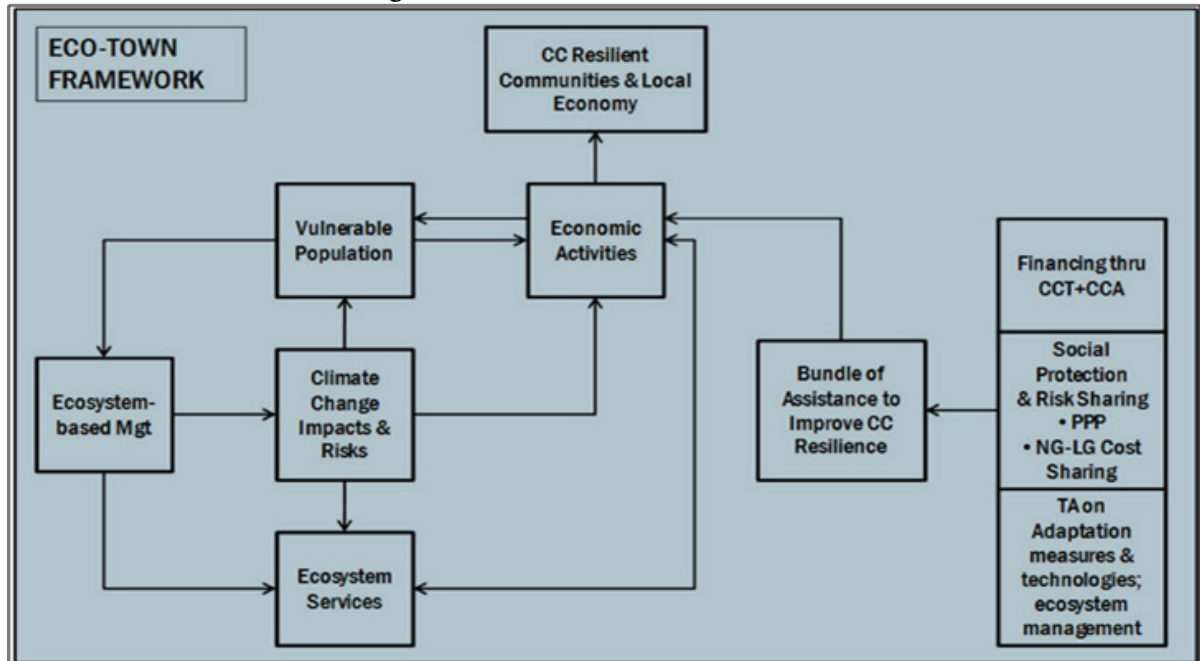
The CCC also formulated the “Ecotown” concept or the “ecologically stable and economically resilient towns,” defined as “a planning unit composed of municipalities or a group of municipalities located within and in the boundaries of critical key biodiversity areas (forest, coastal/marine and fishery, or watersheds), highly vulnerable to climate change risks due to its geography, geographic location, and poverty situation” (CCC, 2011, p.42).

Given the lack of vulnerability and risk assessments, the “Ecotown” concept initially assumed the following:

- Despite the uncertainty in the timing and magnitude of climate changes, the risks are real;
- Ecosystems provide valuable goods and services that build and strengthen the resilience of communities and local economy from climate change risks and shocks;
- Healthy and stable ecosystems are in themselves adaptation to changing climate;
- Reducing poverty through sustainable livelihood increases the adaptive capacity of men and women in communities; and
- Inter-sectoral convergence of government programs is a more efficient use of public funds and optimizes results. (CCC, 2011, p.42-43)

The Ecotown Framework is shown on Figure 7.

Figure VI.7. The “Ecotown” Framework



Source: CCC (2011)

The “Ecotown” concept was also intended to be an approach on how to craft a Local Climate Change Action Plan (LCCAP).

Budget Allocations, 2011-2016

Based on the 2011-2016 General Appropriations Acts, the Commission received an average of Php101 million budget every year which was about 0.49% of the budget for the whole bureaucracy. It received the highest allocation in 2016 at the amount of Php237 million. The lowest it received was in 2011 at Php38 million, its first year of operation. Refer to Table VI.15.

Table VI.15. Annual Budgets (in million) and Percentage Shares of the CCC from the Total GAA, 2011-2016

Item	2011	2012	2013	2014	2015	2016	Annual Average
GAA Total*	1,000,387	1,245,193	1,368,229	1,608,513	1,862,824	2,138,604	1,537,291
CCC Budget	38	61	112	81	78	237	101
% Share of CCC Budget from GAA Total	0.38	0.49	0.82	0.50	0.38	0.38	0.49

Note: *Excludes budgets for automatic appropriations and debt-service payments.

Source: GAA (2011-2016)

Although the budget of the CCC increased through time, from Php38 million in 2011 to Php237 million in 2016, there were years that they decreased from the previous ones, i.e., 2014 and 2015.

In terms of expense class, on the average, MOOE got 67% of the Commission’s budgets, followed by CO at 26%, and PS at 6% every year from 2011 to 2016. See Table VI.16.

Table VI.16. CCC Budget by Expense Class, 2011-2016

Expense Class	2011		2012		2013	
	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%
PS	18	47	19	31	21	19
MOOE	16	42	42	69	82	73

CO	3	8	0	0	9	8
Total	38	100	61	100	112	100

Expense Class	2014		2015		2016		Annual Average	
	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%
PS	21	26	21	27	18	8	20	26
MOOE	60	74	56	72	169	71	71	67
CO	0	0	0	0	50	21	10	6
Total	81	100	78	100	237	100	101	

Source: General Appropriations Act (2011-2016)

It should be noted that the budgets for the CCC is only for its operations; it does not include those that were farmed out to various government agencies which are mandated by the Climate Change Act to implement programs and projects related to CCAM. In 2015 for example, President Aquino announced in his SONA that Php128.8 billion was allocated to address climate change (Aquino, 2015). In 2016, the DENR allotted Php12.4 billion or 57% of its Php21.8 billion budget for its 19 specific climate change adaptation and disaster risk reduction programs (DENR 2016). The problem, however, is how to trace these farmed-out allocations for CCAM because it is only agencies that can divulge such information.

In 2015-2016, funds for adaptation projects for climate change for use of LGUs and community organizations were allocated by Congress in the amount of Php1 billion every year from the NDRRM Fund for the People's Survival Fund (PSF) in accordance with Sections 20 and 21 of RA 9729, as amended.

Assessments

The authors encountered difficulties in assessing the performance of the CCC because: (1) the commission does not have a database for the indicators and targets in the area of CCAM (because they are farmed out to the various agencies, which are members of its Advisory Board), and (2) the annual reports of the Commission are narrative in nature. Thus, to assess its performance, the authors used the assessment by an international organization on the climate change vulnerability of the Philippines, followed by descriptive narratives of the CCC's accomplishments based on its annual reports and assessments of local experts.

International Assessments of the Philippine's Vulnerability to Climate Change

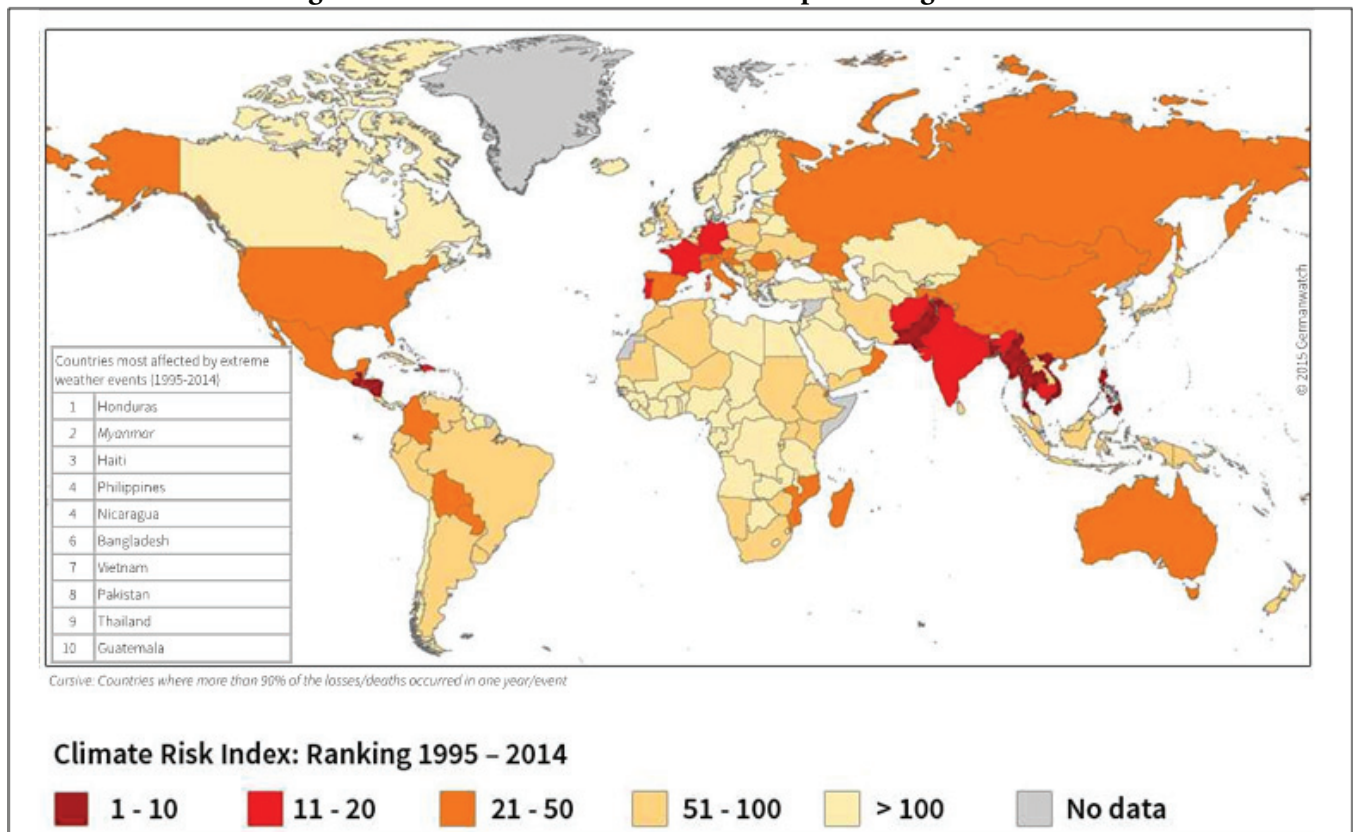
The Global Climate Risk Index is an annual measure of the climate change risks to more than 180 countries. It was devised by Germanwatch, a non-profit organization that conducts policy studies on the environment, trade, and international relations. The Index measures the vulnerability of each country by giving them scores based on: total number of deaths, number of deaths per 100,000 inhabitants, sum of losses in US\$ in purchasing power parity (PPP), and losses per unit of Gross Domestic Product (GDP). Based on its scoring system, the Philippines was among the high-risk countries to climate change from 2011 to 2016. The country was consistently in the top five in 2014-2016 but topped the list in 2015 because of the fatalities and economic losses during that year. See Table VI.17.

Table VI.17. Global Climate Risk Index: Philippines, 2010-2016

Year	Over-all Rank	CRI Score	Fatalities (annual average)	Fatalities per 100,000 Inhabitants (annual average)	Losses in Million US\$ (PPP) (annual average)	Losses per Unit GDP in % (annual average)
2016	4	49.00	927.00	1.1003	2,757.296	0.675
2015	1	2.17	6,479	6.646	24,538.56	3.816
2014	2	10.33	1,408	1.470	1,205.48	0.2873
2013	14	35.17	576.20	0.72	655.78	0.28
2012	10	31.83	801.40	1.03	659.79	0.30
2011	7	26.83	821	1.08	684.45	0.35

Source: Germanwatch (2011-2016)

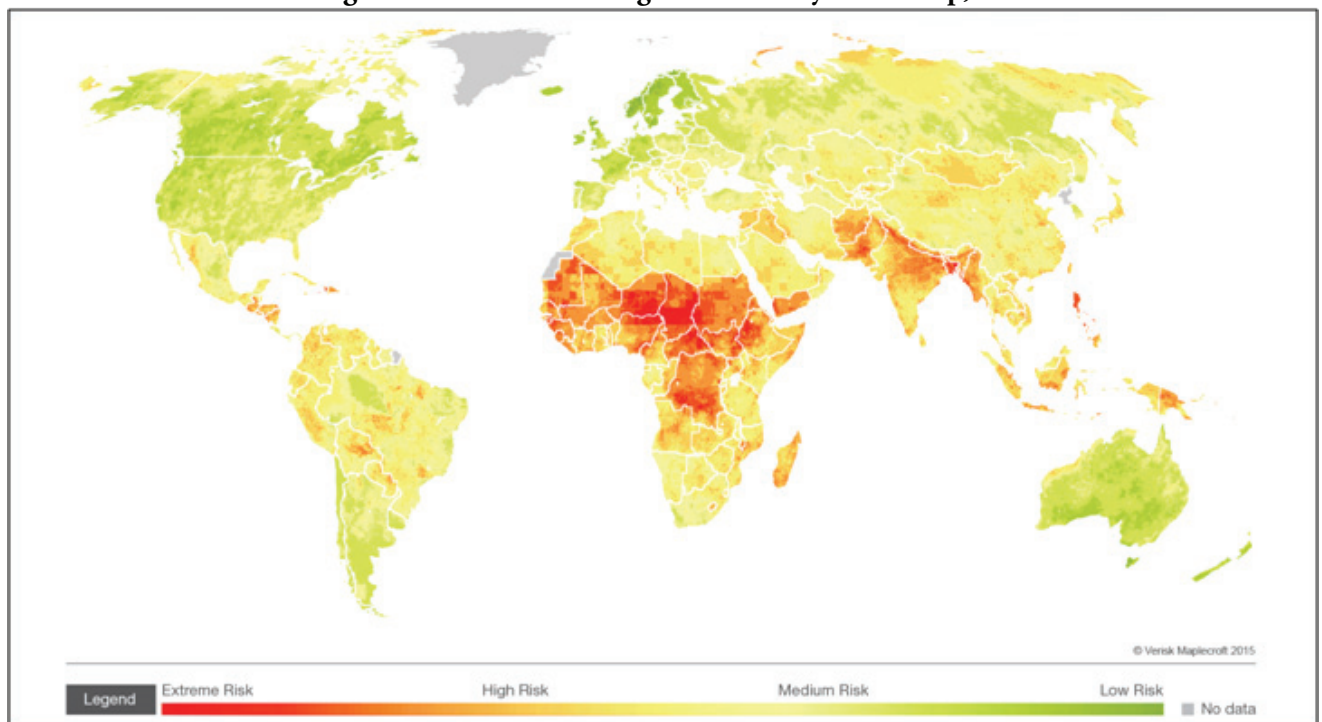
Figure VI.8. Global Climate Risk Index Map: Ranking 1995-2014



Source: Germanwatch (2016)

The risk rankings of the Philippines are validated by the Climate Change Vulnerability Index (CCVI) created by Verisk Maplecroft, an international consulting firm.¹⁰ Although not in the top five, the Philippines was tagged as “extremely” vulnerable to climate change. In 2015, the country ranked 8th out of 198 countries. But, in 2016, it went down to 13th out of 186 countries. They were ranked based on three criteria: exposure (50%), sensitivity (25%), and adaptive capacity (25%).

Figure VI.9. Climate Change Vulnerability Index Map, 2016



Source: Verisk Maplesoft (2016)

10 For details, see <https://maplecroft.com/about/news/ccvi.html>.

Accomplishments of the Climate Change Commission in CCAM

In its Report to the Congress in 18 May 2015, the CCC identified a supposed NCCAP Results-Based Monitoring and Evaluation System (RBMES) whose mission is “to accurately and progressively capture the impact of the NCCAP through evidence-based methods and analyses, which will serve as bases for periodic refinements and recalibration of NCCAP strategies and tactics”(CCC, 2015, slide 7). The NCCAP by then was already about four years into implementation, yet this RBMES never came to being. In fact, what is telling is that, in this same Report, its RBMES vision is that of “a fully operational results-based M&E system by Jan. 1, 2016 (underscoring by the authors) serving as a tool to improve and adjust NCCAP targets and activities from 2014 to 2028”(CCC, 2015, slide 7). Hence, it can be argued that the RBMES did not materialize as a monitoring tool for the period covered by this assessment, from 2012 to 2015.

In relation to the reported major programs, projects and activities, Table VI.18 shows the accomplishments of the CCC from 2010 to 2015. In summary, the activities of the CCC could be classified and ranked below:

1. Project-management and related activities - 26
2. Awareness building or IEC – more than 22
3. Policy formulation and related activities - 14
4. Networking with partners - 11
5. Attending UN negotiation meetings - 7
6. Capacity building of stakeholders - 4
7. Consultations with stakeholders - 4
8. Research-related activities - 3
9. Publication and databasing - 2
10. Conduct of scientific meeting - 1

It should be made clear that the tallies above may not necessarily reflect all accomplishments of the Commission from 2010 to 2015.

Table VI.18 Accomplishments of the CCC, 2010-2015¹¹¹²

Year	Reported Major PPAs ¹¹	Accomplishments ¹²
2010	None declared	<ul style="list-style-type: none"> • Formulation of the National Strategic framework on Climate Change • Preparation (workshop) for the drafting of the NCCAP • Climate change negotiations: Cancun Agreements – salvaged the integrity of the UNFCCC process by ensuring inclusiveness, and established the Green Climate Fund • IEC and publicity activities • Organized/participated in the following events: 1. Clean Water and Energy Week, 2. Earth Day, 3. World Environment Day, 4. LGU Summit in Albay, 5. Climate Consciousness Week

11 Information here were culled from the subsection on Projects, Programs for years 2012 to 2015 of Section VII (DBM-Approved Budget and Targets under the Transparency menu, viewable at <http://www.climate.gov.ph/index.php/content/?id=69&Itemid=10>)

12 Information here culled from the Annual Reports covering the years 2010 – 2014 (submitted to the House of Representatives Special Committee on Climate Change in 2015), with the content cited verbatim, and some edited for brevity. The 2015 Annual Report was obtained separately by the authors.

2011	None declared	<ul style="list-style-type: none"> • Crafting of the National Climate Change Action Plan • Preparation (workshop) for the drafting of the NCCAP • Climate change negotiations: Cancun Agreements – salvaged the integrity of the UNFCCC process by ensuring inclusiveness, and established the Green Climate Fund • IEC and publicity activities • Organized/participated in the following events: 1. Clean Water and Energy Week, 2. Earth Day, 3. World Environment Day, 4. LGU Summit in Albay, 5. Climate Consciousness Week
2012	<ul style="list-style-type: none"> • Push for the development of a mechanism to help LGUs in the formulation of respective LCCAPs and devise an appropriate M&E instrument for said local plans • Push for the conduct of vulnerability and adaptation assessment • Facilitate the establishment of ecologically resilient and economically stable towns or Eco-towns, in coordination with LGUs and NGAs, with ten municipalities/cities initially identified based on agreed-upon criteria for prioritization as well as on convergence of actions of the seven strategic priorities 	<ul style="list-style-type: none"> • Climate Change-Related Research and Development Activities: The Commission formulated the Philippine Research and Development Agenda on Climate Change that included the identification of priority researches that are critical in assessing and addressing climate change risks and impacts. Technical Discussions and Scientific Meetings on Climate Change: The Commission hosted a series of local technical meetings on research and development and climate change agenda – discussion of all relevant vulnerability and risk assessment tools, discussion on disaster and climate risk assessment, and another aimed at developing indicators for vulnerability impact assessment (VIA) assessment for national and sub-national levels. At the regional level an international conference on food security was held.

Year	Reported Major PPAs ¹¹	Accomplishments ¹²
	(continued)	<ul style="list-style-type: none"> Established Monitoring and Evaluation Strategies: The Commission, together with the Department of Budget and Management and World Bank, conducted the Climate Public Expenditure and Institutional Review (CPEIR) to assess specific expenditures against national development objectives and strategies. The government wants to monitor and evaluate climate change-related projects being proposed and implemented every year. Participation and Attendance in Different Local and International Conferences such as the UNFCCC Conference of Parties (COP 18) in Doha and UNCSD Rio +20 Capacity Building and Technical Assistance on Climate Change-Related Programs: The Commission developed the RBMES designed to track the progress of NCCAP, and identify anchor programs in preparation for the priority climate change agenda for the next three years. Formulation of Vulnerability and Adaptation Guidelines: The Commission studied various VA tools and methodologies that will provide guidance in the adoption of the general VA framework for use by stakeholders. Local Climate Action Planning: In coordination with the HLURB, a Resource Book was developed. Demonstration of Ecotown Framework. The Commission initially identified ten municipalities – Del Carmen, Pilar, San Benito, and San Isidro in Siargao Island; Borongan, Can-avid, Guiuan and Llorente in Eastern Samar; San Vicente in Palawan and Ivana in Batanes, to be implemented in two years. Through ADB, five LGUs in the Upper Marikina Watershed were added – Antipolo City, Baras, Rodriguez, San Mateo and Tanay. Institutionalization of Greenhouse Gas Inventory in Key Government Institutions: An institutional framework was formulated to identify key government agencies to serve as lead agencies for specific sectors in the conduct of the national GHG inventory. Database and IEC Activities: Pursuant to the mandate to oversee the dissemination of information on climate change, the Commission produced copies of the NCCAP and a video on the Palawan Ecotown, prepared and distributed press and photo releases to media, launched the Greeneration as an advocacy effort, and installed the internet infrastructure.

Year	Reported Major PPAs ¹¹	Accomplishments ¹²
		<ul style="list-style-type: none"> Partnerships: The Commission received technical and financial support from international aid agencies through formalized agreements, as follows – 1. Low Emission Capacity Building (LECB) with UNDP, 2. Resilience Capacity Building for Cities and Municipalities to Reduce Disaster Risks from Climate Change and Natural Hazards (Project ReBUILD) Phase 1 with New Zealand, 3. Project Climate Twin Phoenix with AusAid and UNDP, 4. Support to the Climate Change Commission in the Implementation of the National Framework Strategy on Climate Change and the National Climate Change Action Plan (SupportCCC) with Germany, and 5. Securing a Climate Resilient Philippines (SecurePHL) with UNDP.
2013	<ul style="list-style-type: none"> Continue to develop a mechanism to help LGUs in the formulation of their respective Local Climate Change Action Plan (LCCAP) and identify the appropriate M&E instrument for said plans. Continue to exercise its mandate to coordinate and enhance synergy among government agencies and offices in mainstreaming climate change adaptation/disaster risk management and mitigation in national plans and programs. Results based monitoring framework shall be developed to effectively measure the usefulness of climate change adaptation and mitigation plans and programs in relation to the NCCAP – Recommend legislation, policies, strategy, programs on the appropriations for climate change adaptation and mitigation and other related activities; Expand the areas for demonstration of ecologically resilient and economically stable towns or Eco-towns in the provinces of Romblon, Bohol and the remaining (5) five municipalities under Siargao Islands Protected Landscapes (SIPLAS) namely Burgos, General Luna, Sta. Monica & Socorro that are also identified as being at high risk on the impacts of climate change, with high poverty incidence and located within key biodiversity area(s). Establish the National Panel of Technical Experts. The CCO is mandated by law to provide resources for the operations and activities of the Panel. 	<ul style="list-style-type: none"> Policies and Guidelines: The following are the policies that have been initiated for 2013 – 1. IRR for RA 10174, 2. Draft Supplemental Guidelines for Mainstreaming Climate and Disaster Risks into CLUP, 3. Draft Executive Order for the Institutionalization of Greenhouse Gas Inventory, 4. Joint Memorandum Circular on Guidelines in Tagging/Tracking Government Expenditures for Climate Change in the Budget Process, 5. Policy Discussion Paper on Climate Finance Readiness, 6. Proposed Results-Based Monitoring and Evaluation Framework for the National Climate Change Action Plan (NCCAP), 7. Policy Brief on the Need for a Local Climate Change Action Plan (LCCAP) Multi-Stakeholders Dialogues/Consultations on Strategic Climate Change Issues: 1. Special Meeting of the Philippine Development Forum, 2. Mindanao Development Forum, and 3. Philippine Development Forum. Partnerships and Linkages: Ongoing Projects – 1. Project Climate Twin Phoenix, 2. LECB Project, 3. Project ReBUILD, 4. SecurePHL, 5. Enhancing Greater Metro Manila's Institutional Capacities for Effective Disaster/Climate Risk Management Towards Sustainable Development (GMMA READY Project), and 6. SupportCCC Project. Demonstration of the Ecotown Framework Project in San Vicente, Palawan Capacity Building and Technical Assistance: 1. Vulnerability Assessments and Natural Resource Assessment as part of the ecotown demonstration in SIPLAS and Palawan, 2. Development of the M&E System, for NCCAP.

