



PHILIPPINE DEVELOPMENT PLAN

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ABRIDGED VERSION



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CHAPTER 1

A Plan for Economic and Social Transformation

AmBisyon Natin 2040

“ By 2040, the Philippines shall be a prosperous, predominantly middle-class society where no one is poor. Our peoples will enjoy long and healthy lives, are smart and innovative, and will live in a high trust-society ”

Philippine Development Plan 2023-2028

The Philippine Development Plan (PDP) 2023-2028 is a plan for deep economic and social transformation to reinvigorate job creation and accelerate poverty reduction by steering the economy back on a high-growth path. This growth must be inclusive, building an environment that provides equal opportunities to all Filipinos, and equipping them with skills to participate fully in an innovative and globally competitive economy.

The PDP 2023-2028 is based on the President’s 8-point socioeconomic agenda that tackle immediate, on-the-ground concerns – high inflation, scarring due to COVID-19 and the tight fiscal space; address long-standing, critical constraints to generating more jobs, quality jobs and green jobs over the medium; and provide the necessary enabling environment – level playing field, and peace and security.

The underlying theme of PDP 2023-2028 is transformation...

Taking off from the lessons learned over the past couple of years, the PDP 2023-2028 takes on the underlying theme of transforming the economic and social sectors, and institutions. The transformation agenda is broken down into:

1. **Digitalization.** Digital transformation of government will result in more efficient and faster service delivery to the people, more transparency, and fewer opportunities for corruption at various levels. Digitalization can also help the government build better data systems that will create better programs, such as more targeted social protection enabled by the national ID through PhilSys, and better link job seekers to employment opportunities through the expansion of the automated job and applicant matching system, PhilJobNet, created by the Department of Labor and Employment (DOLE). Compliance with regulations may also increase with digital filing and digital payment systems.

The COVID-19 pandemic has forced a wave of digital adoption across the country. An important development is that as more institutions and businesses digitalized, the proportion of consumers that entered the digital marketplace has also expanded rapidly. The rapid and massive migration of people into the digital space is an opportunity to push toward fully digitalizing sectors that have not been able to pivot their processes to maximize the potential efficiency brought about by digitalization.

2. **Servicification.** Servicification fosters inter-sectoral linkages to create synergies for more value-adding opportunities, expansion of products and markets, and more efficient delivery network. The Philippines has had a strong competitive advantage in services, which has accounted for a large proportion of GDP and employment both domestically and internationally, albeit in lower productivity jobs. Where the country has been unable to compete successfully is in expanding manufacturing, which, for many other countries, has been the driver of job generation. The evolution of these sectors has blurred the line between manufacturing and service jobs, as manufacturing now requires more service-related labor, which has become more mobile and transmittable via digital means.⁹

Servicification as a strategy means pursuing policies that will build ecosystems around economic clusters identified as potential sources of high growth, to attract more investments and expand its demand for higher productivity jobs. Priority servicification can also be targeted towards the industries of information and communications technology (ICT), creatives, tourism, and logistics to move up the global value chain.

3. **Dynamic innovation ecosystem.** Innovation will translate knowledge and ideas into new products, and/or new and better processes. This requires an ecosystem involving knowledge and R&D institutions, product and process design, marketing, and entrepreneurs. Government will support the creation of innovation ecosystems and their evolution to becoming a dynamic ecosystem that eventually generates not only more, but quality jobs.
4. **Enhanced connectivity.** As an archipelago, the Philippines has unique challenges with connectivity. Digital connectivity is only one form; physical connectivity through infrastructure and transport is similarly important to link markets to each other, connect urban centers to rural areas, and facilitate the movement of people whether for employment, business and marketing transactions, or even socialization and recreation. Communities should be linked to these opportunities through the development of local road networks that reduce the costs of transport, while also adopting active mobility options and e-vehicles.

In addition to investing in connectivity domestically, there are also opportunities to ramp up the connectivity of the country to the rest of the world. Increasing the capacity of airports can revitalize tourism, upgrading ports and improving maritime safety can facilitate the movement of goods, thereby promoting trade and making the country more attractive to investments.

5. **Greater collaboration between local and national government.** The PDP seeks to bring local governments in as equal partners in the development agenda of the country. As frontline service

⁹ Nayyar, Gaurav; Hallward-Driemeier, Mary; Davies, Elwyn. 2021. *At Your Service? The Promise of Services-Led Development*. Washington, DC: World Bank. © World Bank. Retrieved from <https://openknowledge.worldbank.org/handle/10986/35599> License: CC BY 3.0 IGO

providers, local government units (LGU) performance can spell the difference between regional development and regional stagnation.

One of the major developments in the governance landscape of the Philippines is the Mandanas-Garcia ruling of the Supreme Court in 2018. The ruling meant that the internal revenue allotments (IRA) of local governments would increase by about 23 percent in keeping with the spirit of the Local Government Code of 1991.¹⁰ This led to a “re-devolution” of programs and functions to LGU as national agencies faced smaller budget allocation.

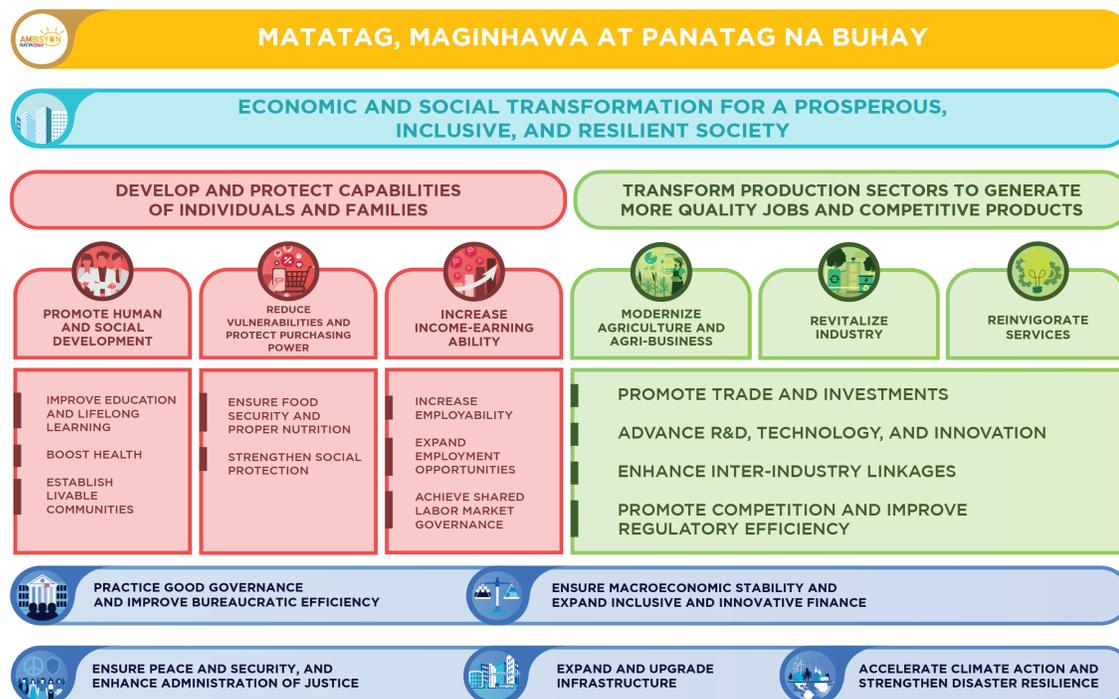
Operationalizing the Mandanas-Garcia ruling is an opportunity to optimize the sharing of responsibility between local and national government. Over the medium term, there will be close coordination through capacity-building programs and mentoring, especially in areas, and concerning mandates where national government support will be needed. These mandates include important human development investments, notably in health, social welfare, disaster resilience, and local infrastructure. Thus, the completion of Devolution Transition Plans (DTP) will be fast-tracked and operationalized to improve each LGU’s capacity for delivering public services and raising local revenues.

- 6. Partnership with the private sector.** There are multiple areas to expand the role of the private sector to deliver more benefits to the public. The government’s role is to provide calibrated incentives to priority industries and foster an enabling business environment to allow job-generating businesses and industries to grow. Reconfiguring public-private partnerships (PPP) can also help in addressing cross-cutting issues of a weak competition environment and the digital divide, as well as boost the country’s campaign to attract foreign investments. The tight fiscal space which will constrain public investments for the next few years provides a rationale for favoring PPPs in enhancing and upgrading infrastructure. Larger private sector participation in areas such as housing, transport, digital, and other related large infrastructure can free up public funds for investments in human capital to address, for instance, the scarring of the pandemic in health care and education.

...that is integral in all the strategies of the PDP.

The overarching goal of the PDP 2023-2028 is to achieve economic and social transformation for a prosperous, inclusive and resilient society. The strategies are organized corresponding to the following objectives: (a) develop and protect capabilities of individuals and families, (b) transform production sectors to generate more quality jobs and produce competitive products, and (c) foster an enabling environment encompassing institutions, physical and natural environment, that promotes a prosperous, inclusive and resilient society.

¹⁰ "DILG-NCR starts discussions on Mandanas-Garcia ruling implementation," Department of the Interior and Local Government, April 29, 2022. <https://ncr.dilg.gov.ph/dilg-ncr-starts-discussions-on-mandanas-garcia-ruling-implementation/>

Figure 1. Strategy Framework of PDP 2023-2028

Capabilities of individuals and families will be developed to enable them to participate in growth opportunities (see Chapter 2).

- Good health will be promoted (see Chapter 2.1). Health care strategies will be comprehensive and will focus on building an ecosystem in communities for health care providers, and an environment where individuals can make healthy choices (e.g., nutritious affordable food and health literacy).
- Opportunities for transformative lifelong learning will be expanded (see Chapter 2.2). The quality of education at all levels will be improved by expanding access to quality learning resources, enhancing the curriculum, and improving the competencies of teachers. The evaluation protocol for learning outcomes will also be improved by involving third-party institutions to assess students' proficiency across all levels. TVET programs will be improved to make them more responsive to industry needs; higher education institutions will be strengthened to perform a greater role in knowledge co-creation, and serve as innovation hubs and incubation centers.
- Social development will be pursued through livable communities (see Chapter 2.3). For communities still to be established, access to human, social, and economic development opportunities will be facilitated, by design. Simultaneously, there will be programs to upgrade the conditions in existing communities where these are found to be inadequate.