Year	Reported Major PPAs ¹¹	Accomplishments ¹²
		<ul style="list-style-type: none"> Climate Negotiations: COP19/CMP9 in Warsaw Information & Knowledge Management: Enhanced website, IEC activities, PR Activities, and Climate Change Consciousness Week.
2014	<ul style="list-style-type: none"> Continue to exercise its mandate to coordinate and enhance synergy among government agencies and offices in mainstreaming climate change adaptation/ disaster risk management and mitigation in national plans and programs. The newly developed Results-Based Monitoring and Evaluation system (RBMES framework) shall be implemented to effectively measure the usefulness of climate change adaptation and mitigation plans and programs in relation to the NCCAP – Recommend legislation, policies, strategy, programs on the appropriations for climate change adaptation and mitigation and other related activities; taking off from the results of the demonstration of ecologically resilient and economically stable towns or Eco-towns, policy recommendations ensuing the process of a science based vulnerability as it affects the local plans. Continue to undertake study and engage the services of the National Panel of Technical Experts to provide findings on the impacts of climate change, as firm basis for policy recommendations. The CCO is mandated by law to provide resources for the operations and activities of the Panel. With the recent enactment of the People Survival Fund, a fund that aims to finance adaptation programs and projects that are directly supportive of the objectives enumerated in the Climate Change Action Plans of local government units and communities, LGUs will be continuously capacitated in mainstreaming CCA into their local development plans, as well as proposals for the identified adaptation measures. Science-based vulnerability approach, as a result of the ecotown demonstration, will be strengthened in order for LGUs to develop risk-based local development plans. 	<ul style="list-style-type: none"> Policies and Guidelines: 1. The Commission crafted the PSF's Implementing Rules and Regulations. As of 15 December 2014, the draft of the IRR has been submitted to the Office of the President, and the PSF Board was created. 2. President Benigno Aquino issued Executive Order 174 (Institutionalizing the Philippine Greenhouse Gas Inventory Management and Reporting System). 3. The CCC extended technical assistance to HLURB to formulate the Supplemental Guidelines on Mainstreaming Climate and Disaster Risks in the Comprehensive Land Use Plan. Demonstrating Climate Change Resilience at the Local Level: 1. Ecotown Framework Demonstration in Siargao Island (LGUs of Del Carmen, Pilar, San Benito and San Isidro; 2. San Vicente, Palawan; 3. Natural Resource and Vulnerability Assessment in Eastern Samar (LGUs of Can-avid, Borongan, Llorente and Guiuan); 4. Ecotown Framework Demonstration in Batanes (LGUs of Ivana, Mahatao, Uyugan, Sabtang, Basco); 5. Climate Resilience and Green Growth in the Upper Marikina River Basin Protected Landscape; 6. Upscaling of Project Climate Twin Phoenix; 7. GMMA READY Project; and 8. SupportCCC. Climate Negotiations: Participation of the Philippines in COP 20 in Lima; the Philippines assumed the Presidency of the Climate Vulnerable Forum composed of 20 states. Spreading Awareness: 1. The Commission conducted three Greeneration summits (Davao, Iloilo and Manila) and for Luzon during the Climate Change Consciousness Week. 2. Establishment of a library. 3. Commission Website pursuant to AO 39 (iGov template). 3. SupportCCC KM System. 4. Community of Practice online portal. 5. Media trainings and publicity activities.
2015	<p>Budgetary Thrusts and Strategies for FY 2015:</p> <ul style="list-style-type: none"> Continue advocacy for the implementation (NCCAP) 	<ul style="list-style-type: none"> Engagement of the Panel of Experts: To establish a clear line of engagement and work relationship between them, a Guidelines and Operations Manual is being produced. To date,

¹³ The CCC departed from the previous reporting template with the inclusion of the Budgetary Thrusts and Strategies for 2015.

Year	Reported Major PPAs	Accomplishments
	<ul style="list-style-type: none"> • Implementation of the People's Survival Fund and NCCAP Results-Based Monitoring and Evaluation System • Influence legislation, policies, strategies and programs on climate change (mitigation strategy, mainstreaming CCA-DDR in local development plans) • Enhance capacities of LGUs through technical assistance and capacity building LGUs' climate and disaster risk exposure database, disaster risk assessment and climate change vulnerability assessment, and access to PSF) <p><i>Note: the plans/programs and activities for 2014 were rewritten into Fiscal Year 2015 verbatim.</i></p>	<p>the Final draft manual incorporated comments and validations made by the Department of Budget and Management (DBM), Civil Service Commission (CSC) and Commission on Audit (COA) and was subject for approval on the first regular meeting of the NPTE held last August. Dr.Rodel Lasco was nominated as the NPTE Chair. A climate change briefer shall also be prepared by the NPTE to be submitted to the President.</p> <ul style="list-style-type: none"> • Development of the M&E System for the NCCAP: A nationwide Monitoring and Evaluation (M&E) System for the National Climate Change Action Plan (NCCAP) was crafted to identify and monitor results that can be attributed to NCCAP interventions. The expected outputs would be: 1. a long-term results-based monitoring and evaluation system (structure, methods, procedures, and routines) for the National Climate Change Action Plan 2011-2028; and 2. a results-based monitoring framework and M&E plan for the medium term NCCAP 2011-2016. • Covering More Ecotown Areas: 1. Palawan and Oriental Mindoro: CRGG: orientation meeting with the provinces, consultation workshop on the draft CRGG General Methodology Framework; 2. Bohol: VA and NRA, consultation workshop, data validation, FGDs, KIIs and Climate Change Early Action and Adaptation Workshop; 3. Romblon, Magdiwang, Cajidiocan, San Fernando and Odiongan: NRA and VA; 4. Upper Marikina River Basin Protected Landscape (UMRBPL): Climate Resilience and Green Growth; 5. Lower Marikina, Camarines Sur and Davao Oriental: Climate Resilience and Green Growth in Critical Watersheds; and, 6. Eastern Samar: Vulnerability and Adaptation Assessment. • Local Projects: 1. Project ReBUILD: Resilience Capacity Building for Cities and Municipalities to Reduce Disaster Risks from Climate Change and Natural Hazards, Phase 1; 2. UNDP-CCC Securing a Climate Resilient Philippines (SECUREPHL) Project (Calauan, Laguna); 3. Enhancing Greater Metro Manila's Institutional Capacities for Effective Disaster/ Climate Risk Management towards Sustainable Development (GMMA READY Project); 4. Philippine Climate Change Adaptation Project (PhilCCAP); 5. LECB PHL Project: Building Capacities in the Public Sector and Industry to Address Climate Change.

Year	Reported Major PPAs ¹¹	Accomplishments ¹²
		<ul style="list-style-type: none"> Climate Financing: 1. The Peoples's Survival Fund - launching and call for proposals, formulation of the PSF Manual of Operations and Proponent's Handbook, development of the PSF Accreditation Guidelines for Local/Community Organizations, and publication of the Revised Implementing Rules and Regulations of RA 9729, as amended by RA 10174 (Malaya Business Insight, 2015); 2. Climate Budgeting – orientation seminar on the National Climate Change Expenditure and Tagging, revision of the national and local CCET Guidelines. Climate Negotiations: 1. Led the Philippine Delegation to the 21st Conference of Parties of the UNFCCC, resulting into the Paris Agreement; 2. Submission of the Intended Nationally Determined Contributions to the UNFCCC. Numerous Awareness Campaigns.

Source: CCC Annual Reports, 2010-2015.

Another information worth looking into is the percentage of utilization of the agency budget based on the Annual Financial Reports of the CCC from 2011 to 2015, as shown in the following table.

Table VI.19. Budget Utilization Rate of the CCC, 2010-2015

Budget Year	Percentage of Utilization
2011	45.92
2012	68.11
2013	13.55
2014	69.29
2015	68.88
Average	53.15

Source: Statement of Allotment Obligations and Balances, 2011-2015.
Downloaded from CCC (n.d.).

Note that the average rate of utilization of the budget by the CCC is 53.15% or just a little over half the budget it receives. Based on the 2011 and 2012 Final Performance Reports, the CCC remarked that the 46 positions in the CCC plantilla have not been filled up. In the 2015 congressional hearing, when asked about the agency's absorptive capacity, then Secretary Lucille Sering admitted that there were more than 20 positions unfilled in the CCC.

Problems, Issues, and Challenges

The Leadership Issue

The CCC early on has been hounded by leadership issues. In 2010, President Aquino's intervention had to be sought regarding this leadership crisis, with then Commissioner Lucille Sering raising the issue of lack of transparency against then Secretary Heherson Alvarez. "You're not transparent. You don't tell us what's going on. If we do something contrary to your plans, you'll take us out of the delegation and punish us through your power of the purse," Sering lamented (Calonzo, 2010). Interestingly, this power by the CCC Secretary to kick a commissioner out of the delegation in climate negotiations again became the issue.¹³ In 2014, controversy erupted during the climate talks in Lima due to the absence of then Commissioner Naderev Saño, considered by many as a top climate negotiator (Ranada, 2014). This led him to resign as commissioner on Earth Day in 2015 (Sabilo, 2015).

¹³ The CCC Secretary as head of agency finalizes the list of delegates to climate negotiations, and signs the corresponding travel authority. As concurrent Executive Director, the CCC Secretary also holds the power to release funds for travel.

There are three possible contributing factors causing the leadership crisis. First, it is the outgoing President who appoints the three climate commissioners, just months away from the national elections. The commissioners stand to serve out their terms under a new president. As is the usual case, the incoming President usually comes from an opposing political party. Second, the presiding officer other than the President (who is the Chairperson of the CCC) is the vice-chairperson, chosen by the President from among the three commissioners who has the rank of Secretary and also concurrently serves as the executive director. As a consequence, this tilts the balance of power within the commission in favor of the vice-chairperson because he/she wields the power of the purse over the two other commissioners, being the executive director who approves or withholds fund releases. It does not help that the vicechairperson is honorifically addressed as Secretary, an epithet reserved for the head of a line or implementing agency. Third, consequently, since there are only two other commissioners, political alliances initiated by the vicechairperson are the order of the day. Notably, the CCC then did not formulate its Internal Rules of Procedure, pursuant to Rule IV, Section 3(f) of the Revised Internal Rules and Regulations of RA 9729, as amended. The said rule states that:

(f) Internal Rules of Procedure. The Commission shall adopt rules of procedures that shall provide for meeting protocols, mechanisms for arriving at decisions, as well as other procedures necessary to carry out the powers and functions as identified in Section 9, as amended, of the Act. The internal rules shall strictly adhere to the principle of collegiality and ensure a consultative, democratic and transparent nature of decision-making. Such rules shall also include the conduct of Commissioners during sessions and the disciplining of members.

It emphasizes that “internal rules shall strictly adhere to the principle of collegiality” (underscoring by the authors). After all, the unequivocal intent of the legislature was to create the Climate Change Commission as a collegial body, stating under section 6 of RA 9729 “(t)hat a resolution or decision shall be approved by the majority of the three (3) Commissioners.”

If we take a look at the history of other commissions, this policy problem on collegiality is not unique to the CCC. In the case of the National Telecommunications Commission (NTC), which is also composed of three commissioners, one of whom acts as the chairperson, a controversy arose regarding the decision of then Commissioner Simeon Kintanar who was also the chairperson. Chair Kintanar bypassed his two other commissioners in issuing a decision denying Bell Telecommunication’s application to operate telecommunication services. This controversy was decided by the Supreme Court, ruling that the NTC as a collegial body is one:

requiring a majority vote out of the three members of the commission in order to validly decide a case or any incident therein. Corollarily, the vote alone of the chairman of the commission, as in this case, the vote of Commissioner Kintanar, absent the required concurring vote coming from the rest of the membership of the commission to at least arrive at a majority decision, is not sufficient to legally render an NTC order, resolution or decision. Simply put, Commissioner Kintanar is not the National Telecommunications Commission. He alone does not speak for and in behalf of the NTC. The NTC acts through a three-man body, and the three members of the commission each has one vote to cast in every deliberation concerning a case or any incident therein that is subject to the jurisdiction of the NTC. (*GMCR, Inc. V. Bell Telecommunication Philippines, Fnc., G.R. No. 126446, 1997*)

The National Panel of Technical Experts

Under Section 10, the law created the National Panel of Technical Experts¹⁴ to “provide technical advice to the Commission in climate science, technologies, and best practices for risk assessment and enhancement of adaptive capacity of vulnerable human settlements to potential impacts of climate change.” The law created the NPTE as a fully functioning scientific/technical advisory body with members required to have the necessary qualifications, possessing reputed authority on specific disciplines of climate change and disaster risk reduction, appointed to a tenure of two years and having a fixed compensation set by the Commission. Under the Revised Implementing Rules and Regulations, the NPTE shall be a collegial body with its own internal procedures for the conduct of its meetings/deliberations.¹⁵ In addition, RA 10174 mandates the utilization of the expertise of the NPTE in the project appraisal of proposals to the PSF. Also, apparently, under Section 12, the NPTE is logically tasked to initiate the conduct of climate and disaster impacts, vulnerability and adaptation assessments, or what might be called the national climate risk assessment. An in-depth perusal of the annual reports and official activities of the Commission shows that the NPTE has never been activated as a fully functioning scientific/technical body, despite attempts at convening the said body. From 2010 to 2015, the Commission may be hard put to prove that it proactively exerted decent efforts to make the NPTE fully

14 Aside from climate change experts, the NPTE also requires the inclusion of DRR specialists. See Rule VII, Section 1, par. (a)iv of the Revised IRR.

15 See Rule VII, Section 1, paras. f and g of the Revised IRR.

functional, similar to the Intergovernmental Panel on Climate Change, its supposed international counterpart, or even that of a scientific body akin to the National Academy of Science and Technology.

The Secretariat

The Commission Secretariat was established under Section 3, Rule IV of the Revised IRR, whose members shall be designated by the Commission. It has the following functions:

1. Organize and make all necessary arrangements for Commission meetings;
2. Prepare minutes of meetings and resolutions; and
3. Take custody of documents and records of the meetings.¹⁶

It might be argued that the creation of the Commission Secretariat is unnecessary because there is already an executive director who heads the Climate Change Office as the Commission's support unit, and even a deputy director under the CCC plantilla. It should be recalled, however, that the vice chairperson and executive director are one and the same person who happens to also be one of three Commissioners. Hence, there is a need to create a Secretariat directly accountable to the Commission, completely apart from the CCO. It bears mentioning that, for the period of this assessment, the CCC never formulated its internal rules of procedure, even after being prompted by the House of Representatives Climate Change Committee. Such internal rules of procedure could have prevented the escalation of the CCC's leadership crisis.

It can be seen clearly that the CCC has so many functions, yet its starting plantilla of 46 personnel remained as is through the years. What also aggravated the situation is the failure to completely fill up the already minimal number of personnel. Hence, the inevitable result is the dismal performance of the organization in mainstreaming climate change in national and local plans, and failure of disbursement of the PSF to fund local adaptation actions. The demand of numerous overseas travels to engage in climate negotiations and other climate-related foreign trips are, of course, a considerable factor affecting performance due to limited personnel. Adding to this the burden of managing numerous foreign-funded projects simultaneously, the whole picture shows the CCC stretched beyond its capacity to deliver.

Absorptive Capacity

In 2013, the World Bank conducted the Climate Public Expenditure and Institutional Review (CPEIR) as a mid-term gap analysis on climate reforms in the Philippines. Part of this is an institutional assessment on the Climate Change Commission with the following findings:

1. **The broad scope and many responsibilities of the CCC hamper its ability to streamline implementation of the NCCAP and operationalize some of its tasks.** The CCC is solely responsible for a number of key functions, such as leading climate policy making and coordinating, monitoring and evaluating climate programs and action plans. Because of its wide array of responsibilities, the CCC has not been able to divert enough resources to advocate effectively for immediate action on climate change.
2. **The CCC is jointly responsible for several tasks with other agencies, yet its effectiveness is limited by a lack of clear or formalized roles and relationships.** In particular, clarifying the relationship with the NEDA and DBM is essential to ensure effective coordination and integration of the climate change, poverty reduction and development agendas. Similarly, while the CCC provides secretarial services to the CCCC, it remains without much decision making powers, which have slowed the integration of the NCCAP at the highest level of government. The dual support services of the DENR and the CCC have often led to a duplication of secretariat services in the CCCC, and competing demands on the CCC staff have limited their ability to provide needed support to the Cabinet. Some steps are being taken to clarify these roles, but more work is required to establish a better balance between executive agency priorities and strategic, high-level goals.
3. **The CCC is a national agency with limited local presence, and lacks the capacity to engage with all LGUs.** Several entry points have proven useful for increased coordination with LGUs. For example, the CCC can take advantage of establishing relationships to expand coordination through NEDA's board committees. The CCC's relationship with the Housing and Land Use Regulatory Board can be used to assist with integration of adaptation in local development plans. (Crepin, 2013, p.13)

To recap, the World Bank report reveals that the CCC has a myriad of roles and mandates, including acting as a Secretariat of the Cabinet Cluster on Climate Change Adaptation and Mitigation (referred to as CCCC here), yet it has limited capacity to deliver on these numerous mandates. In short, the CCC lacks absorptive capacity to push the climate reform agenda.

16 See Section 3a of Rule IV of the Revised IRR

Also in 2013, Aksyon Klima, a coalition of CSOs involved in climate action, came out with its own assessment of the CCC, giving it an overall failing mark of “needs improvement” in the following areas: 1. Failure in integrating climate change adaptation and disaster risk reduction in the national and local development plans; and 2. Failure in making the PSF operational because the President had yet to sign its implementing rules and regulations, aside from failing to allocate funds for it, and failure to convene the PSF Board (Yap, 2013). It will be noted that RA 10174, passed in 2012, added a large task to the CCC as the fund administrator of the PSF. Hence, this further burdened the CCC beyond its absorptive limits.

The Cabinet Cluster System Under the Aquino Administration

EO 43 created the cabinet cluster relevant to institutional coordination on climate actions, i.e., Climate Change Adaptation and Mitigation Cluster (CCAM Cluster), as discussed earlier. By practice, the DND regularly sent the National Disaster Risk Reduction and Management Council-Office of Civil Defense (NDRRMC-OCD), the Secretariat of the NDRRMC, to the CCAM Cluster meetings. It should also be noted that the Cluster Chair could require the participation of any agency outside its own cluster.¹⁷

The Cabinet Cluster System became arguably the main mode of cabinet-level coordination for climate change actions, and to a lesser extent, DRR (except during national calamities). RAs 9729 (as amended) and 10121 already provided the main institutional arrangements on climate and DRR actions. Therefore, EO 43 weakened the institutional roles of both the CCC and the NDRRMC, which were created by statute, which an EO could not have amended.

It is worth mentioning that, under the Aquino government, the CCC was never convened officially as envisioned under RA 9729. In fact, Senator Loren Legarda, Chairperson of the Senate Committee on Climate Change and principal author of the law, remarked that “[u]nder the Climate Change Act, there are three commissioners of the CCC and the chairperson is no less than the President of the Philippines. I am glad that for the first time since the law was enacted, the President has finally convened the Commission. This is a good sign that our President sees the importance of addressing climate change impacts as it affects the overall development of the country,” she said. This remark was made by Sen. Legarda when incumbent President Rodrigo Duterte convened the CCC on 31 January 2017 (Senate Press Release, 2017).

Granted that EO 43 remains valid, nothing prevented the CCC to jointly convene the commission en banc, together with the cabinet cluster, noting that a lot of line agencies are members of the CCC’s Advisory Board anyway. This could have been resorted to as a means of harmonizing EO 43 with RA 9729, as amended.

Issues and Concerns on the People’s Survival Fund

Until 2015, the CCC failed to operationalize the PSF because it did not provide an enabling environment for genuine and direct access to the Fund, or any other national climate fund for that matter. The following were the specific issues and concerns that were not addressed properly, pursuant to the provisions of RA 9729, as amended, and other relevant laws:

1. *Publication of the Revised Implementing Rules and Regulations (IRR) of RA 9729, as amended.* Section 29 actually requires the promulgation of the IRR ninety days after approval of the Act, and upon consultation with stakeholders. The Revised IRR had been submitted to the President as CCC Resolution No. 4 in 23 May 2013. The Revised IRR was published only in 21 December 2015, or more than three years after the PSF law was enacted.
2. *Compliance with Section 20 (Uses of the Fund) of RA 9729, as amended.* Section 20 is the provision that guides the determination of the funding windows, but it would be prudent to harmonize this with other relevant provisions of the law. In addition, Section 20 mentions that it is suppletory to appropriations on related national climate funds, aside from counterparting from LGU-initiated projects. Also, Section 20 mentions encouraging counterpart funding arrangements among LGUs, community organizations and the private sector and other entities, including the academe¹⁸. All these entail a preliminary analysis by the PSF and the CCC regarding fund layers and institutional arrangements or required partnerships for project implementation to come up with funding windows and financing strategies that are coherent and targeted.

¹⁷ See Section 5 of EO 43.

¹⁸ Note that under Section 21 (composition of the PSF Board), the organizations represented by sectoral members of the PSF Board are exempted from accessing the funds. This means that the general rule is that the academe, private sector, and CSOs may access the said funds to begin with.

3. *Compliance with Section 22 (Powers and Functions of the PSF Board) of RA 9729 as amended.* Paragraph (b) seems to be an essential component in relation to ensuring genuine and direct access to the PSF, as it requires the PSF Board to “provide overall strategic guidance in the management and use of the fund” through the following: (i) development of funding windows for various adaptation activities; (ii) counterpart funding arrangements; and, (iii) guidelines for project assessment, approval and evaluation.

The exercise of this strategic guidance will facilitate the creation of an enabling environment to properly guide LGUs on how to write proposals for funding. For instance, disclosure of the size or range of amounts of the funding windows will give an indication into the magnitude of the activities that should be included in the proposal, as also mentioned above, under Section 20. Note that the Board is also mandated under paragraph (a) to craft policies ensuring its fiduciary character, and must, therefore, adhere to the standards of transparency, accountability and good governance. Note further that under paragraph (g), the law additionally requires an independent third party evaluation and auditing pursuant to the fiduciary standards, taken in conjunction with government accounting and auditing rules. Mechanisms on how to implement this paragraph would prudently be beneficial, such as addressing the wisdom of opening third party evaluation to private auditors or project evaluators from the academe or disinterested CSOs.

4. *Formulation and publication of a Call for Proposals for Funding under RA 10174.* CCC as the Secretariat and fund manager of the PSF must release a detailed guidance document regarding a call for proposals, which is supposedly simpler and easier for LGUs to comply, given that the previously issued PSF Handbook was met with a lot of criticisms. Perhaps to help LGUs and communities to properly formulate adaptation proposals eligible for funding, the PSF Board, under Section 22, may provide the CCC with guidelines on the funding windows, mechanisms for evaluating counterpart funding, and what constitutes an acceptable LCCAP to qualify, among others, as pointed out above. It would be prudent for the CCC to disclose a work plan regarding how it will administer the Fund as early as possible, because funds have already been allocated for it since 2015.
5. *Compliance with Section 23 on the Role of the CCC.* Section 23 specifically delineates the role of the CCC in the utilization of the PSF as follows:
 1. Assertion of the collegiality of the Commission by ensuring that the Commissioners take part in the evaluation and review of project proposals because majority of the Commissioners are required to recommend the approval of proposals to the PSF Board. Note that Section 6 of the law clearly establishes the nature of the Commission as a collegial body. Failure to adhere to the principle of collegiality may render the recommendation for approval *void ab initio*.¹⁹
 2. Mandatory consultations with the Advisory Board and the National Panel of Technical Experts regarding project appraisal, monitoring and evaluation.²⁰
 3. Mandatory adherence to high fiduciary standards by ensuring that mechanisms are in place for public access to information regarding funding deliberations and decisions.
 4. Mandatory formulation of guidelines for accreditation of local organizations seeking access to the fund.

In summary, RA 9729, as amended, imposes high standards regarding the fiduciary nature of the CCC as the fund manager of the PSF in relation to the functions of the PSF Board. This means that the CCC and the PSF Board must be transparent with respect to mechanisms of access, all phases of the project cycle from initiation, funding deliberation, monitoring and even third-party auditing. A national risk assessment process should also be accomplished, which the active engagement of the National Panel of Technical Experts. Also equally important is the adherence of the CCC and the PSF Board to high standards of accountability and good governance in managing not only the one billion-peso fund, but also all other climate funds brought into its purview in the future. Addressing these fiduciary issues to make the PSF directly accessible by LGUs would necessarily result into readiness for global climate funds.

DISASTER RISK REDUCTION

Legal Basis, Framework, and Plan

As stated in the previous sub-chapter, the Philippines is a disaster-prone country. In response to the slew of these disasters, especially typhoons (e.g., Typhoon Ondoy/Ketsana in 2009), Congress passed a comprehensive bill on disaster

¹⁹ The legal effect of violating the collegiality of commissions is established by the Supreme Court decision in GMCR Inc. versus Bell Telecommunications Inc., G. R. No. 126496. April 30, 1997

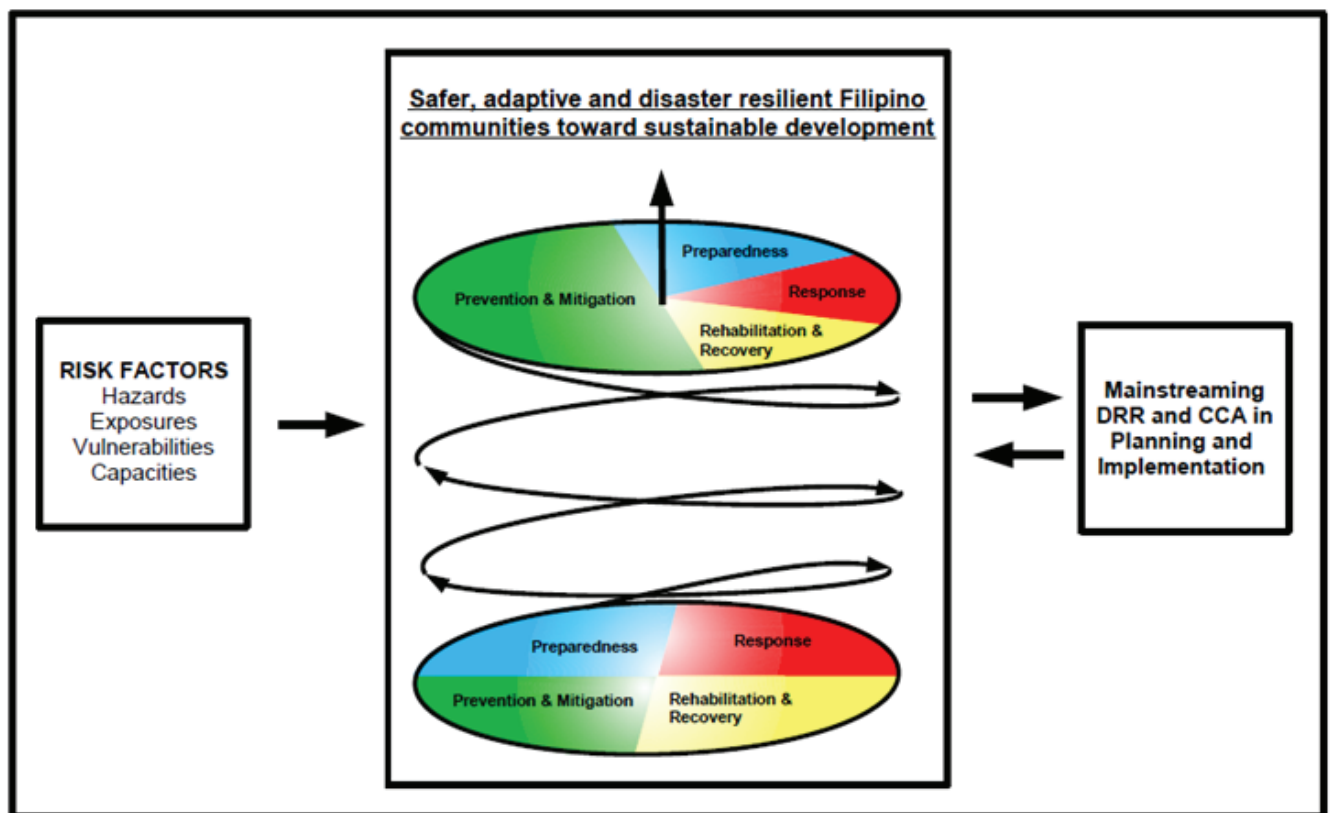
²⁰ Based on rules of statutory construction that whenever the word “shall” is used, this will be interpreted as a mandatory command of the legislative authority. Hence, consultations are mandatory based on the following text of Section 23: “The Commission shall utilize the expertise of relevant government agencies in its advisory board and the national panel of technical experts in the project appraisal, monitoring and evaluation process (emphasis supplied). The same of course applies to the related paragraphs in this provision.

risk reduction (DRR), which was signed into law on 27 May 2010 by former President Gloria Macapagal-Arroyo, i.e., Republic Act No. 10121 (RA 10121), or “Philippine Disaster Risk Reduction and Management Act of 2010.” RA 10121 replaced Presidential Decree No. 1566 (PD 1566), a disaster management law issued in 1978 by then President Ferdinand E. Marcos.

On 7 February 2012, the National Disaster Risk Reduction and Management Plan 2011 to 2028 (NDRRMP) was crafted, complementing the National Disaster Risk Reduction and Management Framework (NDRRMF) shown on Figure VI.10 below. The NDRRMP has four priority areas with four long-term goals, 14 objectives, 24 outcomes, 56 outputs, and 93 activities.

To attain the overall vision of having a “safer, adaptive, and disaster-resilient Filipino communities toward sustainable development,” the Framework specifies four distinct yet mutually reinforcing priority areas, namely: (1) prevention and mitigation, (2) preparedness, (3) response, and (4) rehabilitation and recovery. Notice that these thematic areas incorporate DRR and climate change adaptation (CCA) in planning and implementation. The framework argues that the vision for a safer, adaptive and disaster-resilient community can be achieved by inculcating a strong culture of prevention and mitigation in society.

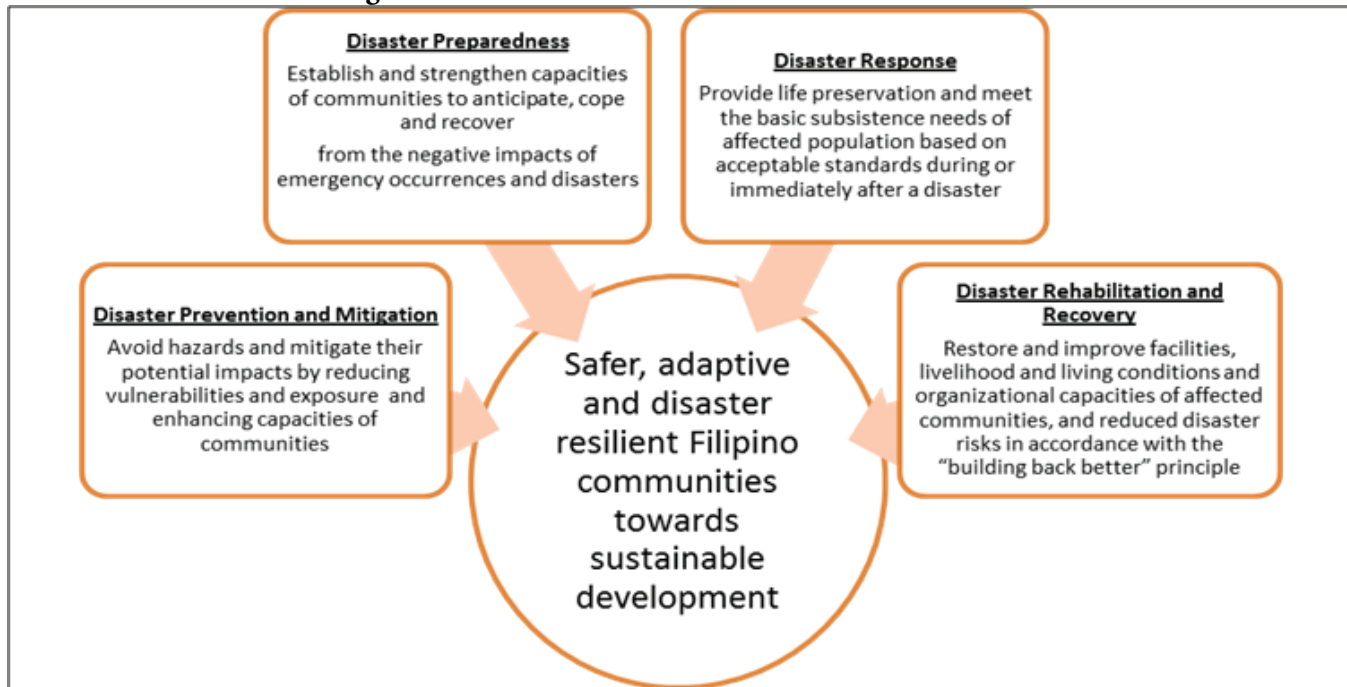
Figure VI.10. Philippine Disaster Risk Reduction and Management Framework



Source: NDRRMC (2011, p.17)

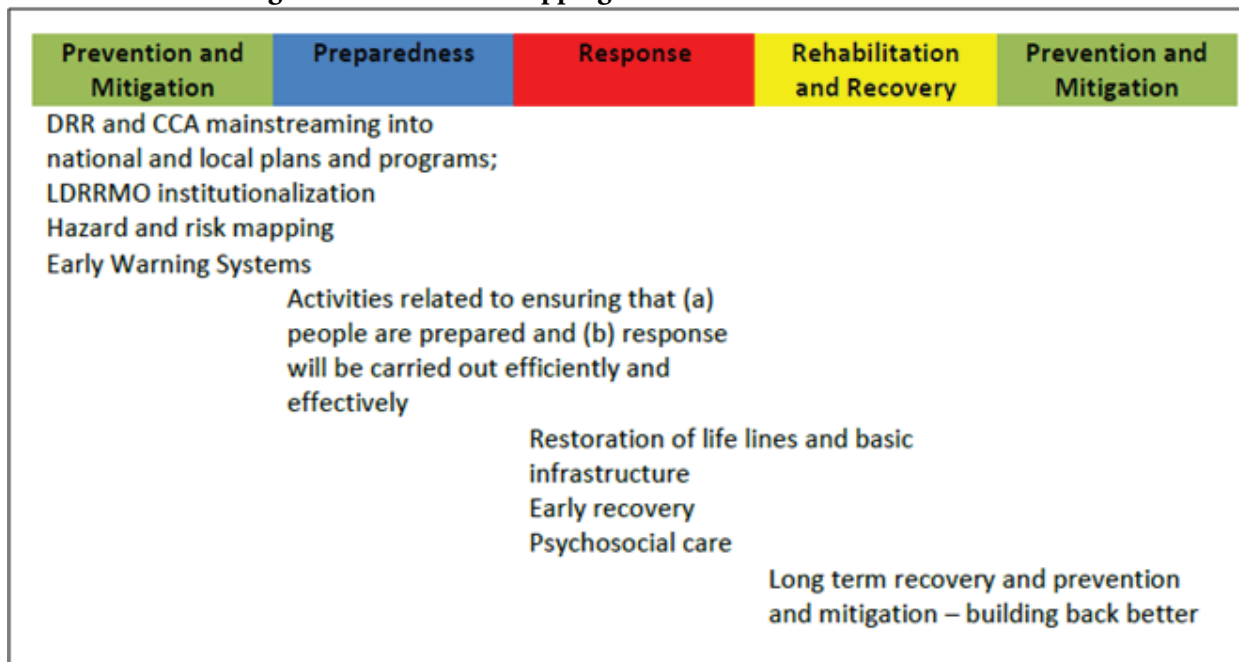
Unlike a cycle, each of the four areas acts in sync with others, thereby mutually reinforcing each other. There are no identifiable starting and ending points. Moreover, they are all problem-need and asset-strengths centered (see Figure VI.11). Finally, in the implementation phase, there are areas of overlap among them, which are captured in Figure VI.12.

Figure VI.11. The Four Thematic Areas of the NDRRMF



Source: NDRRMC (2011, p.19)

Figure VI.12. The Overlapping Thematic Areas of the NDRRMF



Source: NDRRMC (2011, p.20)

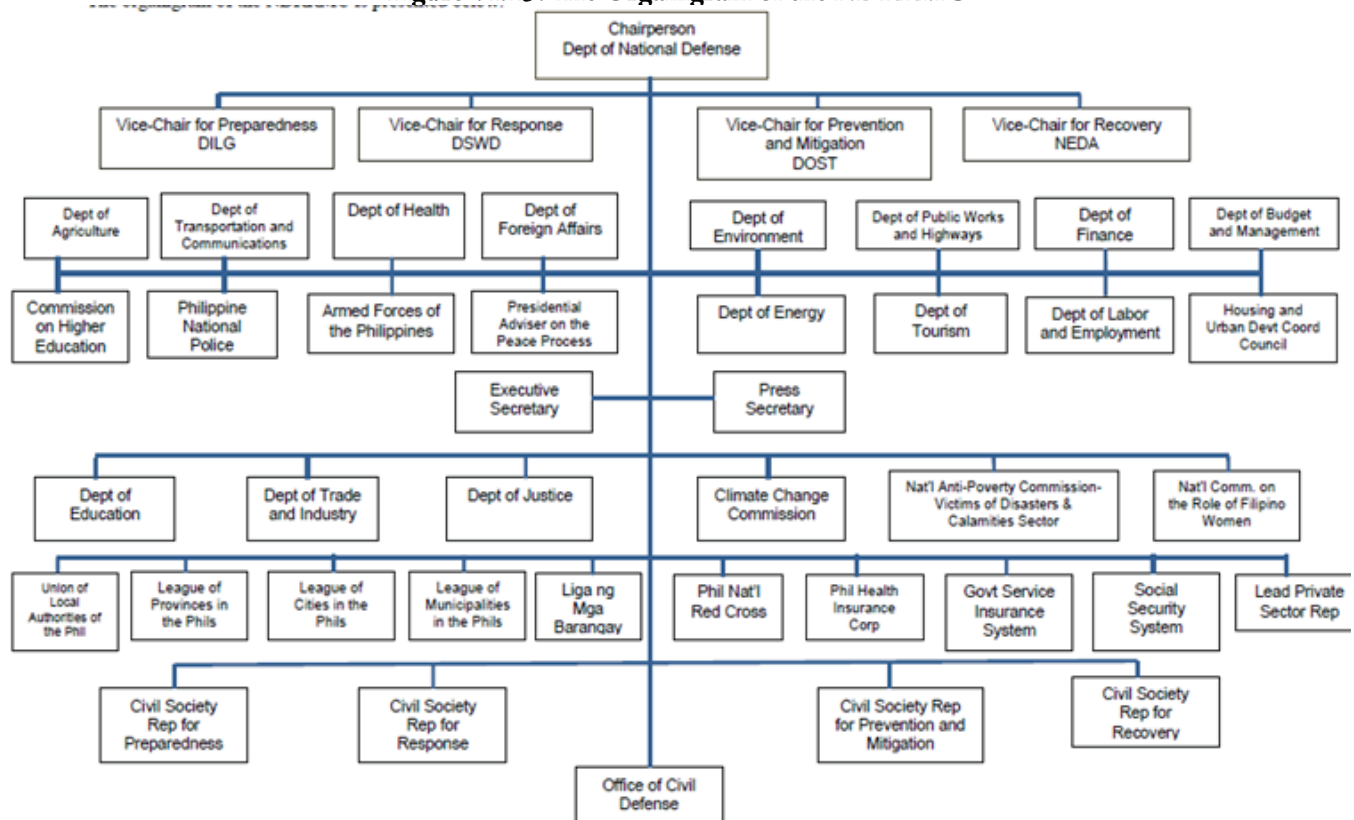
The National Disaster Risk Reduction and Management Council and Its Role in Disaster Risk Reduction in the Philippines

DRR management is undertaken by national and local government agencies. At the helm is the National Disaster Risk Reduction and Management Council (NDRRMC). It supervises all DRR management activities at the national level and those of the various local DRRM councils at the regional, provincial, city, municipal, and barangay (village) levels.

The NDRRMC is the highest national policy-making body on DRRM matters. It is an advisory body to the President. Thus, it is empowered to coordinate, integrate, monitor, and evaluate actions taken on, among others, the NDRRMF, the use of the national and local Disaster Risk Reduction and Management Funds (NDRRM Funds), coordination with the Climate Change Commission, establishment of early warning systems, development of risk transfer mechanisms, and support for multi-stakeholder participation, among others.

The national council is headed by the Defense (or DND) secretary, who is assisted by four vicechairpersons for preparedness (Local Government secretary or DILG), disaster response (Social Welfare secretary or DSWD), disaster prevention and mitigation (Science and Technology secretary or DOST), and disaster rehabilitation and recovery (director-general of the National Economic and Development Authority or NEDA). It has 39 members, which include 14 department secretaries;²¹ the executive secretary, and the press secretary; the chief of staff of the Armed Forces of the Philippines (AFP); the chief of the Philippine National Police (PNP); the executive director of the Climate Change Office of Climate Change Commission; the presidential adviser on the Peace Process; chairpersons of the Commission on Higher Education, Commission on the Role of Women, and Housing and Urban Development Council; commissioner of the Anti-Poverty Commission; presidents of three government insurance corporations;²² presidents of local government leagues;²³ a representative from the Philippine National Red Cross (PNRC); four representatives from civil society organizations (CSOs); a representative from the private sector; and the administrator of the Office of the Civil Defense (OCD). The OCD is the secretariat and the executive arm of the NDRRMC, which makes the OCD administrator the executive director of the Council (RA 10121, Secs. 5-9). Refer to the organigram of the NDRRMC in Figure VI.13.

Figure VI.13. The Organigram of the NDRRMC



Source: World Bank (2011, p.55)

The Regional DRRMCs are in charge of coordinating, integrating, supervising, and evaluating all activities of the lower-level DRRMCs within the 17 regions of the country. The Regional DRRMCs have their own Regional Disaster Risk Reduction and Management Operations Centers (RDRRMOCs) and are assisted by the regional offices of the OCD, which act as their technical arm. Unlike the lower-level DRRMCs, the Regional DRRMCs are headed by non-elective civil defense officers of the OCD as regional directors. They are assisted by the regional directors of the national department agencies such as DSWD, DILG, DOST, and NEDA as vicechairpersons, and the executives of regional and field stations at the regional level of the government agencies. In the Autonomous Region of Muslim Mindanao (ARMM), however, there is a different institutional set-up. The ARMM governor is the Regional DRRM chairperson. He/she is assisted by the executives of the regional autonomous government (RA 10121, Sec. 10).

The LDRRMCs of provinces, cities, municipalities, and barangays are mandated to formulate, implement, monitor, and evaluate their Local Disaster Risk Reduction and Management Plans (LDRRMPs); ensure that DRR and CCA are integrated into local development plans, programs, and budgets; recommend and implement forced or pre-

21 Health (DOH), Environment and Natural Resources (DENR), Agriculture (DA), Education (DepEd), Energy (DOE), Finance (DOF), Trade and Industry (DTI), Transportation and Communications (DOTC), Budget and Management (DBM), Public Works and Highways (DPWH), Justice (DOJ), Labor and Employment (DOLE), and Tourism (DOT).

22 Government Service Insurance System, Social Security System, and Philippine Health Insurance Corporation.

23 League of Provinces, League of Cities, League of Municipalities, and Liga ng mga Barangay (League of Barangays).

emptive evacuation of local residents; and convene the council once every three months or as necessary. They are headed by their respective local chief executive as chairperson. Their members include nine local government executives,²⁴ the division head/superintendent of schools under the DepEd, the highest-ranking officer of the AFP in the area, the Provincial/City/Municipal Chief of the PNP, the provincial director/city/municipal fire marshall of the Bureau of Fire Protection, the president of the Association of Barangay Captains (ABCs), a representative from the PNRC, four representatives from CSOs, and a representative from the private sector (RA 10121, Sec. 11).

Aside from forming their own LDRRMC, each local government unit is mandated by RA 10121 to establish its own Local Disaster Risk Reduction and Management Office (LDRRMO). Barangays, on the other hand, are similarly ordered to create their Barangay Disaster Risk Reduction and Management Committee (BDRRMC). All of these LDRRMOs, including the BDRRMCs, are under the office of their local chief executives, i.e., governor, city or municipal mayor, and barangay captains. The LDRRMOs are the equivalent of the OCD at the provincial, city, municipal, and barangay levels because they perform functions from local DRRM planning to training of DRRM personnel for actual emergency rescue and relief operations (RA 10121, Sec. 12).

In times of disaster, coordination is conducted by the higher-level authority. Thus, if only one barangay is affected, then it is the sole responsibility of the BDC to conduct all disaster preparedness, mitigation, response, recovery and rehabilitation actions. Other coordinating arrangements are as follows:

- The city/municipal DRRMCs, if two or more barangays are affected;
- The provincial DRRMC, if two or more cities/municipalities are affected;
- The regional DRRMC, if two or more provinces are affected; and
- The NDRRMC, if two or more regions are affected (refer to Figure IV.14 to see the relationships).

Figure VI.14. DRRM Organizational Network
DRRMC ORGANIZATIONAL NETWORK



Source: (World Bank 2011, p.54)

Budget Allocations, 2011-2016

There are several sources of funds for DRR from the General Appropriations Acts. From 2011 to 2016, these were from the Calamity Fund/NDRRM Fund, the budget of the OCD, and the Rehabilitation and Reconstruction Program in 2015.

Calamity Fund/NDRRM Fund

First, the NDRRM Fund (formerly Calamity Fund until 2013) is allocated “[f] or aid relief and rehabilitation services to communities/areas affected by man-made and natural calamities, and repair and reconstruction of permanent

²⁴ The Local Planning and Development Officer; and Heads of the Local Disaster Risk Reduction and Management Office (LDRRMO), Local Social Welfare and Development Office (LSWDO), Local Health Office (LHO), Local Agriculture Office (LAO), Gender and Development Office (GDO), Local Engineering Office (LEO), and Local Veterinary Office (LVO).

structures, including other capital expenditures for disaster operation and rehabilitation activities” (2016 GAA). From 2011 to 2016, there has been a steady increase from Php5 billion to Php14.316 billion. There were no budget allocations for PS and the amount is equally divided between MOOE and CO. Refer to Table VI.20.

In the 2016 GAA, Php18.895 billion was set aside by Congress for the “Yolanda Rehabilitation and Reconstruction Program” from the NDRRM Fund. Seventy percent or Php13.226 went to MOOE and the remaining 30% to CO. They were to be used for rehabilitation, reconstruction, aid and relief projects of the following agencies: DA, BFAR, DENR, DOF, DOH, DOLE, TESDA, DOT, DTI, DOTC, CHED, HLURB, NCIP, and Philippine Coconut Authority.

In 2015-2016, Congress also set aside Php1 billion every year from the NDRRM Fund for the People’s Survival Fund (PSF) in accordance with Sections 20 and 21 of RA 9729, as amended. Seventy-five percent of Php750 million went to MOOE and the remaining 25% to CO. They were to be used in support of adaptation projects and activities of LGUs and community organizations.

Table VI.20. Calamity Fund/NDRRM Fund by Expense Class, 2011-2016

Expense Class	2011		2012		2013	
	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%
PS	0	0	0	0	0	0
MOOE	3,450	69	3,450	46	3,450	46
CO	1,550	31	4,050	54	4,050	54
Total	5,000	100	7,500	100	7,500	100

Expense Class	2011		2012		2013		Annual Average	
	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%
PS	0	0	0	0	0	0		0
MOOE	5,900	45	6,923	49	22,716	58	7,648	52
CO	7,100	55	7,076	51	16,178	42	6,667	48
Total	13,000	100	14,000	100	38,895	100	14,316	

Source: General Appropriations Act (2011-2016)

Tucked in the NDRRM Fund is the Quick Response Fund (QRF). QRF is a stand-by fund “to be used for relief, rehabilitation and reconstruction programs and projects in order that the situation and living conditions of people living in communities or areas stricken by calamities, epidemics, crises, and catastrophes occurring during the year may be normalized as quickly as possible” (2014 GAA). Until 2012, there was no QRF allocated per agency. The QRF tucked in the MOOE of the OCD was usually given to DSWD, DND, and OCD itself. However, by 2012, QRFs were lodged under the budgets of implementing agencies (usually Offices of the Secretaries), which formed part of the NDRRM Fund. In the 2014 GAA, 30% of the NDRRM Fund was set aside for QRF. The agencies which received the biggest amount of QRFs from 2011 to 2016 were DPWH, DSWD, and DepEd.