Social protection (SP) systems will be made more efficient with improved targeting and digitalized processes for faster response to the needs of the most vulnerable (see Chapter 3).

- Amidst the possibility of accelerated inflation owing to natural and external shocks, the priority is to ensure food security and proper nutrition, especially among the most vulnerable (see Chapter

3.1). A sufficient and stable supply of food will be ensured, primarily through improved productivity of agri-food systems, including storage, transport, and logistics. Measures to prevent and address wasting, stunting, and obesity will be implemented through supplementary feeding, nutrition education, and nutrition promotion campaigns.

- Social protection systems will be strengthened (*see Chapter 3.2*). There will be programs to reduce the risks faced by specific vulnerable groups (persons with disability, women, children, indigenous persons, persons in geographically isolated and disadvantaged areas (GIDA), migrant workers, etc.), and to mitigate the impact in case the risk materializes. A universal, modern, and integrated SP system will be established to improve targeting, rationalize interventions, and facilitate the timely delivery of SP services.

Jobseekers and those currently working will have more opportunities to improve on their income-earning ability (*see Chapter 4*).

- Contents of training modules and curricula for human capital development will be continuously updated to match the needs of emerging in-demand occupations. The updating will also cover professional standards and licensure examinations.
- Employment facilitation services will be enhanced to include career development support, and an active labor market information system.
- Everyone will have access to opportunities to increase their income-earning abilities by the effective enforcement of anti-discrimination laws. Migrant workers will also have access to these opportunities to facilitate their reintegration back to the domestic economy.

The production sectors will be transformed to provide high-quality, high-skill, and stable employment opportunities for the fast-growing Filipino workforce.

- The strategies in each sector are categorized into three major groups: (a) expand markets, (b) promote value-adding, (c) foster inter-sectoral linkages.
- **Agriculture and agribusiness will be modernized (*see Chapter 5*).** Primarily, production efficiency will be improved through farm clustering or consolidation, adoption of improved technology, and access to inputs. More innovation hubs and farm demonstration sites will be established and the Province-led Agriculture and Fisheries Extension System will be strengthened. The blue economy will be developed with the full implementation of the Fisheries Management Act plans, and the upgrading of Technology Outreach Stations, and National Technology Centers, among others. Opportunities for greater value-adding will be created by expanding business partnerships between primary producers and other entrepreneurs, and by strengthening the capacity of primary producers to process raw materials, understand markets, and ensure that food safety and quality standards are met. Government will rationalize investments in the sector to promote the interconnectedness of multimodal transport and logistics, particularly for perishable products. Use of mobile platforms and channels will be encouraged for marketing, payment, and product delivery. Institutional capacity to formulate plans, conduct R&D, provide extension services, and undertake monitoring and regulation will be enhanced with the use of modern technology and better information systems.

- **Industry will be revitalized (see Chapter 6).** Domestic production and supplier base will be expanded, particularly corresponding to the value chains of the following industry clusters: (a) Industrial, Manufacturing and Transport (IMT), (b) Technology, Media and Telecommunication (TMT), (c) Health and Life Sciences (HLS), and (d) Modern Basic Needs (MBN). This entails enhancing business-matching activities and intensifying support through the provision of common service facilities, marketing assistance and even time-bound performance-based incentives. Servicification will be promoted, including the adoption of Industry 4.0, IoTs, etc. This will be done through co-locating industry and service enterprises, and including academic institutions, and providing more platforms for collaboration.
- **Services sector will be reinvigorated (see Chapter 7).** Demand for services will be expanded by actively promoting the country's tourism, culture, creative sector, and IT-BPM. Adoption of holiday economics will also be undertaken to boost domestic tourism, promote local products, and encourage inter-cultural exchanges. Streamlining regulations to allow 24/7 operations of transport and logistics operations will also increase demand. Value-adding to diversify "product" offering and improve "consumption" experience will be encouraged by instituting accreditation protocols, improving access to physical and digital infrastructure, and developing technology parks, centers of creative excellence and innovation, creative talent hubs, and improved shared service facilities for MSMEs. Finally, capacities of institutions providing business advisory services, and of communities and LGUs hosting the investments and events will be continuously upgraded.

Establishing a dynamic innovation ecosystem is at the heart of the transformation agenda of the PDP 2023-2028 (see Chapter 8). The innovation ecosystem involves interlinkages between and among social scientists, basic R&D institutions, product engineers, design and marketing specialists, and entrepreneurs who bring the ideas and all these players together. Over the medium-term, government will (a) provide a nurturing environment for basic research and development, and knowledge creation; (b) support market-driven and customer-centered R&D; (c) scale up technology adoption, utilization and commercialization; and (d) promote an innovation culture and entrepreneurship. Government will make use of a combination of financial and technical support to academic and skills training institutions, business incubators, and startups. Government will also establish physical and digital platforms to encourage greater collaboration between and among the ecosystem players.

Trade and investments will be promoted to improve the competitiveness of domestic industries, increase demand for Philippine products and generate more jobs (see Chapter 9). International trade will continue to be a major strategy to expand markets, diversify sources for the cumulation of raw and intermediate materials, and increase competitiveness. Thus, government will adopt a purposive, assertive and forward-looking position in negotiating regional trade agreements. Renewed focus will be given to the survival, growth, and expansion of local firms in the export and domestic markets in order to drive productive employment, and increase incomes.

Government will also position the services sector as the foremost supplier of tradeable intermediate services. To this end, support will be provided to training and re-training programs for the sector and facilitate access to the necessary physical and digital infrastructure.

Foreign direct investments (FDI), on the other hand, will be harnessed as drivers of export growth, sources of vital technology, and critical enablers of the country's long-term climate action. Government will launch an international campaign ("Make it Happen in the Philippines") to raise awareness of the new business climate given the amendments to the FIA, RTLA, PSA, and the CREATE Law. The Inter-agency Investment Promotion Coordination Committee will ensure proper alignment of promotion strategies and various ordinances among national and local governments and investment promotion agencies.

Businesses will be assured of a healthy regulatory environment and a level playing field (see Chapter 10). The strategy is to ensure firm and consistent enforcement of the Philippine Competition Act and competition-related issuances. At the same time, regulations will be subjected to regulatory impact assessment (benefits of the regulation to society vs. the cost of compliance, monitoring, and enforcement) to ensure that these are effective in addressing negative externalities and not simply adding to the cost of doing business in the country.

Macroeconomic stability will be ensured (see Chapter 11). A healthy financial sector is vital to ensure sound macroeconomic fundamentals (see Chapter 11.1). At the same time, the financial sector needs to be efficient as an intermediary between savers and investors to promote sustainable economic growth. The strategies aim to broaden and deepen financial inclusion, and accelerate financial innovation, while ensuring financial sector health. On financial inclusion, the strategies include promoting financial literacy, and facilitating access to financial services and instruments. On financial innovation, government institutions will adopt a "regulatory sandbox" approach for new innovations, promote RegTech, and address information gaps to encourage innovations. To ensure financial health, government institutions will intensify consumer protection, and undertake macro- and micro-prudential measures.

Sound fiscal management and a conducive tax regime are equally important in fostering investor confidence in the economy and ensuring macroeconomic stability (see Chapter 11.2). As it stands, a medium-term fiscal framework has been proposed and approved by President Marcos, Jr.; and endorsed by Congress. This is an initial step in assuring markets of the government's resolve to exercise fiscal discipline in spending, fiscal programming, and debt management.

Individuals, businesses, and civil society will enjoy better connectivity (see Chapter 12). Investments in the appropriate infrastructure can help reduce the cost of electricity, ensure water security, and lower the cost of logistics. Such investments will improve access to people, goods and services and information, and promote growth that is more inclusive. Given the limits to government resources and capabilities, public-private partnerships (PPP) will be further encouraged. In this endeavor, the formulation and/or updating of infrastructure sectoral master plans and roadmaps that provide a more comprehensive understanding of the infrastructure gaps and needs, and thus serve as a sound basis for identifying priority infrastructure programs, activities and projects, including those that may be best pursued through PPP modalities.

Filipinos and residents of the Philippines will enjoy peace and security and an efficient justice system (see Chapter 13). Lasting peace and security enable a stable environment for a strong and vibrant economy (see Chapter 13.1). At the same time, an efficient justice system characterized by

integrity, fairness, accessibility, and a proper regard for the rule of law is necessary for fostering a high-trust society and a favorable business climate (*see Chapter 13.2*).

Private sector and civil society will observe marked improvements in bureaucratic efficiency and the practice of good governance and (*see Chapter 14*). Good governance entails bolstering public accountability and integrity and deepening participatory governance that ensures that marginalized sectors (e.g., women, children, indigenous peoples, persons with disabilities and in GIDAs) have concrete roles and significant influence in all stages of public decision-making

Given the tight fiscal space, the government must pursue bureaucratic efficiency to maximize the benefits from public spending. Doing so involves rightsizing and a whole-of-government approach in reengineering systems and procedures, accelerating digital transformation in government and raising the productivity performance of agencies, as well as the competencies of public servants.

Finally, the Plan recognizes the need for collective action to mitigate the climate crisis, and strengthen our resilience to disasters (*see Chapter 15*). The priority is to enhance the adaptive capacity of communities and ecosystems that are most vulnerable to natural hazards and climate change. This will be supported by an improved knowledge and data ecosystem, and good governance.

We commit to the following target outcomes over the medium term...

Over the next six years, the development agenda of the Philippines will be guided by the headline targets that prioritize poverty reduction, and inclusive growth. While navigating external headwinds, the country will rebuild the losses from the pandemic and invest in improving areas where deep weaknesses were apparent in the pandemic response, for example: in health and responsiveness of social protection; and in mainstreaming resilience throughout the bureaucracy (e.g., local governments, finance, education, disaster risk reduction, and energy security) and communities. This development agenda aims to get the Philippines back on track toward achieving upper middle-income country status by 2025.

Maintain high levels of economic growth in the medium term, rising from 6.0 to 7.0 percent in 2023 to 6.5 to 8 percent from 2024 to 2028. Sustained high levels of growth is a necessary condition to meeting the *AmBisyon Natin 2040*.