Table VI.21. Budgets for Quick Response Fund by Agency, 2012-2016, in million

Agency	2012		2013		2014		2015		2016	
	Amt	%	Amt	%	Amt	%	Amt	%	Amt	%
DA-OSEC					500	11	500	9	500	8
DEPED-OSEC			500	16	654	15	1,000	19	1,000	16
DOH-OSEC					500	11	500	9	510	8
DND-OSEC	352	17	352	11	352	8	352	7	200	3
DND-OCD	530	25	530	17	530	12	530	10	530	9
DPWH-OSEC	550	26	600	19	650	15	1,000	19	1,300	21
DSWD-OSEC	662	32	662	21	662	15			1,325	21

Agency	2012		2013		2014		2015		2016	
	Amt	%	Amt	%	Amt	%	Amt	%	Amt	%
DOTC-OSEC					500	11	1,000	19	125	2
DOTC-PCG									75	1
DA-NIA			500	16			500	9	500	8
DILG-BFP									75	1
DILG-PNP									75	1
Total	2,094	100%	3,144	100%	4,348	100%	5,382	100%	6,215	100%

Source: General Appropriations Act (2011-2016)

DND-OCD Budget

The second source is the budget for the technical arm of the NDRRMC – the OCD under the DND. However, with the exception of its Quick Response Fund (QRF), it is a budget for operations of the agency. Like the NDRRM Fund, there has been a steady increase in the budgets from 2011-16, although only in millions. In 2011, its budget was only Php90 million but went up to Php1.028 billion by 2016. Interestingly, as an agency, it does not have budget for CO. On the average, MOOE got the lion's share of the yearly budget at 78% while PS got 22%. It should be noted that the MOOE of the OCD is not for its internal use; every year, Php530 million was set aside for QRF. Refer to Table VI.22.

Table VI.22. DND-OCD Budget by Expense Class, 2011-2016

Expense Class	2011		2012		2013	
	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%
PS	63	70	72	6	83	13
MOOE	27	30	1,149	94	573	87
CO	0	0	0	0	0	0
Total	90	100	1,221	100	657	100

Expense Class	2014		2015		2016		Annual Average	
	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%	Amount (in million)	%
PS	81	12	144	14	147	14	98	22
MOOE	589	88	871	86	880	86	682	78
CO	0	0	0	0	0	0	0	0
Total	670	100	1,016	100	1,028	100	780	

2015 Rehabilitation and Reconstruction Program Budget

In the 2015 GAA, Congress earmarked Php1 billion for the so-called “Rehabilitation and Reconstruction Program.” It was to be used by all government agencies, including constitutional offices, SUCs, GOCCs, LGUs for rehabilitation efforts in areas affected by the Zamboanga siege, magnitude 7.2 earthquake that struck Bohol, and typhoons Labuyo, Odette, Pablo, Santi, Sendong, Vinta, Yolanda, Glenda, and Mario. Eighty-two percent or Php820 million was set aside for MOOE and the 18% or Php180 million for CO.

Total Budgets for DRR in 2011-2016

Adding the budgets from the Calamity Fund/NDRRM Fund and DND-OCD, and the Rehabilitation Fund in 2015, it could be seen that budgets for DRR were on the rise (See Table VI.23.) However, the budgets for DRR in 2011-2016, considering the damages the country suffered from past natural disasters, were still minuscule at around 1%. It was only in 2016 that budget rose to as high as Php39 billion, (Refer to Table VI.24.)

Table VI.23. Annual Budgets (in million) for DRR

Budget Sources from the GAA	2011	2012	2013	2014	2015	2016
Calamity Fund/NDRRM Fund	5,000	7,500	7,500	13,000	14,000	38,895
DND-OCD Budget	90	1,221	657	670	1,016	1,028
Rehabilitation and Reconstruction Program	0	0	0	0	1,000	0
Total	5,090	8,721	8,157	13,670	16,016	39,923

Source: General Appropriations Act (2011-2016)

Table VI.24. Annual Budgets (in million) and Percentage Shares of the DRR Budgets from Total GAA, 2011-2016

Item	2011	2012	2013	2014	2015	2016	Annual Average
GAA Total*	1,000,387	1,245,193	1,368,229	1,608,513	1,862,824	2,138,604	1,537,291
DRR Budget	5,090	8,721	8,157	13,670	16,016	39,923	15,263
% Share of DRR Budgets from GAA Total	0.51%	0.70%	0.60%	0.85%	0.86%	1.87%	0.90%

Note: *Excludes budgets for automatic appropriations and debt-service payments

Assessments

International Assessment: World Risk Index

One metric that can be used to gauge the preparedness of the Philippines to deal with natural disasters is the World Risk Index (WTI) developed by Bündnis Entwicklung Hilft (Alliance Development Works) and United Nations University – Institute for Environment and Human Security (UNU-IEHS). WTI calculates the risks of countries by the exposure of individuals to earthquakes, storms, droughts, and floods; and vulnerability, which is a function of susceptibility, coping capacities, and adaptive capacities. Susceptibility refers to the likelihood of suffering from harm. Coping capacities means ability to reduce negative consequences while adaptive capacities are those abilities on long-term strategies for societal change (Bündnis Entwicklung Hilft & United Nations University-Institute for Environmental and Human Security, 2016). Middle Eastern countries such as Qatar, Saudi Arabia, Bahrain, and United Arab Emirates dominated the top ten less risky countries, while island-nations like Vanuatu, Tonga, Solomon Islands, and Papua New Guinea (including the Philippines) were classified as high risk countries (see Figure IV.15 for an overview of the risks of various countries).

From 2011 to 2016, with the exception of 2014, the Philippines consistently ranked 3rd because it obtained risk scores above 24, while other less risky countries scored below that (countries ranked 171 to 173). In 2014, the country ranked 2nd, the highest so far. The reason for the high rankings was the high exposure and vulnerability of many Filipinos to natural hazards. The vulnerability was caused by the relatively high susceptibility and relatively slow adaptive capacities. However, this was tempered by the abilities of Filipinos to respond to disasters (i.e., coping capacities) through medical services, social networking (e.g., bayanihan or good neighborliness), and government policies and programs on DRR.

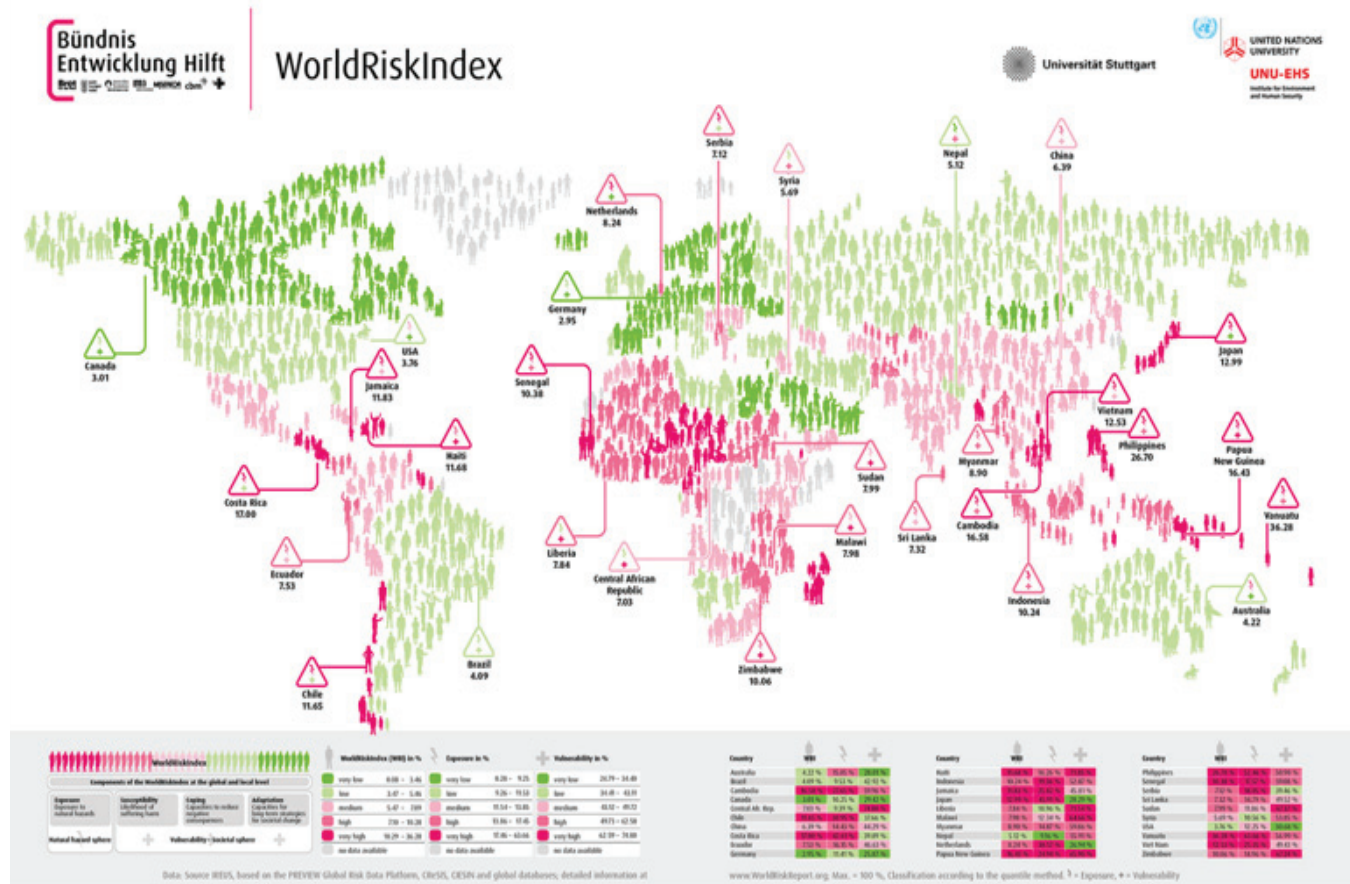
Table VI.25. World Risk Index: Philippines, 2011-2016

Year	Rank	Risk (%)	Exposure (%)	Vulnerability (%)	Susceptibility (%)	Coping capacities (%)	Adaptive capacities (%)
2016	3	26.70	52.46	50.90	31.83	80.72	39.96
2015	3	27.98	52.46	53.33	32.00	80.06	47.94
2014	2	28.25	52.46	53.85	33.35	80.03	48.17
2013	3	27.52	52.46	52.46	33.74	80.47	43.16

Year	Rank	Risk (%)	Exposure (%)	Vulnerability (%)	Susceptibility (%)	Coping capacities (%)	Adaptive capacities (%)
2012	3	27.98	52.46	53.35	33.92	83.09	43.03
2011	3	24.32	45.09	53.93	34.99	82.78	44.01

Source: BEH-UNU-IEHS (2011-2016)

Figure VI.15. World Risk Index Map, 2016



Source: BEH-UNU-IEHS, 2016.

Accomplishments of the Aquino Administration in DRR ²⁵

Policy Formulation to Mainstream DRR and CCAM in Governance

In the area of mainstreaming of DRRM and CCAM in governance, the Aquino Administration was able to formulate the NDRRM Plan and the National Climate Change Action Plan.

Enhanced Disaster Risk Identification and Assessment

The equipment of the Philippine Atmospheric, Geophysical, Astronomical Services Administration (PAGASA) was modernized. Twelve operating Doppler and X-Band Mobile Weather radars were also purchased.

In 2012, Project NOAH (Nationwide Operational Assessment of Hazards) was launched, which enabled the government to install hydrometeorological devices nationwide, including 854 Automated Rain Gauges and 479 Water Level Monitoring Stations.

Maps were also generated for a more accurate information of hazards and risks. These were the Enhanced Landslide Hazard Maps for 81 provinces, Metro Manila, and Zamboanga City; Multi-Hazard Maps of 28 disaster-prone provinces; 1:10,000 Scale Geohazard Maps for all 1,634 cities and municipalities; Light Detection and Ranging (LiDAR) Maps of the 18 major river systems and four critical areas; Storm Surge Maps for all 66 vulnerable provinces and Metro Manila; and Multi-Hazard Maps of the Greater Manila Area.

²⁵ Data used in this part are based on the Technical Report of the 2015 SONA of President Aquino III.

Flood Management

In 2012, a Flood Management Master Plan (2012-2035) was drawn up to mitigate flooding in highly urbanized and flood-prone cities and areas for the entire Metro Manila, Rizal, Laguna, and parts of Bulacan through flood control/flood management projects. These were the:

- Pasig-Marikina River Channel Improvement Project Phase II
- Pasig-Marikina River Channel Improvement Project Phase III
- Blumentritt Interceptor Catchment Area
- Valenzuela-Obando-Meycauayan (VOM) Project in NCR
- San Fernando-Sto. Tomas-Minalin Tail Dike Project in Region III
- Sta. Maria-Mabitac River Project in Region IV-A
- Pinatubo Hazard Urgent Mitigation Project Phase III
- Flood Risk Management Project for Cagayan River and Tagoloan River in Misamis Oriental
- Imus River (FRIMP-CTI) in Cavite

Improved Disaster Preparedness and Response

With hazard identification tools in place, the government initiated measures to anticipate, prepare, and cope with disasters. These were:

- Pre-Disaster Risk Assessment and its Oplan Listo
- NOAH website
- Mobile applications
- ClimateX database
- Adoption of five typhoon signals
- Production of the Valley Fault System Atlas

Building Disaster-Resilient Communities

Guided by the principle of “Build Back Better,” the Aquino Administration completed recovery and reconstruction projects in five areas devastated by major disasters (see Table VI.26). Note that these were reported by President Aquino III in his 2015 SONA; the absence of data in the table does not indicate that nothing has been done on the sectors concerned. Also, the table does not include projects which were still on the pipeline or had not yet been completed.

Many projects do not have targets; hence, it is difficult to make an assessment. In sectors where completion rates are indicated, note that the government is good at repairing houses. There were 100% repair rates in areas affected by the Bohol Earthquake and Typhoon Pablo. This is followed by 93.2% classroom repair or construction, again in Bohol.

Table VI.26. Accomplishments of the Aquino Administration in Disaster Recovery and Reconstruction of Five Areas

Sector	Typhoon Yolanda(Haiyan), 2013	Bohol Earthquake, 2013	Typhoon Pablo (Bopha), 2012	Typhoon Sendong (Washi), 2011	Zamboanga City Crises, 2013
Infrastructure		Repair of the Tagbilaran Airport and 11 sea ports			1.34 km of roads completed
Education	<ul style="list-style-type: none"> 5,080 classrooms repaired or built (31.8%) More than 3 million learning materials/textbooks produced (58.4%) 		1,606 classrooms repaired or built (93.2%)		
Health	269 health facilities repaired (44.8%)				
Agriculture	More than 700,00 farmers and fisherfolk received assistance from government				
Housing	6,165 houses in 10 provinces built	<ul style="list-style-type: none"> Houses of 64,725 families repaired (100%) under the Home Materials Assistance (HOMA) and Emergency Shelter Assistance 1,637 families now living in permanent houses 	<ul style="list-style-type: none"> 47,179 families (100%) in safe zones have repaired their houses with gov't financial assistance 23,638 permanent houses built (39.7%) 	<ul style="list-style-type: none"> 10,405 families had their houses repaired 6,205 families got permanent housing (68.3%) 	1,661 families provided with permanent housing under HOMA
Tourism			16 damaged heritage sites/structures inventoried and repaired		
Employment/ Livelihood/ Income	35,558 received wages from DOLE's Emergency Employment Program	<ul style="list-style-type: none"> 42,610 individuals earned income through the Cash-for-Work Program 9,520 got temporary employment 	<ul style="list-style-type: none"> Hot 'Pablo' Chili Project assisted 51 SMEs, trained 389 farmers, and 3,950 jobs 1,429 families started or expanded their business through capita seed funding 41,552 families were provided with training on microenterprise management 	4,151 families provided with capital assistance from Sustainable Livelihood Program	
Skills training	74,203 individuals trained for small businesses		795 graduates of the Skills Training and Emergency Employment Towards Recovery in Bohol Program		

Notes: (1) projects listed were the only ones reported by President Aquino III during his 2015 SONA. (2) Percentages enclosed parentheses are completion rates.

Issues, Problems, and Challenges

Lack of Technical Skills and Funds

It is pointed out that LGUs are the frontline of CCAM. However, many of them complain that the new laws on DRRM and CCA, aside from imposing planning requirements that eat most of their budgets, leaving them unable to manage their finances on their own, they see these two new laws as additional burden. They find it difficult to plan and implementation of DRRM/CCA action plans because they were too technical and costly to implement. Some have even resorted to copy-pasting others' LCCAPs and LDRRMs (Romero, 2016). Still, it has been reported that many LGUs do not set aside 5% of their local budgets for DRR (Lozada, 2015).

Unspent and Slow Use of NDRRM Funds

In 2014, the Commission on Audit (COA) reported the very slow use of the NDRRM Fund, particularly its Quick Response Fund, by the OCD. The Commission also reported that, of foreign and local donations received by the NDRRMC for various disasters since 2008, only Php81 million, or 17 percent, had been disbursed in that year (Yap, 2015).

The Effectiveness of the NDRRMC

Dr. Antonio La Viña, a legal expert on climate change, stated that there is design fault with the NDRRMC because it is a coordination body with very little power and budget. Hence, according to him, it is destined to fail (Lozada, 2015).

The former chief of the DND-OCD, Undersecretary Alexander Pama, said that his agency has limited capacity and capability to cover national, regional and local disaster concerns (Lozada, 2015). He suggested building up OCD's 3C's - capacity, capability, and credibility.²⁶ Furthermore, he called for a paradigm shift, i.e., that LGUs should be proactive in DRR, and not to rely too much on the national government (Lozada 2015).

CONCLUSIONS

Given its six years (2011-2016), what has the administration of President Aquino III achieved in the field of sustainable and climate-resilient environment and natural resources? Have there been improvements in the conditions of the country's environment and natural resources? How far has the government implemented its climate change adaptation and mitigation measures? Is the country now more prepared for man-made and natural disasters? It is difficult to give definitive answers to these questions because of the incomplete data. But within its limits, the authors conclude that:

- Based on assessments from international organizations and local experts, the Philippines was and still is among the countries most vulnerable to climate and other natural hazards. The reasons for this are the exposure of the people to many of these hazards and the insufficiency of adaptation and risk reduction efforts of the government. The Aquino administration's accomplishments in DRR have shown that more and more financial resources are being poured into relief, recovery and reconstruction after each disaster, a sign that the Filipino society has not yet attained that level of preparedness to prevent losses and damages. loss and damage was greatest in 2013, but went down in 2014 on Wards. See earlier
- Although there have been substantial achievements in environmental and natural resources protection and conservation (forest conservation, biodiversity conservation, land management, etc.), they may not be enough to lessen the risks from the climate and natural hazards. It is said that environmental protection is the first line of defense against climate-induced disasters. Hence, investing in it already constitutes disaster preparedness.

Based on the assessments, problems plague the lead agencies, the policies, programs and projects, and budget. First, there are questions on whether the three agencies, in their present form, are capable of pursuing sustainable development, and protecting the country from climate, and even non-climate, disasters. DENR's dual identity, that of protector of the environment and natural resources exploitation license giver, cancels out these two functions. The council-type CCC has been marred by leadership failure and in-house squabbling. The NDRRMC, another council-type

²⁶ It is said that the present staff complement of the OCD (271) is not enough to deal with big disasters spread through out the archipelago. When they are sent to disaster areas, they borrow transportation and communication equipment from other government agencies and do not receive hazard pays.

organization is taunted as being unwieldy because of the sheer size of its membership, which inadvertently leads to slow decision-making and disaster response. It does not help that its technical arm, i.e., DND-OCD, has little budget to move around and improve itself.

Second, deficiencies in policies and their implementation are to be expected. This in the case of the DENR, where its framework of operations is both a protector and a license giver, the policies conflict with one another, to the point of cancelling out each other, as pointed out in Sub-Chapter II of this paper (see “Issues, Problems, and Challenges”). In the cases of the CCC and the NDRRMC, the policies are already out there but implementation has been slow, especially in preparing LGUs and the general public for climate change and disasters. Many LGUs, the frontliners for DRR, have yet to prepare and submit their local CC and DRR action plans.

Third, each of the three sectors, on the average, received less than 1% of the national budgets from 2011 to 2016. Considering the enormous tasks and amount needed to prepare each Filipino household to withstand and recover from disasters, the budget needs to be increased. The budget of the OCD, which depends on the generosity of other agencies for its operations because it does not receive capital outlay every year, should be reviewed. However, the funds should be monitored to ensure their fast disbursements to the appropriate recipients or prevent “budget hoarding.”

ANNEX A
Mandate and Primary Programs, Projects and Activities
of Bureaus under the DENR, 2011-2016

AGENCY	MANDATE	PRIMARY PROGRAMS, PROJECTS, ACTIVITIES
BMB (formerly PAWB)	Mandated to establish and manage protected areas, conserve wildlife, promote and institutionalize ecotourism, manage coastal biodiversity and wetland ecosystems, and conserve caves and cave resources, etc.	<ul style="list-style-type: none"> Protected Area Management Wildlife Resources Management Program Wetlands Conservation Program Cave Management Program Coastal and Marine Management Program Communication, Education, Promotion, and Awareness Program
ERDB	Formulates and recommends an integrated research program relating to Philippine ecosystems and natural resources, such as minerals, lands, forests, as holistic and interdisciplinary fields of inquiry, etc.	<ul style="list-style-type: none"> Formulate and recommend policies related to Philippine ecosystems and natural resources
FMB	Provides technical guidance to the central and field offices for the effective protection, development, and conservation of forestlands and watersheds.	<ul style="list-style-type: none"> National Greening Program Integrated Natural Resources and Environmental Management Project Forestland Management Project Biodiversity and Watersheds Improved for Stronger Economy and Ecosystem Resilience Reducing Emissions from Deforestation and Forest Degradation The Role of Forests in Reducing Poverty and Enhancing Climate Resilience
LMB	Recommends policies and programs for the efficient and effective administration, survey, management and disposition of alienable and disposable lands of the public domain and other lands outside the responsibilities of other government agencies	<ul style="list-style-type: none"> Land Administration and Management System Land Disposition National Cadastral Survey Program

EMB	Responsible for the formulation and implementation of policies, programs, plans, activities related to environmental management (i.e., air, water, soil, solid waste, etc.)	<ul style="list-style-type: none"> • Air Quality Management • Water Quality Management • Solid Waste Management • Environmental Impact Statement (EIS) System • Toxic Substances and Chemicals Management • Hazardous Waste Management • Adjudication of Pollution Cases
MGB	Primary government agency responsible for the conservation, management, development and proper use of the country's mineral resources including those in reservations and lands of public domain	<ul style="list-style-type: none"> • National Geohazards Assessment and Mapping Program • Coastal Geohazard and Impact of Climate Change Study • National Greening Program (NGP) and Mining Forest Program • Mine Rehabilitation Program • Groundwater Resources and Vulnerability Assessment • Mineral Investment Promotion Program • Mining Industry Development Program
NAMRIA	Provides the public with mapmaking services and acts as the central mapping agency, depository, and distribution facility for natural resources data in the form of maps, charts, texts, and statistics	<ul style="list-style-type: none"> • Geodetic Reference System Development • Topographic Base Mapping • Hydrography, Physical Oceanography, and Nautical Charting • Environment and Natural Resource Mapping • Maritime Zones and Boundaries Mapping • Geospatial Information Management and Services
NWRB	Government regulatory and coordinating agency for water resources management and development in the country	<ul style="list-style-type: none"> • Policy Formulation and Coordination • Resource Regulation • Economic Regulation
PCSD	Serve as the regular professional staff of the Palawan Council for Sustainable Development and provides the machinery to coordinate the policy and functions, implement programs and organize services as required by the Council in the governance, implementation and policy direction of the Strategic Environmental Plan (SEP) for Palawan	<ul style="list-style-type: none"> • Formulation and coordination of policies, plans, and programs on the environmental protection, conservation, and development of Palawan.
LRA (transferred to the Department of Justice in 2012)	Implement and protect the Torrens system of land titling and registration, as well as registration of transactions involving personal properties	<ul style="list-style-type: none"> • Issuance of Title on Registered Land • Annotation on Title • Chattel Mortgage Registration • Cancellation/Release of Mortgage • Issuance of Certified True Copies of Title, etc. • Query/Research
NCIP (transferred to the Office of the President in 2012)	To protect and promote the interest and well-being of indigenous peoples with due regard to their beliefs, customs, traditions and institutions	<ul style="list-style-type: none"> • Ancestral Domain and Land Titling Services • Human, Economic, and Environmental Development and Protection Services • Indigenous Peoples' Rights Protection Services

Source: Websites of the agencies

Summary and Ways Forward

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Assessing the performance of the presidency and term of one administration is difficult to do because of the many considerations, factors and stakeholders at work. Nevertheless, this research attempted to do so within the limited scope, metrics and parameters selected and accessed through public portals, reports, studies and open educational resources in the Web.

STATE OF AFFAIRS WHEN THE AQUINO III ADMINISTRATION STARTED

President Aquino took over the helm of the country from President Gloria Macapagal-Arroyo, who dominated the political scene for almost a decade (2001-2010). At the end of the latter's nine-year administration in 2010, President Arroyo proclaimed that she was turning over to her successors a stronger and healthier nation. She claimed to have made the national economy far stronger than when at the start of her term in 2001. GNP growth posted during her administration rose from 6.1% in 2006 to 8.0% in 2007, for an average of 5.4% growth (Velasco & Saludo 2010 p.234). She attributed the sustained growth to world-class infrastructure, a stable fiscal order, and stronger public institutions that her administration has set. She also attributed this to the hallmark of good leadership that "[stood] firm ... against the headwinds of resistance posed by the forces of special interests and those who benefited from the status quo when it came to [our] fight for fundamental economic and fiscal reforms" (Velasco & Saludo 2010 p.234). In her ten-point agenda, otherwise called BEAT THE ODDS, she instituted among others, budget reforms, anti-corruption and transformation programs, particularly of the bureaucracy into "an efficient institution capable of delivering basic services needed to spur growth and eradicate social disparities" (Velasco & Saludo 2010 p.234). Poverty incidence levels under her term were reduced from 33% in 2000 to 28.5% in 2008 (Philippine Development Plan 2011-2016). She expected that the gains made during her watch would continue to benefit many generations to come (Jurado & Olivar, 2010, Foreword).

However Rood (2010) opined that the legacy of the Arroyo Administration is a mix of paradoxes and contradictions posed by the absence of good governance. Citing SWS surveys, Rood (2010, para. 1) wrote, "[Arroyo's] popularity (as measured by periodic citizen surveys) subsequently plumbed to depths never before reached in Philippine politics, and has consistently remained low for five years". She obtained the lowest among the four Presidents, even lower than Estrada, at -38 in 2007." However, based on the overall World Governance Indices, "between 2000 and 2008, there was a steady increase in government effectiveness and rule of law (under the consistent leadership of three successive chief justices), while at the same time, a steady decline in political stability, voice and accountability, and control of corruption" (Rood 2010 para. 4).

President Aquino, for his part, has a markedly negative view of his predecessor's legacy. He believes that Arroyo's term is characterized as having worse governance problems. To wit, hers had a) national leadership's legitimacy in question; b) it persecuted those who expose the truth about its illegitimacy and corruption; c) stayed in power by corrupting individuals and institutions; d) confused the people with half-truths and outright lies; e) rewarded, rather than punished, wrongdoing; f) offered no lasting solutions for the many problems of the country; g) weakened the democratic institutions that hold our leaders accountable; h) hindered local governments from delivering basic services; and i) had no vision of governance beyond political survival and self-enrichment (Aquino, 2010). Political instability, corruption, inefficient government bureaucracy and weak rule of law characterized the state of affairs when he became President (NEDA, 2011). Thus, he wove these assumptions into a framework for governing and governance he termed his Social Contract with the Filipino People.

THE AQUINO III FLAGSHIP POLICIES, PROGRAMS AND INITIATIVES

President Aquino III thus developed a platform anchored, among others, on “Matuwid na Daan”, “Kung walang corrupt, walang mahirap”, and “transformational presidency”. All these were necessary “in the pursuit of inclusive growth”, a vision summed up in his Administration’s Philippine Development Plan 2011-2016, to wit,

Inclusive growth means, first of all, growth that is rapid enough to matter, given the country’s large population, geographical differences, and social complexity. It is sustained growth that creates jobs, draws the majority into the economic and social mainstream, and continuously reduces mass poverty. This is an ideal which the country has perennially fallen short of, and this failure has had the most far-reaching consequences, from mass misery and marginalization, to an overseas exodus of skill and talent, to political disaffection and alienation, leading finally to threats to the constitution of the state itself. (NEDA 2011, p.2)

Such vision was supposed to cut poverty from 33.1% in 1991 to 16.6% in 2015 (NEDA, 2011 p. 16). It could be achieved through massive infrastructure development, higher governance standards, human development and human capital formation, direct poverty relief, and employment-generation, complemented by a macroeconomic regime of low inflation and sustainable fiscal balances (NEDA, 2011, p 14).

Thus, the PNoy Administration conceptualized the following flagship programs according to the key thematic clusters of its Social Contract:

Good Governance and Anti-Corruption

Table VII.1. Programs/Initiatives of the Good Governance Cluster Classified According to Expected Outcomes

Outcomes	Initiatives/Programs
Outcome 1. Improved transparency and citizens’ empowerment	
Sub-outcome 1.1. Improved access to information	<ul style="list-style-type: none"> • Extractive Industries Transparency Initiative • LGU Disclosure Portal • Open Data Philippines • National Government Portal • PhilGEPS • Transparency Seal
Sub-outcome 1.2. More meaningful citizens, participation in governance processes	<ul style="list-style-type: none"> • Civil Society Engagement in the Budget Process • Bottom-up Budgeting Program • Citizens Participatory Audit (CPA)
Outcome 2. Improved public sector performance	
Sub-outcome 2.1. Strengthened public financial management and accountability	<ul style="list-style-type: none"> • Local Government Units Public Financial Management • CHRIS-NPS • Budget and Treasury Management System
Sub-outcome 2.2. Improved performance management and monitoring systems	<ul style="list-style-type: none"> • Philippine Quality Award for the Public Sector • Result-Based Performance Management System • Performance Challenge Fund • Cabinet Performance Pledge • Monitoring & Evaluation of Government Services • Medium-Term ICT Harmonization Initiative • Citizen Satisfaction Index System • Integrated ARTA Program • Seal of Good Local Governance
Sub-outcome 2.3. Enhanced delivery of frontline services	<ul style="list-style-type: none"> • Ease of Doing Business: Gameplan for Competitiveness • Business Permit and Licensing
Sub-outcome 2.4. Enhanced delivery of justice	<ul style="list-style-type: none"> • Justice Sector Initiative • National Justice Information System

Outcomes	Initiatives/Programs
Sub-outcome 3.2. Intensified efforts to prevent smuggling and tax evasion	<ul style="list-style-type: none"> • Run After the Smugglers (RATS) Program • Bureau of Customs (BOC) Reform Project • Run After Tax Evaders (RATE) Program
Outcome 4. Improved policy environment for good governance	
Sub-outcome 4.1. Greater support for the passage of priority legislations	<ul style="list-style-type: none"> • Whistleblowers Protection Act • Retirement and Benefits and Pension Law for Uniformed Personnel • Civil Service Code • FOI Bill • Amendments to the Ombudsman Act

Source: (Cabinet Cluster on Governance and Anti-Corruption, 2014).

Box VII.1. Governance Reform initiatives of the PNoy Administration

Institutionalization of public accountability

- Reformed the budget process
 - o On-time approval of annual national budget
 - o No re-enacted budgets
 - o General Appropriations Act-as-release-document policy
- Intensified fight vs. graft and corruption
 - o Plunder and graft cases filed against public officials in high offices, including former President Arroyo, and incumbent senators and congressmen embroiled in PDAF scam
 - o Impeachment of Supreme Court Chief Justice Renato Corona; resignation of Ombudsman Merceditas Gutierrez
 - o 710 cases filed against tax evaders, smugglers, and erring government officials and employees
 - o BIR's Tax Watch Campaign, which increased tax collection from 12.1% (of GDP) in 2010 to 13.6% in 2014
 - o DPWH's 5Rs approach (right projects, right cost, right quality, right people, and right-on-time project implementation) which curbed collusion among bidders, increasing competition and realized savings to Php48.55 billion
 - o Enactment of GOCC Governance Act and creation of Governance Commission for GOCCs, which regulated allowances and bonuses to GOCC boards, reduction of number of GOCCs from 140 in 2011 to 102 in 2015, and increased profitability of the sector
- Good governance practices institutionalized
 - o Awarding of Seal of Good Housekeeping (SGH)/Local Governance (SLG) to local government units (LGUs) with exemplary performance in internal housekeeping, fiscal management, business friendliness, disaster preparedness, social protection and effective peace and order
 - o Provision of Performance Challenge Fund to SGH/SLG awardees enabling them to start business and economic enterprises
 - o Full Disclosure Policy on financial transactions of LGUs and national government agencies
- Professional and motivated civil service
 - o Institutionalization of performance-based bonus through performance-based incentive system (PBIS) on-time approval of annual national budget
 - o Ensure compliance to Transparency Seal program, Citizen's Charter
 - o Use of PhilGEPS for procurement and bidding
- Enforcing frontline and regulatory processes
 - o Improving ease of doing business by simplification of business processes and reducing application process from four to five days to 30 minutes
 - o SEC's Integrated Business Registration System that reduced the procedures from 16 to six steps and shortened incorporation period from 34 to a maximum of eight days
 - o 83% of LGUs adopting Business Permits and Licensing Systems that shortened the process from one to three months to one to three days;
 - o Regulatory Simplification for Local Governments Project, which provides standards for business applications and renewals as well as for costs/fees and processes for required government applications across LGUs; BIR's electronic certificate authorizing registration (e-CAR) that reduced processing time from 14 days to five to ten days

(Continued on next page)

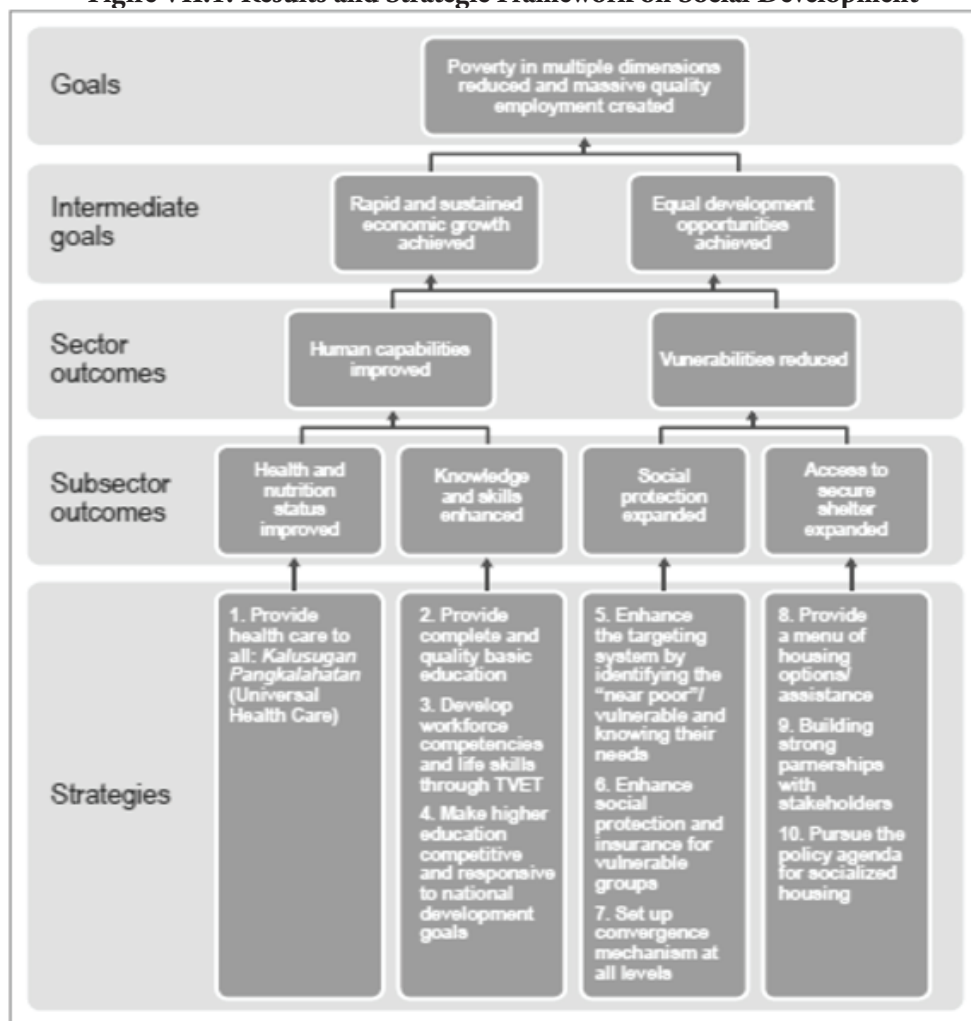
Upholding transparency and citizen engagement

- Engaging the public through the CSOs in government affairs
 - o CSO participation in the bottom-up budgeting (BUB) to determine the needed services at the grassroots level
 - o Training of poor communities to design, implement and manage local projects through the enhanced Kapit-Bisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS)
 - o Expansion of KALAHI-CIDSS to National Community-Driven Development Project in 2014, increasing community beneficiaries from 48 to 58 poorest provinces comprised of 847 municipalities.
 - o joint audits by COA and CSOs of select infrastructure projects through the citizens participatory audit (CPA)
- Enhanced public access to government information using technology
 - o National Government Portal (www.gov.ph) serves as the main platform for publishing official government documents
 - o Open Data Portal (data.gov.ph) provides public access to government information databases of various government agencies
 - o Expanded use of the PhilGEPS online portal increased government savings from Php29.93 million in 2010 to Php65.17 million in 2014
- Strengthened control and accountability in government operations
 - o Establishment of the Treasury Single Account in 2013 to consolidate the bank accounts of NGAs and selected GOCCs, allowing the government to better manage and monitor its funds and debt, facilitate more accurate accounting and reduce transaction cost while increasing interest earned.
 - o Piloting of the Cashless Purchase Card System in the DBM and DND eliminated petty cash advances and payments during procurement and recorded transactions in realtime on a secure web-based platform

Source: Office of the President (2015)

Social/Human Development and Poverty Alleviation

Figure VII.1. Results and Strategic Framework on Social Development



Source: Philippine Development Plan 2011-2016 Midterm Update

As gleaned from Fig. VII.1, the PNoy administration's flagship programs to achieve human development and reduce poverty were:

- (1) Pantawid Pamilyang Pilipino Program (4Ps, Conditional Cash Transfer);
- (2) Universal Philhealth Coverage (Financial Risk Protection);
- (3) Enhanced Basic Education (K-12 program);
- (4) Comprehensive Agrarian Reform Program; and
- (5) Housing program for informal settler families in danger areas.

Economic Development

To achieve the overarching goal of inclusive growth, the PNoy government laid down the conditions for a stable macroeconomic environment that is conducive to sustaining a higher growth path. For fiscal policy, the main task was to expand the narrow fiscal space and to get on a sustainable revenue-and-spending path. For monetary sector and external sector policies, this meant commitment to low and stable inflation conducive to balanced and sustainable growth and reduced external vulnerabilities (NEDA, 2011, p. 19).

Reform measures to improve tax administration included the following:

1. Establishing a tax registry comprehending all taxpayers;
2. Using comprehensive third-party data to determine the potential tax base;
3. Maintaining a transparent and productive tax audit program;
4. Fully staffing the BIR and BOC with competent and adequately trained personnel;
5. Formulating transparent and consistent tax rulings;
6. Revitalizing the RATE, RATS and RIPS programs of government;
7. Establishing appropriate performance standards and evaluation; and
8. Instituting a more effective system of rewards and penalties under the Lateral Attrition Law backed up by performance standards. (NEDA, 2011. p.19)

To complement the efforts to improve tax administration and to ensure that revenues are adequately protected, priority policy reforms need to be instituted, through: the rationalization of the fiscal incentives system and the enactment of a fiscal responsibility law (NEDA 2011, p. 20)

Peace and Security

A stable national security environment is crucial in achieving development, human security and general welfare. Thus, effective strategies that would ensure the attainment of peace, public order and safety through the cessation of armed conflict and prevention of crimes were continuously identified and pursued as key thrusts of the Aquino administration along "peace and security". Among these strategies were:

1. Winning the peace through a negotiated political settlement of all armed conflicts through:
 - a. Resumption and completion of negotiations with the MILF and CPP-NPA-NDF, respectively;
 - b. Completion and implementation of signed final closure agreements with the CPLA (1986) and the Rebolusyonaryong Partidong Manggagawa-Pilipinas/Revolutionary Proletariat Army/Alex Boncayao Brigade (RPM-P/RPA/ABB) (2000), respectively;
 - c. Adoption and implementation of actions agreed upon in the Tripartite Implementation Review of the 1996 Final Peace Agreement with the MNLF;
 - d. Final disposition of arms of the abovementioned armed groups and mainstreaming of former rebels as productive members of society, in accordance with peace agreements; and
 - e. Establishment of mechanisms for a participatory and accountable peace process.
2. Complementary Track to address the causes of conflict and issues affecting the peace process through:
 - a. Focused development in conflict-affected areas through the PAMANA "Payapa at Masaganang Pamayanan" Program;
 - b. Support efforts to end impunity and extra-judicial killings through decisive action of the government in dealing with grave human rights violations as well as political or election-related violence;
 - c. Support the indigenous peoples' agenda which includes, among others, professionalizing the service bureaucracy; the review of Certificate of Ancestral Domain Titles (CADTs) issuances; delivery of basic services and review/redress IPs in conflict areas; and realization of the Indigenous Peoples Masterplan (IPMAP) 2011-2016, with particular stress on Human Rights Protection of IPs;

- d. Support an affirmative action agenda for Muslims, including the development of a halal industry, institutionalization of the Hajj management system, establishment of economic and financial mechanisms, such as Islamic banking and microfinance, speedy resolution of cases involving children and women languishing in jails, putting an end to discriminatory practices in work places, and the establishment of Shari'ah courts;
- e. Support the enhancement of ARMM governance, including greater accountability to citizens living in remote and poorest areas;
- f. Address the needs of children in situations of armed conflict by setting up an effective mechanism to monitor, report and immediately respond to the identified seven grave child rights violations in conflict situations, namely: recruitment and use of minors by armed groups, killing and maiming, abduction, denial of humanitarian assistance, rape and sexual abuse, and attacks on schools and hospitals (NEDA, 2011 pp. 291-297).

BUDGET ALLOCATION AND EXPENDITURE

The financial narrative of the Aquino administration reflects his budget reform that carries the theme “Tungo sa Paggugol na Matuwid” (Towards Correct Spending). This theme conveys the government’s aspiration “to put public spending back on the right track towards prudence and effectiveness” (DBM, 2012).

According to the government’s primer, “Paggugol na Matuwid” means “each and every peso spent by government counts in empowering the people and in building a prosperous nation.” “Empowering the people” and “building a prosperous nation” mean that

In this quest for “Paggugol na Matuwid,” the government will escalate the reforms it already began, towards ensuring that public spending leads to direct, immediate and substantial benefits for various marginalized sections of society: students deprived of free and quality basic education, patients urgently needing proper health care facilities in the countryside, farmers without access to effective irrigation and postharvest facilities, and millions of other Filipinos who have been sinking in joblessness, poverty and hopelessness for so long.

... Public spending thus should veer away from waste and irrelevance, and focus it on key priorities in line with President Aquino’s Social Contract with the Filipino People. In other words, “Paggugol na Matuwid: Diretso sa Tao.”

Based on the expenditure allocation of the Aquino budget from 2011 to 2016 (and 2017) (see Table VII.2), Social Services such as education, health, social welfare and employment, among others, continue to get the biggest share of the national budget. The economic services sector follows next to fund major services in agriculture and agrarian reform, communications, roads, and other transport. The rest of the budget pie goes to debt burden, general public services and defense (Figure VII.2).

Table VII.2. Budget Expenditure by Source Funding, 2011-2017

Particulars	2011	2012	2013	2014	2015	2016	2017
Economic Services	433,852,443	486,686,774	553,745,789	605,912,555	694,304,157	803,179,193	827,345,253
Social Services	530,375,222	559,760,095	669,392,483	807,345,964	783,676,531	1,029,170,226	1,204,863,656
Defense	77,787,336	74,370,645	89,539,190	92,850,161	97,518,710	115,761,761	132,888,789
General Public Services	322,403,358	363,977,549	454,778,661	465,926,591	503,447,473	561,171,039	624,806,295
Interest Payments	357,080,000	325,739,690	356,767,610	376,055,750	313,368,650	417,105,470	357,007,270
Financial Services	7,436,491	13,351,070	16,293,831	7,409,381	198,745,000	261,903,213	83,666,201
TOTAL	1,728,944,850	1,823,885,823	2,140,517,564	2,355,500,402	2,591,060,521	3,188,290,902	3,230,577,464

Sources: DBM (2011, 2014, 2017)

Figure VII.2. Share of Budget Expenditure by Services, 2011-2016

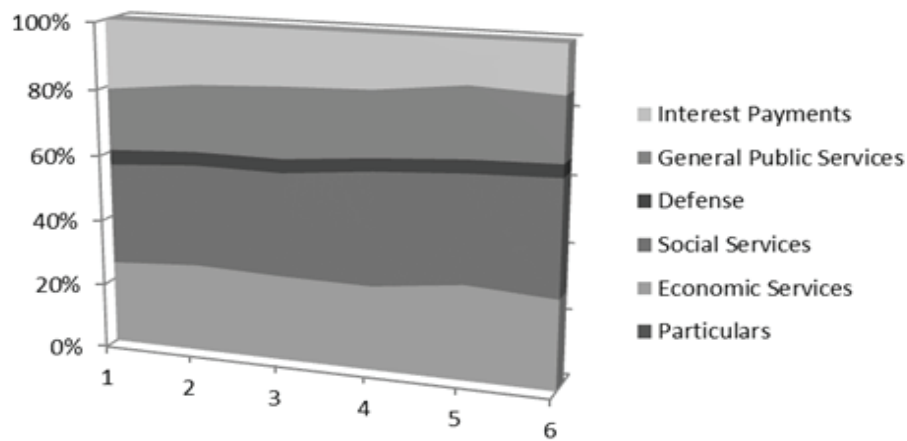
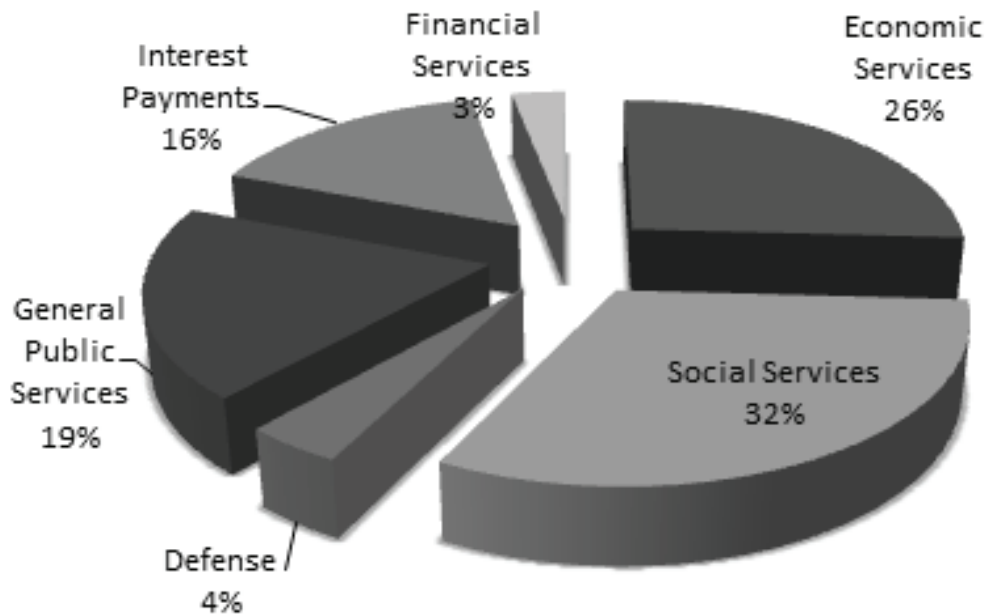


Figure VII.3. Average Budget Expenditure by Services, 2011-2016



The Aquino administration prioritized social services to reduce poverty and enhance social capital. “Investing in the Filipino people has always been the cornerstone of the Aquino administration’s inclusive growth agenda—which is why social services continue to receive the highest share of the national budget, why the education system has been revamped to foster globally competitive lifelong learners, and why the administration is fervently pursuing the goal of universal health care. The government’s mantra is clear: No one must be left behind on the straight path to progress” (The Official Gazette, 2013).