Transform the production sectors toward generating more and better-quality jobs, and enabling the competitiveness of enterprises in domestic and international markets. The Philippines aims to continue its progress among the innovation achievers of the region by rising in rank in the Global Innovation Index (GII) from a baseline of being 59th out of 132 countries in 2022. Similarly, the country will be ranked among the top 33 percent in the Global Competitiveness Index by 2028.

Create more and better quality jobs. Although unemployment is nearing pre-pandemic levels in 2022 at 5.7 percent, there is much room to improve the quality, productivity, and stability of employment. By 2028, the target unemployment rate is within 4.0 to 5.0 percent, and the percentage of wage and salary workers in private establishments to total employed is within 53 to 55 percent.

Reduce poverty incidence to 9 percent by 2028. This is expected to result from sustained economic growth that generates more and better quality jobs, and is supported by an efficient social protection system.

Keep food and overall prices low and stable. Food and overall inflation will be kept within 2.0 to 4.0 percent. This will then reduce subsistence incidence to 2.5 to 3.5 percent.

Ensure fiscal discipline. National government deficit to GDP ratio will be gradually brought down from 6.5 percent during the first half of 2022 to 3.0 percent in 2028. Outstanding government debt GDP ratio will also be gradually reduced from 63.7 percent in September 2022 to 51.1 percent by end-2028.

Table 1. Headline Indicators

INDICATOR	BASELINE (YEAR)	ANNUAL TARGETS						MEANS OF VERIFICATION
		2023	2024	2025	2026	2027	2028	
Gross Domestic Product (GDP) (growth rate, %) increased	5.7 (2021) 7.7 (Q1-Q3 2022)	6.0-7.0	6.5-8.0	6.5-8.0	6.5-8.0	6.5-8.0	6.5-8.0	National Accounts of the Philippines (NAP); Philippine Statistics Authority (PSA)
Global Innovation Index improved (GII rank) (Ch. 10)	59 th out of 132 (2022)	57 th	54 th	52 nd	49 th	46 th	43 rd	GII Report
Global Competitiveness Index (GCI) rank and score improved (Ch. 10)	Top 45% Score: 61.9 (2019)	Top 43% 62.1	Top 41% 62.7	Top 39% 62.9	Top 37% 64.3	Top 35% 64.9	Top 33% 65.1	World Economic Forum (WEF) Global Competitiveness Report (GCR)
Unemployment rate (%) decreased	5.4 (Ave. Jan, Apr, Jul, Oct 2022)	5.3-6.4	4.4-4.7	4.8-5.1	4.0-5.0	4.0-5.0	4.0-5.0	Labor Force Survey (LFS), PSA
Percent of wage and salary workers in private establishments to total employed (%) increased	49.6 (Ave. Jan, Apr, Jul, Oct 2022)	50.3-50.7	50.9-51.5	51.4-52.4	51.9-53.3	52.5-54.1	53.0-55.0	LFS, PSA
GNI per capita increased	USD3,640 (2021)	USD4,130-USD4,203	USD4,454-USD4,592	USD4,814-USD4,920	USD5,256-USD5,563	USD5,645-USD6,056	USD6,044-USD6,571	World Bank, IMF
Poverty incidence (% of population) reduced	18.1 (2021)	16.0-16.4	*	12.9-13.2	*	10.0-10.3	8.8-9.0	Family Income and Expenditure Survey (FIES), PSA
Food inflation rate (%) kept stable	5.7 (Jan-Nov 2022)	2.5-4.5	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	PSA

INDICATOR	BASELINE (YEAR)	ANNUAL TARGETS						MEANS OF VERIFICATION
		2023	2024	2025	2026	2027	2028	
Headline inflation rate (%) kept stable	5.6 (Jan-Nov 2022)	2.5-4.5	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0	PSA
National Government (NG) deficit to GDP ratio (%) declined (<i>Ch. 11.2</i>)	6.5 (Q1-Q3 2022)	6.1	5.1	4.1	3.5	3.2	3.0	Bureau of Treasury (BTr)
Outstanding NG deficit to GDP ratio (%) reduced (<i>Ch. 11.2</i>)	63.7 (Sept 2022)	60-62	57-61	56-59	54-58	50-55	48-53	BTr

...by adopting a whole-of-society approach.

The transformation objectives for each part of the PDP, set against a backdrop of the urgency for post-pandemic recovery, will require strong collective action. The high-level framework laid out in this chapter situates each sectoral strategy and is further covered in greater depth in the succeeding chapters in this PDP. The strategies integrate the transformation agenda that are needed for a prosperous, inclusive, and resilient society. Through coordinated action involving a whole-of-government, whole-of-society approach, the country can regain its footing from the impacts of the pandemic, maintain stability in the face of persistent external headwinds, and ease the path of Filipinos toward progress.

Through partnerships and collaborations among the public sector, private industry, civil society, and all communities working toward the common goal of bringing a comfortable and stable life to all Filipinos, the targets of *AmBisyon Natin 2040* remain within reach.

This document is organized into five parts. Part I introduces the objectives, context, and overall strategy of PDP 2023-2028. Part II covers the strategies for developing the potential of Filipinos through sustained human and social investments while simultaneously providing social safety nets to mitigate the impact of risks. Part III discusses ways that seek to transform sectors in agriculture, industry, and services through market expansion, value addition, and inter-sectoral linkages. The cross-cutting strategies of promoting trade and investment, innovation, and healthy competition and regulatory quality are also covered. Part IV discusses strategies that will create an enabling environment through: good governance and bureaucratic efficiency, ensuring sound macroeconomic fundamentals; infrastructure development; peace, security and justice; and climate action. Finally, Part V reviews the implementation and monitoring of the Plan over the next six years.

Each chapter/subchapter is organized into four sections. The first section, Assessment and Challenges, discusses the most recent data showing progress in the sector, followed by the constraints or weaknesses faced by stakeholders in the sector. The second section illustrates the Strategy Framework, which then frames the discussion of the Strategies in the third section. The chapter/subchapter ends with the priority Legislative Agenda which the Executive Branch, in consultation with various stakeholders consider as critical in unlocking the constraints faced by the sector.

CHAPTER 2

Promote Human and Social Development

By 2028, Filipinos are envisioned to live long and healthy lives in livable communities with enough opportunities for high quality lifelong learning for them to become healthy, smart, and innovative people. These communities should support the overall well-being of Filipinos by guiding them to make healthy choices and ensuring access to health services. Transformative lifelong learning opportunities are also instrumental in developing the capabilities of Filipino families and leading them to achieve their full potential. Finally, these efforts are enabled by an upgraded plan for human settlements that provide equitable, inclusive, and resilient environments and promote economic vitality. This chapter lays down the lessons learned from previous efforts in human and social development as well as key transformational strategies that boost the health and well-being of Filipinos, improve education and lifelong learning, and establish livable communities.

Boost Health

Ensuring that Filipinos are healthy is fundamental to the transformational goals of *AmBisyon Natin 2040* and the current administration's socioeconomic agenda. By 2028, Filipinos throughout the country will enjoy longer and healthier lives, because: they live in communities, workplaces, and schools that better support their well-being; they are guided to make healthy choices; and they are assured access, with financial protection, to quality health services when needed.

Strategies

To improve social determinants of health

- Ensure communities, workplaces, and schools support physical, mental, and social well-being for all
- Foster a whole-of-government, whole-of-society approach to health

To enable healthy choices and behavior

- Increase health literacy
- Promote appropriate health-seeking behavior

To improve access, quality, and efficiency of health care

- Secure sustainable and equitably distributed health infrastructure and human resources
- Promote strategic purchasing for quality, efficiency, and cost-effectiveness
- Ensure financial risk protection
- Harness complementary private sector partnerships for health care access and delivery
- Establish integrated, innovative, and quality health care delivery systems

To strengthen health systems

- Increase national and local government investments for health
- Enhance national and local capacity for health system leadership, management, anticipatory governance, and resilience to public health emergencies
- Advance responsive regulatory environments for emerging developments and disruptions
- Accelerate interoperable health information systems
- Strengthen health research for evidence-informed policy and self-sufficiency in health technology

Improved Education and Lifelong Learning

By 2028, Filipinos are envisioned to be smart and innovative with learning poverty substantially addressed. Filipino learners have access to high-quality lifelong learning opportunities that develop adequate competencies and character qualities which will allow them to thrive in society and the world of work. Transformative lifelong learning opportunities shall be instrumental in developing and protecting capabilities of families, to ensure that all Filipinos are able to realize their full potential as the economy returns.

Strategies

To achieve quality, inclusive, adaptive, resilient, and future-ready basic education for all

- Enhance Early Childhood Care and Development (ECCD) curriculum
- Develop and implement catch-up programs to address learning losses
- Ensure access to quality learning resources
- Improve competencies of teachers
- Strengthen the school-based feeding program to address malnutrition
- Strengthen private-public complementarity in the provision of quality basic education
- Adopt modern learning spaces

To attain globally competitive and inclusive TVET and higher education, and improve research output for a broader knowledge economy

- Design and implement future-ready TVET programs
- Implement structural reforms in local universities and colleges (LUC) to strengthen linkages with TVET communities
- Increase involvement/participation of industry and private sector in TVET
- Improve enterprise-based training (EBT) and bolster micro-credentials
- Pursue transnational knowledge co-creation linkages with HEIs
- Optimize the roles of universities as innovation hubs and incubation centers
- Establish regional university systems
- Provide more research-oriented scholarships and grants
- Effectively implement online and blended learning modalities

- Develop alternative assessment and certification methods
- Improve student support to ensure student success

To improve governance for human capital development

- Harmonize the trifocalized system of education for lifelong learning
- Strengthen school-based management
- Develop and improve learning materials in line with international standards and trends
- Rationalize workload of teachers
- Design a higher education career system
- Partner with independent third-party institutions in assessing and monitoring the progress of students' proficiency across all levels

Establish Livable Communities

By 2028, livable communities are established and support the aspirations of Filipinos for a strongly rooted, comfortable, and secure life.