Economic services ranked second (26%), followed by general services and debt services (19%). defense was in the bottom of the pie (4%).

By departments of the Executive branch, the 2016-2017 GAA shows a steady increase in budget allocation except for the following departments: labor and employment, health, foreign affairs, and agriculture (Table VII.3).

Table VII.3. 2017 Budget Allocation by Departments, in Billion Pesos

Departments	2016 GAA	2017 NEP	2017 GAA	% Change from 2017 NEP to 2017 GAA	% Change from 2016 GAA to 2017 GAA
DepEd	411.905	543.234	544.109	0.16	32.1
DPWH	384.287	445.667	454.721	2.03	18.33
DILG	124.229	148.732	148.037	(0.47)	19.16
DND	117.521	134.287	137.183	2.16	16.73
DSWD	110.817	129.808	128.301	(1.16)	15.78
DOH	123.511	91.983	96.337	4.73	(22.0)
DOTr	42.681	53.128	53.346	0.41	24.99
DA	48.448	44.567	45.222	1.47	(6.66)
DENR	21.843	28.671	26.646	(7.06)	21.99
DOF	18.743	21.301	21.501	0.94	14.71
DOST	18.029	20.617	20.773	0.76	15.22
OP	2.826	19.991	20.171	0.9	613.76
SUCs	47.415	56.090	58.718	4.68	23.84
UP	11.81	13.099	13.512	3.16	14.41
DFA	20.676	16.588	16.593	0.03	(19.75)
CHED	5.636	12.496	18.705	49.69	231.88
DOJ	12.966	15.017	15.579	3.74	20.15
DOLE	18.272	13.216	11.439	(13.4)	(37.4)
ARMM	28.492	40.574	32.262	(20.48)	13.23
Judiciary	26.007	31.624	31.851	0.72	22.47
Congress	13.558	13.658	14.976	9.65	10.46

Source of data: GAA, 2016 and 2017; DBM, 2017

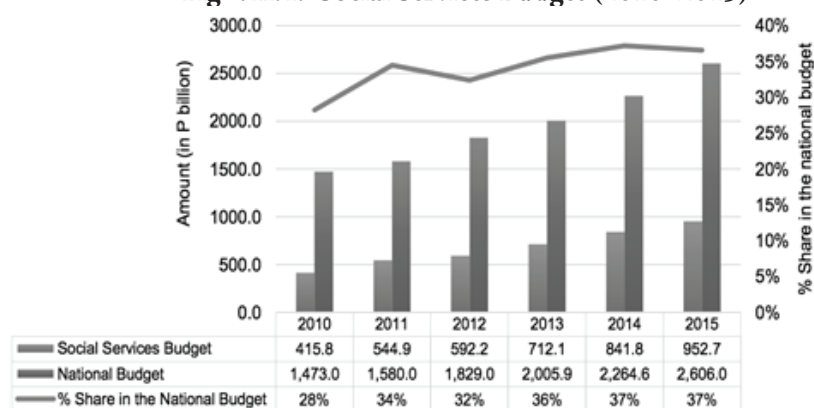
By Cluster, the following may be observed:

Table VII.4. Budget allocation to departments under the Good Governance Cluster

	2010	2011	2012	2013	2014	2015	2016
DBM	933,024,000	729,702,000	813,132,000	928,219,000	963,760,000	1,383,155,000	1,349,406,00
DoF	10,732,404,000	10,601,965,000	11,945,845,000	11,753,939,000	11,524,941,000	13,863,384,000	18,742,524,000
DILG	65,601,956,000	86,853,516,000	92,879,820,000	90,550,063,000	100,295,430,000	104,571,005,000	124,152,534,000
DoJ	6,426,299,000	7,152,031,000	8,921,728,000	10,140,920,000	10,903,778,000	11,054,050,000	12,766,275,000
PCOO	1,145,178,000	929,598,000	997,439,000	1,252,238,000	1,128,359,000	1,111,145,000	1,201,666,000
PLLO	20,570,000	19,870,000	22,757,000	33,855,000	35,858,000	36,433,000	44,708,000

Source: GAA, 2010-2016

Fig VII.4. Social Services Budget (2010–2015)



Note: 2010–2013 (Actual); 2014 (GAA); and 2015 (GAA)

Source: DBM

As seen in Table VII.5, below, basic education budget increased from Php161.4 billion in 2010 to Php412 billion in 2016 because of the introduction of the K-12 program. The allocation for DOH in 2016 was almost six times higher than the allotment before Aquino assumed the Presidency because of its Universal Health Care program and the expansion of PhilHealth coverage. The 600% increase in the DSWD budget can be attributed to the expansion of the coverage of its conditional cash transfer (CCT) program, one of the flagship programs of the Aquino administration continued from the Arroyo administration.

Table VII.5. Budget of the Human Development/Poverty Alleviation Agencies

	2010	2011	2012	2013	2014	2015	2016
DAR	20,767,776,000	16,365,513,000	17,903,222,000	21,038,824,000	20,002,768,000	10,260,106,000	10,132,358,000
DepEd	161,405,905,000	192,312,856,000	201,821,472,000	232,595,221,000	281,774,247,000	321,059,493,000	411,905,257,000
DOH	28,686,083,000	32,427,444,000	42,769,378,000	51,074,586,000	84,356,933,000	87,596,927,000	123,510,788,000
DOLE	6,421,359,000	6,390,368,000	6,988,041,000	7,834,074,000	12,177,273,000	11,550,153,000	18,271,757,000
DSWD	15,314,440,000	34,254,658,000	48,772,175,000	56,333,858,000	83,304,463,000	108,077,730,000	110,816,621,000
CHED	1,668,767,000	925,278,000	1,420,891,000	2,782,101,000	6,941,041,000	2,368,769,000	5,635,834,000
HUD-CC	96,593,000	111,330,000	125,704,000	119,210,000	119,675,000	119,507,000	122,695,000
NAPC	112,226,000	73,189,000	102,023,000	113,429,000	148,948,000	154,497,000	195,604,000
PCW	63,858,000	36,167,000	42,287,000	48,708,000	50,264,000	57,265,000	60,825,000
NYC	71,955,000	60,741,000	62,452,000	74,497,000	78,250,000	79,808,000	87,473,000

Source: GAA (2010-2016)

ASSESSMENT OF ACCOMPLISHMENTS

Good Governance and Anti-Corruption

The goals of the Good Governance and Anti-Corruption as outlined in the PDP, and stated in EO 43, are the following:

- Upholding transparency in government transactions and our commitment to combating graft and corruption;
- Strengthening the capacity of government institutions to link their respective budgets with performance outcomes and enabling citizens and civil society to monitor and evaluate these;
- A professional, motivated and energized bureaucracy with adequate means to perform their public service missions;
- Improvement of public sector asset and resource management and revenue performance; and
- Establishing an improved policy and regulatory environment that will reduce the cost of doing business in the country and improve competition. (EO 43, 2011, Section 2)

Table VII.6 shows the results matrix of the strategic framework of the PDP 2011-2016 for the Good Governance Cluster. The “achieved” column results were culled from the 2015 Socioeconomic Report 2015 of the National Economic and Development Authority (NEDA). Most indicators used in the strategic framework for the Good Governance dimension pertain to the improvement of the rankings in the World Governance Index (WGI).

Table VII. 6. Good Governance Results Matrix

Objectives/ Results	Indicator	Baseline	End of Plan Target	Achieved
Sector Outcomes				
7a: Transparency, citizen's participation and accountability increased	Percentile Rank in the WGI – voice and accountability indicator improved	48.34	>50	51.72
	Percentile rank in WGI – government effectiveness improved	55.5	70	57.69
	Percentile Rank in WGI – Control of corruption improved	22.36	60	41.83
	Proportion of NGAs and GOCCs fully complying with the transparency seal achieved (%)	100	100	Not achieved
	Open Budget Index increased	48	60	64
	Datasets contributed by NGAs to the ODP increased	N/A	70	achieved
	Proportion of provinces, cities and municipalities (PCMs) compliant with the Full Disclosure Policy increased (%)			Not achieved
	Fully complying	-	75	
	Complying	98	99	
	Proportion of NGAs, GOCCs, and local government units (LGUs) registered in the Philippine Government Electronic Procurement System (PhilGEPS) increased (%)	97.21	100	100
	NGAs entering into Budget Partnership Agreements (BPAs) with CSOs increased	6	24	On track
	GOCCs entering into BPAs with CSOs increased	3	12	
	Cities and municipalities with Local Poverty Reduction Action Plan increased	595	90% of 1634	
	Cities with Citizen Satisfaction Survey increased	7	122	Exceeded target
	Proportion of LGUs assessed that are compliant with set PFM standards (%)	50	65	
	Proportion of government agencies participating in the performance based incentive system (PBIS) increased (%)	96	100	
	Agencies with Approved Strategic Performance Management System (SPMS) increased (%)	16/ 0.60	2366/ 95	
	Agencies with functional SPMS increased (%)	0	90% of approved SPMS in 2014	
	PCMs conferred with the Seal of Good Local Governance increased (SGLG)	1,365	All qualified PCMs	1676 assessed, 254 conferred
	Offices with ISO 9001 Certified QMS increased	165	315	
	Senior executives and middle managers capacitated in the Public Management Development Program increased	104	495	512
	High-density service offices passing the Anti-Red Tape Act (ARTA) Report Card Survey (RCS) increased (%)	75	98	98

Objectives/ Results	Indicator	Baseline	End of Plan Target	Achieved
Rule of Law strengthened	Percentile Rank in WGI- Rule of Law improved	33.65	60	42.31
	Percentile Rank in WGI - Regulatory quality improved	44.98	70	52.88
	Proportion of backlogs (number of investigations divided by number of cases beyond the maximum prescribed periods) reduced (%)			Not achieved
	NBI investigation	17	15	
	DOJ prosecutor investigation	51	30	
	Percent reduction in case backlog (backlog clearing rate) (%)	0	15	Not achieved
	Courts with rolled out continuous trial increased (partial coverage)	0	90	110
	Courts with rolled out e-courts system increased	0	308	Not achieved
	Courts with rolled out e-subpoena system increased	0	95	Not achieved
	Detainees under the jail decongestion program increased (under E-JOW, Judgment Day, and newly issued SC Guidelines on Jail Decongestion)	1272	5000	2511 (2015)
	Philippine Mediation Center (PMC) offices for promotion of alternative dispute resolution increased	116	128	126
	Cases filed under the Run After Tax Evaders (RATE) Program increased	57	108	380
	Cases filed under the Run After The Smugglers (RATS) Program increased	60	72	201

Source: NEDA (2014, 2015)

As indicated in the 2015 Socioeconomic Report, the PNoy administration has achieved significant progress in most of the indicators in the Good Governance KRAs. In a number of indicators—which were more on the input side (e.g., courts with rolled out continuous trial increased, cases filed, etc.) rather than outcomes—the resulting values exceeded the targets.

The PNoy administration claims that these reform initiatives and flagship programs resulted in the achievement of the following:

- Increased citizen engagement through bottom-up budgeting
- Higher competitive ranking – from 85 to 47 (World Economic Forum); from 109 to 70 (Heritage Foundation)
- Higher ranking in ease of doing business – from 144th in 2010 to 95th in 2015 (World Bank)
- Increased credit ratings
- Filing of 784 graft and corruption cases (Official Gazette)
- Improved ranking in Corruption Perception Index– from 134th in 2010 to 84th in 2014 (Transparency International)

Five indicators in the results matrix of the PDP 2011-2016 for the good governance and anti-corruption cluster pertain to the improvement of the percentile ranking of the Philippines in the World Governance Indicators project of the World Bank. Except for the “government effectiveness,” the Philippines’ percentile ranking for the rest of the five dimensions were at the lower half of the list in 2009. The PNoy administration then targeted to improve the ranking of the country in five of the six dimensions—“voice and accountability,” “government effectiveness,” “control of corruption,” “regulatory quality,” and “rule of law.”

While the administration met its target for only one dimension (“voice and accountability,” which was the lowest target among the five WGI indicators), significant improvement on the percentile rankings in all of the five indicators were achieved (See Table VII.7).

Table VII.7. Performance of the Philippines in the WGI

Indicators	Baseline	Target	End-of-plan result
Percentile Rank in the WGI – voice and accountability indicator improved	48.34	>50	51.72
Percentile rank in WGI – government effectiveness improved	55.5	>70	57.69
Percentile Rank in WGI – Control of corruption improved	22.36	>60	41.83
Percentile Rank in WGI – Rule of Law improved	33.65	>60	42.31
Percentile Rank in WGI – Regulatory quality improved	44.98	>70	52.88

Source: World Bank (2015)

The rankings of the Philippines in other international perception indices on governance, corruption reduction and business competitiveness (e.g., Corruption Perceptions Index, Economic Freedom, Global Competitiveness, and Ease of Doing Business) have markedly improved from 2010 to 2015 (See Tables VII.8-10)

Upgrades in Philippine Competitiveness

Table VII.8a. Long-term Sovereign Credit Ratings

MOODY'S	STANDARD & POOR'S	FitchRatings KNOW YOUR RISK
Baa2 Outlook: Stable <i>As of December 11, 2014</i>	BBB Outlook: Stable <i>As of May 8, 2014</i>	BBB- Outlook: Stable <i>As of March 27, 2013</i>

Table VII.8b. Global Competitiveness Ranking, 1999-2015

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-2015
Philippines	87	85	75	65	59	52

Source: *The Global Competitiveness Report*, World Economic Forum, as cited in Balisacan (2015)

Table VII.8b. Ease of Doing Business Rankings , 2009-2014

	2009 (181 economies)	2010 (183 economies)	2011 (183 economies)	2012 (183 economies)	2013 (185 economies)	2014 (189 economies)	2015 (189 economies)
Philippines (old method.)	141	144	134	136	133	108	
Philippines (new method.)						86	95

Source: *Doing Business Report*, World Bank and International Finance Corporation, as cited in Balisacan (2015)

The improvements observed above are generally favorably validated in the assessments by various sectors and groups (e.g., academe, CSOs, students, development partners, international organizations, and the media) on the PNoy administration (Table VII.11).

Table VII.9. Ratings Given to the PNoy Administration

PNoy Admin	Duterte Administration	Academe	CSOs	Media/ Social media	Development Partners
Positive/ Favorable	Positive/ Favorable but reforms need follow through	Penalba <u>(UP-CIDS Forum)</u> : Positive/favorable Diokno (UP-NCPAG Forum): Negative	MGG: Perfect score of 10 in governance but overall rating was 5.93. Ibon Foundation: Negative	Rappler.com: Mixed- partially delivered/ undelivered, still has a lot to do to deliver his 2010 promises Inquirer.com: Positive/favorable 12 kept, 9 not yet kept Huffington Post: Very positive/ favorable Twitter: Mixed sentiments The Guidon: Positive/favorable	Konrad Adenauer Foundation: Negative World Bank: Worldwide Governance Indicators – positive : improving performance from 2010-2016 based on the indices in Corruption Perception except in 2015, Economic Freedom, Global Competitiveness, Ease of Doing Business

These groups commended some of the administration's reform programs and initiatives such as the bottom-up budgeting, citizen participatory audit, ease in doing business, reforms in the budget process, and the filing of graft cases versus high-profile government officials.

On the other hand, the following major challenges and issues that hounded the administration blot the good governance record of the PNoy administration:

- human rights violations and extrajudicial killings of activists, peasants and minorities;
- pork barrel system and the disbursement acceleration program which were both declared unconstitutional by the Supreme Court;
- non-passage of the bills on FOI and protection of whistleblowers;
- Mamasapano massacre;
- Luneta hostage crisis;
- high toll of Yolanda supertyphoon casualties and slow relief operations and rehabilitation;
- inequitable growth;
- selective prosecution and patronage politics;
- delayed delivery of services; and
- worsening condition of public transportation.

One of the major issues faced by the PNoy administration was the Pork Barrel Scandal, wherein some legislators were accused of misusing their Priority Development Assistance Fund (PDAF). Cases of plunder and malversation of public funds were filed against the legislators involved in the scam. The Supreme Court eventually ruled the PDAF as unconstitutional. A fallout from the scandal was the discovery of the Disbursement Acceleration Program (DAP) devised and implemented by the DBM to accelerate disbursement and utilize savings without legislative approval. Like PDAF, DAP was also declared by the Supreme Court as unconstitutional.

Human Development and Poverty Reduction

The Social Contract mandated the Human Development and Poverty Reduction cluster “to translate the gains from good governance into direct, immediate and substantial benefits for the poor” (EO 43, 2011, Section 7). The administration, thus, aimed for the improvement of the quality of life of all Filipinos, especially the vulnerable and poor, and for the provision of opportunities to reach their full potential.

The Social Contract mandated the departments under the cluster to pursue the following goals:

- making education the central strategy for investing in our people, reducing poverty and building national competitiveness;
- recognizing the importance of advancing and protecting public health;
- building of the capacities and creation of opportunities among the poor and the marginalized;
- increasing social protection and engaging communities in their own development;
- promotion of equal gender opportunities in all spheres of public policies and programs; and
- ensuring effective coordination of national government programs for poverty reduction at the local level. (EO 43, 2011, Section 7)

In fine, poverty reduction and empowerment of the poor and vulnerable are two main outcomes in the strategic framework of the PDP, 2011-2016. Two subsector outcomes were also identified for each sector outcome, to wit:

a) Improve human capabilities:

(1) Health and nutrition status improved (2) Knowledge skills enhanced

b) Reduction of vulnerabilities:

(1) Social protection expanded (2) Access to secure shelter expanded.

A significant omission in the revalidated results matrices was the subsector outcome “access to asset reform improved.” Consequently, target indicators, which mostly pertain to implementation of the agrarian reform program, under the asset reform subsector outcome were dropped from the mid-term development plan.

Meanwhile, the increase in allocation in these departments was backed up by policy reform through legislation. The PNoy administration has passed landmark legislations in the health and education sectors. Among the laws passed during the term of President Aquino are the Enhanced Basic Education Act of 2013, the Responsible Parenthood and Reproductive Health Law, the Sin Tax Law, and the National Health Insurance Act.

The PNoy administration attributes the following banner achievements to the enactment and implementation of the reform measures in the sectors of education, health and social development:

- Increased beneficiaries of CCT: 786,523 households in 2010 to 4,377,762 households in 2015
- Hunger in households reduced (SWS) : 23.4% in 2009 to 11.7% in 2015
- Irrigation: 144, 016 hectares (2001-2010) to 164,230 hectares of land irrigated in 2014
- Number of out of school children was reduced from 11.7M in 2008 to 5.2M in 2013
- Philhealth coverage expanded from 47.07 million members in 2010 to 93.45 million in 2015
- Poverty incidence rate reduced from 26.3% in 2009 to 21.6% in 2015
- Budget for SUCs doubled from P22.4B in 2010 to Php47.4B in 2016
- 9,536,994 TESDA (TVET) graduates
- 1,055,335 TESDA (TWSP) graduates
- Classrooms built: from 17,305 (2005-2010) to 89,720 classrooms (2016)
- Employment: 92.7% (2010) to 94.2% (2016)
- Unemployment rate decreased from 7.3% in 2010 to 5.8% in 2016
(National Government Portal)

The Philippine human development statistics presented in Table VII.12 also speaks of a rosy picture of the Aquino administration accomplishment in terms of poverty reduction and social development. Significant to slight improvement in population and poverty status is noted. There is also a marked progress in the country’s education situation, specifically in public education spending. On the other hand, the impact of gains in education to labor and employment has yet to be fully realized.

Table VII.10. Philippine Human Development Indicators 2010-2016

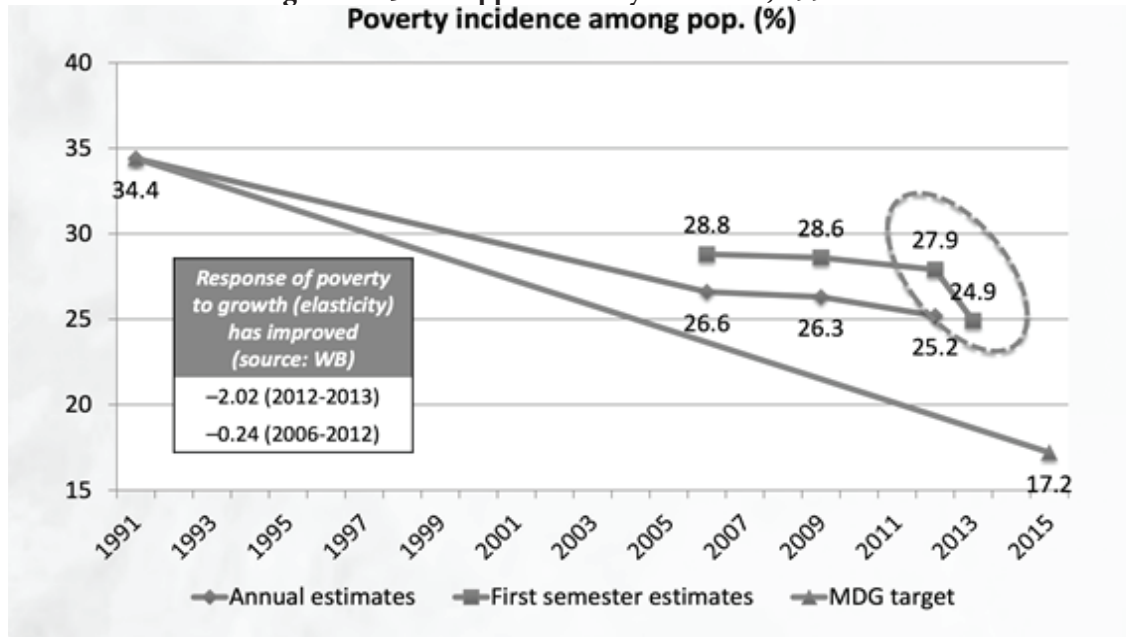
Population	<ul style="list-style-type: none"> • Total population (2016): 100.98M • Annual population growth rate: 1.72% • Total fertility rate (2011): 3.1% (slightly lower) • Life expectancy at birth (2015): 72.0 for women and 65.3 for men (shorter) • Contraceptive prevalence rate across: 55.1 (increased)
Standard of Living	<ul style="list-style-type: none"> • Poverty incidence (2015): 21.6% (Slightly declined from 26.3% in 2009) • Gini coefficient ratio (2012): 0.4605 (Slightly dropped from 0.4641 in 2009) • Subsistence incidence among families (2015): 5.7%, (declined from 7.9% in 2009)
Food	<ul style="list-style-type: none"> • Average expenditure on food (2015): 41.9% (declined from 42.6% in 2009)
Water and Sanitation	<ul style="list-style-type: none"> • Access to safe water supply (2014): 85.5% (increased from 84.4% in 2011) • Families with sanitary toilet facility (2014): 94.1 (increased from 91.6% in 2011)
Healthcare and Disease	<ul style="list-style-type: none"> • Reported HIV cases (June 2016): 34,999 (rose from 6,015 by December 2010) • Average number of newly-diagnosed HIV case per day: 26 (increased from 4 in 2010) • The annual rate of death caused by AIDS: 625 (increased from 482 in 2010) • Malaria morbidity rate per 100,000 population (2015): 5.5 (reduced from 9.5 in 2010) • Malaria mortality rate per 100,000 population (2015): 0.019 (slightly increased from 0.01 in 2011) • Under-five infant mortality rate (2015): 28 (slightly decreased from 34 in 2008) • Under-five malnutrition (underweight-for-age) rate (2013): 19.9% (decreased from 20.2% in 2011)
Education and Employment	<ul style="list-style-type: none"> • Basic literacy rate (2013): 96.5% increased from 95.6% in 2008 • Functional literacy rate (2013): 90.3% (increased from 86.4% in 2008) • Net enrolment rate for 5-year-old children (2014): 79.3% (increased from 57.2% in 2010) • Net enrolment rate for 6-11-year-old children (2014): 94.5 (decreased from 98.5% in 2010) • Spending for education by the national government (2015): Php17.282 billion (increased from Php8.815 billion in 2010) • Average spending per public school student (2015): Php364.66 (increased from Php174.75 in 2010) • Labor force participation rate (2016): 63.4% (decreased from 64.1% in 2010) • Unemployment rate: 5.5% (decreased from 7.3% in 2010)

Source: NEDA (2015)

However, the achievements in the key result areas of the cluster as well as in meeting the Millennium Development Goals (MDGs) were rather modest. Despite cutting the poverty incidence rate to 21.6% in 2015—from 26.3% in 2009—the PNoy administration fell short in reducing the poverty rate to 17.5% as projected in the MDGs.