Establishing livable communities aims to upgrade and plan human settlements in a way that offers equitable, inclusive, and resilient opportunities for the improvement of human well-being while contributing to the economic vitality of the community.⁹ Pursuing livable communities will adopt an integrated use of space that will bring people closer to work, recreation, and transit options. This will improve the quality of life and attract businesses, making these areas economic centers whether they are urban or rural.

Strategies

To promote social environment

- Improve access to food, health, education, safe drinking water, basic sanitation, social services, social protection, and quality jobs
- Strengthen social cohesion
- Build disaster preparedness and resilience of communities

To improve environmental quality

- Broaden waste minimization initiatives
- Increase access to proper waste disposal facilities
- Expand monitoring and enforcement of air and water quality standards
- Provide access to green spaces

⁹ Livable communities may refer to a neighborhood, a socialized housing project, an infill development site, or a resettlement area which will collectively upscale livability of the city, municipality, and a metropolitan area where they are located. Livable communities broaden the concept of human settlements by focusing on human wellbeing, citizen engagement, social cohesion and environmental sustainability elements of livability apart from the built environment emphasis of human settlements. Republic Act 11201 or the Department of Human Settlements and Urban Development (DHSUD) Act defines human settlement as "comprising of (a) physical components of shelter and infrastructure; and (b) services to which the physical elements provide support such as community services which include education, culture, welfare, recreation and nutrition."

To upgrade built environment

- Mobilize private sector and government resources to meet housing needs
- Improve housing affordability
- Increase access of informal settler families, homeless, and underprivileged to housing
- Integrate accessibility, health, culture, and resilience outcomes into design of housing and communities
- Ensure availability of utilities
- Provide public and active transportation links

To advance responsive governance

- Improve government accessibility
- Sustain community livability planning and implementation

CHAPTER 3

Reduce Vulnerabilities and Protect Purchasing Power

As detailed by *AmBisyon Natin 2040*, the Filipino people desire a stable and high level of well-being where they are secure in their knowledge that they have enough to provide for their wants and needs and can prepare for their own and their families' futures. Amid the multiple threats to food security from both global and domestic sources, the Plan underscores collective action that keeps food prices within the reach of every Filipino by diversifying food supply sources, strengthening buffer stocks for emergencies, optimizing digital platforms for the marketing and delivery of food, and proactively monitoring the supply and demand for key commodities. In addition, the country needs a transformative social protection system that empowers every Filipino to prevent, respond to, and recover from possible shocks. A transformative system goes beyond risk management intervention and includes responses to structural vulnerabilities and social discrimination that help Filipinos access programs covering all types of risks throughout their lifetime.

Ensure Food Security and Proper Nutrition

Strategies

To attain sufficient and stable supply of food commodities

- Boost productivity and resiliency of the local agriculture and fisheries sector
- Diversify food supply sources by augmenting domestic supply through international trade and maximizing the use of non-traditional agricultural areas
- Streamline and improve the implementation of trade regulatory measures
- Strengthen buffer stocking of rice and other basic food items for emergencies and disasters
- Reduce and prevent food losses/waste

To expand access of consumers to affordable, safe, and nutritious food

- Promote private investment in facilities, transport, and logistics systems to bring safe and nutritious food closer to consumers
- Ramp up the promotion and use of digital platforms for marketing, delivery, and payment transactions
- Improve food transportation and distribution processes to hasten and ensure unhampered movement of food products
- Strengthen price and supply monitoring of food commodities
- Address anti-competitive practices and price manipulation
- Intensify promotion of food labeling and food safety measures

To improve nutrition across all ages

- Adopt a whole-of-society approach in promoting healthy lifestyle and a culture of active health-seeking behavior among Filipinos across age groups and income classes
- Intensify the development and adoption of technologies that increase the nutritional content and prolong the shelf-life of food products
- Implement measures to prevent and address wasting, stunting, and obesity
- Strengthen nutrition-specific, nutrition-sensitive and enabling interventions especially at the local level
- Improve nutrition governance especially in local government units

Strengthen Social Protection

Strategies

To achieve a universal, modern, and integrated SP System

- Establish a standard menu of rationalized programs for the SP floor guarantees
- Ensure a timely response and adequate financing for SP programs in emergencies
- Implement a SP Communication Plan and Strategy
- Ensure the establishment and updating of social registries
- Create synergies among stakeholders in designing and delivering programs
- Promote financial literacy for better awareness and use of financial instruments
- Enhance and promote social insurance products to encourage coverage of all Filipinos
- Strengthen services and facilities for digital payments of cash transfers
- Enhance SP statistics guided by the approved framework
- Integrate the nutritional needs of vulnerable groups in SP programs

To mitigate individual and lifecycle risks

- Establish cash grants to cover disability costs and fully implement the mandatory membership and exclusive package in the social health insurance program (PhilHealth) (RA 11288)
- Strengthen implementation of laws protecting women
- Assure access to SP programs in geographically isolated and disadvantaged areas (GIDA)
- Ensure safe and orderly overseas migration
- Implement a holistic approach to eradicate child labor
- Protect children from physical and mental distress

To manage economic risks

- Increase coverage and benefits of unemployment insurance schemes
- Rationalize existing livelihood and public works/cash for work programs implemented by various government agencies
- Expand coverage of free agricultural insurance for qualified farmers and fisherfolks
- Develop a comprehensive pathway for returning OFWs

To mitigate natural, health, climate, and other human-induced hazards

- Further strengthen the coordination and collaboration among NDRRMC, Climate Change Commission (CCC), LGUs, and the private/civil society sector
- Ensure the implementation of mental health and psychosocial services in the disaster response package
- Establish permanent and resilient evacuation centers
- Strengthen SP programs and introduce relevant products in responding to the pandemic and other health hazards
- Implement and operationalize the Adaptive Shock Responsive Roadmap
- Develop and implement anticipatory delivery mechanisms for various types of disasters and emergencies

To address governance and political risks

- Integrate safeguards into development interventions
- Prepare anticipatory shock-responsive plans for internally displaced persons (IDP) and Persons of Concerns
- Strengthen the implementation of Executive Order 163, series of 2022 (Protection Services for POCs) and RA 11188 (Special Protection of Children in Situations of Armed Conflict)

CHAPTER 4

Increase Income-Earning Ability

By 2028, Filipinos will have enhanced income-earning ability that can better support their aspirations to have a stable and comfortable lifestyle, secure in the knowledge that they have enough for their daily needs and unexpected expenses.

Increasing the income-earning ability of Filipinos involves developing the workforce and increasing their employability in the market, ensuring that skills are aligned not just with the current in-demand requirements but also with critical and emerging skills. Effective and efficient employment facilitation processes will also enable faster and more strategic job search. A vibrant social partnership, based on shared responsibility for achieving a responsive, fair, and efficient labor market, will also be crucial.

Strategies

To increase employability

- Align development objectives for basic, TVET, and higher education based on labor market requirements
- Update contents of training standards, modules, and curricula for human capital development based on emerging, in-demand, and hard-to-fill occupations in identified key employment generators
- Develop modern and responsive TVET, apprenticeships, and higher education aligned with emerging trends or demands in the labor market
- Increase investments in TVET human resources, higher education, digitalization initiatives, and innovation facilities
- Develop and promote a national policy for lifelong learning
- Establish skills assessment mechanisms and certification programs to recognize prior learning
- Strengthen collaboration with industry boards and industry associations in TVET
- Align professional standards and licensure examinations with international standards

To expand access to employment opportunities

- Integrate and strengthen all employment facilitation services, including career development support
- Strengthen technical capacity to develop dynamic and responsive labor market information systems
- Anticipate skills needs in priority sectors
- Intensify employment programs for the youth, marginalized, disadvantaged, and vulnerable sectors
- Develop programs and policies that address all forms of labor market discrimination in work, education, and training
- Provide emergency employment and training support to displaced workers due to human-induced disasters and natural calamities

Cross-cutting strategies

To achieve shared labor market governance

- Harmonize skills development programs in the government
- Strengthen linkages and collaboration among government and industry associations, enterprises, and social partners to emphasize shared responsibility in promoting and implementing employment policies and strategies
- Advocate and strengthen tripartite and bipartite social dialogue
- Design mechanisms to ensure inclusive participation and equitable access to education and skills development programs
- Ensure effective and efficient use of existing tripartite wage and productivity mechanisms
- Mainstream gender and green competencies

CHAPTER 5

Modernize Agriculture and Agribusiness

Recognizing that the agriculture, forestry, and fisheries (AFF) sector is part of a bigger agri-food system, the Plan will be guided by transformative ideas, which will involve (a) addressing the systemic ills of AFF through a whole-of-value-chain approach that considers AFF production as tightly linked to processing, marketing, consumption, and waste management; (b) restoring the local food culture toward improving agri-food system resiliency, empowering local farmers, and linking AFF production to consumer nutrition and health of the environment; and (c) opening up more opportunities in the blue economy to leverage and optimize the country's vast coastal and marine resources and maritime domain.

In the next six years, sound agricultural development through holistic agri-food system measures espoused in the National Agriculture and Fisheries Modernization and Industrialization Plan (NAFMIP) 2021-2030 will be pursued, with the ultimate objective of raising the level of income of primary producers (i.e., farmers and fisherfolk) to exceed the poverty threshold.

Strategies

To enhance efficiency of AFF production

- Diversify farm and non-farm income
- Consolidate/cluster farms
- Create and facilitate adoption of improved technology
- Improve access of primary producers to production requirements (e.g., land, water, renewable energy, and credit)

To expand access to markets and AFF-based enterprises

- Create opportunities for the participation of primary producers in value-adding of AFF products
- Develop the blue economy
- Improve physical and digital infrastructure
- Improve the regulatory system for greater private sector investments
- Protect local AFF against unfair competition and supply/price manipulation

To improve resilience of AFF value chains

- Create and adopt climate- and disaster-resilient technologies
- Strengthen local food systems
- Develop and mainstream early warning systems/anticipatory mechanisms
- Integrate climate and disaster risks in AFF planning and programming
- Develop innovative insurance schemes
- Boost local capability on the production of AFF inputs

To strengthen agricultural institutions

- Improve coordination and convergence of government agencies in planning, programming, and budgeting

CHAPTER 6

Revitalize Industry

To generate more quality jobs and competitive products, the industry sector will be revitalized through the expansion of domestic market and supplier base, moving up the value chain and enhancing linkages across sectors. Moving up the value chain can be achieved by improving the competitiveness of industries and by creating a dynamic industry ecosystem. A dynamic industry ecosystem increases access to science, technology and innovation which are key drivers of industrialization.

Strategies

To expand domestic market production and supplier base

- Enhance business-matching activities across regions
- Intensify support to industries producing for the domestic market
- Provide targeted, time-bound incentives to establish labor-intensive industries and businesses
- Foster regional industrialization

To move up the value chain

Improve competitiveness

- Address gaps in industry supply chains
- Ensure efficient movement of goods across the regions
- Lower energy costs and promote renewable energy sources
- Accelerate the digitalization and innovation of MSMEs and startups

Create dynamic industry ecosystem

- Bolster science-based industries linked to GVC
- Embrace Industry 4.0 for technology-mature firms
- Upskill and reskill workforce to adapt to technology
- Enhance the National Quality Infrastructure (NQI) System

To enhance inter-sectoral linkages

- Link industrial policy with trade and investment policy
- Promote agglomeration/co-location of industry and services including academic institutions
- Strengthen academe-industry linkages

CHAPTER 7

Reinvigorating Services

The services sector will shift from its current low productivity level to a modern, productive, and resilient global leader providing higher value-adding and differentiated services. Market expansion and digital transformation will create the pathways for services firms to enhance strong presence in markets, reach new market segments and buyer geographies, and to pursue diversification. The sector will gain strength, speed, and size from the dynamic ecosystem of technology, talent and skills development, intellectual property (IP) rights protection, and competition for creativity and innovation. A strong public-private-social partnership will be nurtured to expand investments in the regions and enhance strategic inter-sectoral linkages for inclusive, resilient, and sustainable participation in the global value chains of Philippine Industry 4.0.

Strategies

To achieve market expansion

- Promote sustainable, inclusive, and resilient multidimensional tourism and holiday economics
- Align public service delivery to industry needs and business models to lower costs
- Ensure safety and security in the cyber and physical spaces
- Develop the services in trade framework to maximize trade agreements (*see Chapter 9*)

To strengthen creativity and innovation in services value proposition

- Increase access of MSMEs to capital, digital technologies, and start-ups
- Increase access of MSME management and workforce to training and capacity building programs
- Build capabilities of the creative industries
- Increase access to funds and incentives for R&D and startup ecosystem development
- Ensure the sustainable supply of a competitive, creative, and skilled workforce
- Strengthen Intellectual Property rights ecosystem

To enhance inter-sectoral linkages

- Facilitate physical connectivity (aviation, shipping and maritime, and land) and convenience to move people and goods
- Improve competencies for business advisory services
- Strengthen data collection ecosystem for market intelligence, insights, and industry studies

CHAPTER 8

Advance Research and Development, Technology, and Innovation

Research and Development (R&D) is made up of creative work undertaken on a systematic basis to increase the stock of knowledge, which can be used to generate new technologies and innovations. R&D, technology, and innovation are key drivers of long-term economic growth and social progress. Riding the crest of digital transformation, strategies will be pursued to develop high-value R&D products, technology, and innovations that hold promise of efficiency and competitiveness.

During the period 2023-2028, we will implement a set of integrated strategies that (a) advances R&D, technology, and innovation from the knowledge creation stage up to the commercialization phase of R&D products, and (b) reinforces the innovation and entrepreneurship ecosystem. The strategic framework views R&D, technology, and innovation generation as a continuum encompassing theoretical conception through basic research, and technical invention and commercial use. It seeks a balanced and strong support for both the knowledge-seeking and commercializing purposes of research, and the enabling environment that fosters a culture of innovation and entrepreneurship.

Strategies

To strengthen basic research and development and knowledge creation

- Nurture a supportive environment for R&D
- Re-engineer basic, technical-vocational, and higher education
- Aggressively increase national expenditure in R&D and its commercialization

To advance market-driven and customer-centered research and development

- Create mechanisms for integrating a market/user information system
- Integrate creative arts and social sciences with science and technology
- Carry out R&D, technology, and innovation in mutually beneficial private-public collaborations

To scale up technology extension, adoption, utilization, and commercialization

- Accelerate commercialization of market-oriented and inclusive STI products
- Provide support and incentives for IP management
- Intensify the technology transfer, extension, and commercialization of publicly-funded technologies
- Strengthen the provincial S&T Offices

To accelerate innovation and entrepreneurship

- Support globally competitive industries and an agile workforce
- Accelerate business mentoring programs
- Accelerate the implementation of the Philippine Innovation Act
- Establish and promote innovation hubs

CHAPTER 9

Promote Trade and Investments

Over the medium-term, the trade and investment sectors will be strong and positive contributors to overall national growth. This will require taking more informed risks and making harder choices to propel the country's global position upwards.

To meet these ambitions, both the public and private sectors, together with major social partners, will act as one, and powerfully re-charge trade and investments as motors of job creation, skills development, and poverty reduction.

Strategies

To restore, sustain and strengthen global position of Philippine export sectors

- Resolve key constraints to export growth and competitiveness
- Proactively monitor, implement preventive measures and interventions for distressed firms.
- Implement targeted, granular strategies to increase exports on three fronts: GVC export clusters (Industrial, Manufacturing, and Transportation [IMT], Technology, Media, and Telecommunications [TMT], and Health and Life Sciences [HLS]); food and agri-marine; and labor-intensive manufacturing
- Significantly diversify exports by fortifying sectoral backward & forward linkages
- Advance purposive, assertive, and forward-looking FTA strategies
- Position Philippines as the foremost supplier of tradeable intermediate services
- Ensure integrated, whole-of-government commitment to deliver broad access to the National Quality Infrastructure (NQI)

To increase and target total investments to boost trade, skills upgrading and sustainability

- Maximize synergy and decisively align national and local government investment promotion strategies
- Launch an aggressive branding campaign and raise awareness of the new business climate ushered in by most recent structural reforms
- Leverage the Strategic Investment Priority Plan (SIPP)
- Heighten the country's attractiveness to FDI by developing unique locational assets, especially in the rural areas
- Position the Philippines as a prime destination of foreign investments against climate change or environmental, social, and governance (ESG) investments

CHAPTER 10

Promote Competition and Improve Regulatory Efficiency

As the country emerges from the pandemic, ensuring an open and competitive market economy will be crucial to sustain economic recovery and encourage job creation. Genuine competition and enhanced regulatory efficiency will not only encourage investments and improve infrastructure, but will also enable businesses — especially micro, small, and medium enterprises (MSME) — to enter and compete in the market. In turn, market competition and ease of doing business will expand consumer access to affordable, innovative and high-quality goods and services.

Rapid digital transformation of markets poses new challenges and opportunities for competition enforcement and regulation. One challenge is that heightens the tendency and ability of large firms with more access to new digital technologies to consolidate market power. Digitalization also facilitates easier coordination and possible collusion among market players through the use of new and powerful algorithms and creates new cybersecurity and data privacy risks given the increased use of and access to personal data. On the other hand, digital technologies enhance competition, thus, enabling smaller firms to compete against larger ones increasing access of citizens to previously out of reach markets. The PDP emphasizes the full implementation of the Philippine Competition Act (PCA) through strategies that allow businesses to leverage existing or emerging digital technologies. It will help businesses become more agile, innovative, and competitive by fostering an environment where anticompetitive practices are prevented or penalized, entry and re-entry of players are facilitated, and strategies to promote innovation are supported.

Strategies

To diminish anticompetitive practices

- Strengthen and expand investigation, detection, and prosecution of anti-competitive conduct and agreements
- Leverage research and development efforts to identify and address competition and regulatory issues in priority sectors
- Develop a framework for the determination of significant market power (SMP), and the specification of obligations on entities with SMP
- Ensure compliance with the PCA through adoption of competition compliance programs

To reduce barriers to entry and re-entry

- Expedite the operationalization of recently enacted economic liberalization reforms
- Enable open access to essential infrastructure facilities in key sectors
- Institutionalize the use of Competition Impact Assessment Manual/Toolkit among government agencies and LGUs

To reduce burden of regulation

- Expedite efforts to automate and streamline processes for business registration, renewal, closure, and pivots
- Eliminate redundant, duplicative and overlapping regulations
- Establish the Philippine Ease of Doing Business Reporting System
- Implement the National Policy on Regulatory Management System (NPRMS)
- Enforce the separation of regulatory and proprietary activities of GOCCs

Cross-cutting Strategies

To adopt a whole-of-government approach to strengthen market competition

- Pursue full implementation of the National Competition Policy (NCP)
- Increase awareness, understanding, and support for the PCA and PCC

To promote competition and improve regulatory efficiency in and through the internet and digital technologies

- Enhance monitoring and understanding of emerging technologies, markets, and business models
- Expand access to broadband internet and digital technologies to enhance consumer choice and facilitate digitalization and innovation among MSMEs
- Adopt policies to improve competition and regulatory efficiency in digital markets

CHAPTER 11

Ensure Macroeconomic Stability and Expand Inclusive and Innovative Finance

Promote an Inclusive, Innovative, and Healthy Financial Sector

A vibrant and healthy financial sector is critical to ensuring a stable macroeconomy. Chapter 11.1 presents the strategies to promote the sector's health, innovation, and digitalization. Digitalization will allow enhanced access by a greater proportion of the population to a broader range of financial products and services. These strategies will move the Philippines closer to becoming an efficient and more inclusive cash-lite economy by 2028.

Strong corporate governance and sound risk management practices coupled with the ability to leverage on digital technology contributed to the resilience of the sector during the pandemic. Digital technology also provided a more efficient means of distributing social amelioration programs to formerly unbanked recipients. The pandemic highlighted the necessity of digital technology for the financial sector.

Strategies

To broaden and deepen financial inclusion

- Promote financial literacy
- Improve access to financial services, including digital services, among previously excluded sectors

To strengthen and accelerate financial innovation

- Adopt a regulatory sandbox approach for fintech innovators
- Encourage efficiency and innovation in SME financing, microfinance, and microinsurance
- Mainstream sustainable finance

To ensure financial sector health

- Pursue financial stability through macro and micro prudential measures
- Intensify consumer protection

Cross-cutting strategies

- Leverage data and address information gaps among stakeholders
- Promote safe and efficient National Payment System (NPS)
- Foster capital market development
- Promote RegTech development

Ensure Sound Fiscal Management and Improve the Tax Regime

Significant gains have been made by the government in broadening tax bases and strengthening excise taxation as a regulative tool. The structure and administration of the incentive system have been reformed to harmonize the revenue needs of the country with the promotion of investments.