In fact poverty reduction has been slow over time, though recent gains have been made (Balisacan 2015) (see Fig. VII.5)

Figure VII.5. Philippine Poverty Incidence, 1991-2014
Poverty incidence among pop. (%)



Source: Balisacan 2015

Moreover, our performance in poverty reduction vis-à-vis our Asian neighbors has been weak primarily because of the “lost decade” in the 2000’s, which is characterized by low income growth and high inequality of access to employment and social development (Balisacan, 2015 p.13)

This observation by Balisacan (2015) was confirmed by the alternative assessment in the 2016 UP NCPAG Public Lectures on the Aquino Administration and Presidency. Despite the prioritization of poverty, alleviation assessors from the academe lament the still high poverty incidence especially when compared with the statistics of neighboring countries in Southeast Asia. Both point to jobless growth, as the reason why poverty incidence in the country remains high. Both academics also posed criticism to the DSWD flagship program Pantawid Pamilyang Pilipino Program (4Ps), in particular the inclusion and exclusion errors, and the conditionalities that come with the cash transfers. Prof. Ofreneo and Prof. Raquiza both stated that interventions such as 4Ps do not necessarily address the root cause of poverty. They both noted the shrinking industrial and agricultural sectors, which are both labor-intensive sectors. Both concluded that a structural transformation is needed to truly address poverty.

The PNoy administration claims to have brought down the unemployment rate from 7.4% in 2010 to 5.5 in January 2016. Similarly, the underemployment rate declined from 19.3% in 2011 to 18.3% in 2016. Furthermore, under the PNoy administration’s watch, employment expanded by more than 4 million. However, the Philippine office of the International Labor Organization (ILO) said that the expansion is “just sufficient to keep pace with the rapid growth in the labor force.” Relative to our neighbors, the Philippine unemployment rate is the highest in the Southeast Asian region. ILO also reported that in 2013, around 14.6 million workers were vulnerably employed (defined as either own-account or contributing family workers) who are less likely to have social protection and are more vulnerable in the event of economic and environmental crisis.

Taking into account the vulnerable employment statistics of the different Southeast Asian countries, the combined unemployment and vulnerable employment rate of the Philippines fare better than other countries in the region as shown in Table VII.11.

Table VII.11. Shares of Unemployment and Vulnerable Employment in Selected ASEAN Member States, 2013

Selected ASEAN countries	Unemployment rate, %	Vulnerable employment rate, %	Unemployment and vulnerable employment in total labour force, %
Thailand	0.8	52.0	52.1
Indonesia	6.0	61.0	64.2
Philippines	7.3	42.0	46.3
Viet Nam	1.9	62.0	57.4
Lao PDR	1.4	85.0	85.6
Cambodia	0.3	64.0	63.7

Note: The table provides estimates from the ILO's Trends Econometric Models, October 2014, and may differ from labour force survey results.

Source: ILO: Trends Econometric Models, October 2014.

Source: ILO Trends Econometric Models (2014) as cited in ILO (2015)

As regards provision of health care, the PNoy administration earned the commendation of alternative assessor Dr. Jaime Galvez-Tan, a former Health Secretary during the Ramos administration. In particular, Dr. Galvez-Tan lauded the administration's commitment and political will to implement the universal health care agenda through the banner program *Kalusugang Pangkahalatan*. This commitment of the administration is manifested in the prioritization of health in the annual budget—from Php28.7 billion in 2010 to Php87.6 billion in 2015—as well as in the enactment of landmark legislations such as the Universal PhilHealth Coverage Law, Mandatory PhilHealth Coverage for Senior Citizens, Sin Tax Law, and Responsible Parenthood and Reproductive Health Law.

The Department of Health implemented the Health Facilities Enhancement Program (HFEP) that saw the construction of 2,862 barangay health stations, 2,626 rural health units/urban health centers, 144,685 LGU hospitals, 70 DOH hospitals, and 14 hospitals. However, Dr. Galvez-Tan pointed out that there are still gaps in terms of health facilities and staff complement particularly in remote areas. According to Dr. Galvez-Tan, the priority should be more on the access to primary health care especially in poor and remote communities.

In the 2015 Socioeconomic Report of NEDA, the following issues were identified as problem areas in health:

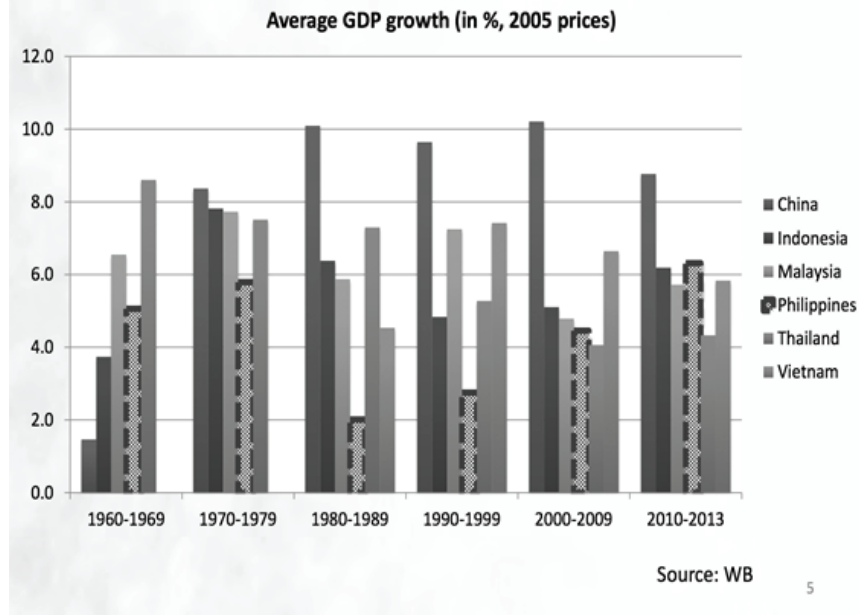
- alarming increase in the number of HIV/AIDS cases;
- prevalence of underweight children;
- non-improvement in the number of births attended by skilled health workers;
- increase in the incidence of teenage pregnancy;
- gaps in health facilities and services; and
- low percentage of PhilHealth members reimbursing health expenditures.

With regard to the implementation of agrarian reform program, the Department of Agrarian Reform (DAR) reported its accomplishment in the land acquisition and distribution (LAD) and leasehold operations. DAR admitted that their accomplishments were quite low compared with their projections. Despite decades of implementation of the agrarian reform program, productivity of farms and income in the agriculture sectors remain low, thus, failing to address rural poverty. Assessors point to the lack of support services such as credit, marketing and technical assistance as reasons why beneficiaries fail to break away from poverty.

Economic Development

Major strides and gains have been achieved by the PNoy administration as far as economic growth is concerned, bolstered in large part, as the government claimed, by the anti-corruption platform that catapulted Aquino to the presidency. According to Balisacan (2015), the Philippines is no longer the “sick man of Asia” (Fig. VII.5). Resurgence began in 2010 when the country experienced “structural break” aimed at higher growth trajectory. In the latter, investment and industry have become the major drivers of GDP growth. Specifically, private consumption on the demand side, and services on the supply side, have been the major drivers of growth. Supported by sound economic fundamentals, the 2010-2014 average growth was 6.3%, the highest five year average in the last 40 years. Growth rate in 2014 was 6.1%, which is considered high by the standard of developing countries. In 2015-2016 (Figs. VII.6, VII.7).

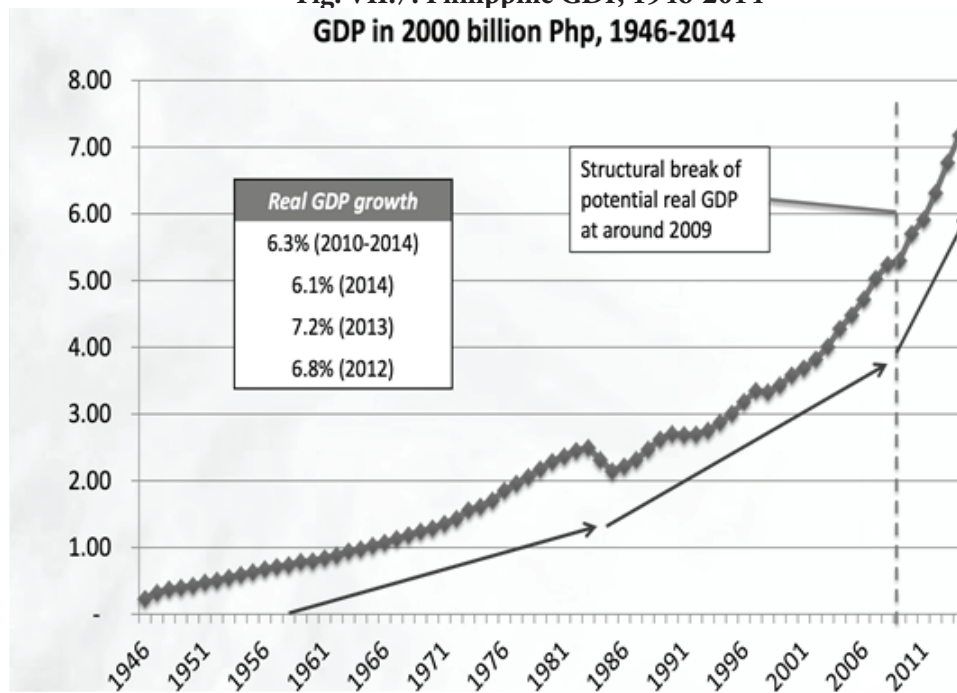
Figure VII.6. The Philippine Average GDP vis-à-vis Asian Neighbors



Source: World Bank, as cited in Balisacan (2015)

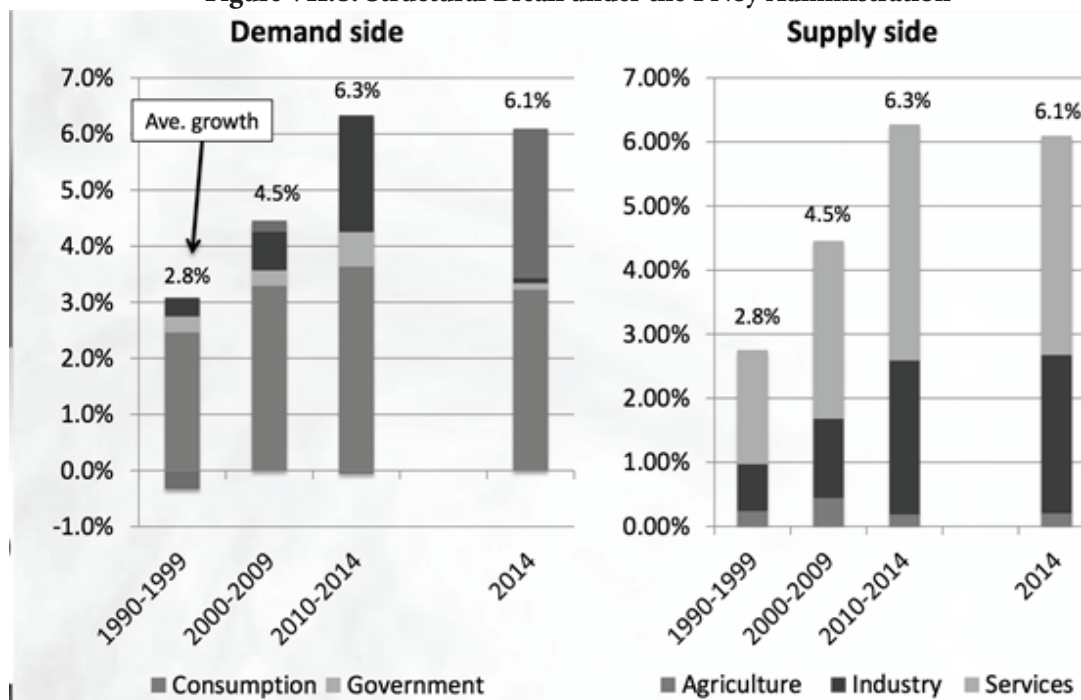
Fig. VII.7. Philippine GDP, 1946-2014

GDP in 2000 billion Php, 1946-2014



Source: PSA as cited in Balisacan (2015)

Figure VII.8. Structural Break under the PNoy Administration



Source: NEDA as cited in Balisacan (2015)

The Philippine Statistics Authority data moreover show that average annual growth in gross domestic product (GDP) rose from 5.0% over the preceding five-year period 2006-2010 to 5.9% in 2011-2015 (See Table VII.14). Compared to the two administrations that came before, economic performance of the PNoy government was seemingly better. It even went on to claim that this is the highest average growth of the Philippine economy since the 1970s.

The positive economic growth figures are reported to have been due to the strong performance of the manufacturing, business processes outsourcing, real estate and finance sectors (See Tables VII.14 and VII.15). Most likely because of this, the Philippines Global Competitiveness index ranking of the country also went up from 85/140 in 2010 to 47/140 in 2015.

Table VII.12. Average Annual Growth Rates, 2001-2015

	Weighted Growth Rates Averaged in Years Indicated			Share Contribution to Total GDP Growth Averaged in Years Indicated		
	Estrada 1999-2001	GMA 2002-2008	PNoy 2011-2015	Estrada 1999-2001	GMA 2002-2008	PNoy 2011-2015
I. Household Final Consumption Expenditures	3.18	3.51	4.11	91.78	68.12	70.00
II. General Government Consumption Expenditures	(0.26)	0.29	0.68	-7.38	5.59	11.54
III. Gross Domestic Capital Formation	0.56	0.56	1.80	16.10	10.82	30.63
A. Fixed Capital Formation	0.14	0.81	1.73	4.07	15.61	29.51
B. Changes in Inventories	0.42	(0.25)	0.07	12.03	-4.79	1.12
IV. Net Exports	(0.02)	0.80	(0.87)	-0.51	15.47	-14.86
A. (+) Exports of Goods and Services	2.44	3.01	1.99	70.56	58.28	33.92
B. (-) Imports of Goods and Services	2.46	2.21	2.86	71.07	42.80	48.78
V. Statistical Dependency			0.79			2.70
Expenditures on Gross Domestic Product	3.46	5.16	5.87	100.00	100.00	100.00

Source: PSA

Table VII.13. Average Growth Rate, by Sector, 2001-2015

	Weighted Growth Rates Averaged in Years Indicated			Weighted Growth Rates Averaged in Years Indicated		
	Estrada 1999-2001	GMA 2002-2008	PNoy 2011-2015	Estrada 1999-2001	GMA 2002-2008	PNoy 2011-2015
I. Agriculture, Fishery and Forestry	0.75	0.51	0.19	21.55	9.83	3.18
II. Industrial Sector	0.67	1.50	2.10	19.43	28.99	35.81
A. Mining and Quarrying	(0.00)	0.11	0.03	-0.14	2.05	0.54
B. Manufacturing	0.80	0.98	1.55	23.24	19.04	26.43
C. Construction	(0.27)	0.24	0.40	-7.85	4.62	6.87
D. Electricity, Gas and Water	0.14	0.17	0.12	4.18	3.28	1.97
III. Service Sector	2.04	3.16	3.58	59.02	61.18	61.01
A. Transpo, Stor & Com	0.46	0.62	0.47	13.38	12.01	8.01
B. Trade and Repair	1.06	0.90	0.99	30.71	17.41	16.88
C. Financial Intermediation	0.17	0.42	0.54	4.96	8.23	9.12
D. Real Estate & Bus Activities	0.05	0.63	0.85	1.47	12.14	14.56
E. Public Administration and Defense; Soc Security	0.03	0.13	0.13	0.74	2.59	2.15
F. Other Services	0.27	0.45	0.60	7.76	8.81	10.28
Gross Domestic Product	3.46	5.16	5.87	100.00	100.00	100.00

Source: PSA

The performance of the agriculture sector, however, is a stark contrast to the gains made in the other industries. Agriculture grew the least under the PNoy administration (Lim, 2016). The Philippine Statistics Authority (2016) data show that share of agriculture in GDP has fallen from 11.6% in 2010 to 9.1% in the first three quarters of 2015. It is not clear, though, if climate change has also something to do with this. But at any rate, this is a critical concern that warrants attention because agriculture remains the economic backbone of a significant number of Filipinos. Ibon argues, for example, that “the absence of more solid domestic agricultural and industrial foundations is the long-term constraint to Philippine growth and development.” Furthermore, the decline in the productivity of the agriculture sector is a trend that has been observed as well in the Arroyo and Estrada presidencies. Ibon (2016) professes that the decline in agricultural productivity is akin to the “erosion of the domestic economy” (Table VII.13)

Peace and National Security

A stable national security environment is crucial in achieving development, human security and general welfare. Thus, strategies that would ensure the attainment of peace, public order and safety through the cessation of armed conflict and prevention of crimes were pursued as key thrusts of the Aquino administration along “peace and security.” It focused on two major strategies: 1) winning the peace through a negotiated political settlement of all armed conflicts; and 2) complementary track to address the causes of conflict and issues affecting the peace process mainly through the PAMANA or the “Payapa at Masaganang Pamayanan” Program and the Sajahatra Bangsamoro (SB) Program.

In *winning the peace*, the Aquino Administration targeted that political settlements for both the CPP-NPA-NDFP and the Moro Islamic Liberation Front. It was seemingly successful negotiating with the latter, in that, by 2016, the GPH-MILF Comprehensive Peace Agreement was already signed and implemented.

Yearly milestones included a) by 2010, the Declaration of Continuity for Peace Negotiation between the GPH and MILF was signed; b) by 2013, the GPH-MILF Comprehensive Peace Agreement or the Framework Agreement on the Bangsamoro together with the four Annexes was signed; c) for 2014 and for 2015, it targeted the signing of the Bangsamoro Basic Law and the creation of a Bangsamoro Transition Authority. However, following the Mamasapano incident, passage of the latter capstone agreement and framework was stalled.

Negotiations with the CPP-NPA-NDFP, however, was not as successful, because of non-negotiable terms set as preconditions, e.g., waiving of the Joint Agreement on Safety and Immunity Guarantees (JASIG) rules with regard to the release of political prisoners, and cessation of hostilities, among other demands.

To *complement* the peace negotiations with the MILF, the Sajahatra Bangsamoro (Blessings, Prosperity, and Peace upon the Bangsamoro) was launched jointly by PNoy and MILF Chair Al Haj Murad Ebrahim. The Sajahatra Bangsamoro (SB) is a development program that seeks to uplift the health, education, and livelihood conditions of the Bangsamoro communities. With an initial budget allocation of P600 million, it was expected to jumpstart the initial dividends of peace.

As 30 December 2015, the status of the SB projects is as follows:

- On education, 639 beneficiaries were enrolled under the College Study Grants Program for AY 2014–2015, while 1,000 were provided technical and vocational training. Fifty (50) Madaris received grants and ten (10) day care centers were constructed; and 1,025 have completed livelihood skills training programs under the TESDA.
- On health, 11,000 beneficiaries were enrolled and covered under PhilHealth in 2015, and 1,406 children have already completed their 120-day feeding program, while 6,187 children in the 27 Madaris. benefit from the feeding program. Three BHSs were also completed. Moreover, five units of ambulances have already been provided.
- On livelihood, 11,000 individuals benefited from cash-for-work. Six communities were provided development assistance, such as farm inputs that include equipment and working animals. Small-scale infrastructure projects, such as FMRs are in various stages of construction. (Office of the President, 2015)

To complement the peace process in general, the Payapa at Masaganang Pamayanan Program (PAMANA) was instituted to address the root causes of the armed conflict through targeted strategic and systemic interventions. PAMANA is a convergence program aimed at achieving peace and security in improving socio-economic conditions in areas that are conflict-affected or vulnerable.

The levels of intervention under the PAMANA are classified according to their corresponding pillars. Pillar 1 includes policy interventions at the highest levels, aimed at establishing the foundations of peace.

Pillar 2, on the other hand, consists of micro level interventions that are targeted to households and communities. These include the delivery of basic services to the communities through conditional cash transfers, community-driven development programs, and other interventions that have direct impact on households and communities.

Pillar 3 interventions address development challenges at the local level. These interventions are no longer limited to individual communities, but are linked or interconnected to the development needs of other communities at the regional and subregional levels.

As of 2016, PAMANA, through a multi-agency planning and implementation network that includes the Office of the Presidential Adviser on the Peace Process (OPPAP), the Autonomous Region of Muslim Mindanao (ARMM), National Commission on Indigenous Peoples (NCIP), Commission on Higher Education (CHED), and the Departments of Social Work and Community Development (DSWD), Agriculture (DA) and Interior and Local Government (DILG), has provided scholarship grants to a total of 1,260 beneficiaries; expanded health insurance coverage to 10,827 rebel returnees and/or their families; implemented capacity-building programs with field personnel; implemented community-driven development programs through the Kapit Bisig Laban sa Kahirapan-Community Integrated Delivery of Services (Kalahi-CIDSS); and implemented/constructed infrastructure projects, e.g., roads and bridges, school buildings, electrification, and irrigation systems.

Climate Change Adaptation and Mitigation

The Climate Change Adaptation and Mitigation Cluster focused on the conservation and protection of the environment and natural resources. It took the lead in pursuing measures to adapt to and mitigate the effects of climate change; and in preparing for both natural and man-made disasters.

The cluster aimed to pursue the following objectives, in particular:

- a. Adopting climate change adaptation and mitigation measures by local government units and their respective communities, national government agencies, and the general public; and ensure that these are incorporated in their annual work plans and budgets, where applicable;
- b. Ensuring the utilization of natural resources for the equal benefit of the present and future generations;
- c. Formulating alternative and inclusive urban development plans, which ensure that people of varying income levels are integrated in productive, healthy and safe communities; and
- d. Undertaking all other measures necessary to prepare for and manage the risks and/or threats associated with natural and man-made phenomena such as, but not limited to, typhoons, earthquakes, tsunamis, floods, landslides, civil disturbance, and terrorism.

Accomplishments of the CCAM Cluster from 2011 to 2016 u, could not be reviewed according to the specific objectives mentioned above for the following reasons:

- The objectives do not match the frameworks in the *2011-2016 Philippine Development Plan* and the *2011-2016 PDP Updates*;
- The Cluster, as a whole, did not specify the indicators and targets for each of the objectives; and
- The CCC has narrative annual reports from 2011 to 2016. Unfortunately, there are no targets related to the objectives of the cluster. On the other hand, accomplishments on DRR have to be obtained from various sources.

Thus, with the constraints imposed by the limited data and the enormity of conducting assessments of three broad areas, the section here focuses on the accomplishments of the Climate Change Commission (CCC), Department of Environment and Natural Resources (DENR) and the National Disaster Risk Reduction and Management Council (NDRRMC).

The accomplishments under this cluster include:

- a. enactment of a policy and institutional response to climate change, e.g., Republic Act (RA) 9729 or the Climate Change Act of 2009; RA 10174 or the People's Survival Fund (PSF) Act and the creation of the Climate Change Commission (CCC) as lead in policymaking, coordination and monitoring of climate actions in government;
- b. development of the *National Strategic Framework on Climate Change*¹ (NSFCC) to ensure and strengthen the adaptation of natural ecosystems and human communities to climate impacts; the National Climate Change Action Plan with key strategic priorities on food security, water sufficiency, ecological and environmental stability, human security, climate-friendly industries and services, sustainable energy and knowledge and capacity development; and
- c. average budget allocation of some 0.38% to 0.82% of the total General Appropriations.

In addition, the CCC has undertaken the following from 2010-2015: Twenty six(26) project-management and related activities; More than 22 awareness building or IEC activities; Fourteen(14) policy formulation and related activities; Eleven(11) networking activities; Seven(7) UN negotiation meetings attended; Four(4) Capacity building activities; Four(4) consultation activities with stakeholders; Three research-related activities; Two(2) publication and databasing activities; and conduct of one scientific meeting.