The post-pandemic challenge is to sustain the country's economic recovery while maintaining fiscal sustainability amid global uncertainties. The country's socioeconomic development needs will continue to be financed through a progressive and simplified tax system and more efficient tax administration through the adoption of digital technology.

National government spending will be made more efficient while budget priorities will be aligned with the administration's socioeconomic agenda. Rightsizing of the bureaucracy will be pursued, consistent with the devolution of services to local governments. At the same time, the government will continue to recognize the important role of the private sector in development.

Sources of funding will be diversified through the development of the capital market, including the local government bond market.

These policy thrusts are aligned with the Medium-Term Fiscal Framework (MTFF) of the incumbent administration. With the efficient mobilization and utilization of resources, the national government will focus on achieving fiscal sustainability by bringing down the deficit-to-gross domestic product (GDP) ratio to 3 percent by 2028 and the national government debt-to-GDP ratio to less than 60 percent by 2025.

Strategies

To establish a productive, equitable, and simple tax system and mobilize other sources of revenues

- Strengthen the progressivity and productivity of the tax system
- Simplify taxation of the financial sector
- Pursue greater use of benefit taxation
- Implement appropriate tax regime for extractive industries and pollution
- Increase tax compliance to tax laws and regulations by simplifying tax rules and enhancing services of the BIR and BOC to taxpayers and other stakeholders
- Streamline and fully automate major processes in tax and customs administration
- Fast-track the privatization of government assets

To implement an efficient and inclusive budget system

- Increase participation of the private sector in the procurement of government projects
- Ensure timely completion of awards and projects
- Improve the efficiency of bureaucracy
- Pursue the Military and Uniformed Personnel (MUP) pension reform

To strengthen local government finance

- Strengthen the capacity of LGUs to raise more revenues and implement devolved functions
- Pursue an equitable and efficient National Tax Allotment (NTA)
- Develop the LGU bond market and establish an LGU credit rating system

To ensure sustainable management of debt

- Diversify and explore alternative sources of financing
- Maintain a resilient and strategic debt management

CHAPTER 12

Expand and Upgrade Infrastructure

Enabling economic transformation builds on sustainable, resilient, integrated, and modern infrastructure systems as a solid foundation. Anchored on the long-term vision, the government will steer the nation towards a future where movement of people and goods is safely and efficiently facilitated by adequate and accessible transportation. Filipinos are empowered through cost-effective and reliable flow and exchange of information and can partake opportunities in the digital economy. Families have access to safe and adequate water and sanitation services; to reliable, clean, and affordable fuel and electricity; and to quality education, health, solid waste management and other social infrastructure facilities. Communities and industries are served by green infrastructures that are not only adaptive and resilient against shocks and natural disturbances, but also contribute towards a low-carbon future.

Strategies

To enhance planning, programming, and asset management in infrastructure

- Implement integrated master-planning development and convergence programs
- Embed resilient and innovative solutions in infrastructure design
- Fully implement asset management and preservation
- Undertake strategic partnerships for financing investments

Connectivity

To achieve seamless and inclusive connectivity via local and international linkages

- Move people, goods and information through modernized and expanded transport and digital infrastructure, with active participation of the private sector
- Address universal mobility and connectivity needs

Water Resources

To attain water security, ecological integrity of water systems and resiliency to water hazards

- Upgrade and expand water infrastructure
- Strengthen implementation of Integrated Water Resource Management (IWRM)
- Invest in water infrastructure services provision and provide accessible financing for water supply and sanitation (WSS) projects

Energy

To provide affordable, accessible, reliable and clean energy

- Implement game-changing reforms to bring down the cost of electricity
- Enhance the delivery of energy by coordinating investment in generation, transmission, and distribution
- Provide an enabling environment for the market to deliver an optimal fuel mix
- Enhance the demand side management
- Invest in energy innovation to respond to increasing demand and new markets for clean technology goods and services

Social Infrastructure

To provide enhanced support to social development

- Ensure equitable access to health and educational infrastructure, in partnership with the private sector
- Improve resiliency to support health and educational outcomes
- Pursue optimal solid waste management (SWM) solutions

CHAPTER 13

Ensure Peace and Security and Enhance Administration of Justice

A secure and peaceful community where guns are silenced, food and basic services are sufficient, and community life has normalized and show signs of progress. This reality is now within the reach of geographically isolated and conflict-affected communities.

In pursuing economic transformation, the manifestation of peace and security is a necessary condition in allowing the implementation of development activities that could bring in more and better opportunities for the people. This is attainable if conflict-vulnerable areas are protected and developed, the quality of life is safeguarded from criminality, and communities are safe from natural hazards and other security threats.

Likewise, an efficient administration of justice is critical in ensuring sustained economic progress. A stable and accountable justice system, whether traditional or alternative, must inspire trust and confidence among stakeholders such that it must be accessible, fair to all, and with integrity.

The PDP 2023-2028 puts forward the premise that a whole-of-government approach with cross-cutting strategies is required in ensuring peace and security. On the other hand, it asserts that economic justice is a pillar of a strong and vibrant economy and requires a sector-based approach anchored on strong coordination among justice sector institutions, agencies, and actors to drive public engagement and trust in the justice system.

Ensure Peace and Security

Peace agreements between the government and non-state armed groups have stabilized security in many areas, normalizing a life free of violence and allowing the implementation of development projects that opened new and better opportunities for the people. Investing in peace and security continues. This is realized by completing the commitments of signed peace agreements and in helping former combatants, their families, and conflict affected communities return to civilian life. In areas not covered by peace agreements, localized peace engagements will be intensified, with local government units (LGU) facilitating the whole-of-nation efforts. Affirmative action on law enforcement operations on land and at sea, and disaster response will be strengthened. Ongoing modernization of the armed forces and other security sector agencies will be intensified to protect the country's territorial integrity.

Strategies

To sustain protection and development of conflict-affected communities and conflict vulnerable areas

- Complete the implementation of all signed peace agreements
- Ensure full transition of the Bangsamoro Government
- Expedite normalization of former combatants, their families, and conflict-affected communities, including Marawi City.

- Strengthen convergence of programs, and ensure that development interventions are conflict-sensitive and peace promoting
- Advance healing and reconciliation, social cohesion, and transitional justice interventions
- Establish appropriate mechanisms to counter threats from terrorism, radicalization, and violent extremism

To safeguard quality of life of people from criminality

- Promote a holistic approach in addressing the proliferation of illegal and dangerous drugs
- Expand police engagements with communities
- Strengthen national, regional and international partnerships to counter and prevent threats from terrorism, transnational crimes, and other non-traditional security threats

To ensure protection and safety from natural hazards and other security threats

- Improve security forces capability on humanitarian assistance and disaster response and protection services
- Protect critical infrastructure, strategic assets, and natural resources
- Strengthen security and resilience of the Philippine cyberspace

To protect and uphold territorial integrity and sovereignty

- Intensify advocacy on respect for rules-based regime in the regional and international community
- Pursue greater international and regional dialogues and cooperation
- Develop a modern, credible, and self-reliant defense posture
- Strengthen capacity of institutions in security assessment, operations and response relative to geopolitical developments

Cross-cutting Strategies

- Sustain compliance of LGUs to good governance principles and deepen security sector compliance to human rights and rule of law
- Strengthen gender mainstreaming and protection of vulnerable groups in conflict affected communities
- Mobilize broad-based peace constituency

Enhance Administration of Justice

A stable and accountable justice system is essential in achieving economic transformation. In such a system, the needs and expectations of litigants are reliably managed within definite timeframes by impartial actors, supported by a technologically-adaptive and disaster-resilient infrastructure. The system entails the provision of cost- and time- effective dispute resolution mechanisms, whether traditional or alternative, that inspire faith and confidence among stakeholders.

Efficient justice administration is realized when stakeholders from all sectors of society, including the business sector, are able to resolve legal disputes within the justice system. When there is confidence in the justice system, more entrepreneurs and business leaders are willing to expand their businesses through investments in assets and people.

Strategies

To improve quality and efficiency in disposition of cases

- Establish and/or strengthen coordination mechanisms to improve sector efficiency and accountability
- Create a Central Evidence Unit to store and handle evidence in criminal cases
- Improve human resource allocation in the justice sector
- Adopt sectoral training for all stakeholders in commercial disputes
- Advance the use of Alternative Dispute Resolution mechanisms at all levels
- Maximize the use of digital technology and build a robust, efficient, and disaster-resilient ICT architecture for the justice sector
- Implement the integration of the unified crime index to improve uniformity of crime data
- Streamline the rules on the disposition of specialized and multi-party cases
- Automate consumer complaints handling
- Provide private sector-led redress mechanisms

To improve access to quality free or affordable legal services by Filipinos

- Promote limited law practice
- Establish free legal aid public directory and referral system
- Expand the Justice on Wheels Program
- Strengthen victim legal protection and assistance
- Expand access to non-financial bail and periodic review of preventive imprisonment

To improve quality of life of PDL and ensure productive re-integration of PDL in the community

- Undertake construction and repair of penal facilities
- Establish a unified penology and corrections system
- Operationalize the National Preventive Mechanism
- Expand the *e-Dalaw* system, livelihood and entrepreneurial opportunities for PDL, and multi-disciplinary rehabilitation mechanisms
- Identify classes of PDL who may be qualified for early release and expand access to parole and probation for certain classes of offenses
- Operationalize the unified referral and monitoring system for former PDL

CHAPTER 14

Practice Good Governance and Improve Bureaucratic Efficiency

Achieving a prosperous, inclusive, and resilient society through economic transformation requires the practice of open, efficient, and accountable governance. In this desired future, citizens, civil society organizations, and the private sector are able to access clear and capable platforms that effectively receive and respond to their agenda at all levels of government. Citizen participation is inclusive, fair, and empowering; and allows Filipinos to transact conveniently with the government through digital technologies and maximize the benefits of an integrated and productive bureaucracy. Furthermore, public servants are agile, resilient, and accountable; and citizens trust that they will consistently perform at the highest levels of inclusion, productivity, and integrity.