It also participated in the Paris Accord of 2016, and committed to reduce the country's carbon emission by 70% by 2030.

1 The NSFCC, prior to RA 10174, was erroneously referred to as *National Framework Strategy on Climate Change*

General Assessment

Assessing the Aquino Administration's Social Contract and Philippine Development Plan, it is instructive to go back to his key result areas as follows:

- a. Transparent, accountable, and participatory governance- where open, transparent, accountable and inclusive governance is institutionalized;
- b. Poverty reduction and empowerment of the poor and vulnerable- where the gains of good governance are translated into direct, immediate and substantial benefits for the poor;
- c. Rapid, inclusive, and sustained economic growth- which aims to achieve rapid economic expansion that generates jobs and livelihood for and increase the income of the poor while moving away from the boom-and-bust cycle of the economic performance of the past;
- d. Just and lasting peace and the rule of law – to attain a just, comprehensive, and lasting peace within the bounds of our law; and
- e. Integrity of the environment and climate change adaptation and mitigation – to promote sustainable natural resource utilization and climate change adaptation and mitigation strategies and measures among national government agencies, the local government units (LGUs) and their respective communities, the general public, and other stakeholders. (Executive Order No. 43, 2011).

Based on the analyses of this research, and on a scale of 0-10, with 10 as the highest, it appears that the Aquino Administration has done satisfactory work on the governance and economic growth clusters (Table VII.14). True to its campaign promise, the Aquino administration anchored many of its development strategies on good governance, e.g., open government, anti-corruption, ease of doing business, public financial management, e-procurement, citizen's charter, participatory budgeting and audit, access to public information and budget reforms. However, it seems to have been partial in the way it had treated predecessors and non-allies, versus its allies, who were allegedly involved in corruption cases.

The Aquino administration also pushed for increasing investors' confidence, hoping that good governance may bring about good economics. As evidenced by the improved investment climate, reflected in the corruption perception index, ease of doing business and other indices, good governance seemed to have been translated into economic growth performance of 6.4%, the country's highest growth performance in decades. However, our infrastructure spending was below those of our neighbors, and business regulations, though already streamlined, are not yet at par with the rest of Asia.

The Aquino administration also scored high in human development, with its budget allocation highest in social services due to flagship programs under this cluster, e.g., K-12, CCT, universal health care, and socialized housing, among others. However, despite these programs, which are still criticized as generally "welfare and dole out" rather than empowering and liberating strategies, poverty incidence remains high at 21.6% (2015). This confirms what many believe as a weak link between good governance, good economics and poverty reduction, i.e., the first two are necessary but not sufficient for poverty reduction.

Winning the peace also experienced some gains but did not altogether reached fruition. Negotiations with the MILF were successful in framing the agreement towards a Basic Bangsamoro Law. However, the latter was shelved in the Legislature because of many concerns related to the Bangsamoro autonomy, fiscal independence and organizational integrity. The Mamasapano incident undermined progress in this area.

Efforts to secure our territorial waters made headway when the Aquino government filed an arbitration case against China at the Permanent Court of Arbitration at The Hague. However, despite the Philippines winning the arbitration case in July 2016, China refused to honor the ruling, and ASEAN member-states remain divided over the issue.

Climate change policy and institutional responses were put in place during the Aquino administration. These, however, were not yet enough to comprehensively address climate change impacts. The Philippines is highly vulnerable to disasters (Figure VII.9). Estimated average loss for the country due to disasters is some P206B/year or roughly 1.8% of GDP (World Bank, 2015, as cited in Balisacan, 2015). To address this problem, solutions have to be multi-stakeholder and multi-agency, transcending disciplines (Table VII.16).

Table VII.14. General Assessment of the Aquino Administration

Cluster	Assessment
Governance	7.5
Human Development and Poverty Alleviation	6.5
Economic Growth	7.0
Peace and the Rule of Law	5.0
Integrity of the Environment and Climate Change Adaptation and Mitigation	4.5
Average	6.1

The rating of the Aquino administration of 6.1 is decently satisfactory, as it has instituted policies, programs and strategies that engendered a culture of transparency, accountability and participation, and also secured our economic growth. However, these were not enough to make economic growth inclusive and to reduce poverty. The rule of law had been adhered to but extrajudicial killings were still a concern. Peace, especially with our Muslim brothers and sisters, has been prioritized but remained elusive.

Table VII.15. Philippine's Disaster Vulnerability Index

Climate Risk Index		Country	Deaths per 100,000 inhabitants	Absolute losses (in million USD PPP)
2013 Ranking	2012 Ranking			
1	2	Philippines	6.65	24,538.56
2	65	Cambodia	1.22	1,495.52
3	46	India	0.60	15,147.02
6	3	Pakistan	0.16	5,419.77
8	32	Viet Nam	0.17	2,397.04

Source: Germanwatch

Average annual loss for the Philippines is estimated to be Php 206B/year (1.8% of GDP) in direct losses to private and public assets. [WB 2015]

Source: World Bank as cited in Balisacan (2015)

WAYS FORWARD FOR THE DUTERTE ADMINISTRATION

The governing philosophy of President Rodrigo Roa Duterte's administration is to build on the good programs that the Aquino administration has started. This augurs well to continuity and sustainability of the gains of the past Administration. The current administration also needs to learn from the mis-steps of the Aquino administration in order that the path to a stable and sustainable development is assured.

Good Governance

The Duterte administration may further institutionalize and sustain the good governance initiatives of the PNoy administration. The 2017-2022 Philippine Development Plan (PDP) stresses, "the need to embed them in the operations and systems of the government as well as in the consciousness of public servants, so that they will translate into more accessible and efficient delivery of frontline services" (NEDA, 2017). Legislation may help institutionalize these reforms.

The current Administration may also consider the concerns raised by DBM Secretary Diokno, in the UP NCPAG Public Lecture Series.

- a. Platforms for participatory governance were established by the PNoy Administration, but the general public was not yet deeply involved. These platforms such as the BUB and CPA were underutilized or under-engaged by the general public.

- b. Government data were made available to the public through the National Government Portal; however, there was no context sensitive or contextual measure of performance.
- c. Measures to improve public service delivery and accountability were enhanced but compliance to standards remains low. Those that have been proven effective must be institutionalized, preferably through legislation. New imperatives in planning and budgeting must also be implemented. Examples are the application of enterprise risk management for financial and operational risks, which is a requirement for certification by the International Organization for Standardization (ISO) 9001:2015, and the mainstreaming of green growth principles in the planning process.
- d. Measures to improve efficiency and competence of public service were initiated but these should be accompanied by higher absorptive capacity and better access to information. Compliance remains low due to inadequate control mechanisms and the agencies' lack of appreciation of the flexibilities allowed in the system.

It is also important that the Duterte administration should have an open mind and appreciation to continue reforms of past administrations that proved to be beneficial to the people. For example, the DOF's RATS, RATE and RIPS anti-corruption programs that the Arroyo administration started have been continued by the PNoy administration, with very positive results.

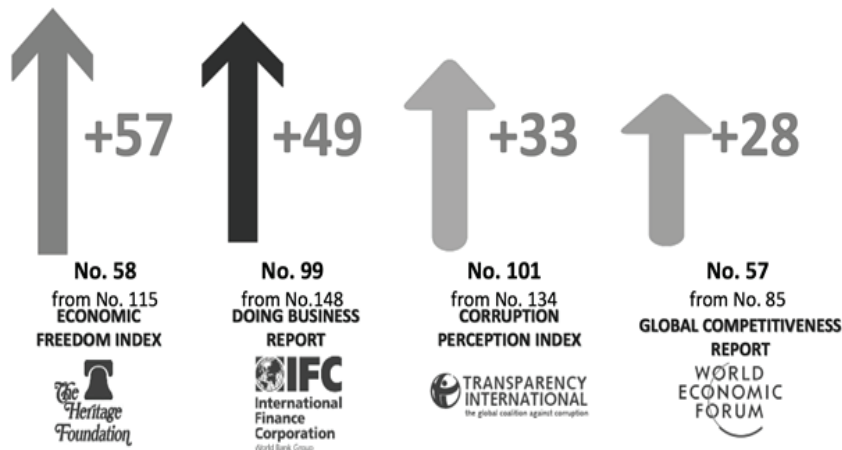
There is also an urgent need to formulate a comprehensive and holistic anti-corruption and moral development plan or program. It must contain both preventive and positive, as well as punitive, aspects. Accountability must be exacted from public officials and employees. The development of this plan must involve all the sectors of the society, such as the family, Church, schools, private/business sector, CSOs and even individual citizens.

Having a long-term vision for the country will also be a good management strategy to guide government in charting the direction it wants its administration to take in order to contribute to this long-term vision. With regard to the latter, it is good that the Duterte administration embraced the findings of the Ambisyon 2040, which was initiated by the Aquino administration. This long-term vision aspired for "a stable and comfortable lifestyle, secure in the knowledge that we have enough for our daily needs and unexpected expenses, that we can plan and prepare for our own and our children's future... with our family living together in a place of our own, and we have the freedom to go where we desire, protected and enabled by a clean, efficient, and fair government" (NEDA, 2017, p.1).

Moreover, our regulatory systems, particularly in stimulating competitiveness and ease in doing business, have to be further strengthened and enhanced to be more facilitative than obstructive. Bottlenecks in sound regulation and anti-corruption measures have to be addressed so that our world ranking in competitiveness and anti-corruption indices may continue to improve.

As gleaned from Figures. VII.10 and VII.11, as well as Table VII.14, we have improved our economic freedom, doing business, world competitiveness, and corruption perception rankings since 2010. We have also performed satisfactorily in doing business vis-à-vis our ASEAN neighbors. However, our recent performances in doing business may have suffered some downgrades, particularly in trading across borders, enforcing contracts, starting a business, registering property and protecting minority investors. We have, on the other hand, dramatically improved in resolving insolvency and dealing with construction permits.

Figure VII.9. Philippine World Rankings: Top 4 Gains Since 2010/2011



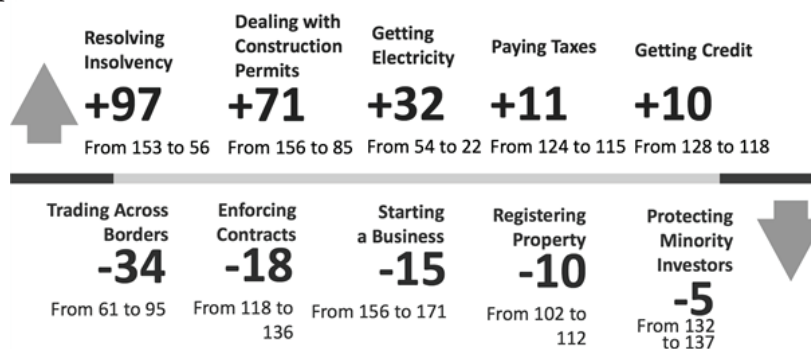
Sources: Various indices, as cited in Luz (2017)

Table VII. 16. Ease of Doing Business in the ASEAN, 2011-2017

Economy	2017 (190)	2016 (189)	2015 (189)	2014 (189)	2013 (185)	2012 (183)	2011 (183)	Change 2016-2017	Change 2011-2017
Singapore	2	1	1	1	1	1	1	-1	-1
Malaysia	23	18	18	6	12	18	21	-5	-2
Thailand	46	49	26	18	18	17	19	3	-27
Brunei Darussalam	72	84	101	59	79	83	112	12	40
Vietnam	82	90	78	99	99	98	78	8	-4
Indonesia	91	109	114	120	128	129	121	18	30
Philippines	99	103	95	108	138	136	148	4	49
Cambodia	131	127	135	137	133	138	147	-4	16
Lao PDR	139	134	148	159	163	165	171	-5	32
Myanmar	170	167	177	182	NDA	NDA	NDA	-3	12

Source: Luz (2017)

Figure VII.10. Upgrades and Downgrades in The Philippines' Doing Business Performance, 2011-2017



Source: As culled from the World Bank's Doing Business Report, 2011-2017

We hope the Duterte administration, with its 10-point Socio-Economic Agenda (Figure, VII.12) to increase competitiveness and ease in doing business in the country to address these downgrades relentlessly.

Figure VII.11. The 10-point Socio-Economic Agenda of the Duterte Administration



Source: DOH (2016); Escolar (2016)

Economic Development

The Duterte administration is bold enough in making untested budget and fiscal policy decisions in its first year in office. The 2017 budget as originally proposed by the previous administration is practically of the same pattern and priorities as in previous years (Table VII.15). The new administration managed to create its own mark in the 2017 budget by reallocating certain amounts and introducing new special purpose funds. Notable are the significant increases in the budget of the Office of the President, and the Commission on Higher Education. By sector, the allocation for the social services sector and for infrastructure remains considerable and in line with government priorities and commitment to attain targets under the Sustainable Development Goals 2030.

The 2017 budget and the projected budget in the next three years are seen to depend on an increasing amount of borrowings. This is not necessarily problematic, as long as the borrowing does not grow faster than the economy, is used prudently, raises government's productivity, and does not eat up bigger and bigger portion of the national budget.

Table VII.17. Percent of Budget Expenditure by Source of Funding, Aquino Administration, 2011-2016, Duterte Administration, 2017

Averages		
Particulars	Pnoy, 2016	Duterte, 2017
Economic Services	25.89%	25.61%
Social Services	31.57%	37.30%
Defense	4.02%	4.11%
General Public Services	19.44%	19.34%
Interest Payments	16.05%	11.05%
Financial Services	3.02%	2.59%
	100.00%	100.00%

Source: DBM (2011-2017)

The Priority Development Assistance Fund (PDAF) did not appear in the 2017 and the 2018 budgets as it is, but in practice, legislators go to the departments/agencies to propose programs, activities and projects (PAPs) for their respective communities, a practice that is not discouraged by the DBM. This act of the legislators goes against the principle of separation of powers of the branches of government, and renders questionable the performance of the legislators' task to scrutinize with impartiality and disinterest the budget submitted by the individual departments/agencies, when their pet projects are embedded in the latter's budget proposals.

The budget priorities of the government are now the policies set in the 2018 GAA. The "novelty" and promise of "real change" will depend on implementation. In effect, the 2018 spending of the Duterte administration shall be monitored to assess it against its objective of effecting real change.

By sector allocation, the Duterte Administration may also consider increasing the allocation for economic services in order to reduce our backlog on infrastructure development. As gleaned from Figure VII.12, although there have been improvements in the overall quality of infrastructure in the country, the Philippines still lags behind her ASEAN neighbors. The projected 5% of the GDP spending in infrastructure has to be achieved in order to catch up with our neighbors (Figure VII.13). Fortunately, Duterte's economic team has wisely advocated acceleration in the annual infrastructure spending per GDP at the level of 5% through the Public-Private Partnership (PPP) (See Figure VII.11). This is also contained in the Duterte's "Build, Build, Build" program.

Table VII.18. Infrastructure Performance of the Philippines vis-à-vis ASEAN

Overall quality of infrastructure (2010-2014 ranking)					
	2010 (139 economies)	2011 (142 economies)	2012 (144 economies)	2013 (148 economies)	2014 (144 economies)
Philippines	113	113	98	98	91
Malaysia	27	23	29	25	25
Thailand	46	47	49	61	48
Indonesia	90	82	92	82	56

Source: WEF Global Competitiveness Report 2010-2014

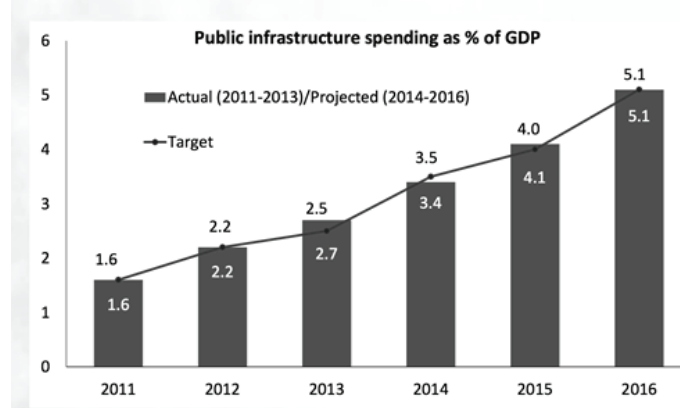
Inadequate infrastructure has contributed to the growing congestion problem in Metro Manila.

	2012	2030 (w/o intervention)	2030/2012 ratio
Economic cost of congestion (Php billion/day)	2.40	6.00	2.50

Source: JICA Study Team 2014

Source: JICA Study Team 2014 as cited in Balisacan 2015

Figure VII. 12. Pnoy's Public Infrastructure Spending as % of GDP, 2012-2016



Source: Balisacan 2015

Climate Change

Sustainable Natural Resource Utilization

It is high time that the age-old question on the duality of the identity of the DENR should be studied to find out the appropriate systems for effective environmental protection.² The Congress may also need to review the internal inconsistencies and conflicts between and among the following laws as explained in the Climate Change Cluster Assessment section of this Report:

- Philippine Mining Law of 1995 (RA 7942)
- Small-Scale Mining Decree of 1984 (PD 1899)
- Total Log Ban (EO 23)
- Reforming the Mining Sector (EO 79)

The DENR should review its implementation of the NGP to ensure that it reflects the true intent of the program.

² The U.S. Environmental Protection Agency (EPA) model could be a start. The EPA protects human health and the environment by writing and enforcing regulations based on laws. In short, it is a law enforcement agency. Environmental permitting, monitoring, and implementation are lodged with US states and tribes. For details, see its website at <https://www.epa.gov/>.

Climate Change Adaptation and Mitigation

For the CCC to deliver on its goal of making the country a climate-resilient nation, needs to consider the following recommendations:

1. Address the leadership crisis by understanding that it is a commission that needs to formulate climate policies, ensure convergence and synergy across national agencies, and pursue vertical integration in pursuit of its coordinating and monitoring functions;
2. Desist from engaging in implementing functions/climate actions on the ground, and leave these instead to implementing/line agencies, LGUs and other mandated stakeholders;
3. Rightsize its plantilla commensurate to the extent of its numerous mandates;
4. Ensure that the institutional mechanisms required by law and the Revised IRR allow proper functioning the commission and the NPTE; and
5. Amend RA 9729 as follows:
 - 5.1. Increase the number of commissioners to at least five;
 - 5.2. Create the position of executive director separate from the vice chairperson;
 - 5.3. Remove the President as the chairperson of the commission because the Constitution has already made the President the head of the executive department;
 - 5.4. Remove the ranks of secretary and undersecretary from the Commissioners because these are appellations for a line/implementing agency, noting that the nomenclature for a statutorily created commission is distinct; and
 - 5.5. Synchronize the terms of the commissioners with the new President so that he/she becomes the appointing authority of the said commissioners who shall also serve during his/her incumbency.

It is suggested that the CCC look into the following policy concerns:

- Investing on renewable energy for mitigation
- Engaging a national land use policy that supports climate change adaptation and mitigation
- Address, the legal, policy, and institutional gaps identified in the 2013 Climate Public Expenditure and Institutional Review (CPEIR)
- Rationalization of climate finance and budgeting

Disaster Risk Reduction

NDRRMC being a council-type body, is dragging effective and swift response to disaster-hit areas. Studies should be undertaken to also look at the right model for DRRM in the Philippines. In the meantime, the budget for the DND-OCD should be increased so that it could recruit more personnel, train them, provide hazard pays, conduct research, and develop DRR-related S&T projects, among others. Related to this is the funding of its capital outlay so that it could purchase its own transportation and communication equipment especially for those at the regional level.

At the local level, LGUs should be technically assisted by OCD and other government agencies to formulate their local DRR and CCA action plans and implement them with funding from the 5% of the LGUs' budgets. This will not only prepare them for disasters, but, also reduce their reliance with the national government.

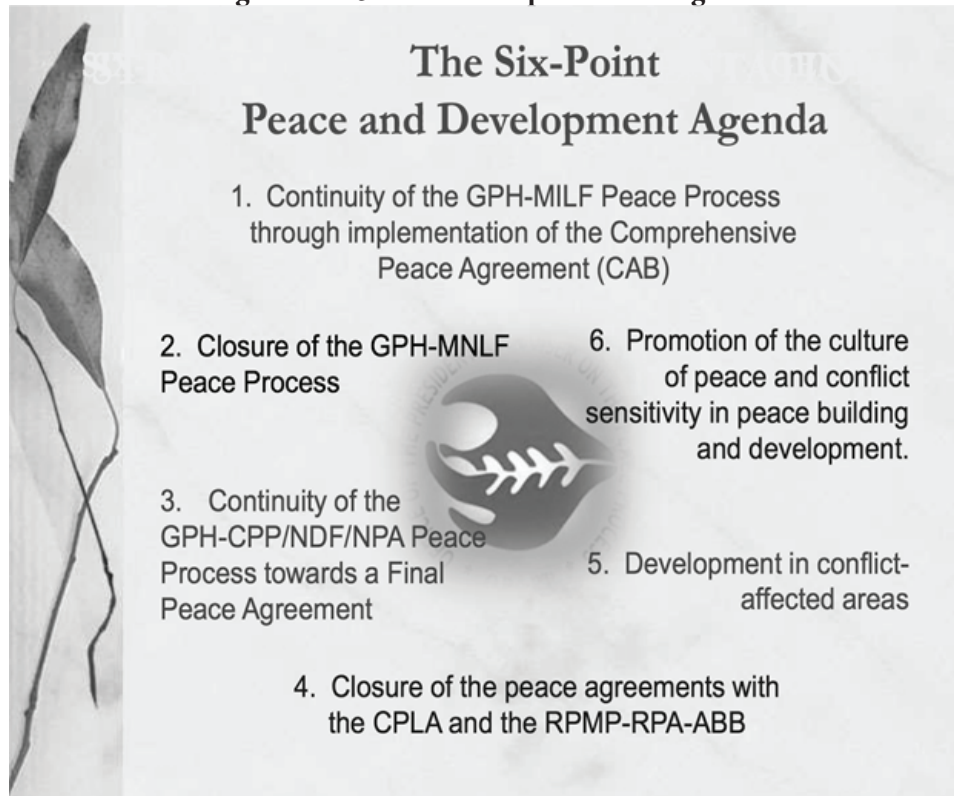
Moreover, the Duterte administration is encouraged to invest in disaster preparedness. Studies on Philippine disasters show some \$3 to \$30 worth of benefits per \$1 investment, depending on type of disaster or hazard (Kelman & Shreve 2013).

Peace and Security

Peace and security are important aspects of sustainable development. The Aquino administration was successful in drawing the MILF into the peace negotiations table, but seemed unsuccessful in encouraging or involving other "secessionist" and rebel groups in forging a peaceful resolution to armed conflicts, particularly in the Muslim regions. A more inclusive approach may do more good in winning the war and achieving peace.

Thus, the Duterte administration seems to be in the right track when it drafted its six-point Peace Agenda to include peace negotiations not only with the MILF but also with the MNLF, the CPP-NDF-NPA as well as the Cordillera Peoples Liberation Army (CPLA) and the Alex Buncayao Brigade (ABB) (See Figure. VII.15). Building on the Sajahatra and PAMANA programs of the Aquino administration, the Duterte administration hope to bring development in conflict areas and, thus, promote a culture of peace and conflict sensitivity.

Figure VII.13. Duterte's 6-point Peace Agenda



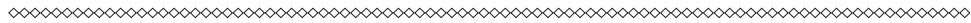
Source: OPPAP (2016)

CONCLUDING STATEMENT

The journey towards stable and sustainable growth and prosperity that leaves no one behind is long, winding, and challenging. The Aquino administration has done its tasks to bring us somewhere near that ideal, to the best of its ability, anchored on a more transparent, participatory and accountable government. It hoped that good governance could translate into good economics where growth is stable, sustained and inclusive. It expanded social services but at the end of its term, poverty incidence remained at 21.6%, still notches behind the target of 17%. It made strides in peace building and climate change policy and program planning. However, problems in service delivery and implementation of government programs, as well as political hurdles, undermined these gains. Nevertheless, the fundamental framework for sound governing and governance has been laid out or enhanced from previous administrations.

The Aquino administration has its hits and misses, as with other administrations. It is now the turn of the Duterte administration to bring about stable, sustainable and lasting progress, mindful of the gains and legacies of the past and lessons for the present and future. Let us hope the democratic space where voices and participation of various stakeholders are encouraged continue to be the bedrock of the Duterte administration.

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