Strategies

To deepen participatory governance

- Ensure sufficient and functional participatory spaces
- Broaden public access to information
- Improve the quality of participation
- Increase inclusivity and accessibility of elections

To bolster public accountability and integrity

- Enhance public feedback loops
- Intensify transparency in public spending
- Strengthen implementation and monitoring of anti-corruption laws and programs
- Improve national governance assessments

To rationalize and strengthen government functions, systems, and mechanisms

- Pursue rightsizing and the whole-of-government approach in re-engineering systems and procedures
- Accelerate digital transformation in government
- Raise the productivity performance of agencies

To support competent, motivated, agile, and resilient public servants

- Guarantee complete and capable human resources in government
- Promote conducive working environments

CHAPTER 15

Accelerate Climate Action and Strengthen Disaster Resilience

By 2028, communities, institutions, and natural and built environment in the Philippines are more resilient to the impacts of natural hazards and climate change. To realize this goal, the government will strengthen cross-sectoral convergence and coordination and implement a comprehensive risk management approach to reduce intersecting vulnerabilities and address complexities in managing the compounding and cascading risks posed by climate change across different sectors. The government will collaborate with the private sector and international community to scale up sustainable and green investments that propel economic transformation for a prosperous, inclusive, and resilient society. Innovative policies and measures to advance low-carbon development will also be pursued while ensuring just transition and job creation. Rehabilitation and protection of natural resources will be accelerated to sustain the provision of ecosystem goods and services. Green and blue economy will be promoted and developed to optimize their contribution to livelihood and employment generation while improving environmental and social well-being. Lastly, improved governance will underpin the country's collective effort to ensure long-term climate and disaster resilience.

Strategies

To increase climate and disaster risk resilience of communities and institutions

- Strengthen the capacity of LGUs and communities in disaster prevention and preparedness
- Boost multi-stakeholder partnership in building and translating knowledge to climate change adaptation and disaster risk reduction

To enhance ecosystem resilience

- Intensify ecosystem protection, rehabilitation, and management
- Promote and expand natural resource-based industries and enterprises

To enable low carbon economy transition

- Implement the Nationally Determined Contributions (NDC) policies and measures (PAM)
- Bolster private sector investments in green development
- Ensure just transition of workers affected by the structural changes towards a greener, more sustainable, and low carbon economy

To improve governance and intersectionality of climate change and natural hazard resilience

- Improve national and local climate and risk data and information management system
- Scale up natural capital accounting and valuation of ecosystem services.
- Scale up the mobilization of sustainable finance from public and private sources

CHAPTER 16

Plan Implementation, Monitoring, and Evaluation

Building on the gains of the previous Plan and learning from lessons of the COVID-19 pandemic, the PDP 2023-2028 shifts to higher gear toward economic transformation for a prosperous, inclusive, and resilient society.

This economic transformation calls for a whole-of-government and whole-of-society collaboration, which will be enabled through good governance, transparency, accountability, and evidence-based decision-making. Efficient and close coordination at various levels of government is crucial in implementation. The involvement and cooperation of the private sector during monitoring is deemed vital in ensuring that the government remains on track to achieving its targets. Timely assessment and evaluation will also be done to correct deviations.

Implementation

The government will set the necessary policies and regulatory environment and implement concrete programs, activities, and projects (PAP) to achieve the targets set in the Plan. An executive order will be issued directing all government instrumentalities to adopt and align agency plans, roadmaps, and budgetary programs with the PDP 2023-2028. The NEDA Secretariat will work with implementing agencies on the prioritization of identified strategies, policies, programs, and projects, including the proposed legislation.

Given the interrelatedness of the strategies, inter-agency committees (IAC) were identified to lead and coordinate the implementation of the Plan. They are enjoined to regularly discuss the status of the transformation agenda and pursue measures to expedite the rollout of strategies.

The NEDA Board will oversee the implementation of measures that directly contribute to the achievement of the headline targets as enumerated in Chapter 1.

Meanwhile, the NEDA Board Committees and existing clusters will steer the implementation of the chapter strategies. Table 2 lists the lead inter-agency per chapter.

The Social Development Committee (SDC) will take the lead in ensuring that strategies are implemented to achieve the targets under *Chapter 2: Promote Human Capital and Social Development*. The SDC will also push for measures to increase the income-earning ability of Filipinos as identified in Chapter 4.

Table 2. Coordination Mechanism

CHAPTER	RESPONSIBLE IAC
Chapter 1. Economic and Social Transformation Towards AmBisyon Natin 2040	NEDA Board
Chapter 2. Promote Human Capital and Social Development	Social Development Committee
Chapter 3. Reduce Vulnerabilities and Protect Purchasing Power	Economic Development Cluster*
Chapter 4. Increase Income-Earning Ability	Social Development Committee
Chapter 5. Modernize Agriculture and Agri-business	Economic Development Cluster*
Chapter 6. Revitalize Industry	Economic Development Cluster*
Chapter 7. Reinvigorate Services	Economic Development Cluster*
Chapter 8. Advance Research and Development, Technology, and Innovation	National Innovation Council
Chapter 9. Promote Trade and Investments	Inter-Agency Investment Promotions Coordination Committee; Committee on Tariff-Related Matters
Chapter 10. Promote Competition and Improve Regulatory Efficiency	Inter-Agency Committee on Good Governance
Chapter 11. Ensure Macroeconomic Stability and Expand Inclusive and Innovative Finance	Development Budget Coordination Committee
Chapter 12. Expand and Upgrade Infrastructure	Infrastructure Committee
Chapter 13. Ensure Peace and Security and Enhance the Administration of Justice	National Security Council and Justice Sector Coordinating Council
Chapter 14. Practice Good Governance and Improve Bureaucratic Efficiency	Inter-Agency Committee on Good Governance and PH-Open Government Partnership
Chapter 17. Accelerate Climate Action and Strengthen Disaster Resilience	Cabinet Cluster on Climate Change Adaptation, Mitigation, and Disaster Risk Reduction*

* Or the equivalent NEDA Board Committee

The Economic Development Cluster or the equivalent NEDA Board Committee will ensure that measures identified in *Chapter 3: Reduce Vulnerabilities and Protect Purchasing Power* are pursued. The EDC will also expedite the implementation of measures to transform the production sectors, as identified in *Chapter 5: Modernize Agriculture and Agribusiness*, *Chapter 6: Revitalize Industry*, and *Chapter 7: Reinvigorate Services*.

The National Innovation Council (NIC) will steer the implementation of measures to advance research and development, technology, and innovation (*see Chapter 8*), driving an innovation-based transformation for various sectors.

The transformation agenda will also be supported by strategies that promote trade and investments (*see Chapter 9*), to be steered by the Inter-Agency Investment Promotions Coordination Committee (IIPCC), and the tariff and non-tariff policies to be tackled by the Committee on Tariff-Related Matters. Policies

promoting competition and improving regulatory efficiency (*see Chapter 10*) will be led by the Inter-Agency Committee on Good Governance (IAC-GG).

To promote macroeconomic stability (*see Chapter 11*), the Development Budget Coordination Committee will ensure that fiscal and financial policies are sound and supportive of transformation. Meanwhile, the Infrastructure Committee will pursue the expansion and upgrading of the country's infrastructure (*see Chapter 12*).

The National Security Council will lead the implementation of strategies to ensure peace and security (*see Chapter 13.1*); the Justice Sector Coordinating Council will have oversight on enhancing administration of justice (*see Chapter 13.2*). Meanwhile, good governance and the enhancement of bureaucratic efficiency (*see Chapter 14*) will be steered by the Inter-Agency Committee on Good Governance; and the acceleration of climate action and disaster resilience (*see Chapter 15*) will be steered by the Cluster on Climate Change, Adaptation, Mitigation, and Disaster Risk Reduction.

Monitoring and Evaluation

The progress towards achievement of the identified outcomes will be monitored and assessed using indicators and interim targets as identified in the accompanying document, Results Matrix (RM). The RM was instituted in 2011 as an instrument designed to provide results orientation to the Plan. It is anchored on results-based management (RbM), which highlights the achievement of outcomes and impact. It aims to strengthen government-wide results orientation, which shall allow for regular performance assessment of the Plan.

The RM is a living document that should be referred to and updated regularly to ensure responsiveness to the country's continuously evolving development landscape. To assess the progress towards achieving the Plan, the NEDA Secretariat shall annually prepare the Socioeconomic Report (SER) to present actual accomplishments in terms of outputs and outcomes as contained in the PDP and the RM. This report shall also identify key challenges toward the achievement of results and provide policy directions moving forward.

Gaps and weaknesses in data generation (e.g., unavailable regional breakdown, absence of appropriate methodology to measure indicator progress) for the monitoring of the Plan will likewise be identified during the SER. To address the gaps, the following strategies will be employed:

1. **Strengthening the collection of data.** The Philippine Statistics Development Program (PSDP) will remain the primary mechanism to address the data requirements for the monitoring of the PDP and other sectoral plans and regional plans. It is envisioned to set the directions, thrusts, and priorities of the Philippine Statistical System (PSS) in the medium term for the generation and dissemination of statistical information for policy- and decision-making of the government, private sector, and general public.

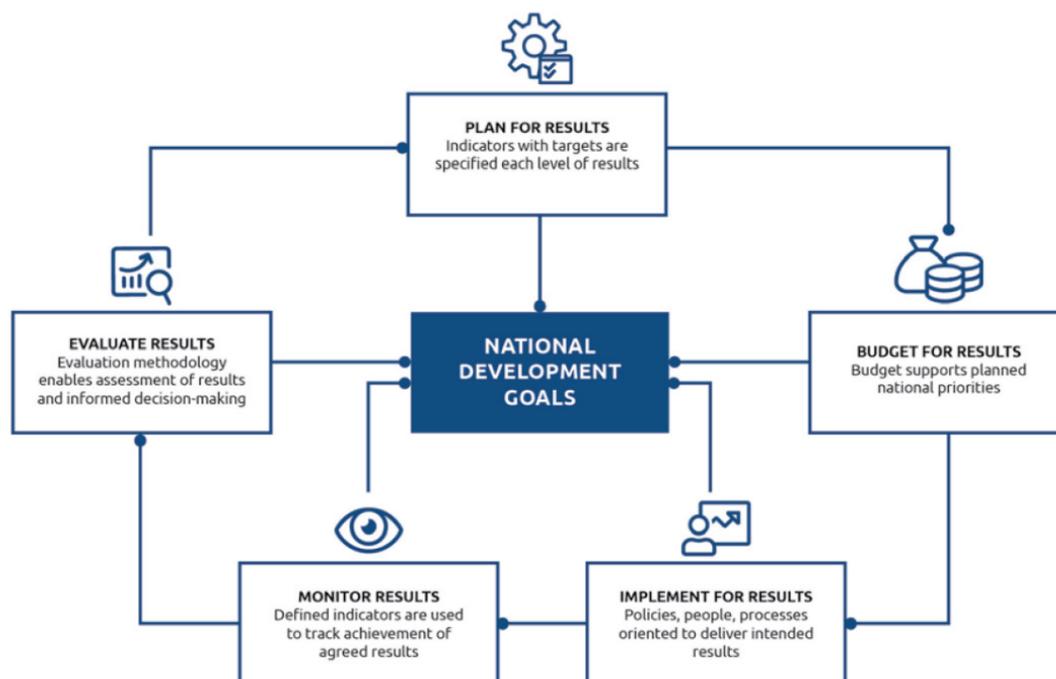
2. **Improving analysis, reporting, and use of monitoring data.** Making the information on (a) the annual accomplishment of RM indicators, and (b) the likelihood of attaining end-of-plan targets, available in an online platform is important in maintaining public accountability and enhancing stakeholder engagement. This may be facilitated through the use of data visualization solutions such as storyboards, infographics, and dashboards, among others. Following the open data policy of the government, the creation of such a platform shall improve the accessibility and comprehension of PDP monitoring data.
3. **Enhancing capacities to monitor the Plan.** The reporting agencies identified in the RM should continue to enhance their capacities to monitor the Plan towards ensuring the provision of quality and timely data. To facilitate this, human and financial resources to strengthen capacities for data collection, analysis, and reporting, as well as statistical literacy, at the national and sub-national levels should be adequately allocated. Stronger partnerships with development partners, CSOs, and academe shall be pursued to support continuous enhancement of knowledge, skills, processes, and systems on monitoring.

Evaluation Agenda for the PDP

NEDA and DBM adopted the National Evaluation Policy Framework (NEPF) in 2015⁹ in line with the government's continuing efforts to strengthen its results orientation (*see Figure 2*). The NEPF underscores the need to develop an evaluative culture in the government by providing the framework for the purposive conduct of evaluations in support of good governance, transparency, accountability, and evidence-based decision-making.

As NEDA takes the lead in the formulation of the PDP and oversees its implementation, the agency is in the strategic position to be at the helm in the systematic, rigorous, and impartial assessment of its progress.

⁹ Joint Memorandum Circular 2015-01 dated July 15, 2015 <<https://nep.neda.gov.ph/document/NEDA-DBM%20Joint%20Memorandum%20Circular%20No.%202015-01%20-%20National%20Evaluation%20Policy%20Framework%20of%20the%20Philippines.pdf>>

Figure 2. Evaluation and the Public Sector Management Cycle

Source: APCoP 2011¹⁰

A national evaluation agenda will be crafted to set out the priority evaluations that the government will pursue as means of measuring and obtaining evidence on results derived from strategies and priority interventions laid out in the plan and the RM. Evaluation will particularly play key roles in (a) informing further articulation of the PDP and implementation of programs; (b) conveying progress achieved against priority areas of investment; and (c) promoting transparency and accountability by making evaluation results accessible to all branches of government and most importantly to the public. Toward this end, the government will adopt the following key strategies:

- a. **Undertake scoping studies to identify knowledge gaps and the corresponding evaluation studies to create evidence that will inform** the implementation of priority programs and projects of this administration. These evaluative studies are also intended to inform updating of the current PDP and the formulation of the successor Plan. Agencies should draw on existing evaluation initiatives if available; if not, evaluations may be commissioned.
- b. **Strengthen the collection, analysis, and use of evaluation data to promote evidence-based and data-driven decision-making.** At the outcome level of the PDP, the government will continue to collect data on the situation of the Filipino people through regular surveys and explore the application of new and innovative methods to gather data to be used for evaluation.
- c. **Support the enactment of a National Evaluation Policy (NEP) to accelerate efforts in institutionalizing evaluation practice in the government.** NEPs become necessary instruments for

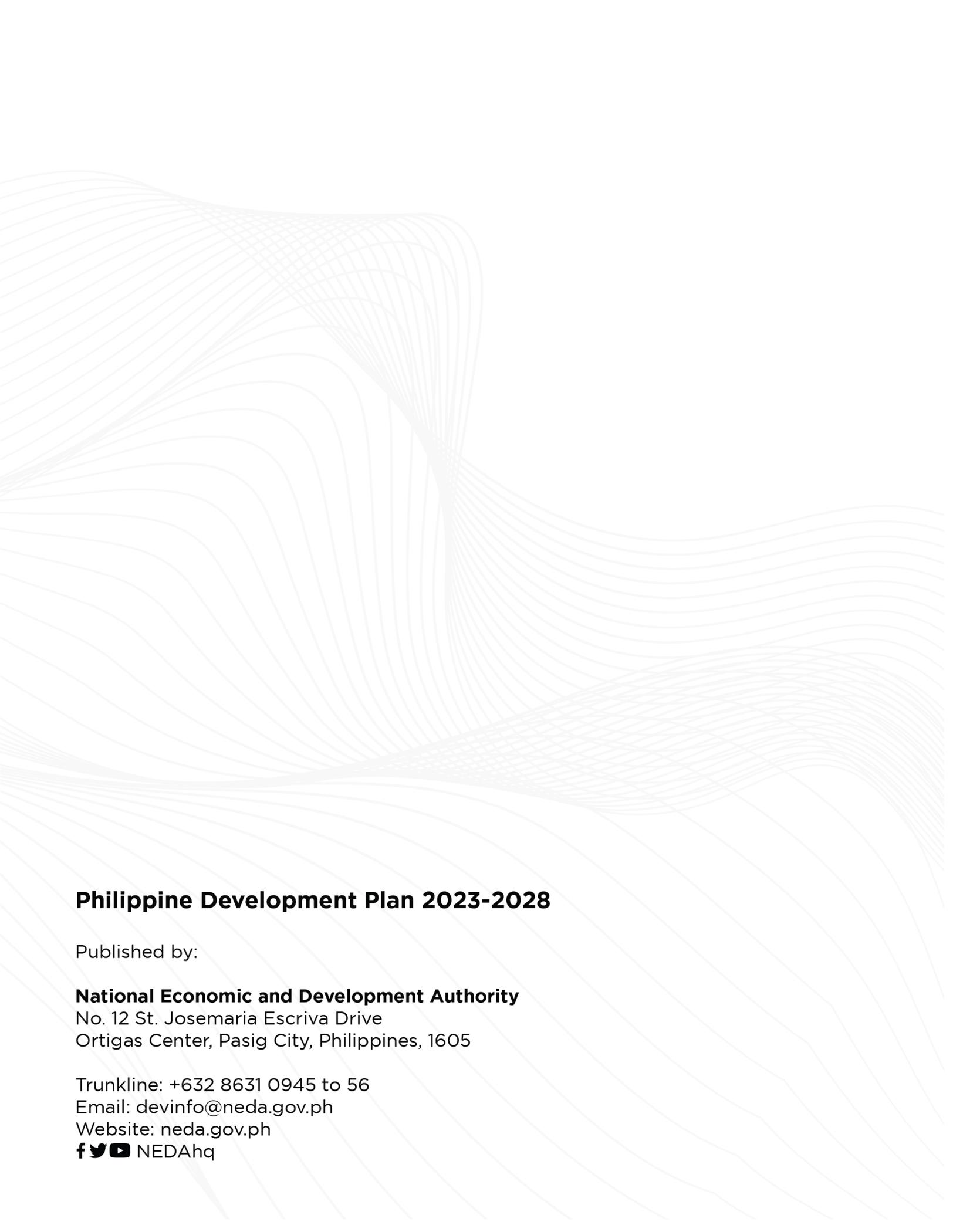
¹⁰ Asia-Pacific Community of Practice on Managing for Development Results. (2011). Framework for Results-based public sector management and country cases. Manila: Asian Development Bank. <<https://www.oecd.org/dac/peer-reviews/Asia%20pacific%20cop%202011%20Framework%20for%20RBPM%20and%20Country%20Cases.pdf>>

guiding the practice of M&E within national development programs as they provide principles and standards for data collection and management, utilization, and financing among others.¹¹

- d. **Strengthen the capacity of agencies to conduct and utilize evaluations.** To effectively develop capacities, technical knowledge of evaluations at the individual level should be complemented by opportunities for hands-on application. Nevertheless, the government should also aim to establish a structured training program for evaluation that is widely available, along with supplementary learning resources such as handbooks.
- e. **Effectively communicate evaluation findings to increase utilization and influence of evaluations.** Capacity development and the practice of evaluations will be supported by a culture of evidence-based decision-making to ensure its mainstreaming. This entails having an institutionalized evaluation unit to manage and advocate for evaluation activities within each agency of the bureaucracy. This unit will ensure that prioritization and utilization of evaluations are integrated into higher-level processes such as agency planning and project development. Documentation of M&E activities and learning also ensure that new program teams can leverage institutional knowledge built from previous projects.

The NEDA Secretariat will also consult with the PDP Advisory Committee on the assessment of strategies and their effectiveness in achieving the targets and outcomes. The PDP Advisory Committee will be convened during the midterm update preparations, and more frequently if necessary.

¹¹ https://idev.afdb.org/sites/default/files/Evaluations/2020-03/Why%20Should%20Countries%20have%20National%20Evaluation%20Policies_F%20Mwajjande_0.pdf



Philippine Development Plan 2023-2028

Published by:

National Economic and Development Authority

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